Annual Report 2025

Delivering today, building tomorrow

Key figures 2025

Farmers satisfaction
Net Promoter Score

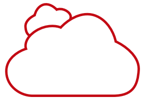
38

2024: **25**

Lely Centers
worldwide

184

2024: **184**



Renewable electricity of total consumption

87%

2024: **88%**

CO_2 footprint
tonnes CO_2eq; Scope 1, 2

6,131

2024: **5,730**

CO_2 footprint
tonnes CO_2eq; Scope 3

391,586

2024: **400,257**

Employees

2,711

2024: **2,375**

Lely Center employees

~4,600

2024: **~4,000**

Diversity in management
female/male

22/78%

2024: **21/79%**

Total revenue
in mln. €

1,014

2024: **857**

R&D investments
% revenue

>8%

2024: **9%**

Customers worldwide

45,770

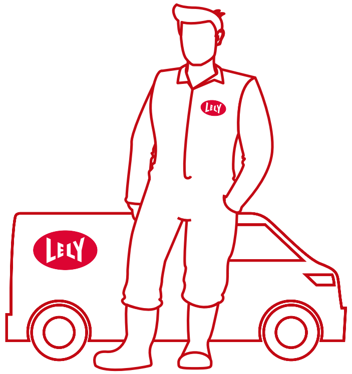
2024: **44,417**

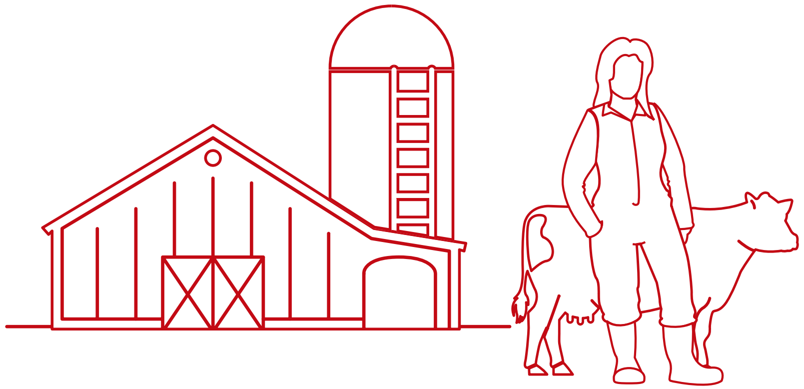
GPTW Trust Index head office

79*

2024: **79**

* measured biennially; unchanged.





About Lely

Performance and value creation

Corporate governance

Sustainability statement

Content

About Lely

Total revenue
in mln. €

1,014

2024: **857**

Foreword CEO

We have always grown alongside the farmers we serve. When they face pressure, we feel it. And when they find their footing, so do we.

In 2025, the dairy sector thrived. Strong milk prices gave dairy farmers around the world the opportunity to earn a good income, fuelling a renewed appetite to invest. That appetite, combined with rising customer satisfaction and the reliability of our solutions, led to a year of remarkable results for Lely, exceeding €1 billion in sales for the first time in history: an achievement we are very proud of.

Still, no year is without its challenges. Farmers continue to navigate a shifting landscape, evolving government regulations and ongoing demand from society for transparency and animal welfare. These are not temporary headwinds – they reflect a broader structural shift that the sector continues to work through.

While these challenges shaped parts of the year, they most certainly did not define it. For most farmers and Lely alike, it was ultimately a year of strong results.

A milestone worth celebrating

Our annual sales of €1,014 million represents 18% revenue growth – growth that would not have been possible without our farmers' continued trust. Yet, we do not measure our success in numbers alone. At Lely, we don't come to work each day to grow turnover. We come to work to serve farmers. This milestone is a reflection of the farmers who choose to invest in Lely solutions, and that is what makes it truly worth celebrating.

'We are **proud of the trust** that our farmers place in us.'

We are grateful for their work and remain committed to innovating with their needs in mind, delivering products that help them simplify tasks and improve efficiency.

Innovating for the Farm of the Future

During the year, we focussed on refining and improving our solutions, making the best even better. We successfully introduced four new products: Vector Next, Astronaut A5 Next, Astronaut Max and Hub. With Vector Next, Astronaut A5 Next and Astronaut Max, we are taking the next step in feeding and milking, supporting farmers improve efficiency and build future-proof operations. Hub, meanwhile, helps farmers further enhance the digital resilience of their business. Together, these products move us forward in shaping our vision for the Farm of the Future: a farm that is productive, sustainable and fully accepted by society, ensuring that farmers maintain their licence to produce healthy and nutritious food.

Shaping that future also means finding new ways to create value on the farm. While automation and robotics remain at the heart of our business, we continue to explore ways to improve the profitability of our farmers. Our recent investment in a two-year pilot project with Grassa is an example of this. Through this partnership, we aim to accelerate and scale up the process of grass valorisation and investigate whether it can provide an additional source of income for farmers. By making better use of this natural resource, we also aim to improve the environmental impact of the farm even further.

Outlook

We enter 2026 with strong momentum, confident in the continued improvement of our solutions and optimistic about the future of innovation, both the innovations we are already refining and those we have only just begun exploring. At the same time, we remain realistic about the challenges ahead: milk prices have lowered significantly and broader pressures in the agricultural sector show little sign of easing. In addition, as geopolitical tensions persist, the global chip supply is a topic of growing attention, and we continue to monitor potential disruptions to chip deliveries.

> ‘Our founders were farmers themselves, and that perspective remains central to who we are. As we grow, we make a conscious effort to ensure that this perspective stays embedded in how we think, innovate and serve, ensuring we stay closely connected to the realities our customers face every day.’

Nonetheless, the long-term outlook for robotics and data in farming remains positive. Global demand for dairy continues to grow, and we believe the answer to meeting that demand efficiently and responsibly lies in innovation, robotisation and digitalisation. To this end, we will keep innovating, keep improving and keep making good products better. For the farmers we serve today, and those we hope to serve tomorrow.

20 May 2026

André van Troost, CEO

About Lely

Performance and value creation

Corporate governance

Sustainability statement

Company profile

Founded in 1948, we are dedicated to creating a sustainable, profitable and enjoyable future in farming. We develop autonomous systems and data platforms with the well-being of cows at their center. These innovative and valued solutions are combined in one integrated ecosystem that continuously adapts to the needs of the farmer and contributes to improved animal welfare, long-term farmer prosperity and our environment.

For decades, we have been a global leader in the automation of dairy farming, serving multiple generations of dairy farmers. With our head office in Maassluis, the Netherlands, we operate in more than 50 countries, employing 2,711 people globally (per 31 December 2025) to ensure farmers receive the best solutions and services for their farms. In addition to cutting-edge technology, we also deliver tailored support and expert advice through our premium distribution channel of 184 Lely Centers, which employ around 4,600 employees globally.

Lely at a glance

Founded in
1948

Employees
2,711

R&D entities
2

Production facilities
3

Current patents
~1,500

Customer countries
50+

Sales (in mln. €)
1,014

History

Our legacy began in the years after World War II, when rebuilding prosperity and feeding a rapidly growing population defined the age. Farming became a respected way of life, yet it remained demanding, requiring farmers' full commitment every day.

Determined to change that, our founding fathers, Cornelis and Arij van der Lely, developed the Lely Acrobat: a simple, affordable yet robust machine that raked grass and turned crops. The invention marked the first phase in our history: mechanisation. In the 1990s, we introduced robotisation, and by 2020, we took the next step into digitalisation followed by Artificial Intelligence with the introduction of Lely Zeta in 2024.

1948
Cornelis van der Lely's first successful patent is registered on 2 June 1948 for the Lely Acrobat. This date marks the foundation of our organisation and the start of the mechanisation of the agricultural sector.

1968
Market launch of the Lely Roterra power harrow (later: Lelyterra), marking Lely's international breakthrough and driving unprecedented sales growth for the company.

1992
Installation of the first Lely Astronaut milking robots at two dairy farms in the Netherlands, marking the second phase in our history: robotisation of farming. The official market introduction followed in 1995.

2017
The sale of our forage division is announced, and US-based AGCO takes over the plants in Wolfenbüttel and Waldstetten, Germany. As of 2017, Lely focuses on dairy farming only.

2023
Lely celebrates its 75th anniversary and introduces a new vision on the Farm of the Future.

2024
Launch of our new strategy: Impact30. Through five pillars, we address the challenges and trends that farmers and our company face today, aiming to build healthy businesses for generations to come.

About Lely

Performance and value creation

Corporate governance

Sustainability statement

Key events 2025

Launch of Vector Next during the global 'Feed your Business' event in the Netherlands. The latest feeding robot represents the next step in automatic feeding. Later in the year, the 2025th Vector was installed in Sweden.

New solutions introduced at the 3rd edition of the Lely Future Farm Days: Astronaut Next, Astronaut Max and Hub. All three robots are designed with a focus on animal welfare and farmer prosperity.

Annual profit pledge of 5% to the Van der Lely Foundation. This pledge will help us realise our sustainability ambitions and commitments as embedded in our strategy.

Grassa and Lely join forces to scale up grass processing. During this partnership, we will also explore whether the optimal valorisation of grass can develop into a viable business model for farmers.

Great Place To Work®

Cluster North East awarded as one of Denmark's Great Places to Work – an annual award for the best employers. North East ranked 7 out of 20 in their category: a place based on the voice of the employees themselves.

First-ever press event for Exos hosted in Germany, celebrating the arrival of our autonomous fresh grass mower on German soil and showcasing it in action. Exos enables farmers to feed their cows fresh grass from February to November.

Trends and developments

As an international company, we closely monitor developments worldwide, focussing on the countries where we operate and the farms that work with our robotics and data solutions. Understanding these shifts is essential to our work: they guide how we innovate, where we focus our efforts and how we pursue our vision of a sustainable, profitable and enjoyable future in farming. In this chapter, we provide insight into the most important developments in 2025 and their impact on dairy farmers, as well as the long-term outlook for our sector.

Trends observed in 2024 continued into 2025, with dairy farmers facing challenges shaped by global developments such as supply-demand imbalances, geopolitical tensions and structural changes within the sector. While dairy demand continues to grow, farmers face constraints on production growth driven by high input costs, climate-related disruptions and regulatory limits. Farmers are also facing uncertainty from volatile trade policies and shifting geopolitical dynamics that are disrupting global dairy trade and feel the consequences of heightening export risks.

Despite these constraints and uncertainties, the OECD-FAO Agricultural Outlook projects global milk production to increase by around 1.5% per year over the next decade, reaching approximately 1,030 million tonnes by 2032. Economic pressures are driving farmers to pursue greater efficiency, contributing to ongoing consolidation across the global dairy sector.

According to the International Farm Comparison Network (IFCN), this trend is expected to lead to a significant decline in the number of dairy farms worldwide. This consolidation is driving a shift towards larger, technology-advanced farmers.

Beyond these trends, emerging biotechnologies such as cell-cultured dairy are being explored as alternative approaches to dairy production.
To remain a healthy family business, we must remain conscious of long-term opportunities for both our farmers and for Lely itself. Therefore, we will explore the role of alternative proteins on a small scale to determine whether this could be an additional business model alongside dairy production.

Operational and regulatory pressures

Across Europe, extreme weather events and temperature fluctuations remain a concern, while disease outbreaks, including Bluetongue and Foot-and-Mouth Disease, have increased veterinary costs and biosecurity requirements. Milk prices also declined towards the end of the year.
In addition to operational pressures, regulatory pressures continue to shape the EU dairy sector. Policies such as the EU Green Deal, EU Nitrates Directive and the European Climate Law, alongside stricter animal welfare frameworks, are increasing compliance costs for farmers and, in some regions, limiting herd expansion.

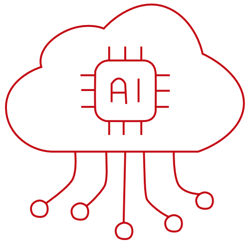
As a result of these regulations, milk production has plateaued. At the same time, regulatory constraints are driving European producers to shift away from volume growth toward higher-value products, including specialty cheeses, yoghurt, premium dairy ingredients and milk powder for export markets.

About Lely

Performance and value creation

Corporate governance

Sustainability statement



Technology and innovation

Even amid a changing landscape, our long-term outlook is positive. Global dairy demand is steadily rising, with the IFCN projecting growth of 1.3% per year on average, highlighting dairy's continued importance in global nutrition. To meet this demand amid production constraints, investment is increasingly focussed on sustainable and innovative solutions.

Automation and AI tools are transforming dairy farming. Robotic milking systems, automated feeding, drone-assisted pasture monitoring and digital farm management platforms can help farmers increase productivity, reduce labour dependency, improve operational accuracy, improve cow health and thus lower health costs and improve operational accuracy.

For Lely, these trends are encouraging. As farmers invest in smarter, more sustainable ways of working, we are committed to supporting them with solutions that ease their workload, strengthen their operations and help contribute to the future of farming.

About Lely

Performance and value creation

Corporate governance

Sustainability statement

Vision, mission and strategy

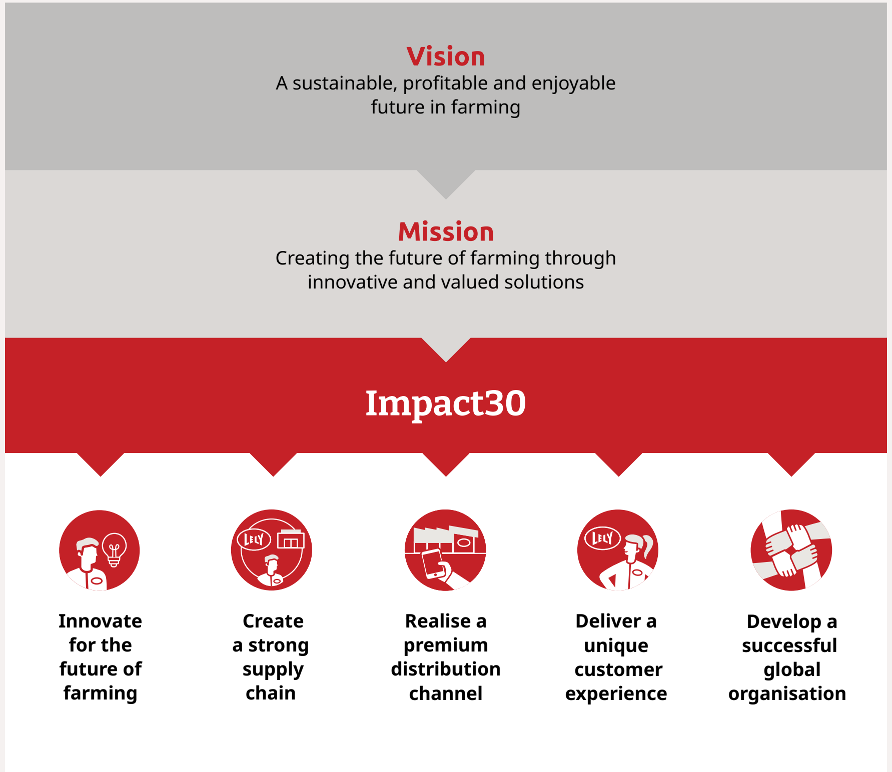
Our founders had only one goal: to make farmers' lives easier through innovation. Today, that same commitment shapes our vision of creating a sustainable, profitable and enjoyable future in farming.

Driven by this vision, our mission is to create the future of farming through innovative and valued solutions – solutions that help farmers navigate the challenges of a changing agricultural landscape and support their journey towards the Farm of the Future.

Strategy: Impact30

The world farmers operate in is rapidly changing: societal scrutiny, stricter regulations and shifting macroeconomic dynamics are reshaping the agricultural landscape. At the same time, global demand for nutritious dairy products continues to grow, reflecting dairy's continued importance in diets around the world.

Impact30 is our response to this shifting landscape – a strategy that outlines how we will navigate these changes and turn today's challenges into tomorrow's opportunities. In doing so, we aim to become a future-proof organisation that enables farmers to create sustainable, resilient farms for generations to come.



Our strategy Impact30 consists of five pillars:

1. Innovate for the future of farming
It is our goal to help make farming a beacon for sustainable food production again. In our innovations, we focus on the five impact areas of the Farm of the Future. These serve as guiding principle for our innovations in the coming years. More information can be found on page 14 of the report.

2. Create a strong supply chain
Our supply chain is vital to our success and the reliability of our services and products. We aim to build a resilient supply chain, ensuring a consistent supply of materials through multiple sources, to remain a trusted partner for our customers.

3. Realise a premium distribution channel
We rely on a strong distribution channel to successfully bring our innovative propositions to the farmer. We will establish a customer-centric omnichannel approach that blends our online platform with the current Lely Center channel, allowing farmers to choose their preferred way of working with us.

4. Deliver a unique customer experience
Farmers are our partners and ambassadors. We aim to support them and deliver on our promises with a farmer-focussed mindset.

5. Develop a successful global organisation
To deliver on our 2030 ambitions, we strive to be a great place to work, attracting passionate and talented people and respecting cultural differences. Additionally, we aim to build a resilient organisation by embedding environmental, social and governance (ESG) commitments in our culture.

Our Farm of the Future and its impact areas:

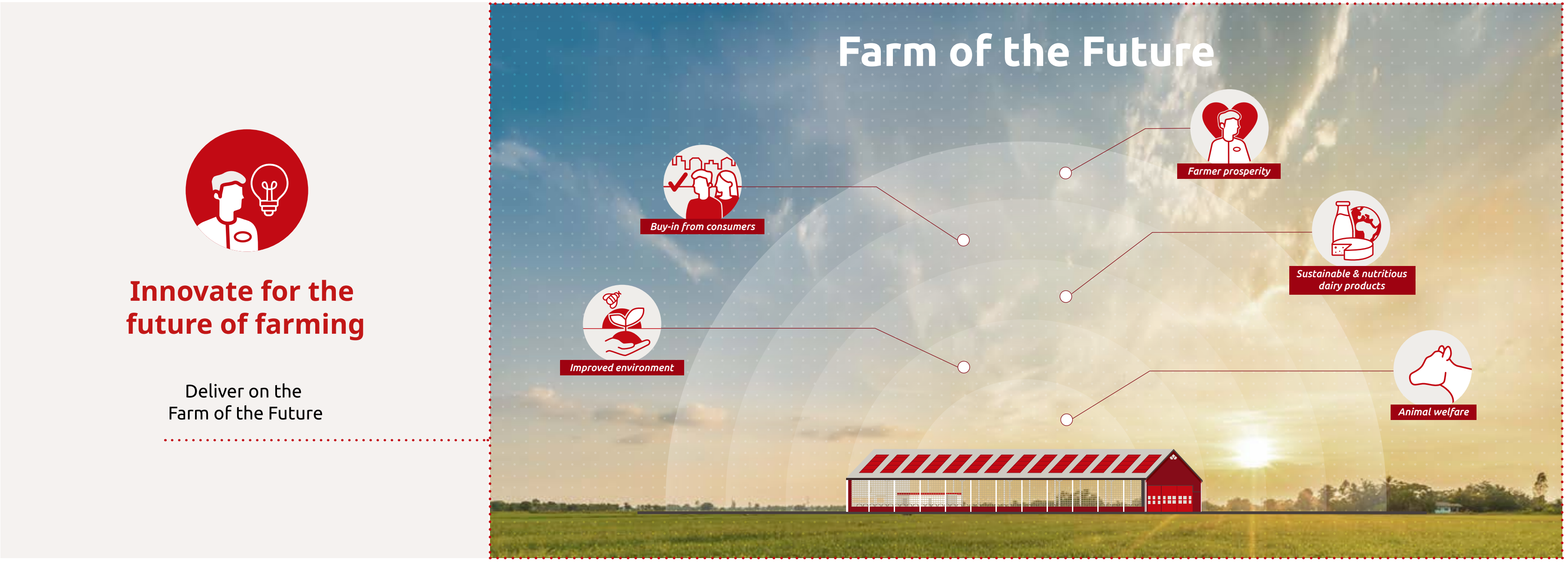
1. Animal welfare
We envision an environment where the natural behaviours of cows, calves and young stock are encouraged. We have made strides towards this vision with our free cow traffic principle.

2. Improved environment
We will continue to challenge ourselves to reduce the environmental impact of dairy farming. This includes addressing nitrogen and greenhouse gas emissions, as well as water quality, soil health and biodiversity.

3. Sustainable and nutritious dairy products
Our aim for the Farm of the Future is to produce high quality, traceable and sustainable dairy products.

4. Buy-in from consumers
We aim to bridge the gap between farmers and consumers, ensuring greater transparency in the supply chain to build and retain support in the farming industry.

5. Farmer prosperity
We envision a fair and reasonable business model where the farm not only produces food but is also supported and trusted by consumers. A farm that not only puts food on our plates but also sustains the farmers who produce it.



About Lely

Performance and value creation

Corporate governance

Sustainability statement

‘Stronger soils, achieved through practices such as improved pasture and soil management, can **make farms more resilient and future-proof.’**

Case

Carbon farming: a new path forward for farmers

Lely is always exploring ways to support farmers in transitioning to more sustainable practices. In this context, carbon farming is one promising approach, enabling farmers to implement regenerative practices, while potentially creating additional income streams. Pim Maassen, Sustainability Farm Model Specialist, walks us through the proposition and explains our role in supporting this development.

‘Carbon farming refers to farm management practices that aim to capture and store CO_2 from the atmosphere into the soils, plants and trees and can contribute to soil health and biodiversity over time. Stronger soils, achieved through practices such as improved pasture and soil management, may contribute to increased farm resilience over time, depending on farm-specific factors. Additionally, the CO_2 captured is expected to be measured and verified in accordance with applicable methodologies and certification standards.

‘It is the beginning of a journey we believe will help farmers secure their farms for the next generation.’

Pim Maassen Sustainability Farm Model Specialist

This may enable farmers to generate carbon credits, subject to certification outcomes and market conditions.

These carbon credits can then be sold in and outside the dairy supply chain, potentially providing an additional financial incentive for farmers, for their practices aimed at improving environmental performance.

To support farmers in taking this step towards carbon farming, we are developing a proposition where farmer progress and our sustainability goals move forward together. In 2025, the first steps were taken to put this proposition into action. Pim explains how this will work in practice.

‘In this proposition, we aim to support our farmers to identify carbon farming activities that fit naturally within their farm management practices. In the future, the advisory networks of our Lely Centers can possibly support them through this transition – helping them monitor their efforts, track indicators related to carbon capture and soil health, based on available data and methodologies. As these projects generate carbon credits, we aim to explore purchasing such credits as a complementary measure to address a portion of our emissions. In doing so, we work toward our climate goals with the intention that part of the value created returns to participating farmers.’

Pim adds that we will continue to explore opportunities: ‘One of the steps we want to take in 2026 is to have conversations with farmers, to understand their goals, the challenges they have encountered and whether carbon farming would fit within their management.’

Closer to home, three farmers in the Netherlands have already begun a pilot project for carbon farming. As Pim emphasises, it is an ambition that stretches far beyond 2026. ‘It is the beginning of a journey we believe will help farmers secure their farms for the next generation.’

Business model

Around 46,000 farmers rely on us. To guarantee the service they deserve, we combine global knowledge with local expertise.

Our Lely Campus, Lely Clusters and Lely Centers work together to successfully develop and distribute our solutions and provide our customers with the support they need.

Lely head office

At our head office - the Lely Campus - in Maassluis, we turn ideas into innovation: new products are designed, built, tested and prepared for the market. The office brings together central functions like Product Development, Supply Chain, Marketing and Sales & Service Development.

Lely Clusters

Our Lely Clusters are international offices that serve multiple countries in their region. They translate product strategies into localised strategies for introduction to their region, acting as a bridge between global vision and local reality.

Lely Centers

Our Lely Centers are in daily contact with our customers, offering advice, maintenance and sales support. They provide farmers with the service and support they need to maximise the performance and uptime of our solutions. Each Lely Center is closely connected to its regional cluster.

The Lely Centers play a key role in gathering feedback, which the Clusters then relay to our head office for continuous development. This unique set-up enables our organisation to remain innovative and effective, resulting in a growing customer base.

Our offering

Our solutions are designed to support an efficient way of working, provide farmers with greater flexibility and freedom of choice and help optimise milk production and quality.

Milking – producing high-quality milk requires time, care and thoughtful choices. Our automatic milking solutions help farmers make the right decisions to attain their goals. Our product offering includes the Lely Astronaut milking robot and cooling tank, Lely Grazeway and Lely tags.

Feeding – efficient feeding is essential for cow health and milk yield. Our automatic feeding solutions handle this with exceptional efficiency, saving valuable time and ensuring the right feed is delivered at the right moment. Our offering includes the Lely Vector mixing and feeding robot, Lely Juno feed pusher, Lely Cosmix concentrate feeder and Lely Calm young stock feeder.

Manure – efficient manure management is crucial for dairy farms. Our automatic manure solutions enhance barn hygiene, which can contribute to cow health and, ultimately, improve milk production. With our solutions, farmers are relieved of repetitive physical labour and have more time to focus on the herd. Our offering includes the Lely Discovery Scraper and Collector manure robots and the Lely Sphere circular manure-handling system.

Digital farming – our data management solutions help farmers turn their data and that of third parties into valuable insights, for improved farm management and efficiency. Our offering includes Lely Horizon, available for all farmers.

About Lely

Performance and value creation

Corporate governance

Sustainability statement

Services

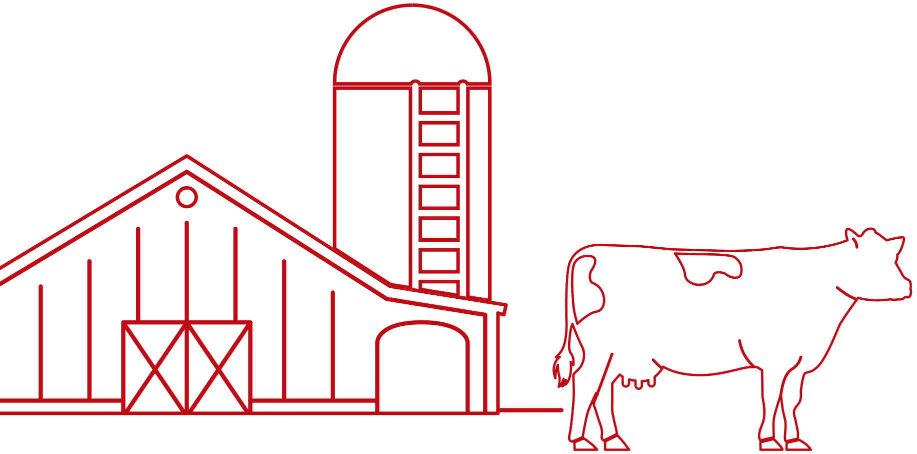
We also deliver services centred around technical maintenance and optimisation of farm operations.

Farm Management Support – our Farm Management Support team optimises our barn concept based on the needs of each customer. The team covers the start-up phase and provides ongoing guidance to help farmers make choices that align with their goals.

Technical Service Support – our dedicated service technicians provide regular and preventive maintenance to ensure maximum uptime and peace of mind for the farmer. Their experience in the field and agricultural background make them a trusted partner in day-to-day farm operations.

Our technicians use original spare parts for the regular and preventive maintenance of Lely solutions.

As part of our after-sales services, we also offer a comprehensive range of Milk Care, Cow Care and Machine Care consumables and wear parts to help farmers achieve optimal results.



Our values

Innovation
We change traditions by continuously seeking new ideas for positive change.

Passion
We love what we do and are passionate about supporting our customers.

Progress
We grow because our people are motivated to improve and move forward.

Honesty
Being truthful and fair is essential in our way of working.

Respect
Our focus is the well-being of people, animals and the environment.

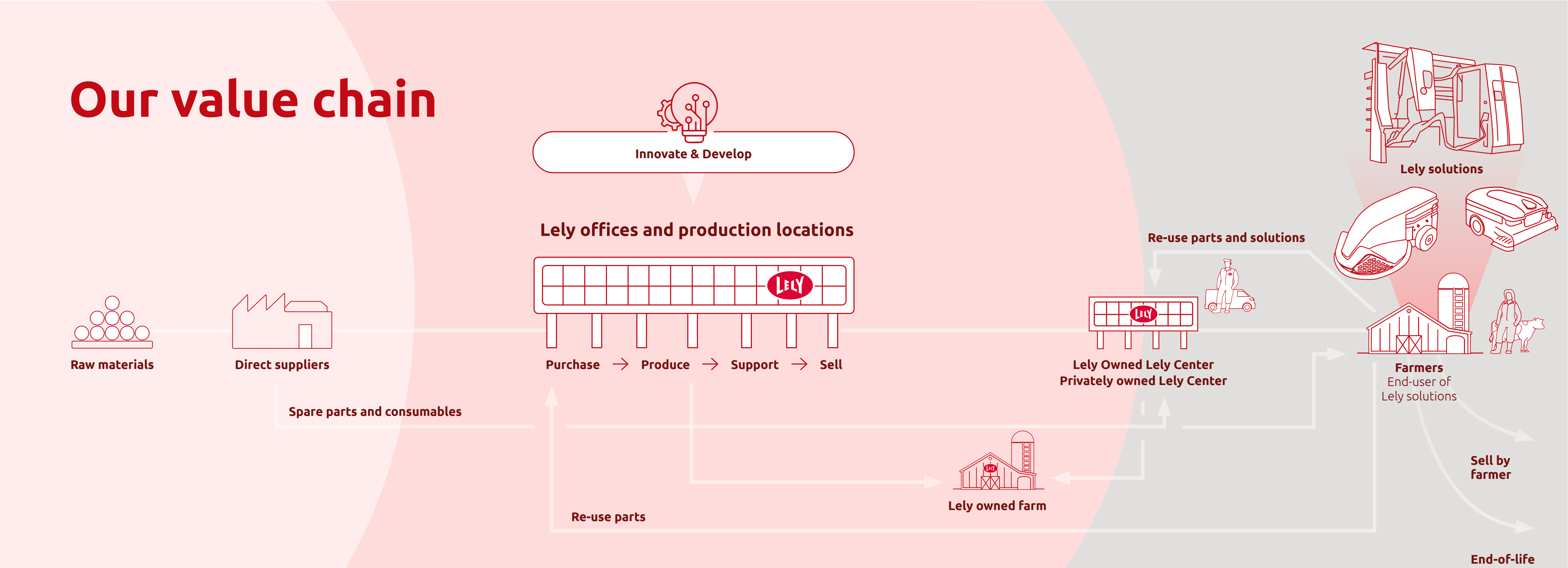
Performance and value creation

Farmers worldwide

45,770

2024: **44,417**

Our value chain



	UPSTREAM	OWN OPERATIONS	DOWNSTREAM
ENVIRONMENT E1, E2, E5	Climate change mitigation (Actual negative impact, Short-term) Resource inflows (Actual negative impact, Short-term) Resource inflows (Risk, Medium-term)	Climate change mitigation (Actual negative impact, Short-term) Climate change mitigation (Actual positive impact, Short-term)	Climate change mitigation (Actual negative impact, Short-term) Pollution of water (Actual negative impact, Short-term) Resource outflows (Actual negative impact, Short-term)
SOCIAL S1, S2, S4	—	Health and safety (Potential negative impact, Short-term) Training and skills development (Actual positive impact, Short-term)	Health and safety (Potential negative impact, Short-term) Personal safety (Potential positive impact, Short-term)
GOVERNANCE G1	—	Corporate culture (Actual positive impact, Long-term)	Animal welfare (Potential positive impact, Short-term) Animal welfare (Opportunity, Long-term)

Potential positive impact · Actual positive impact · Potential negative impact · Actual negative impact · Opportunity · Risk · Short-term · Medium-term · Long-term

For more information about IROs, please see p. 24 >

Lely's value chain overview provides a holistic view of how we create value for farmers, society and the environment, while illustrating where sustainability impacts, risks and opportunities arise. The value chain is structured into upstream activities, Lely's own operations and downstream activities, reflecting both direct and indirect interactions across the lifecycle of Lely solutions.

Upstream

Upstream activities include the extraction, processing and transportation of raw materials and components. The main components sourced include mechanical, mechatronic and electronic parts, with stainless steel and plastics representing the largest material input by mass.

Based on Lely's specifications, direct suppliers produce parts, assembled components, consumables and office and operations supplies. Logistic partners and suppliers subsequently deliver these components to Lely's assembly facilities. Spare parts and consumables are delivered to logistical service providers, who handle warehousing and supply directly to Lely Centers and farmers.

Own operations

Lely's own operations cover multiple internal processes, for which Lely has direct operational control and responsibility. These include innovation and development activities, the purchasing of materials and components, assembly of products, sales, and support activities.

Innovation and development activities enable continuous improvement of existing solutions and the development of next-generation solutions and digital services for farmers. Using parts and supplies sourced from suppliers, whole goods are assembled at Lely's production locations.

Following production, Lely sells its solutions to farmers through a global network of Lely Centers, consisting of both Lely Owned and privately owned entities, ensuring proximity to local markets and customers. Lely International and Cluster offices collaborate to provide service and support to Lely Centers, distributors and dealers.

Downstream

Downstream activities focus on the distribution and sale of Lely solutions to end users (farmers). Sales are conducted through Lely Centers, which also provide installation, maintenance, training, technical support, spare parts and consumable deliveries. These services support farmers with the safe and effective use of solutions over their full lifecycle.

In addition, Lely extends product lifespan by offering certified pre-owned robots through its Lely pre-owned programme and refurbishing specific spare parts for reuse.

Mapping impacts, risks and opportunities

The value chain is used to determine the boundaries of our double materiality assessment (DMA). Below the value chain visual, Lely's material impacts, risks and opportunities (IROs) identified through the DMA are plotted against the relevant value chain stages. This illustrates where Lely's activities have actual or potential impacts on people and the environment and where sustainability-related risks or opportunities occur.

More information about our DMA process and material IROs can be found in the chapter Double materiality assessment, on page 24.

Stakeholder overview

Stakeholder group	Purpose of engagement	What matters to them	Channel of dialogue	Highlights 2025
Employees	• Contribution to a Great Place To Work • Gather employees' input on Lely's way of working, challenges and initiatives • Raise awareness on internal policies and procedures, training and Code of Conduct • Provide information on results, strategy and general business news	• Job security • Fair compensation • Professional development • Workplace safety • Alignment with company values, including sustainability and ethical business practices	• Sharepoint and monthly OneLely Newsletter • Monthly OneLely Managers (OLM) meetings and OLM Live session • Great Place To Work survey • Joint Works Council (JWC, GOR in Dutch)- representing employees from Dutch entities • Lely Onboarding programme at Campus and at Lely Clusters • Lely Academy with corporate and compliance trainings • Speak-Up channels	• Joint Works Council election and the instalment of a new JWC • Lely Future Farm Days
Lely Centers	• Ensure customer satisfaction • Maintain service quality • Raise topics on strategic changes, products and balanced portfolio • Implement financial and non-financial monitoring, steering and reporting	• What changes can be expected in Lely's strategy and what is the impact they can expect from that • Possible changes in the franchise concept in the year ahead • Financial result of the Lely Center, and effect of outcome Lely Center Audit • Providing feedback on portfolio, results and development	• Yearly Consultative Body Meeting (CBM) meeting with franchise partners to discuss franchise concept and discuss strategic outlook of Lely • Yearly on-site Lely Center Audit • Quarterly business meetings between Lely Clusters and Centers • Survey to collect input on relevant ESG impacts, risks and opportunities	• Adoption of Lely Ways of Working by means of the Lely Center Manual • Adoption of Lely tools • Lely Center development on organisational development, sales development and optimisation of the Lely Center territory • Launch of the online communication platform, One Lely Connect
Farmers	• Create strong and long-term relationships with our customers • Focus on and improve customer satisfaction • Optimise effectiveness of Lely solutions • Gain better understanding of the challenges our dairy farmers are facing to further improve our products and services	• Direct farmer feedback on Lely's key customer facing processes along the customer journey • Long-term business continuity • Return of Investment • Clarity on service and coverage • Technical support in case of down time	• Yearly Farmer Net Promoter Score (NPS) survey • Customer Satisfaction Service Visits up to four times a year • Lely Journey visits to Lely's head office organised by Lely International in collaboration with clusters and Lely Centers • Farmer Sound Board (FSB) meetings twice a year	• Lely's NPS increased to 38 in 2025 (2024: 25) • Satisfaction of service visits score an average of 4/5 • Approximately 2,300 (potential) customers took part in nearly 80 Lely Journeys • FSB gave input on relevant service processes and provided feedback which will contribute to a NPI process for Manure

Stakeholder group	Purpose of engagement	What matters to them	Channel of dialogue	Highlights 2025
Suppliers	• Create strong relationships with our suppliers • Accomodate innovation and engineering changes with our suppliers • Stay on top of innovative technologies and increase our innovative power • Facilitate our sustainability ambitions • Remain resilient, compliant and with a secure material availability	• A trusted partnership • Steady forecasting and order flow • Clear communication and responsible business conduct	• Quarterly Business Reviews • Supplier day • QLTC meetings	• 450 Changes implemented with our trusted supply base • Increased performance on OTIF • Supplier webcasts to inform on forecast and order portfolio • First supplier engagement on CO_2 emissions
Financial stakeholders	• Build and maintain long-term and strong financial relationships • Ensure access to capital at favourable terms • Manage financial risk and align on sustainability and regulatory expectations • Support long-term business stability and growth	• Financial Performance & Stability: profitability, debt levels, liquidity and overall financial health • Creditworthiness & Risk Management: ability to meet debt obligations, risk exposure and mitigation strategies • Regulatory Compliance: adherence to financial, anti-money laundering (AML) and other relevant regulations • Corporate Governance & Transparency: long-term business strategy, growth prospects, market positioning and investment plans	• Quarterly reporting, Yearly bankers meeting and ad-hoc contact with banks on day-to-day activities • Regular meetings with shareholders	• New 5-year facility agreement with updated bank panel
Governments, policymakers and regulators	• Contribute to a policy and political environment that supports our positive impact and safeguards our license to operate • Ensure awareness of positive potential impact of innovation with governments, policymakers and regulators	Policy goals vary per location, but generally speaking: • Aim for food security, economic activity and environmental improvements	• 1-on-1 meetings (both online and offline • Working visits • External events (incl. specifically those organised by associations and trade exhibitions)	• Lely farm visits with agricultural ministers on circular dairy farming • Exhibition of Lely vision and solutions at European Parliament, OECD and FAO • Engagement with local, national and EU policy makers on Farm of the Future
NGOs - such as industry associations, environmental-, climate- and animal welfare organisations	• Contribute to a societal environment that supports our positive impact and safeguards our license to operate	Dependent on the type of NGO, they will either focus on • Industry/competitiveness • Climate/environmental goals • Animal welfare or a combination of these factors	• 1-on-1 meetings (both online and offline • Working visits • External events (incl. specifically those organised by associations and trade exhibitions)	• Contributions to conferences on animal welfare, economic security, and climate, including a COP30 side-event on low-carbon agriculture • Part of Food2040 plan on the future of food and agriculture in the Netherlands

Double materiality assessment

In line with the requirements of the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS), Lely conducted a structured double materiality assessment (DMA) to identify and assess its material impacts, risks and opportunities (IROs).

The DMA forms an integral part of Lely's integrated IRO process and helps prioritise ESG (sub-)topics and IROs that are most material for Lely. The insights gained can then inform Lely's strategy and business development. In addition, the outcome of the DMA serves as a filter for determining which ESRS disclosure requirements will be reported on and included in the sustainability statement.

The DMA considers materiality from two perspectives: impact materiality and financial materiality. Impact materiality refers to the assessment of the actual and potential positive and negative impacts of Lely's activities on people and the environment (inside out). Financial materiality refers to the assessment of sustainability related risks and opportunities.

Process and methodology

Compared to the prior reporting period, Lely has significantly revised and further formalised its DMA process to align with the latest ESRS published on 2 December 2025 and evolving CSRD requirements.

In the 2024 Annual Report, the sustainability disclosures were based on a DMA conducted in 2023, which followed the ESRS criteria and implementation guidance applicable at that time. The 2023 DMA relied heavily on stakeholder interviews and surveys to prioritise sustainability topics and applied topic level thresholds to determine materiality. The current process no longer focusses solely on material sustainability topics. Instead, it systematically identifies, formulates and assesses individual IROs for each (potentially) relevant ESG topic. Additionally, a structured IRO formulation and updated scoring mechanism were implemented.

Context
The DMA covers Lely's own operations and relevant parts of the value chain. As part of the preparation phase, Lely's strategy and business model were incorporated into the assessment. Alongside this, the scope of the value chain was determined and an overview of affected stakeholders was produced based on the value chain mapping.

Identification of (potentially) relevant ESG topics and IRO formulation
The identification of potential relevant ESG topics is based on comprehensive desk research. Multiple internal and external sources were reviewed, including company specific documentation, international standards and frameworks, peer disclosures, sector trends and media analysis.

Internal documentation, such as Lely's 2024 Annual Report, strategic ESG sessions, the prior IRO process and Lely's ESG strategic framework, was used to identify sustainability topics relevant to Lely's own operations. In addition, disclosures of peer companies were analysed to identify topics considered material within the sector. Sector trends were also taken into account to capture emerging topics that may become relevant in the future.

For (potentially) relevant (sub-) topics, IROs were formulated using pre-defined criteria. These IROs were discussed and refined together with (internal) experts and/or stakeholders. These discussions focussed on assessing whether the formulation accurately reflects Lely's strategy and business model, own operations and value chain context, testing the plausibility and relevance of the described cause-effect relationships and identifying missing IROs or consolidating overlapping ones.

Assessment, prioritisation and threshold setting
In the assessment, the impacts of Lely's activities and those of its value chain on people and the environment, as well as the financial consequences of sustainability related risks and opportunities for Lely, were assessed and scored. Actual impacts were assessed based on their severity, while potential impacts were assessed based on their likelihood. Risks and opportunities were assessed based on their potential financial effects and likelihood. Each IRO was assigned an aggregated materiality score on a scale from 0 to 5, reflecting the relative significance of that IRO from an impact and/or financial materiality perspective.

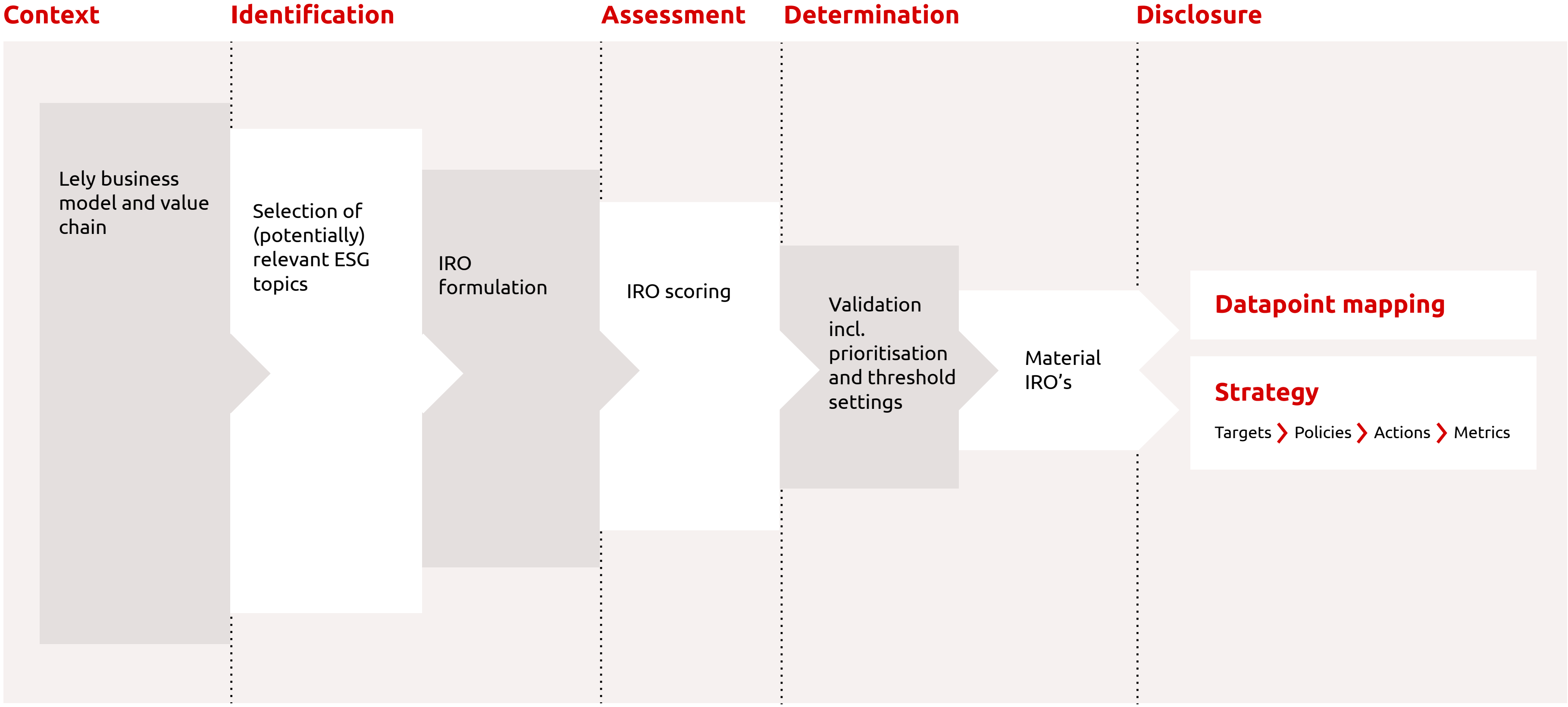
Following the scoring of IROs, materiality thresholds were applied to determine which IROs are considered material for reporting and decision making purposes. The scoring outcomes were subsequently compared against predetermined threshold values.

Governance and validation
The DMA and its outcomes are subject to defined governance and review procedures. The IRO working group plays a central governance and quality assurance role throughout the formulation, assessment and validation of IROs. It acts as an interactive group of subject matter experts where sustainability, risk management and strategy perspectives come together.

The DMA process, its outcomes and underlying methodology are documented and reviewed periodically. The process is updated when significant changes occur in Lely's strategy, operating environment or applicable regulatory requirements, ensuring that the assessment remains robust, consistent and fit for purpose.

The Executive Board and the Audit Committee of the Supervisory Board are involved in validating and approving the final set of material IROs. This governance structure ensures appropriate oversight and alignment with Lely's strategic objectives and risk management processes.

The DMA functions as process filter



Impact, risk and opportunity (IRO)

(ESRS) topic	(ESRS) subtopic	IRO description	Impact	Risk/ Opp	Value chain	Time horizon
Climate change (ESRS E1)	Climate change mitigation	The impact on the environment due to energy and material use across the value chain, resulting in greenhouse gas emissions	Actual negative impact		Upstream, Own activities, Downstream	Short-term
		The impact on the environment due to the offering of Lely products and services that reduce greenhouse gas emissions at the farm level, resulting in a decrease in on-farm CO_2 emissions	Actual positive impact		Downstream	Short-term
Pollution (ESRS E2)	Pollution of water	The impact on the environment due to the use of chemicals in the downstream value chain (such as cleaning agents in multiple products), resulting in water pollution	Actual negative impact		Downstream	Short-term
Circular economy (ESRS E5)	Resource inflows	The impact on the environment due to the increased use of virgin materials for the production of Lely products, resulting in scarcity and depletion of raw materials	Actual negative impact		Upstream	Short-term
		The risk of increased raw material costs for Lely and supply chain disruptions due to scarcity of (critical) raw material, resulting in higher cost price or reduced margin		Risk	Upstream	Medium-term
	Resource outflows	The impact on the environment due to putting Lely products and services (amount and weight) on the market, resulting in an increased environmental burden at end-of-life	Actual negative impact		Downstream	Short-term
Own workforce (ESRS S1)	Health and safety	The impact on the health and safety of employees due to exposure to machinery and/or working on a farm with livestock, resulting in work-related severe injuries or fatalities	Potential negative impact		Own activities	Short-term
	Training and skills development	The impact on employee well-being due to offering employee development through courses and training, resulting in employees improving their knowledge and competences	Actual positive impact		Own activities	Short-term
Workers in the value chain (ESRS S2)	Health and safety	The impact on the health and safety of Lely Center employees due to exposure to machinery and/or working on a farm with livestock, resulting in work-related severe injuries or fatalities	Potential negative impact		Downstream	Short-term
Consumers and end-users (ESRS S4)	Farmer well-being	The impact on farmers well-being due to the delivery of farm solutions to our farmers, resulting in enjoyable and efficient farming	Potential positive impact		Downstream	Short-term
Business conduct (ESRS G1)	Corporate culture	The impact on the workforce due to strengthening a high commitment to fairness, integrity and adherence to company values and law, resulting in a culture where employees feel empowered to report misconduct, unsafe situations and unethical behavior	Actual positive impact		Own activities	Long-term
	Animal welfare	The impact on farm processes due to data-driven decision-making solutions for farmers, resulting in improved animal welfare	Potential positive impact		Downstream	Short-term
		The opportunity of a growing demand for animal welfare-enhancing innovations due to stricter animal welfare regulations, resulting in increased product sales and enhanced market share		Opportunity	Downstream	Long-term

Potential positive impact · Actual positive impact · Potential negative impact · Actual negative impact · Opportunity · Risk · Upstream · Own activities · Downstream · Short-term · Medium-term · Long-term

Report of the Executive Board

The year 2025 was better than expected. Thanks to the market picking up after rather challenging circumstances in 2024, we can report 18% sales growth compared to the prior year, resulting in a total turnover of €1,014 million.

High customer satisfaction and innovative solutions and services, combined with strong average milk prices and robust demand, were the foundation of the 2025 results. These circumstances strongly influenced the farmers' willingness to invest, which led to a formidable year. Our robots and data add value to farmers, helping them achieve a more sustainable, profitable and enjoyable future in farming.

The year 2025 marked the first full year with our 5-year strategy 'Impact30' in place. A number of strategic initiatives were launched, including our next step in exploring alternative proteins as an additional source of income for farmers and our contribution to ReGeNL to further explore regenerative farming models. We also took the next step in professionalising our distribution channel and launched our Lely Store pilot to elevate the customer experience.

We once again reaffirmed our commitment to innovation by launching four new solutions during the 'Feed Your Business' event and the Lely Future Farm Days. Vector Next, Astronaut A5 Next and Astronaut Max mark the next stage in the evolution of our feeding and milking portfolio. In addition, Lely Hub enhances digital resilience on the farm by ensuring robust data storage and protection. All solutions have been developed with a strong emphasis on animal welfare and the long-term prosperity of farmers.

Financial results

Revenue (in mln. €)	Revenue growth	Investment in R&D
1,014	18%	>8%
2024: **857**	2024: **-3%**	2024: **9%**

Furthermore, we published our first sustainability report separate from the financial statements. The sustainability report is an important step in our learning process, highlighting areas where additional effort or faster progress is needed to achieve our goals and help realise our vision for the Farm of the Future.

In June 2025, we announced our annual pledge to contribute 5% of our net profit after tax to the Van der Lely Foundation, and in late 2025, we proudly transferred the first instalment.

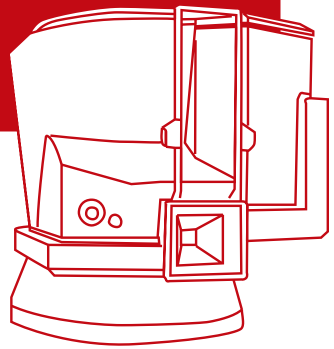
Outlook 2026

The year 2026 is expected to be more challenging due to significantly lower milk prices compared to the end of 2025, geopolitical tension and uncertainties in chip deliveries. The latter may not impact our business in the first six months of 2026; however, given the recent developments in the Middle East, we cannot foresee what will happen towards the second half of the year.

Global uncertainty in the agricultural sector persists, with farmers facing stricter regulations, growing demands for transparency and an increasing focus on sustainability. As farming continues to attract public and political attention, we believe that innovation, robotisation and digitalisation will be essential in enabling farmers to produce sustainable and nutritious dairy products. This evolving environment remains our reality. Therefore, our priority is to continue advancing our innovative solution portfolio.

The long term outlook for robotics and data management remains positive, with adoption continuing to grow worldwide. We believe that we are well-positioned as an organisation to meet the evolving needs of the market. Our organisational structure, together with the five year plans of the Business Teams, provides a solid framework that supports the realisation of our strategic objectives and ambitions.

‘Our robots and data add value to farmers, helping them achieve a more **sustainable, profitable and enjoyable future in farming**’



For 2026, we will focus on several key priorities. We aim to finalise a standardised way of working for all Lely Centers worldwide, including the supporting tools and automation to streamline daily operations. This will further strengthen our premium distribution channel and contribute to a unique customer experience. We also look forward to expanding the roll out of our Lely Store, which will offer farmers greater flexibility when ordering Lely solutions. In addition, we will host an ESG focussed event in June, marking a significant step in embedding our ESG philosophy into day to day activities. Furthermore, our leadership team will receive training to enhance inclusivity and to build resilient teams.

About Lely

Performance and value creation

Corporate governance

Sustainability statement

A word of gratitude

As we close the books for 2025, we look back on an even better year than expected. We are humbled by the results, and we know we could not have achieved this without the trust and loyalty of the farmers who choose to work with our solutions. Managing the robust market demand was only possible thanks to the commitment of our valued Lely Center network and all our colleagues worldwide. They dedicate every working day to making farmers' lives easier.

In addition, we thank our partners, suppliers and other stakeholders for supporting us in every possible way. Thank you all for this formidable year.

And although the future may be challenging, we rely on our fundamental belief that we can continue to make a sustainable impact on farming and farmers, working together towards a sustainable, profitable and enjoyable future.

Maassluis, 20 May 2026

André van Troost	**Maartje Bouvy**	**Gijs Scholman**	**Marijke Jansen**	**Martijn Boelens**
CEO	CFO	CCO	COO	CTO

Performance and value created

Our ESG strategy

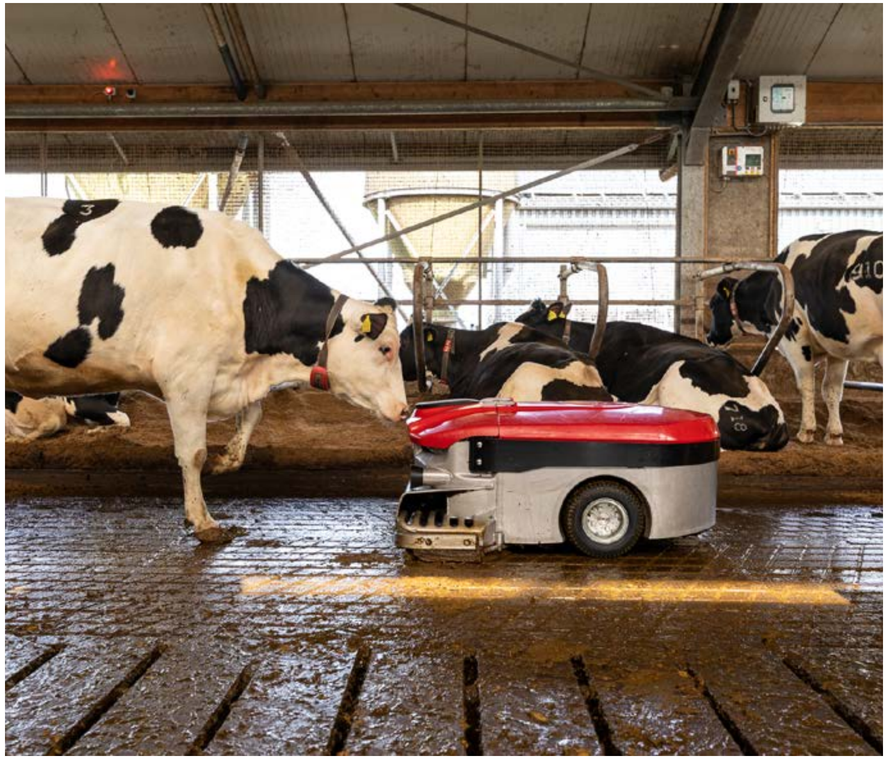
At Lely, we embrace our responsibility towards farmers, society and the planet, and aim to contribute to a more sustainable, profitable and enjoyable future in dairy farming.

For us, sustainability is about taking responsibility for our environmental footprint and contributing to farming systems that work in balance with nature. We see it as our role to support practices that protect ecosystems, reduce emissions and make better use of resources – always keeping the continuity and profitability of the farm firmly in mind.

We believe that farms are part of a broader ecosystem in which animals, people, the environment and society are closely connected. This interdependence guides the choices we make. It shapes how we support farmers in building future-proof businesses, how we contribute to animal well-being and how we innovate and collaborate across our value chain.

ESG framework

In 2024, we reported that our ESG commitments were approved by both our Executive and Supervisory Board. Building on this, in 2025, we launched a new ESG framework that guides our approach to long-term value creation. The framework outlines our ambitions along the same three pillars that define our company vision: sustainable, profitable and enjoyable. Within each pillar, our commitments translate our ambitions into concrete actions, reflect our integrated view of farming and guide how we create value.



Engaging our people

To further embed ESG across our organisation, we launched the Lely Sustainability Community. With over 50 colleagues joining, the kickoff event sparked meaningful conversations, fresh ideas and a shared commitment to shaping a sustainable future together.

In 2026, we plan to continue building awareness and engagement. In June, we will host our first-ever internal ESG event, ‘Impact Live!’ – an inspiring afternoon where colleagues can discover how small, everyday choices can contribute to our broader sustainability ambitions.

About Lely

Performance and value creation

Corporate governance

Sustainability statement

Our ESG commitments

Lely's vision is a sustainable, profitable and enjoyable future in farming. Our ESG commitments guide us in our journey towards realising that vision.

Longterm ambitions

Sustainable

We aim to...

... (co)create sustainable business models and explore regenerative farming to help protect the environment and farming ecosystems.

... reduce the footprint of farming, our operations and solutions by integrating circular design and responsible resource use.

Profitable

We aim to...

... make the lives of farmers easier through our solutions and tailored advice.

... create value that goes beyond financial return, supporting a sustainable business model.

Enjoyable

We aim to...

... foster environments.

... foster an enjoyable working environment.

ESG goals

Sustainable

Circularity
Improve on-farm circularity and reduce the environmental impact of farms and our solutions by embracing circularity in our business model.

Natural ecosystems
Protecting ecosystems by reducing water and harmful chemical substances, and stimulating biodiversity, on farm and through our solutions.

Climate change
Reduce our on-farm emissions. Additionally, reducing our GHG emissions with reference to the objectives of the Paris Agreement.

Profitable

Future of farming
With our solutions, we contribute to sustainable, alternative and futureproof ways of farming that drive society's acceptance.

Fair living
Supporting farmers to get a financially fit farm so that their daily work is rewarded fairly.

All round partner
Be the farmer's all-round partner for the long-term by contributing to a sustainable, profitable and enjoyable business.

Enjoyable

Own workforce
Being a Great Place to Work for our employees, with opportunities for learning and development, embracing diversity and inclusion, and ensuring a safe and healthy environment.

Value chain
Gaining insight into our value chain and collaborating to improve the conditions for the people working in it.

Societal contribution
Actively engaging with and support the communities around us to create shared value.

Clear accountability and responsibilities for leadership, employees and value chain partners ensure that these ESG standards are applied in our organisation.

Governance and accountability

As a family-owned company, Lely takes a long-term view on responsibility and value creation. Strong, clear governance ensures our ESG commitments are embedded in strategy, decision-making and daily operations.

The Executive Board integrates impact-driven value creation into our strategic direction as well as its mid-term and day-to-day management, while the Supervisory Board oversees progress and balances long-term impacts, risks and opportunities. Clear responsibilities and close collaboration with employees, Clusters, Lely Centers and value chain partners help translate our commitments into everyday actions.

For us, governance provides direction and accountability - helping us stay true to our values as we innovate and navigate in a changing world, with the future of farming in mind. See page 43 (chapter good governance) for more details.

‘Based on the assessment, we set an ambitious target for an **absolute reduction of our Scope 1 and Scope 2 emissions.’**

Case

From targets to action: navigating the transition to green energy

Lely embraces its responsibility towards farmers, society and the planet. In line with this, we are taking steps to reduce our greenhouse gas emissions. An important step in achieving our ambitions is transitioning to green energy - electricity generated from renewable sources. Carolien van Beek, Sustainability Data Specialist, shares how that transition is taking shape across the organisation.

‘In 2021 we assessed the emissions from our operations. These mainly come from our buildings, which consume electricity and natural gas, and from our vehicle fleet. Based on this assessment, we set an ambitious target for an absolute reduction of our Scope 1 and Scope 2 emissions. As a step toward achieving these, we developed practical guidelines around improving energy efficiency and transitioning to renewable energy across all our locations.’

‘By the end of the year, 87% of our total electricity consumption came from renewable sources.’

Carolien van Beek Sustainability Data Specialist

Efforts to transition to renewable energy are already taking shape. At our head office, electricity is sourced through a contract for 100% renewable (wind) energy, and four of our 32 locations now have solar panels installed. However, the path to a full transition is not so simple.

‘As a global business, many of our buildings are leased, which means we don’t always have control over the electricity contracts. Heating and cooling systems also vary across countries, and replacing existing systems often requires significant investment. These are real barriers that we are actively working through with our locations.’

Even so, progress is being made. A cluster office in Italy successfully converted its hybrid heating system, originally designed to run on both natural gas and electricity, to an electricity-only solution. As a result, natural gas is now used only for domestic hot water, reducing total gas consumption by 98% in 2025 compared to 2024. The office also switched to a 100% renewable electricity contract. In the Netherlands, one of our Lely Centers made the same switch.

By the end of the year, 87% of our total electricity consumption came from renewable sources, and we are aiming to increase this to at least 90% by 2030.

Central to that progress, Carolien explains, has been getting locations across the organisation on board – one conversation at a time. ‘During the year, we visited cluster offices across Europe to share our ESG strategy and goals and to spark conversations about switching electricity contracts and increasing energy efficiency. In 2026, we aim to continue this work, bringing more locations on board. The transition takes time, but every step brings us further along in our journey to a more sustainable future.’

Scope 1, 2 and 3 emissions are greenhouse gases that are released across an organisation’s entire value chain.
Scope 1: Direct emissions from owned or controlled resources (e.g., company vehicles).
Scope 2: Indirect emissions from the generation of purchased energy (e.g., purchased heating or cooling).
Scope 3: All other indirect emissions that occur in a company’s value chain, both upstream and downstream (e.g., purchased goods, waste disposal).

Value created

Sustainable

In line with contributing to a more sustainable future in farming, we explored new ways to help farmers transition to more sustainable practices and focussed on reducing our environmental impact. Our efforts included:

Grassa

Although we firmly believe in dairy products as the primary business model for dairy farmers, we are always looking for additional ways to support them. This year, we turned our attention to one of farming's most valuable resources - grass. We entered a partnership with Grassa, a company that specialises in agricultural technology, marking a significant step forward in sustainable agriculture. At the heart of this partnership lies a shared ambition to unlock the full potential of grass. Through this initiative, farmers will deliver grass to a large-scale facility in Gelderland, where it will be processed into 'opened' grass fibre and grass juice. The fibre will be returned to farmers in bales for direct feeding to cows or storage as silage. The juice will be refined into high-quality proteins for animal feed and, in the future, human consumption. In return, farmers will be compensated for the grass protein they deliver, potentially providing a new business model. By optimising the value of grass, we can nourish both cows and humans, while improving farmers' prosperity and further reducing the farm's environmental impact.

ReGeNL

We joined forces with ReGeNL, a Dutch consortium dedicated to accelerating regenerative agriculture. Regenerative practices support healthier soils, increased biodiversity and improved climate and water management. We see potential in these practices and are exploring how they can also be a viable model for dairy farmers worldwide. As part of this pilot, we are launching two research projects that align with our vision on the Farm of the Future, monitoring key environmental indicators to track progress and impact from start to finish.

Circularity

We understand that reducing the environmental footprint of farming extends beyond the dairy farm. During the year, we expanded our service for collecting and recycling empty plastic consumables packaging from farms to Denmark. Originally launched in the Benelux, the programme helps to reduce packaging waste.

In the Benelux, we collected 88% of all plastic consumables packaging we placed on the market in 2025. In total, more than half a million kilograms of plastic were collected and sent for responsible recycling. Given these promising results, we plan to extend this service to more countries in the coming years.

Green energy

At Lely, we are on a journey to reduce our greenhouse gas (GHG) emissions, with a focus on switching to green energy across all our locations. While we are still in the process of meeting our targets, every step counts - and our Lely Cluster office in Italy has made notable progress. They are now only using natural gas for domestic hot water, reducing total gas consumption by 98% compared to the previous year. The office has also switched to a 100% renewable electricity contract. Read more about our ambition towards green energy in our story on page 34.

Insight into supplier emissions

During the year, we focussed on obtaining supplier-specific data on our CO_2 emissions within the Purchased Goods & Services category. Together with our supplier Kasteel Metaal, we updated our open costing template for welding assemblies to include emission data, further improving our emissions measurement approach. This allows us to link CO_2 emissions directly to each processing step and material used, providing a clearer picture of which factors can be influenced to reduce emissions. The new method also revealed that our previous estimates had been conservative: this supplier's actual emissions were 32% lower than originally calculated.

The updated approach positions Lely to pursue CO_2 reductions with even greater precision. Additionally, the components included make it scalable across Lely's supply chain, providing a solid foundation for reducing emissions in a consistent and lasting way.

SDG-Challenge

In our search for different approaches to further improve our sustainability, Lely participated in the SDG-Challenge, a programme in which multidisciplinary student teams collaborate with organisations on real sustainability challenges. Together, we explored ways for transitioning our service operations towards a fossil-free future, with a focus on the service fleet of Lely Owned Lely Centers, which represents a significant share of our Scope 1 and 2 emissions.

The students analysed current service mobility, planning practices, and operational requirements, and assessed both practical and behavioural barriers to change. From this, they developed realistic, actionable solutions to help reduce these emissions. The challenge demonstrated how smarter planning, preventive maintenance, remote support and improved logistics for information and spare parts can significantly reduce the number of on-site trips. These learnings support our broader ambition to reduce emissions from our own operations and contribute to a more sustainable service network.

Profitable

To contribute to farmer prosperity, we introduced new and improved versions of our existing solutions and explored new ways for farmers to generate additional income.

New solutions

Innovation is at the heart of everything we do, and this year, we took what was already working and made it even better. We launched several new solutions: Vector Next, Astronaut A5 Next, Astronaut Max and Hub. These solutions represent the next steps in feeding and milking, supporting farmers in improving efficiency and building future-proof farm operations. Hub, meanwhile, enables farmers to further strengthen the digital resilience of their business.

By the end of 2025, the 2,500th Vector was installed, and the 1,000th Astronaut A5 Next was sold. Astronaut Max is already in use with several large-scale farms as pilot customers, and Hub is expected to become commercially available for new customers in the second half of 2026.

Carbon farming proposition

As part of our efforts to support farmers in transitioning to more sustainable practices, we are developing a proposition that helps farmers identify carbon farming projects that fit naturally within their farm management practices. In 2025, we took the first steps to bring this to life. This initiative bridges both our profitable and sustainable pillars, offering farmers a new income stream while contributing to healthier soils. Read more about our proposition on carbon farming in our story on page 15.

About Lely

Performance and value creation

Corporate governance

Sustainability statement

GoDare

We believe that the innovators of tomorrow begin learning today. Therefore, we continue our support of GoDare – an organisation that encourages children to explore the world of technology and innovation. Through this collaboration, our employee coaches share their passion and expertise in technology, inspiring the next generation of innovators.

In 2025, 221 Lely coaches volunteered nearly 1,025 hours, guiding over 700 students through 341 workshops.

Enjoyable

Rooted in our belief that an enjoyable future in farming is one where animals, people and businesses can thrive together, our initiatives focus on animal welfare, societal contribution and our people.

Profit pledge: Van der Lely Foundation

As part of our aim to support initiatives that create shared value, we announced an annual profit pledge of 5% to the Van der Lely Foundation. The foundation supports a range of social and environmental causes that closely align with our own ambitions, creating opportunities to support both their mission and ours.

In 2025, we proudly transferred the first instalment to the foundation, and over the course of 2026, we hope to report on the first initiatives supported through this contribution. Lely employees worldwide are encouraged to submit ideas for initiatives, and in recent months, 10 project proposals have been submitted for further exploration and potential approval by the foundation. In addition, others from outside of Lely have also submitted numerous projects and initiatives for consideration for support by the Van der Lely Foundation.

Animal welfare

Understanding and improving animal welfare is central to how we think about the future of farming. This year, we took meaningful steps to deepen that understanding. In August, we proudly sponsored the 58th Congress of the International Society for Applied Ethology (ISAE). During the event, we worked with behavioural scientists to explore how our data can help track and measure animal welfare using the Five Domains Model - an important first step in making animal health and welfare more measurable for farmers.

In 2026, we plan to introduce an animal welfare policy, ensuring everyone across the organisation shares the same understanding of what animal welfare means and how it guides our business and actions. Read more about our mission to further improve animal welfare in our story on page 40.

Great Place to Work

Our people play a significant role in everything we do, which is why understanding their experience matters to us. In 2024, we conducted the Great Place to Work® (GPTW) survey at our head office, and several countries. In 2025, we expanded the number of countries. We are proud to announce that our Atlantic cluster office and three Lely Owned Lely Centers (Radebeul, Bain de Bretagne and Mitchelstown) were recognised as a Great Place to Work. The results of all surveys were discussed across teams and at the organisational level to identify what is working well and where we can improve. In 2026, we aim to expand the survey to several additional locations.

Detailed information on our ESG efforts is disclosed in the Sustainability statement chapter in this report on page 53-69.

About Lely

Performance and value creation

Corporate governance

Sustainability statement

‘Our solutions collect a wealth of data on each cow, for example, by capturing real-time indicators of milk yield and behavior to detect early signs of disease.’

Case

A new approach to measuring animal welfare

Animal welfare at Lely is not just a claim – it is part of who we are. As a core Farm of the Future impact area, it shapes our innovation and reflects our belief that when we take good care of our cows, they take good care of our dairy. As societal expectations continue to evolve, this focus is becoming even more relevant.

To support healthier cows and more resilient farms, we are working to make animal welfare more measurable for farmers. Manager of Farm Management Support Competence, Rozan van Rossum, shares what this looks like in practice. ‘Our solutions collect a wealth of data on each cow, for example, by capturing real-time indicators of milk yield and behavior to detect early signs of disease. We are now evolving our approach, and the Five Domains Model provides the framework to do so. Using a modified version of the model, we aim to give farmers a clear, measurable and actionable picture of animal welfare on their farm.’

‘It is not enough to tell a farmer that a cow is stressed or unhappy. We want to tell them why and what they can do about it.

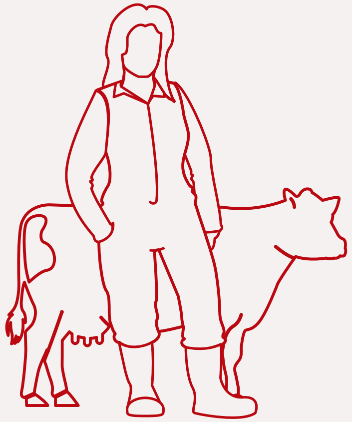
Rozan van Rossum Manager of Farm Management Support Competence

The Five Domains Model is a scientific framework built around five areas, four of which have measurable indicators: Good Nutrition, Good Physical Environment, Good Health, Positive Behavioural Interactions and Positive Mental State. Rather than focussing on avoiding negative impacts, it fosters positive animal welfare. Rozan explains how this translates into practice.

‘The model provides a structure to build on what we already measure, organising data across key domains and enabling farmers to consistently track both baseline welfare levels and the impact of interventions over time. And when innovating, it can allow us to think about which domain we want to improve in and where to focus for the greatest impact.’

Rozan says Key Performance Indicators (KPIs) are in the process of being verified across the four domains with measurable indicators. ‘We have been measuring indicators for animal health for decades. Now we are broadening that picture to include indicators across the other three domains. While these KPIs will initially support compliance reporting, the intention is to go beyond that – developing insights from them to help farmers gain a more complete understanding of their herd. Alongside this, we are also developing a formal animal welfare policy, set for release later this year, which will further guide our work in this area.’

For Rozan, measurability is the foundation, not the finish line. ‘It is not enough to tell a farmer that a cow is stressed or unhappy. We want to tell them why and what they can do about it. It’s an ambitious challenge – but one that lies at the very heart of what we do.



Corporate governance

Diversity in management
female/male

22/78%

2024: **21/79%**

Good governance and management

Lely is guided by its Executive Board and the Supervisory Board. The latter was created in 2020 to safeguard the continuity of the company while considering the interests of all stakeholders.

The Supervisory Board is responsible for supervising and advising the Executive Board. Due to their specific background, the members of the Supervisory Board support the Executive Board in strategy formulation, international business, industrialisation, digital transformation and innovation in relation to the agricultural sector.

The Supervisory Board monitors and analyses the business situation and assesses the company's risk profile, based on regular updates and reports from the Executive Board and the Chairman's frequent contact with the CEO. The Supervisory Board has established two committees: the Audit Committee and the People Committee. These committees are responsible for preparing decisions for the Supervisory Board. In 2026, we appointed two new female members to ensure the Supervisory Board is at full capacity for the years to come.

For detailed information on the composition of the Supervisory Board, its committees and its members, please refer to the section 'Biographies of the Supervisory Board on page 47.

The Executive Board plays a crucial role in both strategic direction and operational oversight. The specific roles and responsibilities of the Executive Board are described on page 49.

Risk management

As an innovative company in agricultural manufacturing, we are exposed to a range of risks (both internal and external). These risks are strategic, operational, financial, and environmental, social, and governance related (ESG).

To effectively manage these risks, we designed an integrated risk management and control system in line with Lely's long-term strategy to enable the company to achieve its goals. The main elements of our risk management approach are described below.

Risk appetite

Lely's risk management approach starts with determining the company's risk appetite. Our risk appetite reflects the risks the organisation is willing to accept, and those it aims to avoid by defining risk management actions. This appetite - as set out by the Executive Board - guides our operations and actions to achieve our goals and long-term strategy. The Executive Board is aware that the pursuit of innovation involves taking risks and promotes a culture of risk awareness across the organisation. Therefore, Lely's willingness to assume risk is internally considered to be moderate.

Risk universe

To determine whether and which mitigation measures are needed, the Executive Board periodically assesses the company's risk landscape. This landscape, known as the risk universe, reflects the key risks to which the company is exposed, as well as the estimated impact on the business goals and the likelihood of these risks occurring.

Effectively addressing these identified risks with appropriate actions is essential for achieving Lely's objectives and long-term strategy. Actions are integrated into the design of the operating model and management control framework.

Enterprise risk management

Lely is committed to managing risks and opportunities as an integral part of its strategy formulation and the implementation thereof. The Executive Board has a leading role in this, setting the 'tone at the top'. Lely promotes a culture of risk awareness and responsibility throughout the organisation, within its operational processes and at the (senior) management level.

Actions are part of Lely's planning and regular reporting processes, and procedures are aimed at ensuring that risks and opportunities are effectively managed within Lely's risk appetite. Active risk management allows management to improve decision-making by understanding exposures and having the ability to mitigate them if possible.

The diagram below provides an overview of the key risk areas, their estimated impact on achieving the business objectives and the likelihood of these risks occurring.

Risk diagram

E = External | S = Strategic | O = Operational | C = Compliance
Likelihood is defined based on a scale of 1 ('Very unlikely') to 5 ('Certain')
Impact is defined based on a scale of 1 ('Minor') to 5 ('Major')

The table below provides a description of the risks from the diagram, including our countermeasures in place.

	Key Risk	Description	Measures
E1	Global tensions disrupting supply chain	Global escalations can result in trade barriers, supply chain issues and/or could lead to economic downturn.	Execution of Supply Risk mitigation plan Country risk assessment
E2	Natural catastrophes - weather events & disease outbreaks	The frequency and size of natural catastrophes (e.g., storms, flood, disease outbreaks, etc.) is increasing.	Development of scenarios to quickly respond to new outbreaks
O1	A wide scale cyber security attack	A security breach disrupting our operational processes.	Roll-out Cyber Awareness programme Strengthening Cyber Resilience (NIS2)
O2	The unknown impact of AI on our business model, propositions and people	Opportunities and risks linked to GPTs, and the use of AI in general, can potentially affect our operations, our people and market position. It could result in different type of jobs and/or new required qualifications.	Exploration of the use of AI programming.
O3	Inability to find and retain staff	Recruitment and staffing will become more difficult in North-Western Europe due to changing (more negative) reputation of dairy farming.	Strategic workforce planning Continuation of Great Place to Work
C1	Increasing amount of different local and global regulations	New regulations impose a large amount of new requirements, impacting our propositions and operations, and potentially, our profitability.	Monitoring new regulations
S1	Business Climate	Negative governmental view on the future of farming, resulting in reduced subsidy possibilities for farmers to innovate.	Monitoring development Stakeholder engagements via associations
E3	Instability of feed and milk prices due to climate change	Investment potential and willingness of farmers for long-term investments is decreasing due to uncertainty on future profitability.	Development of financing options for farmers

Integrity and compliance

Code of Conduct

Our core values guide our direction and shape our decisions, and the Lely Code of Conduct translates these values into everyday action. Our Code of Conduct, which was renewed in 2025, outlines our fundamental principles for professional behaviour, along with rules and guidelines for ethical conduct. It applies to all employees of Lely Holding B.V. and all its subsidiaries and consolidated participations, including board members and anyone working for Lely on a temporary basis. Everyone who enters an employment contract or other type of contract receives a copy of the Code of Conduct, and we expect each employee to read and act in accordance with it. Updates and additional policies are posted on the Intranet under Legal Policies.

In 2025, we introduced mandatory e-learning modules for employees to create more awareness and understanding of our principles on professional behaviour. In total, there are five modules, one for each chapter of our Code of Conduct. The modules will be rolled out in stages (about two per year) and available in ten different languages. The Lely Academy registers participation in the trainings.

Lely has established a procedure to deal with suspected violations of the Code of Conduct. In the event that a violation of the Code of Conduct is established, corrective actions may be taken against the employee or worker. This may ultimately lead to termination of the (employment) contract.

SpeakUp

We expect each Lely employee to take responsibility for adhering to both the letter and spirit of the Lely Code of Conduct while also supporting others in doing the same.

Our Lely Code of Conduct and associated SpeakUp Policy encourage our employees to discuss any suspicion of a violation of the Code of Conduct in an appropriate manner. In some cases, further investigation based on a report is required.

Our SpeakUp Policy provides a safe, anonymous way for employees to raise concerns, whether related to (suspected) unethical situations, misconduct or other issues. It also provides adequate protection for employees who file reports under the policy.

Biographies Executive Board

André van Troost
Chief Executive Officer and chairman of the Executive Board

André joined Lely in 2014 as International Marketing and Communications Director. Prior to this, he gained experience as (Global) Marketing Manager both in the UK and the Netherlands for Procter & Gamble and Danone. At Lely, André also held the position of Global Sales Director and in 2017 he joined the Executive Board. In 2020, he took over the role of CEO from Alexander van der Lely.

Maartje Bouvy
Chief Financial Officer

Maartje joined Lely in November 2024 as Chief Financial Officer and started her career at Unilever. After Unilever, Maartje joined many large and international organisations such as Royal Haskoning, KPN, Rituals, Facilicom Group and Plus Retail.

Gijs Scholman
Chief Commercial Officer

Gijs started his career at Lely as Chief Commercial Officer in 2013. Before that, he gained experience at Provimi and as Group Director at Cargill. At Provimi, Gijs held positions of R&D Manager, Export Manager and Country Manager living and working in China. His last position at Provimi before transitioning to Cargill was Group Vice President until 2012.

About Lely

Performance and
value creation

Corporate governance

Sustainability statement

Marijke Jansen
Chief Operations Officer

Marijke joined Lely in 2011 as Corporate HR Manager and Business Partner and was appointed Vice President HR & Organisation and member of the Executive Board in 2017. She began her career at Heineken, where she spent 13 years in various international roles, and subsequently held interim senior HR positions at DSM prior to joining Lely. Marijke holds her current position as of September 2023.

Martijn Boelens
Chief Technical Officer

Martijn joined Lely in 1998 as Deputy Director and has had many positions since then. Before joining Lely, Martijn held several positions at Philips, including Operations Manager in Germany. He joined Lely's Executive Board as COO in 2008, followed by his appointment as Vice President Customer Solutions in 2017. Martijn has held his current position since 2020.

Biographies Supervisory Board

Alexander van der Lely
Chairman and Member Audit Committee

In the mid-nineties, Alexander van der Lely joined the family business right out of university and held a number of positions in the Lely Group. In his last role as CEO, the position he held for 15 years, Alexander focused on the general strategy, R&D, Innovation and business development. During that time, Lely has made a transformation from building agricultural machinery to worldwide leadership in the field of robots and data for the dairy farm. At the end of 2019, Alexander decided to step down as CEO, set up a Supervisory Board for Lely and become the Chairman of this board.

Susana Gonzalez
Member of the Supervisory Board

Susana González has more than 25 years of experience in global manufacturing and industrial automation. She has led large international teams in Europe, USA and Asia, including senior executive positions at ABB Group and Rockwell Automation. Susana brings strong expertise in go-to-market strategy, organisational development, and operational performance. Susana is a member of the Spanish Board Association ICA, and serves as Independent Board Member at Grifols, a global healthcare company and leading manufacturer of plasma-derived medicines.

Dirk de Groot
Member People Committee

Dirk de Groot is President of CGI's Strategic Business Unit (SBU) for Scandinavia, Northwest and Central Eastern Europe, a role he has held since October 2024. In this position, he leads approximately 8,500 professionals across nine countries including the Netherlands, Sweden, Norway, Denmark, Belgium, the Czech Republic, and Slovakia. He started his career in the ICT sector in 2000 and has since held various senior management and consulting roles across the industry. In 2017, he was appointed Managing Director for CGI in the Netherlands, and in March 2022, he became SBU President for Northwest and Central Eastern Europe.

Jessica Poliner
Member of the Supervisory Board

Jessica Poliner is a global executive with extensive experience across Europe, Asia, USA, and Latin America. She has led publicly listed and privately held companies in industrial manufacturing, distribution, and software, delivering transformational growth and improved operating performance. Jessica brings strategic insights and deep expertise in M&A, value creation, and operational excellence. She served as CEO and Board Director of Relayr, and held senior positions at Barnes Group, Trane Technologies and Caterpillar. Jessica began her career as a lawyer and is a Qualified Risk Director.

John Quist
Member Audit Committee

John Quist has more than 30 years of experience in senior management and leadership positions in various organisations, most recently as CEO and Chairman of the Board of Unica Groep B.V. In this role, John helped transform the Unica family-owned business into a high-performing company with strong growth whilst maintaining the values of a family-owned business. John holds an MSc in Econometrics and an MSc in Marketing. Additionally, John is a member of the Supervisory Board of Unica Groep.

Report of the Supervisory Board

Dear business partner,

We are proud to announce our annual report for the year 2025. The year resulted in better financial performance than expected. We look back on a formidable year, thanks to increasing customer satisfaction and farmers' trust in our high-quality, reliable solutions. 2025 was another year with major milestones, such as the launch of new solutions and the first full year with our 5-year strategy in place.

Meetings of the Supervisory Board

The Supervisory Board met a total of eight times in 2025: four times without the members of the Executive Board and four times with them. This is consistent with the structure as implemented from the establishment of the Supervisory Board in 2020.

Beyond these regular meetings, there was also regular contact between the members of the Supervisory Board, the full Executive Board, members of senior management and the joint works council in the Netherlands.

In addition to monitoring the implementation of the strategic plan together with the Executive Board, specific meetings were held to discuss the remuneration framework and to approve the 2026 budget.

A number of strategic topics were discussed by the Supervisory Board in 2025. These included next steps on environmental, social and governance (ESG) initiatives, the implementation plan of the company strategy 'Impact30' and new solutions.

The Supervisory Board had multiple discussions with the Executive Board on the available scenarios and resulting choices. The meetings with the Executive Board were consistently very constructive.

The audit plan and the interim audit findings were discussed with the external auditor (EY) to validate the effectiveness of the company's internal risk management and control systems and the integrity and quality of its financial reporting.

Composition of the Supervisory Board

In late September 2025, we announced Lisbet Thyge Frandsen's decision to resign from the Supervisory Board, a step that is both understandable and regrettable. The recruitment process for a new member of the Supervisory Board was subsequently initiated.

Following this process, two new members were appointed to the Supervisory Board, effective 1 April 2026. With the appointments of Jessica Poliner and Susana Gonzalez, the Supervisory Board is once again complete. Their appointments further strengthen the Board's international expertise and reflect Lely's ongoing commitment to diversity and inclusion at the highest governance level.

Progress made - developments in 2025

Contrary to expectations, market circumstances in 2025 were favourable despite the continuous uncertainty of farmers facing changing rules and regulations. Thanks to the farmers' trust, the increasing customer satisfaction and high milk prices positively influencing the customer's appetite to invest, Lely can now report an increase of 18% with sales up to €1,014 million.

In addition, the company once more emphasised its focus on innovation by launching four new solutions to the market. Furthermore, steps were made in realising the company's strategy through several initiatives.

Reflection on the results in 2025

Overall, 2025 was a positive year in retrospect, with the company benefiting from a global market that recovered well from the challenging conditions experienced in late 2024. Looking ahead to 2026, we anticipate a somewhat more demanding year due to significantly lower milk prices compared to the end of 2025, continued geopolitical tensions and uncertainties in global chip supply.

Nevertheless, we remain confident that Lely is well-positioned not only to manage these challenges but also to stay ahead of them. The organisation demonstrates resilience, flexibility and decisiveness. Its employees and leadership together provide a strong foundation for realising Lely's ambitions for a sustainable, profitable and enjoyable future in farming.

About the Supervisory Board

The Lely Supervisory Board was created in 2020, with the goal of safeguarding the continuity of Lely Holding B.V. while considering the interests of all stakeholders.

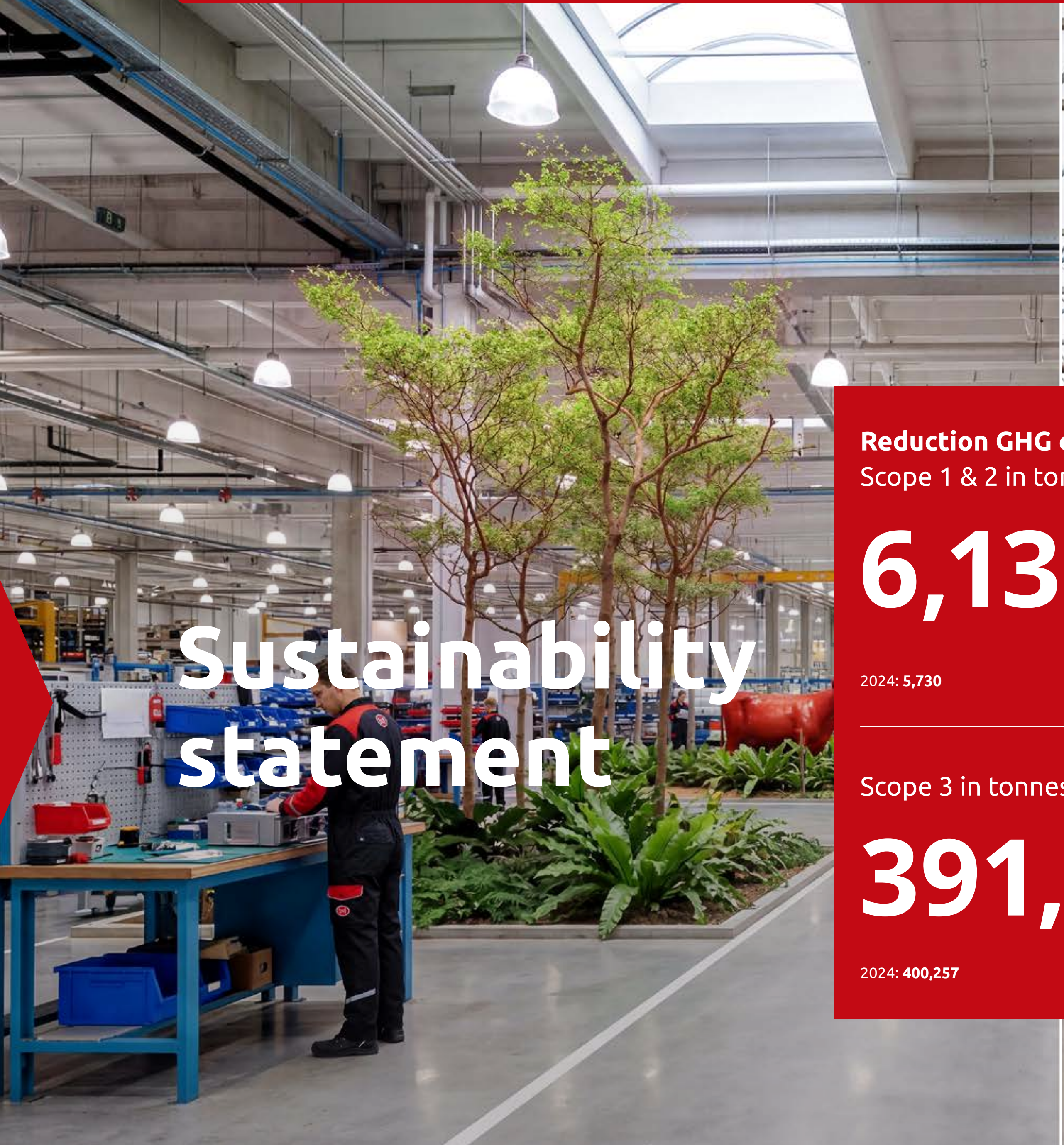
The Supervisory Board is responsible for supervising and advising the Executive Board. Drawing on their specific expertise, the members of the Supervisory Board support the Lely Executive Board in strategy formulation, international business, industrialisation, digital transformation and innovation in relation to the agricultural sector.

The Supervisory Board monitors and analyses the business situation and assesses the company's risk profile, based on regular updates and reports from the Executive Board and the Chairman's frequent contact with the CEO. To further develop the company and its future results and innovations, the focus of the Supervisory Board is on strategy formulation and financial scenarios.

We are grateful to all employees of Lely and the Lely Centers for their hard and dedicated work. On 20 May 2026 the Supervisory Board adopted and approved the consolidated financial statements and management reports of Lely Holding over 2025 and agreed to the appropriation of profit.

Maassluis, 20 May 2026

Alexander van der Lely	**Dirk de Groot**	**Susana Gonzalez**	**John Quist**	**Jessica Poliner**
Chairman				



Sustainability statement

Reduction GHG emissions

Scope 1 & 2 in tonnes CO_2eq

6,131

2024: **5,730**

Scope 3 in tonnes CO_2eq

391,586

2024: **400,257**

General basis for preparation

Sustainability statement

Lely has been embedding sustainability in the organisation over the past seven years, continuously strengthening its approach. In 2025, we developed an environmental, social and governance (ESG) framework rooted in our vision to realise a sustainable, profitable and enjoyable future in farming. The framework guides our strategic decision-making, taking into account the impact of our decisions on our value chain. Further details about our framework are provided on page 32 of this report.

During the year, we also automated our CO_2 emissions reporting using the Tagetik software platform. The platform supports more consistent and structured reporting on our CO_2 emissions, improving our ability to track progress towards our 2030 and 2050 targets. In 2026, we aim to implement Tagetik's Corporate Sustainability Reporting Directive (CSRD) solution, integrating the European Sustainability Reporting Standards (ESRS) into our regular reporting cycle. This will support us in collecting and analysing our data and enable more structured, aligned reporting over 2026 and the years ahead. Looking forward, we aim for greater transparency, accountability and impact in our sustainability efforts, and we believe that Tagetik will support us in that ambition.

The 2025 sustainability statement is the second we have published and uses 2024 as the baseline year. We are working towards full compliance with the CSRD by 2027. Additionally, we continuously monitor any gaps in our reporting to enhance quality and ensure alignment with our ESG framework.

Frameworks and data selection

We have prepared our sustainability statement with reference to the CSRD, and the ESRS published in December 2025. These frameworks help ensure we meet regulatory expectations while driving responsible business practices.

All the data points included in the Environmental, Social and Governance sections relate to topics assessed as material according to our double materiality assessment (DMA). Please refer to page 24 for further information on the limitations of our DMA in terms of scope and methodology. All greenhouse gas (GHG) data points are reported in line with the Greenhouse Gas Protocol.

Consolidation

The data is consolidated according to the same principles as the financial statements. Thus, the consolidated quantitative ESG data comprises the parent company Lely Holding B.V. and subsidiaries controlled by Lely Holding B.V. Consolidation of all quantitative ESG data follows the principles above, unless otherwise specified in the accounting policy placed next to each reported data point in the tables in sections Environmental, Social and Governance.

In 2025, there has been a change in the reporting scope for Lely, as per July a demo farm within the entity Landbouwbedrijf Dijkpolder is part of the Lely group. Data consolidation for the farm is currently in progress, and the results of the farm are therefore not yet included in the 2025 group totals. The Lely Farm will be fully included in all relevant group-level reporting as of 2026.

Measurement basis

The accounting policies have been applied consistently in the financial year and for comparative figures. Calculation factors used are listed in the appendix together with references. Employee numbers do not match those included in the financial statements due to different measurement dates. The numbers presented in the sustainability statement reflect our data as of December 2025, rather than the average for the entire year.

Key accounting estimates and judgements
We use assessments and estimates for the reporting of some data points (e.g. our Scope 3 emissions). We regularly reassess our use of estimates and judgements based on - amongst others - experience and the development of ESG reporting. Changes in estimates are recognised in the period in which the estimate in question is revised. In addition, we make judgements when applying accounting policies. For further information on the key estimates, judgements and assumptions applied, please see the pages with quantitative ESG data tables.

Threshold for restatements
For adjustments to financial numbers, we follow the financial statements. For adjustments to ESG data, we make a judgement as to whether we should restate numbers. We clearly indicate where we have restated data.

Due diligence statement
We are committed to responsible business conduct. We recognise the importance of conducting environmental and human rights due diligence in order to identify and act on any potential or actual negative impacts that occur in our value chain. A due diligence process typically involves an ongoing assessment of actual and potential impacts of our business on people or the environment, integrating and acting upon the assessment findings, tracking progress and communicating how impacts are addressed.

Although we do not meet the current thresholds of the Corporate Sustainability Due Diligence Directive (CSDDD), we continue to measure and monitor GHG emissions across our value chain (Scope 3, both up- and downstream).

From an environmental due diligence standpoint, we apply a preventative approach aimed at managing and reducing the environmental impact of our operations. We also support our business partners in taking similar steps. Within our supply chain, we actively track GHG emissions and engage with our largest emitters to help support emission reduction initiatives.

For more information on the due diligence processes, please refer to the DMA and stakeholder dialogue sections.

Environmental

At Lely, we recognise the importance of taking proactive measures to identify, prevent and mitigate our environmental impacts, risks and opportunities. We identified several environmental topics as material for our organisation. In this section, we cover our commitment to and progress towards reducing our carbon footprint.

Additionally, we provide insight into the steps we are taking towards a more circular business model by actively re-evaluating the way we design our products and use resources. This is intended to contribute to reducing virgin material inflow and to improving repairability and product reusability.

E1 Climate Change

At Lely, we want to help shape a sustainable future for the agricultural industry by developing innovative solutions that have a positive impact on animals, people and the planet. We are actively working to reduce GHG emissions, both within our operations and across our value chain, with the ambition to align our decarbonisation efforts with the goals of the Paris Agreement.

E1-1 Climate transition plan

Lely recognises the agricultural dairy sector's significant impact on climate change and acknowledges the urgency to address it. We are committed to taking concrete, science-aligned actions aimed at reducing our GHG emissions across the value chain.

In 2021, we began our CO_2 calculation process, starting with Scope 1 and 2 calculation over 2019 and 2020. In the following years, we added Scope 3 categories based on where we expected to have the greatest impact. In 2024, we finalised this process and produced the first full CO_2 footprint for 2023 (in accordance with the GHG protocol). We used these data to estimate our future GHG emissions based on the projected growth of our company and development of our portfolio. In 2024, we defined our GHG emissions reduction targets, based on current insights and assumptions.

We have designed our approach to reducing GHG emissions with reference to the Paris Agreement's goal of limiting global warming to 1.5 °C and with the ambition to align our efforts with these goals. To this end, we have adopted the Science Based Targets initiative (SBTi) methodology as a guiding framework. Our adoption of the SBTi methodology is intended to help align our approach with industry practices. Our targets have not been formally validated by SBTi.

Lely is currently formalising its climate transition plan and expects to finalise it in 2026.

E1-2 Statement climate risk assessment

Lely has not yet conducted a climate risk assessment. However, we are investigating potential approaches.

About Lely

Performance and value creation

Corporate governance

Sustainability statement

E1-4 Climate policy

Lely does not yet have a formal climate policy in place. This policy, along with an action plan, is expected to be developed in 2026.

For emissions related to our own operations (Scopes 1 and 2), we set an absolute reduction target.

Emissions from our value chain (Scope 3) make up the largest share of our GHG emissions. Due to our diverse product and service portfolio, we set an economic intensity target for our Scope 3 emissions. To achieve this, we use gross profit as our financial metric, as it accurately reflects the company's performance and is used for both internal and external reporting. Gross profit is defined as profit after subtracting the cost of goods sold (COGS) from sales revenue.

According to SBTi guidelines, targets must cover at least 90% of the total Scope 3 emissions.

The following categories are included. They account for approximately 98% of all Scope 3 emissions in the baseline year.

Category 1: Purchased goods and services
Category 4: Upstream transportation and distribution
Category 6: Business travel
Category 11: Use of sold products
Category 14: Franchises

While these categories form the basis of our Scope 3 target, Lely still encourages initiatives to reduce emissions beyond this scope as well.

E1-5 Climate actions

We have implemented the actions outlined below to reduce our GHG emissions in alignment with the targets described. These initiatives reflect our commitment to achieving our emissions reduction goals and making meaningful progress towards a more sustainable and environmentally responsible future.

Scope 1 and 2

Within our lease fleet, we are focussing on the switch towards a non-fossil fleet by 2030, starting with the transition of passenger cars. As of 1 July 2023, we introduced a new lease policy applicable to Dutch (Campus) entities and the Dutch Lely Owned Lely Centers in Heerenveen and Zevenbergen.
The policy states that only electric vehicles can be chosen for new passenger lease cars.

Share fossil-free passenger cars NL December 2025:
70% *(60% in Dec 2024)*

Next to passenger cars, we focus on service vans to further reduce our CO_2 emissions.

We are currently piloting electric service vans in two of our Lely Owned Lely Centers. Our goal is to learn and experience the possibilities and challenges of electric service vans and determine for what activities this could be a good match.

Natural gas and other fossil fuels

Natural gas purchased for heating our buildings is included in our reported Scope 1 emissions. At 47% (15 of 32 locations) of our locations, we are still (partly) dependent on natural gas or other fossil fuels for heating. For existing buildings, we still encounter challenges with the transition from gas heating systems to electric heating installations or other non-fossil based solutions.

Electricity

Our Scope 2 reduction path is mainly driven by the transition from non-renewable electricity contracts to renewable electricity contracts. In 2025, our total electricity consumption increased to 7,309 MWh (2024: 6,673 MWh). 87% of our consumption came from renewable sources (2024: 88%).
At four of our locations, we use solar panels to generate electricity. In 2025, we consumed 1,707 MWh of self-generated electricity (2024: 1,209 MWh).

Scope 3

Scope 3 GHG emissions are the largest category of emissions for Lely. In 2025, they represented over 98% of our total market-based emissions.

Our two largest categories, Purchased goods & services and Use of sold products, accounted for approximately 93% of our total Scope 3 emissions in 2025. The emissions in these categories are related to the volume of products sold during the reporting period. Because the reported sales numbers were higher, the use of sold goods increased nearly in line with the rise in sales. However, new releases have prevented a consistent trend from emerging. Scope 3.1 shows a different trajectory, primarily due to a significant reduction at one supplier.

In 2025, we set our targets, and in 2026, we will focus on developing policies and action plans to further define activities needed to reach our climate targets.

E1-6 Climate targets

Lely is committed to reducing its GHG emissions, with the ambition to align its efforts with the goals of the Paris Agreement. We have defined both near-term targets (through 2030) and long-term net-zero targets (towards 2050). We have selected 2019 as the baseline year for Scope 1 and 2 emissions and 2023 as the baseline year for Scope 3 emissions.

GHG emissions commitments

2030 near-term targets

Scope 1 and 2	Scope 3
-46.2%	**-51.6%**
Absolute reduction target	**Economic intensity target per € mln. gross profit**
2019 baseline year	**2023 baseline year**

About Lely

Performance and value creation

Corporate governance

Sustainability statement

E1-7 Energy consumption and mix

The table below provides a detailed breakdown of Lely's total energy consumption by energy source in 2025 and 2024, expressed in both absolute terms (e.g. MWh) and as a percentage of the total energy mix. The data includes renewable energy sources, non-renewable energy sources, electricity from the grid (renewable and non-renewable), purchased heat, steam and cooling, and self-generated energy.

Lely energy consumption and mix

	2025	2024
Fuel consumption from natural gas (MWh)	1,301	1,182
Fuel consumption from other fossil sources (MWh)	110	3
Consumption of purchased or acquired electricity, heat, steam and cooling from fossil fuels (MWh)	1,896	1,320
Total fossil energy consumption (MWh)	**3,307**	**2,505**
Consumption of nuclear sources (MWh)	**73**	**71**
Consumption of purchased or acquired electricity, heat, steam and cooling from renewable sources (MWh)	5,340	4,074
Consumption of self-generated non-fossil renewable energy (MWh)	1,707	1,209
Total renewable energy consumption (MWh)	**7,047**	**5,283**
Total energy consumption (MWh)	**10,427**	**7,859**
Share of fossil sources in total energy consumption (%)	31%	32%
Share of consumption from nuclear sources in total energy consumption (%)	1%	1%
Share of renewable sources in total energy consumption (%)	68%	67%

E1-8 Gross scope 1, 2, 3 GHG emissions

The table below shows our GHG emissions in metric tonnes of CO_2 equivalents (tCO_2e) in 2025 and 2024. It includes our total gross GHG emissions. Scope 2 emissions are reported using both market-based and location-based methodologies. Scope 3 emissions are broken down by category, providing insight into where emissions occur in our value chain. During the implementation of a new GHG emissions calculation tool, errors were identified in the previously reported 2024 Scope 2 and Scope 3 emissions. As a result, the 2024 comparative figures have been restated to reflect improved data accuracy and consistency.

Lely CO_2 footprint by Scope and category (in tonnes CO_2 equivalent)

	2025	2024
Gross Scope 1 GHG emissions	5,672	5,357
Gross Scope 2 GHG emissions – location-based	1,756	1,744
Gross Scope 2 GHG emissions – market-based	460	373
Significant Scope 3 GHG emissions		
Cat. 1 Purchased goods & services	191,471	234,759
Cat. 2 Capital goods	-	-
Cat. 3 Fuel and energy related activities	1,824	1,710
Cat. 4 Upstream transportation and distribution	7,784	6,253
Cat. 5 Waste generated in operations	105	116
Cat. 6 Business travel	1,387	1,248
Cat. 7 Employee commuting	990	744
Cat. 8 Upstream leased assets	-	-
Cat. 9 Downstream transportation and distribution	121	211
Cat. 10 Processing of sold products	-	-
Cat. 11 Use of sold products	174,340	140,256
Cat. 12 End-of-life treatment of sold products	76	160
Cat. 13 Downstream leased assets	349	346
Cat. 14 Franchises	13,138	14,453
Cat. 15 Investments	-	-
Total GHG emissions – location-based	**399,013**	**407,358**
Total GHG emissions – market-based	**397,717**	**405,987**

E1-9 GHG removals and GHG mitigation projects financed through carbon credits

Reducing our GHG emissions remains our primary focus. Since 2023, we have been compensating the total GHG emissions from our own operations through the purchase of carbon removal credits, as a complementary measure alongside our emissions reduction efforts. For this purpose, we consider our Scope 1 and 2 emissions and Scope 3 business travel as emissions from our own operations. In 2025, following the inclusion of the Lely owned farm within the Group, the estimated GHG emissions of the farm were included in the carbon compensation for that year. We compensate these emissions by purchasing Carbon Removal Units ('CRUs' or 'credits').

We do so through various initiatives:

Acorn

Lely purchases Acorn CRUs, generated through agroforestry (ARR) projects implemented by smallholder farmers across developing regions. All credits are certified under the Acorn Framework and Methodology, approved by Plan Vivo, and independently validated and verified by an accredited Validation and Verification Body (VVB).

In 2025, Lely purchased 3,300 CRUs, all fully aligned with recognised quality standards. No credits were retired in the reporting period; cancellation is contractually scheduled for 31 July 2026.

100% of credits originate from nature-based removal projects, with an intended 20-year permanence period, in line with applicable project standards.

Klim

Through our partnership with Klim, a climate tech company focussed on regenerative agriculture, we support regenerative and sustainable dairy farming practices in Northeast Germany.

In 2025, we purchased 2,433 CRUs, fully validated and ex-post verified in accordance with DIN ISO 14064-2 (vintage 2024).

These credits have been internally cancelled within Klim's system and are awaiting external retirement by the CSA registry, requested and expected to be finalised in 2026. As of the reporting period, these credits had not yet been externally retired and are therefore not counted as claimed removals for the reporting year.

100% of the credits are removals from nature-based sources with no technological sinks involved.

Climate Partner

Climate Partner supports businesses in calculating emissions and facilitating climate contribution projects. The collaboration with Climate Partner enables Lely to further strengthen its compensation programme with certified projects that contribute to sustainable development.

In 2024, we purchased 2,800 CRUs, issued under Contribution Project #1699 (Improved Forest Management, Mexico).

No credits were retired in the 2025 reporting period: the 2024 contribution was already retired in 2024, and the 2,800 tonnes purchased at year-end 2024 are currently being processed as one retirement batch, with registry confirmation expected in Q1 2026.

100% of the credits represent nature-based removals with no technological sinks involved.

E1-10 Internal carbon pricing

Lely currently does not have an internal carbon pricing mechanism.

E5 Circular Economy

At Lely, we are committed to contributing to a sustainable future through innovative solutions that facilitate on-farm circularity. With our solutions, we aim to support farmers in optimising the use of manure stream on-farm and reducing the dependency of external input. As the population grows, the demand for resources intensifies, leading to the scarcity of essential materials. Alongside our focus on on-farm circularity, this is driving us to rethink how we design, produce and manage our products and resources. We are committed to working towards reducing the environmental impacts of our solutions by integrating circularity in our business model.

About Lely
Performance and value creation
Corporate governance
Sustainability statement

E5-1, E5-2, E5-3 Circularity policy, action plan and targets

Lely plans to develop its circularity policy and action plan in 2026 with a focus on:

- **Design & material inflow**
  - Implementing Responsible Design Principles
  - Increasing our use of non-virgin and recyclable materials
- **Optimisation of the use phase**
  - Focusing on product longevity
  - Facilitating re-use and refurbishment
- **End-of-life strategy and waste management**
  - Responsible end-of-life management of our proposition
  - Increasing recycling
  - Minimising landfill of operational waste

In 2025, Lely took part in the Dutch Week of the Circular Economy. Throughout the week, we organised multiple activities for employees at the Lely Campus in Maassluis, including a movie showing, various workshops and inspiring presentations.

E5-4, E5-5 Material resource inflows and outflows

Lely is developing a plan for collecting data on material resource inflows and outflows in accordance with the ESRS reporting requirements. This involves collecting information about the materials used to manufacture our products, including the use of biological and secondary reused or recycled components and materials. Additionally, it involves a description of the durability, reusability and repairability of our products in line with circularity principles

Waste collection at the Lely Campus is currently organised through two specialised external waste service providers, each responsible for distinct waste streams. To further improve the management of specific hazardous materials, a third specialised waste processor will be added from 2026, dedicated exclusively to lithium battery waste, which contains critical raw materials.

Waste is systematically dismantled and separated at source to enable the highest possible level of material segregation. This approach supports increased recycling rates and facilitates the recovery of valuable materials, thereby reducing the volume of waste sent to disposal.

A key circular economy measure focusses on preventing waste generation by returning packaging materials to suppliers instead of disposing of them. This shift from disposal towards return and reuse reduces waste outflows and supports upstream circularity in the value chain. These actions are consistent with our objective to prioritise waste prevention and reuse over recycling and disposal, in line with ESRS E5 principles.

During the reporting period, the total amount of waste generated increased from 361 tonnes (2024) to 452 tonnes. This increase is primarily attributable to higher production volumes and the associated growth in operational packaging waste, mainly wood and paper/cardboard used for packaging and logistics. These waste streams are directly linked to core operational activities and increased output, rather than changes in waste management practices or efficiency.

Despite this increase in absolute waste volume, the proportion of waste diverted from disposal improved slightly, with the recycling rate rising from 58% (2024) to 59% (2025) of total waste generated.
The combination of improved waste segregation, higher recycling rates and the planned introduction of a specialised lithium battery waste processor from 2026 demonstrates a continued commitment to circular economy practices.

About Lely

Performance and value creation

Corporate governance

Sustainability statement

The table below provides a breakdown of our operational waste in tonnes in 2025.

	Total waste (tonnes)	Hazardous waste (tonnes)	Non-hazardous waste (tonnes)
	452,456	**6,086**	**446,370**

Directed to disposal	Weight (tonnes)		
Recycled	266,198	1,390	264,808
Other recovery operations	176,765	1,543	175,222
Incinerated w/o ER	1,000	1,000	-
Landfilled	4,699	1,200	3,500
Other disposal	-	-	-
Radioactive waste	-	-	-
Unknown	3,793	0,953	2,840
Total	**452,456**	**5,133**	**443,530**

Diverted from disposal	Weight (tonnes)		
Reuse (tonne)	-	-	-
Recycled (tonne)	266,198	1,390	264,808

Social

At Lely, we are committed to building a global successful organisation that is future-proof. We strive to run our business responsibly and offer a great place to work for our people and the next generation of professionals. Our approach to people aligns with our material topic, Talent attraction and development. In this section, we provide comprehensive information on our own workforce and Lely's approach to employees.

S1 Own workforce

We aim to foster a work environment that is collaborative, flexible, inclusive, diverse, safe and healthy for all of our workers. We have various location-specific policies, processes and initiatives in place to ensure good working conditions, and we are currently working on HR policies that will apply to our entire international organisation, with development started in 2025.

S1-2 Processes to engage with own workforce and workers representatives

Within Lely, we have various channels to engage with employees. We elaborate on these channels in the following sections.

Employee engagement survey

At Lely, we deeply value the experiences of our employees. To continuously improve our workplace environment, we conduct the Great Place To Work (GPTW) survey every two to three years across several of our locations.

This survey helps us assess the employee experience, understand how we are perceived as an employer and gain valuable insights to enhance our organisational culture and workplace practices. GPTW is a global research and consulting firm that asses and rates workplace cultures across various countries and regions, allowing companies to benchmark themselves against both local and international standards.

In 2025, we conducted a GPTW survey in four Lely entities and all were Great Place To Work-certified. More information on the GPTW survey can be found on page 39 in this report. In 2025, we also introduced GPTW surveys in several new locations.

Location	# time GPTW survey	Trust Index score	Taking everything into account-statement
Cluster Atlantic	2nd	80%	88%
LOLC Bain de Bretagne	5th	86%	92%
LOLC Radebeul	1st	88%	97%
LOLC Mitchelstown	1st	83%	80%

Reference: From a broad perspective, there are three key indicators we consider: the Trust Index score (the average across all 60 statements), the score for the statement 'Taking everything into account, I would say this is a great place to work', and the participation rate. The scores for each participating location are shown above.

Joint works council

In the Netherlands, Lely has a joint works council (GOR), which plays a crucial role in representing the interests of Dutch employees. The GOR contributes to discussions on working conditions and decision making. There are 15 GOR members representing various departments, including one Lely Center delegate.

The GOR consists of four sub-commissions:

- **Daily Board (DB)** – responsible for day-to-day management and contact with our directors.
- **VGWM** – responsible for supporting and advising on risk, health and safety-related topics.
- **CCC** – responsible for communication with stakeholders.
- **FEC** – responsible for supporting and advising on financial topics.

Most GOR members are part of one of the above sub-commissions. The Legal and Business Affairs Director and HR Director are responsible for engaging with the GOR, and they meet on a monthly basis. The GOR periodically reports on the matters under consideration to Lely employees via SharePoint, and these reports are accessible to all employees. In addition, the GOR has meetings with representatives from the Executive Board at least once a year and engages semi-annually with representatives of the Supervisory Board. The GOR members are elected every three years, most recently in February 2025.

Young Lely

Through Young Lely, we organise engaging events and activities for employees aged 35 and under, offering our young professionals additional opportunities to network, develop and socialise. Since its launch in March 2024, over 240 colleagues have participated in a Young Lely event.

Channels for own workforce to raise concerns

We encourage open communication, and we have multiple channels in place to help employees feel safe and supported when raising concerns or reporting violations.

SpeakUp

All Lely employees, including temporary workers, are expected to act in line with the letter and spirit of the Lely Code of Conduct. The SpeakUp Policy enables employees to safely and, if needed, anonymously raise concerns about suspected misconduct or unethical behaviour, with appropriate protection in place. For more information, please refer to the chapter Integrity and compliance on page 46 of this report.

Social Counsellor

As part of our efforts to create a supportive work environment, we have partnered with 'BMW Voor Elkaar' to appoint an external confidential advisor, the Social Counsellor. Anyone who wishes to report inappropriate behaviour but is unwilling or unable to address the situation with their manager can contact the confidential advisor. The Social Counsellor is also available to listen to employees' concerns regarding mental health issues, whether work-related or not, and can refer employees to external professional support, such as a doctor or psychologist, where appropriate.

Red Socks Foundation

Through the Red Socks Foundation, employees who have financial problems can receive support. Employees can submit their problem anonymously to a committee, who then determines whether the employee is eligible for assistance. This support may entail taking over a debt and arranging a payment plan, providing temporary financial support or helping the employee organise their financial overview.

S1-5 Characteristics of own workforce

The following tables provide comprehensive information about our workforce, including our workforce composition by gender, geographic distribution, contract type and working hours. All figures reflect the end of 2025.

Gender	Headcount employees
Male	2,002
Female	666
Other	1
Gender not reported	42
Employees (total)	2,711

Country	Headcount employees
Netherlands	1,594
Germany	327
France	153
Other	588
Total	2,711

About Lely

Performance and value creation

Corporate governance

Sustainability statement

Turnover
In the 2025 reporting period, we had an average of 2,375 employees (FTE). During the same period, 235 FTEs left the organisation, resulting in a turnover rate of 10%. The turnover rate is calculated by dividing the number of leavers by the average number of FTEs over the year.

S1-8 Diversity
At Lely, we believe that diversity and inclusion (D&I) play a critical role in creating a positive and supportive workplace. We are committed to fostering an inclusive work environment that embraces diversity in all forms, including race, ethnicity, gender, age, sexual orientation, disability, religious beliefs, years of service and cultural background. By doing so, we aim to create an environment where everyone feels they belong and can be themselves.

We comply with the Gender Balance Act (effective as of 1 January 2022) by setting targets and managing the balance between women and men in all levels of management. At Lely, 24% of our workforce are women and 76% are men. In managerial roles, women represent 22% and men 78%. Our ambition is to have a gender ratio of 30% women and 70% men in managerial roles by 2030.

- At Supervisory Board level we had a 0%-100% female-male ratio. Since first of April 2026 the ratio for Supervisory board is 40%-60% due to appointment of 2 female members.
- At the Executive Board level, the ratio is 40% women and 60% men.
- At the director level, the ratio is 10% women and 90% men.

In 2025, we focussed on creating more awareness and taking steps to improve gender diversity across Lely globally, particularly at managerial levels.

Gender diversity

2030 target

30/70%

Diversity managerial roles female/male

Activities included:
- D&I workshops for all managers
  - Management teams and Department teams took part in a D&I workshop facilitated by HR

International roll-out done in selected clusters and Lely Owned Lely Centers by local HR
- Adjustments to vacancy texts to prevent biases
- Part of Quarterly Business Review reporting
- Advanced D&I policy in employee handbook

These efforts mark an important step in our ongoing commitment to creating a more inclusive, balanced and forward-looking workplace.

S1-12 Training and skills development
Lely is committed to the continuous training and development of its people. The Lely Academy supports our employees with their professional and personal development through a variety of (technical) training and education programmes designed to build the skills and knowledge that drive their

About Lely

Performance and value creation

Corporate governance

Sustainability statement

growth. We offer training courses in Health & Safety, Compliance, Technical, Farm Management Support, Sales and Product Development. Additionally, we offer training courses in the areas of Leadership Development, Team Development and Personal Development via our OneLely curriculum. OneLely is our organisational programme on attitude and behaviour. The main goal of our OneLely Programme is to strengthen our organisation by being OneLely - working as one team, one family with one goal. Together, we are OneLely, united by our mission, vision and strategy. Our target is for 80% of employees to participate in training programmes.

S1-13 Health and safety

We are committed to providing a healthy and safe work environment for all our workers. This section outlines key information on health and safety at Lely, including policies, practices and risk management. Additionally, Lely fully complies with all applicable (local) health and safety legislation and standards. This includes, among others, the Dutch Working Conditions Act, the Environmental and Planning Act, relevant EU directives as implemented in Dutch law and the PGS guidelines for the safe storage of hazardous materials.

Lely Health & Safety policy

Lely strives for zero severe accidents. Therefore, it is essential to understand and manage our risks and ensure that everyone has the right knowledge and tools to work safely. In 2025, we developed a new comprehensive Health & Safety policy. It includes procedures that contribute to a successful organisation with a proactive safety culture, where we prioritise the well-being of our people.

Transparent health and safety communication

Transparent health and safety communication is key to creating a strong safety culture within our organisation. Our goal is to create an environment of collaboration and open discussion on safety matters.

We aim to achieve this through our Health & Safety policy, which includes clear and effective guidelines for addressing health and safety-related topics, sharing data-driven insights, developing best practices and ensuring that lesson-learned reports are promptly available for responsible stakeholders. Additionally, we introduced the Quentic Safety Tool Incident Dashboard to improve how we manage our incident-related responsibilities. This tool provides detailed insights and trend analyses related to health and safety risks across our business operations.

Proactive risk management

We want to implement future-proof risk management strategies and tools to create the safest possible workplace for all our employees. Our goal is to develop proactive risk and incident management strategies to control risks before they result in incidents, ensuring a safer and more resilient workplace.

We identify and manage health and safety risks in the workplace by systemically conducting risk assessments. Additionally, we aim to learn from health and safety incidents within the company to prevent recurrence and ensure that proactive safety measures are implemented.

In 2025, we made improvements to enhance visibility into incident trends, enabling better analysis and follow-up. As part of this effort, we also raised greater awareness about the importance of reporting incidents, including near misses. To support and encourage reporting, we promoted the use of the Quentic Safety Tool, which allows Lely employees across the Campus, Lely Clusters and Lely Centers to easily report safety-related (near) incidents. Additionally, we expanded the user base, providing onboarding and training to more employees to ensure effective use of the Quentic Safety Tool.

The Quentic Safety Tool also plays a key role in safeguarding the risk analyses required for our business operations. In 2025, we continued the rollout of the Risk Assessment module and conducted multiple assessments across the organisation. These assessments evaluate the risks our employees may be exposed to and lead to the development of targeted action plans to ensure a safe working environment.

Embedded safety mindset and competences

We aim to empower individuals to prioritise safety during business operations by providing them with safety training and instruction. Lely offers various training courses and e-learnings on safety through the Safety & Compliance curriculum. Based on job profiles and the specific needs of certain employee groups, we have also developed a mandatory health and safety training programme. Management is responsible for ensuring its employees have received the correct training and instruction for the work activities they need to perform for Lely.

In 2025, new safety trainings were added to the Safety & Compliance curriculum, including classroom training on ADR and on-site emergency response and an e-learning module on lifting and hoisting. We also ensured that job-specific online safety modules were designated as mandatory for technicians, including the zoonosis e-learning for farm visitors. Additionally, we have put measures in place to support the completion of mandatory training required to support the safe performance of specific tasks.

A successful safety community

Our goal is to build a future-proof safety community with engaged and passionate individuals who work together to foster a safer workplace through active collaboration and shared responsibility. To achieve this, we have an active Safety Ambassador Community made up of dedicated representatives from our Lely Clusters and Lely Centers. The Safety Ambassadors work proactively to raise safety awareness within their areas of responsibility.

In 2025, all Lely Clusters have appointed a Safety Ambassador, and a growing number of Lely Centers are adopting the same approach. Currently more than 60% of our (franchise) Lely Centers have appointed a Safety Ambassador. Together, this results in a network of more than 70 Safety Ambassadors. A Safety Ambassador onboarding programme is available to support new members and ensure they acquire and maintain the necessary knowledge and skills for their role. In 2026, we will focus on further developing our Safety Ambassador Community, particularly on the Lely Campus.

Governance

G1 Business conduct

We have identified Business conduct as a material topic, recognising it as a key part of our commitment to responsible and ethical operations. The Lely Code of Conduct outlines the principles that guide our actions and decisions, translating our core values into expected behaviour for all employees.
In addition to our Code of Conduct, we have mechanisms in place to support ethical decision-making and accountability. These include regular Code of Conduct training sessions and the SpeakUp Policy, which provides employees with confidential channels to raise concerns. Together, these measures form a core part of Lely's overall approach to responsible business conduct.

G1-1 Corporate culture and business conduct policies

We are driven by our core values, which guide our direction and shape our decisions. The Lely Code of Conduct translates these values into everyday action. The Code of Conduct, which was renewed in 2025, outlines fundamental principles for professional behaviour, along with rules and guidelines for ethical conduct. It applies to all employees of Lely Holding B.V. and all its subsidiaries and consolidated participations, including board members and anyone working for Lely on a temporary basis. Employees are expected to understand and uphold the standards outlined in the Code of Conduct.

Furthermore, employees within the scope of the programme are required to regularly complete compliance-related online training via my Academy, covering topics such as fraud prevention, bribery, cyber security and competition law. The target audience for the trainings includes all Lely employees who have a Lely PC and email address, excluding field and operations employees. The current participation rate for this group is between 70% and 80%. More information on the e-learning can be found in the chapter Integrity and compliance on page 46.

We have launched the Code of Conduct for our business partners, which will outline expectations for ethical and responsible conduct in our external relationships.

Animal welfare

Animal welfare is one of the five impact areas defined within our Farm of the Future vision. It is integral to our product development processes and forms a key component of the Farm Management Support offered to our customers. To further strengthen and formalise these commitments, Lely is developing an Animal Welfare Policy. The initial version of this policy is currently undergoing review by internal and external stakeholders, with implementation planned for 2026.

Our approach is grounded in the Five Domains Model developed by Mellor, which provides a comprehensive framework encompassing both the physical and psychological dimensions of animal welfare. This model emphasises the promotion of positive experiences in addition to the prevention of negative ones.

We aim to monitor indicators across the four physical domains of the model (nutrition, health, environment, and opportunities for natural behavior and positive interactions) to obtain a more detailed understanding of animal welfare conditions on our customers' farms. These insights will support continuous improvement of our services, guide the enhancement of our existing portfolio and inform the development of future innovations.

G1-4 Incidents of corruption and bribery

We are committed to maintaining the highest standards of integrity and ethical conduct and apply a zero-tolerance policy towards corruption, bribery, discrimination and harassment. In 2025, we did not receive any reports of corruption or bribery.

farming innovators