



Annual Report 2024

Creating the future of farming together



About Lely

Performance and
value creation

Corporate governance

Sustainability statement

Key figures 2024

Farmers satisfaction
Net Promoter Score

25

Lely Centers
worldwide

184

2023: 184

Employees

2,375

2023: 2,202

Total revenue
in mln. €

857

2023: 888

CO₂ footprint
tonnes CO₂eq; Scope 1, 2

5,665

2023: 5,887

CO₂ footprint
tonnes CO₂eq; Scope 3

290,826

2023: 383,097

**Diversity in
management**
female/male

24/76%

2023: 23/77%

R&D investments
% revenue

9%

2023: 8%

**% Renewable
electricity of
total consumption**

88%

2023: 83%

**Pre-owned Astronauts
installed in the field**

7,771

GPTW Trust Index
head office

79

2022: 80

**Customers
worldwide**

44,417

2023: 41,139

About Lely

- Performance and value creation
- Corporate governance
- Sustainability statement

Content

About Lely	4	Report of the Executive Board	28	Sustainability statement	48
Foreword CEO	5	Value for our stakeholders	32	General basis for preparation	49
Company profile	7	Cow	33	Environment	51
History	8	People	35	Social	58
Key events 2024	9	Planet	39	Governance	64
Trends and developments	10				
Vision and mission	11	Corporate governance	40		
Strategy: Impact30	14	Good governance and management	41		
Business model	18	Risk management	42		
		Integrity and compliance	44		
Performance and value creation	20	Biographies Executive Board	45		
Our value chain	21	Biographies Supervisory Board	46		
Double materiality assessment	24	Report of the Supervisory Board	47		

Case study

13



Case study

31



Case study

34





About Lely

Total revenue
in mln. €

857

2023: 888



About Lely

Performance and
value creation

Corporate governance

Sustainability statement

Foreword CEO

When farmers face difficulties, Lely experiences challenges as well. Given the nature of our business, this makes a lot of sense. We anticipated 2024 to be even more challenging than 2023, both for farmers and for our company, and our expectations were confirmed.

Notably, it is no longer milk prices that have the biggest impact. Although the milk price in 2024 was not where we wanted it to be, it steadily improved throughout the year. And, while production costs remained relatively high, they were still coming down.

Instead, it is the ongoing uncertainty in the agricultural sector globally that has the biggest impact. With constantly evolving environmental regulations, the future of subsidies and financial support unclear, and the supply of labour under pressure. The emphasis varies by region, but often, a clear long-term vision for the future of dairy farming is lacking. Consequently, farmers are reluctant to invest.

Focused on the future of farming

Our financial results in 2024 were reflective of these challenges, with a revenue decline of 3.4%. While we had to temper our revenue expectations, we did not hold back when it came to our goal of making farmers successful. In fact, we did an incredible amount of work. We installed the 50,000th Astronaut milking robot, while unveiling three new products — two of which are groundbreaking innovations. We also launched our new strategy Impact30 and officially transitioned to our new organisational structure. Amidst the ongoing stagnation in the agricultural sector, we choose to move ahead rather than stand still.



“We did not hold back when it came to our goal of making farmers successful.”

About Lely

Performance and value creation

Corporate governance

Sustainability statement

We shouldn't lose sight of the fact that the demand for dairy is growing. Our goal is to improve the lives of farmers and cows, and to enable the sustainable production of nutritious dairy products to feed a growing world population.

With our new five-year strategy Impact30, we are not reinventing the wheel but rather sharpening our focus. Specifically on impact areas such as animal welfare, impact on the environment and farmer prosperity that are an integral part of our vision for the Farm of the Future. Our Yellow Revolutions in 2024 are exactly the types of innovations that you can expect from us in the years ahead. With Lely Zeta AI Calving Monitor and its numerous AI functionalities, we help farmers give calves the best possible start in life. And with Juno Max, we enable automatic feed pushing at large-scale farms, ensuring cows in barns of all sizes, and farmers, can benefit from frequent feeding. These are all significant steps forward in terms of animal welfare and farmer prosperity. And while the dairy sector remains our primary focus, we are also exploring the possibility of alternative proteins as an additional source of income for farmers in the future.

Our other top priority is building long-term relationships with our customers. In this regard, our Lely Centers are essential to achieving our vision, and providing them with the best possible support is a big part of our Impact30 strategy. After all, it is the service technician who they know and trust. We may have mixed feelings about our 2024 results, but we can say with confidence that without the dedication of our Lely Centers, we would have had a considerably more challenging year.

A new way of reporting

Our annual report looks different this year. In preparation for the Corporate Reporting Sustainability Directive, we are publishing our first sustainability report alongside our regular annual review. The 2024 report is an important step in our learning, highlighting areas where we need to do more or move faster to achieve our goals. Diversity in our organisation and in leadership is a clear example. It also sparks important discussions about managing the

disposal and recycling of our Lely Pre-Owned systems. And about how and when to transition to a fossil-fuel-free fleet in countries with limited charging infrastructure, or where driving distances far exceed the range of an electric service van carrying heavy equipment. All these complexities rise to the surface, so that we can start to address them.

Long-term perspective

As a family-owned business, we have always had a long-term perspective. The innovations that you hear about today have been in the works for many years. The reason we were able to celebrate our 75th anniversary in 2023 is our understanding of what it takes to protect farmers' license to produce well into the future, as well as our courage to invest significant resources in the development of new innovative solutions to do so.

Greenhouse gas emissions, soil health and biodiversity, water quality, and animal welfare. They describe the challenges facing our sector today. They are also the targets of our innovations. The installation of the 50,000th milking robot is proof of the growing demand for our products. The outlook for data management solutions in agriculture is also bright. With leading technology and a strong focus on cyber resilience, we are well positioned to capitalise on these opportunities.

I am looking forward to implementing our ambitious strategy, as well continuing our work on a number of new and exciting propositions in line with our vision for the Farm of the Future.

4 June 2025

André van Troost, CEO

About Lely

Performance and
value creation

Corporate governance

Sustainability statement

Company profile

Farmers play a crucial role in meeting the growing demand for sustainably produced food. Now more than ever, as the world's population is increasing. At Lely, we are driven every day by the goal of making the lives of dairy farmers easier. As an international family-owned business, we provide innovative solutions and valued services to enhance farm efficiency, improve animal welfare and enable sustainable dairy production.

Since our founding in 1948, we have dedicated our efforts to ensuring a sustainable, profitable and enjoyable future for the agricultural sector. For decades, we have been a global leader in dairy farming automation, specialising in high-quality robots and data systems and serving multiple generations of dairy farmers. Today, over 44,000 farmers in more than 50 countries rely on our solutions — a number that humbles us and continues to grow.

Our offering includes a range of innovative solutions for milking, feeding, manure and farm management, as well as tailored support and expert advice through our global network of over 200 dedicated Lely Centers. Our Lely offices, spread across 10 countries, serve and contribute to the sales and marketing activities of our Lely Centers. Our head office is in Maassluis, the Netherlands.



Lely at a glance

Founded in

1948

Employees (FTE)

2,375

R&D entities

2

Production facilities

2

Current patents

~1,500

Customer countries

50+

Sales (in mln. €)

857

About Lely

Performance and value creation

Corporate governance

Sustainability statement

History

Our legacy began in the early years after World War II, when people were challenged to rebuild what was destroyed, restore prosperity and feed a fast-growing population. As the agriculture business grew, farming became a respected way of life.

Yet it remained demanding, requiring farmers' full commitment every day. Determined to make farming easier and more enjoyable, 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 marks the first phase in our history: mechanisation. In the 1990s, we introduced robotisation, and by 2020, we took the next step into digitalisation.



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.



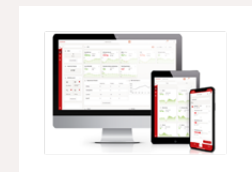
1992

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.



2020

Lely enters a new era for farming with the launch of its digital farm management platform, Lely Horizon.



2023

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

About Lely

Performance and value creation

Corporate governance

Sustainability statement

Key events 2024



Lely Center Heerenveen opens new building. It is the first Lely Center worldwide representing our newly established guidelines for branding to further build the Lely brand.



First Lely Orbiter installed in Belgium and the launch of Oh!Lait, a new and innovative Belgian dairy brand that brings the authentic taste of fresh milk straight from the farmer to the consumer.



50,000th Lely Astronaut celebrated with a customer event in Ireland and an extensive, global social media campaign.



The launch of two Yellow Revolutions: Juno Max and Zeta. Both robots represent a new step in realising our vision on the Farm of the Future. In addition, we launched the next generation Discovery Collector manure robot, which includes a sand flush accessory for barns with sand bedding.



Internal launch of our new five-year strategy: Impact30. Through five pillars, we address the challenges and trends that we and our farmers face today and in the future, building healthy businesses for generations to come.



Our environmental, social and governance (ESG) commitments were approved by our Executive Board and Supervisory Board - an important next step to advance our integrated approach to ESG and create value for stakeholders across our value chain.

About Lely

Performance and value creation

Corporate governance

Sustainability statement

Trends and developments

As a global company, we pay close attention to what is happening around the world, in the countries where we operate and on the farms where dairy farmers rely on our propositions. These trends and developments also shape our strategy, innovation focus and actions for achieving our vision of a sustainable, profitable and enjoyable future in farming. In this chapter, we provide insight into the most important developments in 2024 and their impact on dairy farmers, as well as the long-term outlook for our sector.

In 2024, dairy farmers continued to experience challenges related to global developments such as inflation and high interest rates. Farmers felt the burden of higher feed, labour and energy costs. According to a 2024 McKinsey report, overall costs have risen, adding pressure to already tight margins. While milk prices showed some recovery in 2024, they remained relatively low, posing further challenges to the profitability of dairy farming.

The relatively high interest rates negatively impacted the investment appetite among dairy farmers. Fortunately, rates began to decline in the second half of 2024, resulting in better loan terms and easing some of the pressure on farmers.

Climate and regulatory pressures

Additionally, extreme weather events are a concern, with droughts, flooding and temperature fluctuations affecting feed and milk production across several regions. Furthermore, regulatory pressures continued to intensify. EU environmental protection policies, such as the European Green Deal, EU Nitrates Directive and EU Industrial Emissions Directive, will likely lead to

higher production costs and a reduction in the number of dairy farms. These challenges are coinciding with a growing global demand for dairy products. A 2024 report by the International Farm Comparison Network revealed that global milk demand increased by 1.4%, highlighting the continued importance of dairy products in feeding the world. The adoption of automation is growing, and farmers continue to explore innovative ways to adapt to the industry's evolving demands.

The role of farm innovation

By 2050, dairy demand is expected to grow, driven by a larger population (+24% compared to 2020) with a higher milk demand per capita. At the same time, fewer young people are entering dairy farming. This presents challenges in relation to succession and leads to higher labour costs. In Europe, stricter sustainability requirements are expected to increase production costs and reduce the number of dairy farms, with a forecasted annual decline of 3% until 2050. As a result, fewer farms will need to meet growing dairy demands. This requires a different way of working, in which innovation plays a major role.

Despite these challenges, our long-term outlook is positive, driven by the growing adoption of automation in dairy farming and its increasing recognition as a solution to sector challenges. Globally, farmers are turning to advanced technological solutions that improve their operations. In mature markets such as Europe, investment priorities are shifting towards farm innovations that not only boost efficiency and reduce costs but also align with social, political and environmental goals.

As the demand for high-tech machinery to support sustainable food production grows, we see a meaningful chance to support farmers in building a more sustainable future supported by our innovative solutions and valued services.

About Lely

Performance and
value creation

Corporate governance

Sustainability statement

Vision and mission

Our founding fathers had only one goal: to make farmers' lives easier through innovation. We remain committed to this goal through our vision of creating a sustainable, profitable and enjoyable future in farming.

As a growing international family-owned business, we remain guided by our 'True North' — the values and beliefs of our founders and their successors. We are a family-owned company with a clear social contribution, striving for technological and environmental leadership in farming. We are a great place to work with passionate people and we boost innovative power with owned serial manufacturing — all to generate value for farmers in a long-term partnership. These deeply rooted beliefs have enabled us to adapt and stay resilient over time while navigating the ever-evolving dynamics of the agricultural sector.

While the environment continues to change, our mission remains the same: creating the future of farming through innovative and valued solutions. Our innovations support the journey towards the Farm of the Future: a farm that is fully acceptable to society and farmers and ensures that farmers maintain their licence to produce. The Farm of the Future is centred around five impact areas that will guide our innovations in the coming years.



About Lely

Performance and value creation

Corporate governance

Sustainability statement

The five impact areas are:

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. Our automated milking and feeding solutions allow cows to live their lives in the most natural way possible. In addition, we have solutions that encourage grazing and enable the earlier detection of possible diseases to improve animal welfare.

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 such as methane, water quality, energy usage, soil health and biodiversity. We aim to move rapidly towards fully circular farming by pushing our creative limits.

3. Sustainable and nutritious dairy products

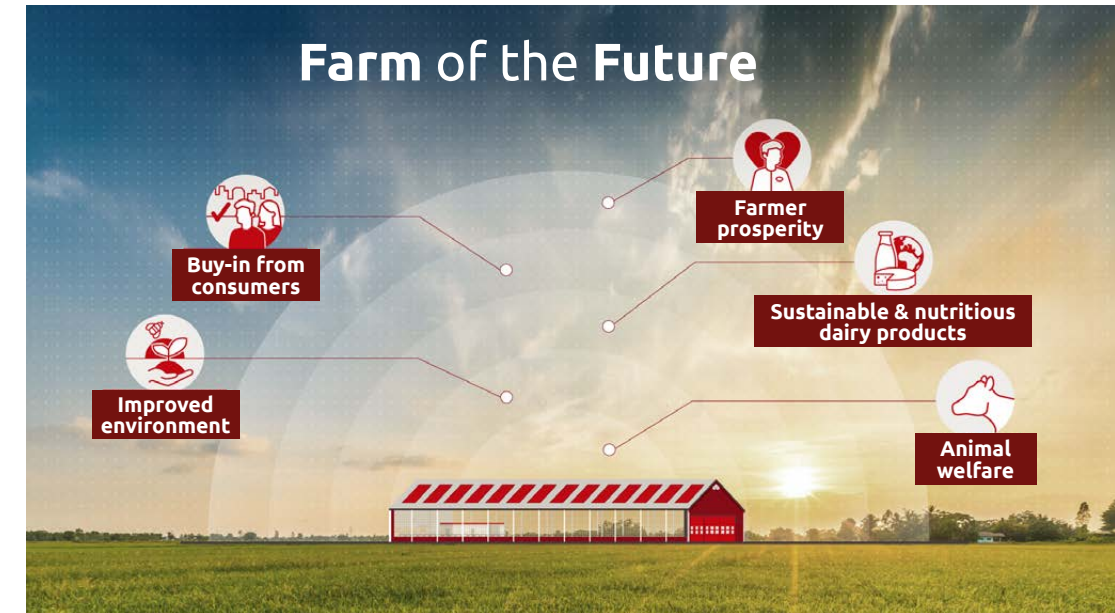
Our aim for the Farm of the Future is to produce high quality, traceable and sustainable dairy products. This means, for example, looking at cows' genetic traits and diets for the efficient conversion of feed into milk and production of highest quality milk.

4. Buy-in from consumers

As consumers become more critical about farming, their buy-in becomes increasingly important. Consumers demand transparency about food production, but due to urbanisation, they are increasingly distant from the processes that take place on a farm. 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 believe farmers should be rewarded for their dedication and supported in achieving financially fit farms. 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.

We will centre our innovations around these themes with the goal of protecting farmer's license to produce and making farming truly enjoyable again. When innovating, we will focus not only on these themes but also on the different farm types we see around the world: family-owned farms, large-scale farms and grass-based farms.

By pursuing our vision for the Farm of the Future, we hope that dairy farming will again be seen as a beacon for sustainable food production and as a driver for economic growth and prosperity. Not only for the farmer, but also for society.

About Lely

Performance and
value creation

Corporate governance

Sustainability statement

Case

Lely offers the opportunity to drive meaningful change and create value for farmers

Our employees are essential to our mission of creating the future of farming through innovative and valued solutions. As a family-owned company, we aim to foster an environment where our employees feel valued, encouraged and empowered. Prosper Munatsi, a Jr. Software Test Engineer who has only been with Lely for close to a year, has already embraced the team spirit and company culture. He shares his experience:

‘What I like the most about Lely? I would say two things: it’s challenging, but also the flexibility that is provided by Lely. You can, in a way, design your own day. Also, it’s a great family, so you work with wonderful people on the job and off the job.

They are also conscious about the environment and want to be a leading partner in global food production. For Lely, as software engineers, we work on the complete system. So, it’s not just software testing; it’s testing the whole product.’

Prosper’s experience at Lely highlights what makes us unique: a supportive yet challenging work environment with opportunities to innovate and a team that feels like family.

For those passionate about creating a difference through technology, Lely offers the opportunity to drive meaningful change and create value for farmers, whether you’re in the office or on the farm. As Prosper says, ‘If you enjoy robotics, this is the place to be’.



About Lely

Performance and
value creation

Corporate governance

Sustainability statement

Strategy: Impact30

The agricultural sector has changed and is still changing. Our organisation has evolved with these changes, driving the next phase of progress.

Farming and agriculture will continue to evolve, especially as society becomes increasingly critical of farming practices and regulations grow stricter. Additionally, new macroeconomic tensions are at play, adding further complexity to the agricultural landscape.

Despite these developments, the global demand for healthy and nutritious dairy products is expected to grow by approximately 2% per year in the foreseeable future. The need to meet these demands and feed a growing global population sustainably is becoming more urgent. With our strategy, Impact30, we outline how we aim to transform tomorrow's challenges into today's opportunities.

True North

Family-owned
with a social
contribution

Technological
and environmental
leadership
in farming

A great place
to work with
passionate
people

Owned serial
manufacturing
to boost the
innovative power

Generating
value for
farmers in a
long-term
partnership

Vision

A sustainable, profitable and enjoyable
future in farming

Mission

Creating the future of farming through
innovative and valued solutions

Impact30



Innovate
for the
future of
farming



Create
a strong
supply
chain



Realise a
premium
distribution
channel



Deliver a
unique
customer
experience



Develop a
successful
global
organisation

About Lely

Performance and value creation

Corporate governance

Sustainability statement

Our strategy Impact30

Impact30 evolves around 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.



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 develop 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. This will allow 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 offer them unique support and deliver on our promises with a farmer-focused 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.



About Lely

Performance and value creation

Corporate governance

Sustainability statement

Our ESG strategy

We embrace our responsibility towards farmers, society and the planet. Sustainability has been an integral part of our vision and one of our guiding principles. Today, we hold a more comprehensive definition of sustainability, one that takes into account the positive and negative impacts of our activities, as well as the risks and opportunities. This development reflects the trend of new and stricter legislation as well as growing societal demands aimed at promoting greater transparency and accountability.

In recent years, we have worked on embedding sustainability more systematically within our organisation. Until 2019, many sustainability initiatives were managed in a more ad hoc manner. That year, we developed our sustainability programme, 'Bright farming, bright business', which marked a shift towards a more structured approach focused on creating value for cows, people, and the planet. To further embed ESG in our decision-making, clear commitments were required. Therefore, a new ESG framework was developed and approved by our Executive and Supervisory Board in 2024. In the coming years, we will focus on integrating our ESG framework into our overall strategy. We are committed to making sustainability a core part of how we operate, contributing to sustainable food production and driving long-term value creation across our value chain.

Beginning in 2026, Lely will expand its sustainability disclosures in preparation for its first CSRD-compliant report, which will cover the 2027 financial year. As part of this process, we are updating our materiality assessment to determine our material ESG impacts, risks and opportunities (IROs). We see this as an opportunity to advance our ESG efforts, and we look forward to using the insights from our analysis to help realise our vision on the Farm of the Future.

We are in the process of detailing our ESG commitments in alignment with the material IROs as identified through our materiality assessment. In executing our Impact30 strategy, we will implement measures that address each of our commitments under the ESG framework and that positively impact our stakeholders across the value chain:

1. **Farmers** – consistent with our Impact30 pillar 'Innovate for the future of farming', by realising our vision on the Farm of the Future.
2. **Value chain partners** – consistent with our Impact30 pillar 'Create a strong supply chain', by reducing CO₂ emissions and engaging with and supporting our partners in addressing risks and impacts.
3. **Our organisation and employees** – consistent with our Impact30 pillar 'Develop a successful global organisation', by promoting a more diverse and inclusive work environment and embedding ESG in our culture.

Placing ESG at the core of our strategy is the first step towards integrated steering and reporting for our organisation. This process will be further developed and improved in the near future to help all Lely employees make informed decisions that consider both financial and non-financial values.

Our Impact30 strategy and ESG framework will sharpen our focus as we pursue our vision for the Farm of the Future. Over the next five years, we will continue to build a more resilient and future-proof organisation, ensuring that we can continue to generate value for our value chain partners and our organisation and employees well into the future.

About Lely

Performance and
value creation

Corporate governance

Sustainability statement

ESG framework

Environment

We want to facilitate a sustainable future for the agricultural sector by introducing new, integrated solutions that make a significant positive impact on cows, people and the planet. As part of our ongoing efforts to address climate change, we are working to reduce greenhouse gas (GHG) emissions — within our operations, value chain and on-farm — in alignment with the Paris Agreement. Through our circularity plan, we are rethinking how we design and use resources to minimise virgin material use and waste, and stimulate re-use, refurbishment and recyclability. Looking ahead, we are also exploring a new long-term commitment to protect ecosystems by reducing water and harmful chemical substances and stimulating biodiversity.

Social

We strive to be a great place to work for our employees, with opportunities for learning and development, embracing diversity and inclusion, and ensuring a safe and healthy work environment. We are committed to gaining a deeper insight into the value chain and working with our partners to improve conditions for both our workforce and workers in the value chain. Additionally, we aim to support farmers in their livelihood and prosperity. Each Lely solution aims to contribute to farmers well-being.

Governance

We are dedicated to responsible governance and ethical business practices. Our commitment to operating responsibly is reflected in the clear roles, responsibilities, and accountability we maintain across our organisation. Ethical behavior is a priority, and we expect all employees to adhere to our Code of Conduct. We are also committed to animal welfare. Our products and services empower farmers to allow cows to follow their natural rhythms and monitor animal welfare.



About Lely

Performance and value creation

Corporate governance

Sustainability statement

Business model

Over 44,000 farmers rely on us. To guarantee the service that farmers deserve, we structure our company with a focus on *‘think global, act local’*.

To guarantee the successful distribution of our solutions, we set up a premium distribution channel and work globally through our Lely Centers and Lely Clusters. Our Lely Centers focus on offering advice, maintenance and sales. Our Lely Clusters are international offices that serve multiple countries in their region. The Lely Centers and Lely Clusters work closely together to provide our customers with the service and support they need.

Our organisational set-up

In Maassluis, our new products are designed, built, tested and prepared for the market. Here, we prepare the market introduction, training materials and all other preconditions to guarantee a successful launch. The Lely Clusters then translate the product strategy into a localised strategy for introduction to their region.

Our Lely Centers have daily contact with our customers, providing farmers with the service, advice and support they need to maximise the uptime and performance of our solutions. They also play an important role in gathering feedback and opinions and relaying them to our head office. All feedback and opinions are gathered at our head office and used for continuous development. This unique set-up enables our organisation to remain innovative and effective, resulting in a growing customer base.

Our offering

We offer highly innovative solutions for dairy farms and services to help our customers succeed. They support an efficient way of working, contribute to the well-being of farmers through greater flexibility and freedom of choice, and help optimise the production and quality of milk.

Milking – producing high-quality milk requires time, care and thoughtful choices that help farmers achieve their goals. Our solutions for automatic milking 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. It demands knowledge, precision and time to mix and deliver the right portions. 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 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 the Lely Horizon, available for all farmers.

About Lely

Performance and value creation

Corporate governance

Sustainability statement

Services

We also deliver services to our farmers, 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 individual customer. Farm Management Support covers the start-up phase and provides ongoing guidance to help farmers make choices that align with their goals.

Technical Service Support – our well-trained service technicians provide regular maintenance to ensure maximum uptime and peace of mind for the farmer. Their experience in the field and agricultural background guarantee that farmers can rely on a trusted and skilled partner during their day-to-day work on the farm. Technicians use original spare parts for the maintenance of Lely solutions.

Included in Technical Service Support are original spare parts that technicians use during maintenance of the Lely solutions.

As part of our aftersales services, we also offer a comprehensive range of Milk Care, Cow Care and Machine Care consumables and wear parts to help the farmer 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



Customers worldwide

44,417

2023: 41,139



Our value chain

Upstream

Raw material

Lely does not source raw materials directly. Main components sourced involve mechanical, mechatronics and electronic parts, with stainless steel and plastics constituting the majority by mass.

Tier 2+ suppliers | Global

Direct suppliers

Based on Lely's specifications, direct suppliers produce parts, assembled components, consumables and office & operations supplies.

Tier 1 suppliers | Global

Inbound logistics

Logistic partners and suppliers are responsible for delivering components to Lely's assembly facilities.

Logistic partners deliver spare parts and consumables to Lely's logistic service providers, who handle warehousing and further distribution to Lely Centers who take care of the physical distribution to farmers.

Logistic Partners | Global

Activities Lely

Develop

The way we develop our propositions

Translate our Farm of the Future vision and market needs into needs and targets for long-term proposition plans.

Improve our current propositions (continuous development) and develop next generation robots and digital solutions and services for our farmers.

Develop Lely Ways of Working for sales and services, aligned with long-term proposition plans.

Own workforce

Global | The Netherlands, Turkey, Bulgaria, Portugal | The Netherlands

Three parallel streams of development

Research & Development

Lely Technologies and Product Development focus on in-house R&D of new propositions to enable the Farm of the Future.

Collaborative innovation

Collaboration with strategic partners, including third-party OEMs and design partners, for product development.

Co-creation

Lely leverages start-ups, M&A and spinouts for the development of products and services.

Strategic partners and own workforce (incl. Navus Ventures)

The Netherlands | Global | Global

Purchase*

Upon Lely specification, parts and assembled components, consumables and office & operations supplies are purchased from direct suppliers.

Produce

In-house assembly of products.
In-house assembly of spare parts kits.

Support

Liaise with Cluster organisations to bring service and support to Lely Centers, distributors and dealers.

Sell

Sales of propositions to Lely Centers, distributors, dealers and farmers.

Own workforce

The Netherlands, USA

Own workforce and finance partners

Europe, LATAM, APAC, North America

Legenda

Products

Services: spare parts, consumables, warranty, Farm Management Support, Technical Service Support

Stakeholders

Geographies

* For new solutions and to support existing propositions in the market
** A number of Lely Centers are owned by Lely via ownership of shares (Lely Owned Lely Centers)

Downstream

Outbound logistics

Logistic service partners organise delivery of our propositions to the Lely Centers.
Logistic service providers organise warehousing and deliver spare parts and consumables to Lely Centers and farmers.

Logistic partners

Europe, APAC, LATAM, North America

Sell

Lely Centers, distributors and dealers sell products and services to farmers.**

LC employees and distributor/dealer employees

Installation

Proposition installed by Lely Centers.

LC employees, distributor employees, third parties and farmers

Use phase

Use

Use of (digital) products by farmers.

Support

Advice on optimum use of (digital) products and opportunities for further farm optimisation with other products.

Maintenance

Lely Center performs maintenance of products in line with Lely guidelines.

Spare parts, wear parts and consumables supplied by Lely Center. Perform software updates.

Refurbish and re-use

Lely extends the lifetime of its products by offering certified pre-owned robots through its Lely pre-owned programme.

Specific spare part items are refurbished and re-used.

LC employees, distributor employees, third parties and farmers | Europe, APAC, LATAM, North America

End-of-life

Waste and recycle

Lely Centers handle the waste and recycling of our products where possible. A policy will be developed.

LC employees, distributor employees, third parties and farmers | Europe, APAC, LATAM, North America

About Lely

Performance and
value creation

Corporate governance

Sustainability statement

Stakeholder overview

Stakeholder group	Purpose of engagement	What matters to them/outcome (DMA)	Channel of dialogue	Highlights 2024
Employees	<ul style="list-style-type: none"> • Inform about vitality programme • Gather employee input on Lely way of working, challenges, initiatives • Raise awareness of internal policies and procedures, training and Code of Conduct • Inform about results, strategy and general business news 	<ul style="list-style-type: none"> • Job security • Fair compensation • Professional development • Workplace safety • Alignment with company values, including sustainability and ethical business practices 	<ul style="list-style-type: none"> • SharePoint and monthly newsletter • Monthly OneLely Managers (OLM) meetings and OLM Live session • Great Place To Work survey • Joint Works Council (JWC, GOR in Dutch) representing Dutch entities • Lely Onboarding programme • Lely Academy • Speak-Up Policy 	<ul style="list-style-type: none"> • Great Place To Work certificate received at nine different participating locations • JWC advice on new Impact30 strategy, and other topics related to remuneration and privacy • Strategy launch event to kick off Impact30
Lely Centers	<ul style="list-style-type: none"> • Ensure customer satisfaction • Maintain service quality • Raise topics related to strategic changes, products and balanced portfolio • Implement financial and nonfinancial monitoring, steering and reporting 	<ul style="list-style-type: none"> • Lely's strategy and how it impacts them • Possible changes to the franchise concept in the year ahead • Financial results and outcome Lely Center Assessment • Providing feedback on portfolio, results and development 	<ul style="list-style-type: none"> • Consultative Body Meeting (CBM): yearly meeting with franchise partners to discuss franchise concept and discuss strategic outlook of Lely • Yearly on-site Lely Center Assessment • Quarterly business meetings between Lely Clusters and Centers 	<ul style="list-style-type: none"> • Implementation of new organisation structure • Salesforce adoption • Lely Center development of sales and marketing
Farmers	<ul style="list-style-type: none"> • Create strong and long-term relationships with our customers • Focus on and improving satisfaction • Optimise effectiveness of Lely solutions • Understand the challenges our dairy farmers are facing to further improve our products and services 	<ul style="list-style-type: none"> • 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 downtime 	<ul style="list-style-type: none"> • Farmer sounding board; at least two times per year • Farmer NPS survey; once a year • Customer Satisfaction maintenance visit • Lely Journey visits to Lely's head office organised by local Lely Centers 	<ul style="list-style-type: none"> • Farmer sounding board expanded • Input on new Lely website provided to improve before launch • Both Lely International and Lely Centers score an average of 4/5 in the satisfaction survey • Ca. 2,000 (potential) customers joined a Lely journey at the Lely Campus

About Lely

Performance and value creation

Corporate governance

Sustainability statement

Stakeholder group	Purpose of engagement	What matters to them/outcome (DMA)	Channel of dialogue	Highlights 2024
Suppliers	<ul style="list-style-type: none"> • Create strong relationships • Accomodate innovation and engineering changes • Stay on top of innovative technologies and increase our innovative power • Facilitate our sustainability ambitions • Remain resilient and compliant and secure material availability 	<ul style="list-style-type: none"> • A trusted partnership • Steady forecasting and order flow • Clear communication and responsible business conduct 	<ul style="list-style-type: none"> • Quarterly business reviews • Supplier day • QLTC meetings • IRO assessment in supply chain 	<ul style="list-style-type: none"> • 450 changes implemented with our trusted supply base • Increased performance on OTIF • Supplier webcasts on forecast and order portfolio
Financial stakeholders	<ul style="list-style-type: none"> • Build and maintain strong financial relationships • Ensure access to capital • Manage financial risks and align on sustainability and regulatory expectations • Secure funding, optimise financial terms and support long-term business stability and growth 	<ul style="list-style-type: none"> • Financial performance & stability • Creditworthiness & risk management • Regulatory compliance • Corporate governance & transparency 	<ul style="list-style-type: none"> • Regular meetings with owner • Yearly requests for bank statements and ad-hoc contact with banks about day-to-day activities 	<ul style="list-style-type: none"> • New banking agreement prepared according to plan; to be finalised and signed in 2025
Governments, policymakers and regulators	<ul style="list-style-type: none"> • Contribute to a policy and political environment that supports our positive impact and safeguards our license to operate • Ensure visibility at governments, policymakers and regulators 	<ul style="list-style-type: none"> • Aim for food security, economic activity and environmental improvements (policy goals vary by location) 	<ul style="list-style-type: none"> • One-on-one meetings (both online and offline) • Working visits • External events (incl. those organised by associations and trade exhibitions) 	<ul style="list-style-type: none"> • Lely Orbiter opening by Flemish minister • Lely Sphere visit by Dutch minister • Contribution to several international round tables • Lely stand at Eurotier and other exhibitions • Increased engagement in many countries
NGOs, such as industry associations, environmental, climate and animal welfare organisations	<ul style="list-style-type: none"> • Contribute to an environment that supports our positive impact and safeguards our license to operate 	<ul style="list-style-type: none"> • Industry/competitiveness • Climate/environmental goals • Animal welfare 	<ul style="list-style-type: none"> • One-on-one meetings (both online and offline) • Working visits • External events (incl. those organised by associations and trade exhibitions) 	<ul style="list-style-type: none"> • CEMA support for RENURE • Campus and farm visits by various NGOs to discuss new dimensions to Lely propositions

About Lely

Performance and
value creation

Corporate governance

Sustainability statement

Double materiality assessment

In 2023, we conducted our first double materiality assessment (DMA) to better understand how Lely's activities impact the environment and society, and how the environment and society, in turn, impact Lely.

The sustainability statements in this annual report are based on the results of the DMA conducted in 2023. We conducted our assessment in accordance with the double materiality criteria applicable at the time as defined in the European Sustainability Reporting Standards (ESRS) and followed implementation guidance provided by the European Financial Reporting Advisory Group (EFRAG).

During 2023, EFRAG published updated criteria and descriptions, which means that the DMA we conducted that year does not fully comply with the requirements set in the final ESRS.

As a result, at the time of writing this annual report, we are developing a new DMA process that aligns with the latest ESRS guidelines and the most recent criteria published by EFRAG.

Process and methodology

The 2023 DMA process consisted of five phases conducted between January and May 2023. We engaged stakeholders during various phases. Interviews were held with approximately 30 internal stakeholders, and a survey was used to gather input from both internal and external stakeholders across multiple countries worldwide. The countries chosen for the survey ranged from mature to emerging markets.



About Lely

Performance and value creation

Corporate governance

Sustainability statement

Phase 1 Desk research

January 2023

- ✓ Define scope of the project.
- ✓ Perform internal and external environment desk research.

Phase 2 Internal validation

February-March 2023

- ✓ Engage with internal stakeholders to understand IROs and validate outcomes.

Phase 3 Survey

March-May 2023

- ✓ Engage with internal and external stakeholders (survey) to collect input on impact and financial materiality score and make preliminary prioritisation of topics.

Phase 4 Prioritising

May 2023

- ✓ Review the stakeholder inputs and finalise the prioritisation of topics.
- ✓ Set threshold to determine material topics.

Phase 5 Validation with Lely Executive Board

June 2023

- ✓ Validate scoring, prioritisation and threshold of material topics.

Phase 1 – desk research

Our DMA process began with a kick-off meeting to define the scope of the assessment. This was followed by a thorough internal and external desk analysis, in which internal strategy and risk documents, as well as external documents from competitors, peers and sector initiatives, were assessed to determine and align the list of topics for Lely. The ESRS guidance on sustainability matters to be included in the materiality assessment (ESRS 1, AR 16) was also consulted in this phase.

Phase 2 – internal validation

Phase 2 focused on qualitative interviews with a diverse group of approximately 30 internal stakeholders, including representatives from senior management and subject matter experts. The goal was to create a comprehensive list of topics, with clear definitions for each material ESG topic. Additionally, input was requested on the potential impacts, risks and opportunities (IROs) associated with each topic. The interview results were then validated by the working group, and the IROs were recorded. A final list of topics was created, which was used for stakeholder engagement in phase 3.

Phase 3 – survey

A qualitative survey was sent to both affected stakeholders and the main audience for the sustainability statements, such as financial stakeholders. Stakeholders included:

- Lely senior management
- Employees of Lely head office, Lely Clusters and Lely Centers
- Farmers
- Suppliers
- External financial stakeholders
- Lely shareholders
- NGOs, policy makers and sector groups/initiatives.

Some groups focused only on impact materiality, whereas others addressed both impact and financial materiality. Stakeholders were asked to select the top five topics where they believe Lely has the most significant impact. Lely's management and financial stakeholders were also asked to identify the top five topics where they believe Lely faces the greatest risks and opportunities.

About Lely

Performance and
value creation

Corporate governance

Sustainability statement

The goal of the survey was to prioritise the sustainability topics and determine which of those topics are material for Lely. In total, 764 people completed the survey.

Phase 4 – prioritising

An internal validation session was held to review all input gathered from interviews and surveys and finalise the prioritisation of sustainability topics.

Threshold and determination of material topics

During the process, separate input on impact and financial materiality was requested.

A threshold score of 2 was set for both axes, meaning that a topic must score 2 or higher on both impact and financial materiality to be deemed material and included in the report. In total, eight material topics were identified. A high-level outcome of our DMA is shown in the visual on the next page.

Phase 5 - validation with Supervisory Board and Executive Board

The final step included a validation session with our Supervisory Board and Executive Board, where we discussed the scoring and prioritisation of the topics, and assessed whether any items were missing.

DMA and Farm of the Future

During the assessment, several strategically relevant topics were either not identified as material or received low scores. These topics include water management and water quality, biodiversity and diversity & inclusion.

These three topics — despite a low or no score — have been included in our strategic plans for the coming years. For our vision on the Farm of the Future, both water quality and biodiversity are important innovation pillars for maintaining farmers' license to produce.

Additionally, diversity & inclusion has been given a dedicated place in our Impact30 strategy within the pillar 'Develop a successful global organisation'. Lely believes that there is great value in diverse teams and the first initiatives to further develop this area are scheduled for 2025.

Next steps

As both the DMA and the risk management process provide input for our strategy, Lely decided to establish an IRO working group and integrated IRO process, which considers the outcomes of the DMA.

The outcome of this assessment, along with subsequent reviews, will determine our reporting scope for the year 2025 and beyond.

About Lely

Performance and
value creation

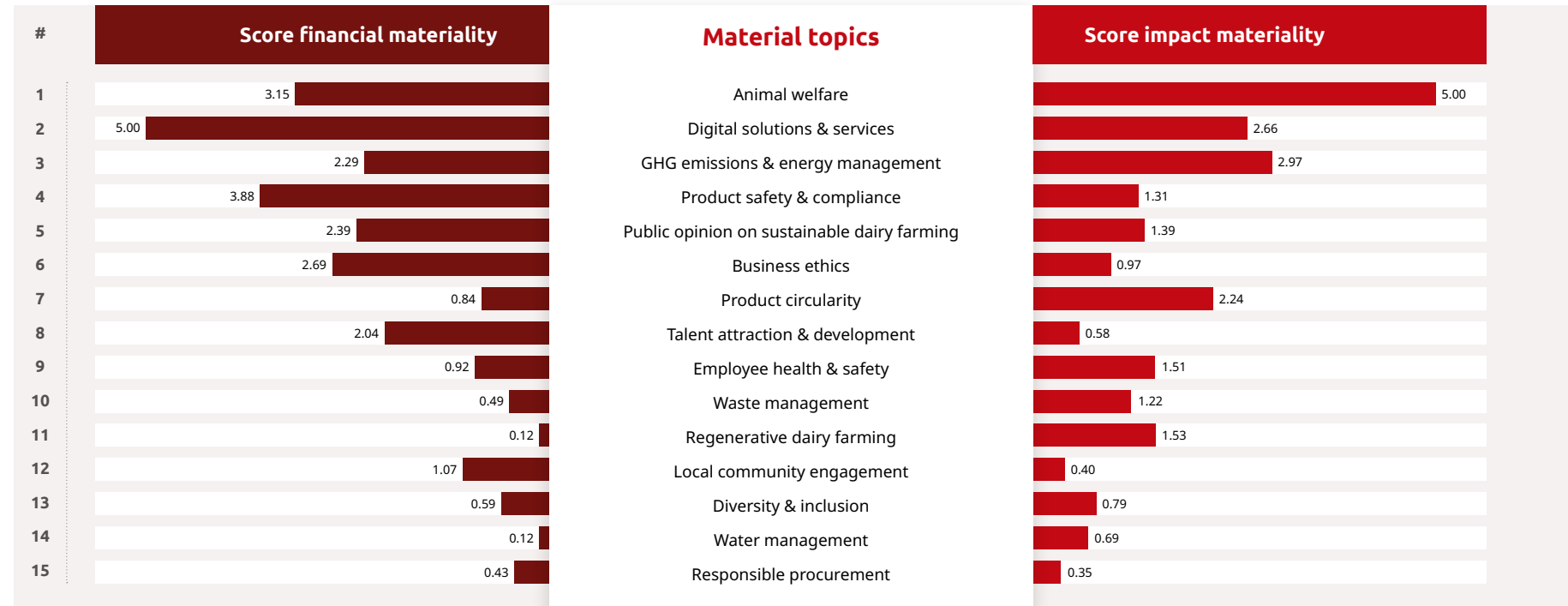
Corporate governance

Sustainability statement

Our material topics

The visual below presents the outcomes of our 2023 DMA with financial materiality scores on the left and impact materiality scores on the right. The assessment revealed that the topics animal welfare, digital solutions & services and GHG emissions & energy management are highly material from both an impact and financial perspective.

In addition, product safety & compliance, business ethics, public opinion on sustainable dairy farming and talent attraction & development emerged as financial risks. Product circularity was identified as a material topic from an impact perspective. We take into account the impacts, risks and opportunities associated with these 15 topics as we expand on our ESG framework.



About Lely

Performance and
value creation

Corporate governance

Sustainability statement

Report of the Executive Board

In 2024, Lely faced a fallback in revenue. Market conditions were not optimal, with a low milk price, increased cost of producing milk, high interest rates, ongoing global uncertainty for farmers due to legislation and an increase in robot-focused competitors.

At the same time, we saw a number of positive developments. The adoption of robotisation grew, our yearly customer satisfaction survey showed satisfied customers, our products performed well in the field, and our dedicated Lely Center network proved valuable.

As reported in our 2023 annual report, we implemented a new organisational structure. The new matrix setup will prepare us for growth and help us to better deliver on our vision, mission and strategy. The matrix organisation brings shorter and simpler processes and clear responsibilities. So-called 'pulse checks' were conducted to monitor progress and sentiment, which were followed up with various measures and actions. While it took several months to navigate this new setup, it is now fully in place. After the first year of working in the matrix organisation, changes and improvements are becoming visible.

2024 marked a special year in which we hosted a 'Yellow Revolution event' on the Lely Campus. During this event, we introduced two Yellow Revolutions: Juno Max and Zeta. Juno Max is the first autonomous driving feed pusher for large-scale farms, and Zeta brings an extra pair of eyes to the farm as it monitors the calving process and barn operations through smart cameras and Artificial Intelligence. Neither concept is commercially available yet.

Financial results

Revenue
(in mln. €)

857

2023: 888

Revenue

-3.4%

2023: 25%

Investment in R&D

~9%

2023: 8%



About Lely

**Performance and
value creation**

Corporate governance

Sustainability statement

During the same event, we launched the Discovery Collector C2 and sand flush accessory, which makes the Collector suitable for barns with sand bedding.

We also hosted an internal event to launch our new strategy, Impact30. The strategy centres around five pillars, which are explained in the Strategy chapter of this annual report. Our Impact30 strategic targets will help us to become a future-proof organisation, enabling farmers to sustain their farms and hand over healthy farms to future generations.

In 2024, we also designed and signed off on our ESG commitment framework and celebrated the 50,000th Lely Astronaut. In November, we welcomed Maartje Bouvy as Chief Financial Officer replacing Ronald Eikelenboom who left earlier in the year. Maartje brings deep knowledge on finance and reporting with a special interest in technology, sustainability and big data. Furthermore, we hosted a hackaton to boost our manure portfolio, and the number of Exos robots increased to 17, including the first Exos in Germany. Combined with, again, high farmer satisfaction scores and increasing demand for sustainable dairy products, we foresee a bright future.

At the same time, political and societal circumstances did not change or improve. Many farmers are struggling as a result of stricter regulations and political uncertainty. We continue to ask our politicians to remain open to innovation and its role in making the sector more sustainable and to provide farmers with clarity and a long-term perspective so that they can continue to feed the growing world population.

Outlook 2025

The last quarter of 2024 showed resilience. Despite that, we foresee that 2025 will be another challenging year. Not only because of the aforementioned challenges, but also because we see a downward trend in the industry. At the same time, we expect a further increase in robot adoption, improved milk and feed prices and lower interest rates.

**“After all, it is our mission to make
the lives of farmers easier.”**

As for developing our own global organisation, we will implement our Impact30 strategy and begin executing our business teams’ five-year plans. In addition, we will gradually implement the ESG framework and underlying commitments. Diversity & inclusion and, more specifically, the female-male ratio, will get more focus. Through trainings, Lely’s entire leadership team will be supported in creating more diverse teams.

As we work to realise the Farm of the Future, we will host several product launches. The topics of cybersecurity, managing cyber and data safety and becoming a resilient organisation will also be high on the agenda. As a family-owned company, we have the obligation to safeguard our legacy and prepare for the future. Not only in terms of bringing new products to market but also by staying ahead of external threats. Not only to protect our company, but also to protect our farmers. After all, it is our mission to make the lives of farmers easier. Therefore, we will focus on what farmers need to keep their license to produce.

About Lely

**Performance and
value creation**

Corporate governance

Sustainability statement



Increasingly, farming and farmers are topics of discussion. Consumers and governments worldwide demand transparency in relation to the production of food, ask for clarity on animal welfare and focus on the farm's environmental impact. That changing environment continues to be our reality.

All in all, we believe the steps described above will lead to operating results that support our investments in Research and Development for the future of agriculture.

A word of gratitude

We close our books with a revenue decline of 3.4%, although Q4 was better than expected. We are grateful to all our customers worldwide who continued to trust us and invested in their farms through our solutions. We owe our license to operate to them and to the dedication and commitment of our Lely Centers and colleagues worldwide. Thank you all for another year of business and challenges. In addition, we thank our partners, suppliers and other stakeholders for supporting us in any way possible in 2024. Their contribution helps us to support farmers all over the world to excel in sustainable milk production.

We are convinced that we will continue to make a meaningful impact in the coming decades by supporting farmers and future generations in their daily work.

Maassluis, 4 June 2025

**André
van Troost**
CEO

**Maartje
Bouvy**
CFO

**Gijs
Scholman**
CCO

**Marijke
Jansen**
COO

**Martijn
Boelens**
CTO

About Lely

Performance and
value creation

Corporate governance

Sustainability statement

Case

We chose Lely mainly because of the support

At Lely, we aim to create value for farmers all over the world through innovative solutions. Our technology is designed to further improve animal welfare and farmer prosperity. Cows benefit from free cow traffic because they can eat, drink, rest or get milked at the time they desire. Granja Bridi, a customer in Brazil, shares her experience with the Lely Astronaut.

‘Here on the farm, we have a lot of challenges with labour. Since the main focus of our farm today is milk, we opted for the milking robot. We visited several farms that had other brands of robotic milking systems. We chose Lely mainly because of the support. From day one, we had full assistance with the structure, including designing the barn.’

In addition to helping reduce labour, our machines also transform how farmers approach their tasks, providing valuable data that improves production and decision-making. For Granja, the benefits of the Astronaut

were clear in both production results and profitability.

‘We go from being under the cow to being beside the cow. So today, I can have my own schedule, I can set schedules for my employees who work with us and I can have a broad overview of my farm.’

When we made this decision, we were only thinking about labour, but we realised that it doesn’t just pay for itself through labour savings — it pays for itself through the amount of information we get about the herd. We can identify the right moment for estrus, we have a precise time for insemination, we monitor lighting, we track milk temperature, we analyse fat content, we check protein levels and we can create a balanced diet for these animals. As a result, we achieve higher production and improve cow vitality. This helps and is profitable because the sooner we obtain this data, the higher our profitability. I would definitely recommend Lely to others. I believe it was the best choice we could have made for our farm.’



About Lely

**Performance and
value creation**

Corporate governance

Sustainability statement

Value for our stakeholders

Lely is working towards a sustainable, profitable and enjoyable future in farming. With our solutions we aim to make a positive impact on all activities at the dairy farm. All of our efforts are focused on realising the farm of the future, safeguarding the farmer's license to produce sustainable and nutritious dairy products also in the future.

We aim to create value. Not only for our farmers and their cows, but also for our people and the planet. In this chapter, we explain the actions we take to create value. Detailed information on our ESG efforts is disclosed in the Sustainability statement.



About Lely

Performance and
value creation

Corporate governance

Sustainability statement

Cow

Farm of the Future

We believe that innovation is a powerful driver of impact. It is also deeply rooted in our DNA.

In 2023, we launched our vision on the Farm of the Future, focusing on five impact areas that we see as crucial for safeguarding the farmer's license to produce. We believe these are the areas where we can create the most value. The Farm of the Future — by nature — is centered around having a positive impact on cow, people and planet.

In 2024, we expanded our vision on the Farm of the Future by determining the desired outcome for each impact area. The next step is to identify and define key drivers and metrics for measuring progress and establish the policies and conditions necessary for success. We take an evidence-based approach and believe in using innovation to facilitate natural cow behaviour and enhance animal welfare.

We believe that creating value in one area should not come at the expense of other areas. As part of our commitment to responsible value creation, we aim to adhere to the 'do no significant harm' principle. This principle is also an integral part of the EU Taxonomy regulation and will play a role in our decision-making process moving forward.

New concepts launched

In 2024, we took the next steps towards the Farm of the Future by launching two new concepts: Lely Zeta and Lely Juno Max.

Lely Zeta brings artificial intelligence (AI) to the farm, enabling farmers to further improve animal welfare by turning their data into insights for smart



decision-making. Zeta is an extra pair of eyes on the farm, contributing to peace of mind for farmers knowing that their cows and barn are being taken care of 24/7.

We also introduced Juno Max: the first truly autonomous feed pusher for large-scale farms. Juno Max brings all the benefits of automated feed pushing for animal welfare, the environment and farmer prosperity to large-scale farms.

About Lely

Performance and
value creation

Corporate governance

Sustainability statement

Case

Farmers can rely on an extra pair of eyes in the barn

As part of our Yellow Revolution series, we are bringing the power of Artificial Intelligence (AI) to the farm with the Lely Zeta concept. Zeta is an example of how technology can create an impact on cows, people and the planet.

AI and image recognition allow Zeta to recognise and localise cows and mobile barn robots. In addition to localisation, the behaviour of the cows and the route of those robots can also be monitored. In this way, Zeta can keep an eye on the cows and the barn without the need for the farmer to be there.

The AI Calving Monitor allows farmers to hang individual fixtures directly above the calving pen to monitor the calving process and detect and analyse contractions. An app will then notify the farmer if assistance is needed. This could include helping the cow with a difficult calf birth.

Next to the AI Calving Monitor, Zeta offers an AI Barn Monitor, which monitors heat function aspects such as walking patterns and the variety of visited locations in the barn to determine whether a cow is in heat. Zeta is designed to warn the farmer at the right time for scheduling an insemination. The collected data is processed into information made available in an app — for instance, detection of diseases at an early stage so that the veterinarian can be warned and medication can be avoided. The AI Barn Monitor will also be able to monitor and control other Lely mobile barn robots.

The Zeta technology together with the app allows farmers to effortlessly access crucial insights and take proactive steps to further enhance animal care and farm efficiency. At the same time, they can rely on an extra pair of eyes in the barn and be assured that it runs smoothly. Cows, in turn, can live their most natural rhythm as robots adapt to them — and not the other way round.



About Lely

Performance and
value creation

Corporate governance

Sustainability statement

People

Lely and Lely Owned Lely Centers

Our employees are our most valued resources for achieving our ambitions. We aim to create value for all employees working for the entire Lely group: from our Lely head office to the Lely Clusters and our Lely Owned Lely Centers. In addition to generating healthy financial returns, we want to create a great place to work. We invest in a healthy, safe and fulfilling work environment and we provide opportunities for training and development. In doing so, we aim to attract and retain passionate and talented people and help them to reach their full potential at Lely. We also embed sustainable practices into our own operations, creating a resilient organisation capable of adapting to changing market conditions and demands, environmental conditions and laws and regulations.

Great Place To Work

Creating a great place to work is part of our True North. We use the Great Place To Work survey to measure the employee experience, understand how our people perceive us as an employer and gain insights to enhance our organisational culture and workplace practices. To become Great Place To Work-certified, an organisation must achieve the minimum positive experience rating required in its respective country.

In 2024, Lely International in the Netherlands was Great Place To Work-certified for the third time. Additionally, six Lely Clusters and two Lely Owned Lely Centers were certified for the first time.

In 2025, we will carry out the Great Place To Work survey in three new locations. Consistent with our practice of carrying out a survey every two to three years, we will conduct our next survey by 2027 across several locations.



About Lely

**Performance and
value creation**

Corporate governance

Sustainability statement

Health and well-being

We promote the physical and mental well-being of our people through our vitality programme, FitatLely. In the Netherlands, the FitatLely programme includes access to the Lely Gym, as well as personal coaching. In our other locations, we offer online seminars, sports activities and advice on maintaining a 'vital' lifestyle to increase awareness about health and vitality across our organisation.

Additionally, all employees in the Netherlands can participate in an annual individual health check. The health check results and personalised advice help them take targeted steps towards improving their health.

In 2024, investments in employee vitality included the opening of new outdoor sports facilities at the Lely Campus. In addition, we laid the groundwork for vitality initiatives at the Lely Cluster level.

Diversity & inclusion

At Lely, we value diversity in all its forms and consider diversity and inclusion (D&I) important to improving employee well-being. Therefore, we are committed to fostering an inclusive environment where everyone feels they belong and can be their authentic selves.

In 2024, we began developing our vision for improving D&I. In addition, we have set a gender diversity target for management, aiming for at least 30% / 70% (female/male) in management roles by 2030. To achieve our targets, we will continue to move various D&I initiatives forward through leadership, communication, guidelines, training and knowledge sharing.

Training and development

Through our Lely Academy, we offer our employees a variety of (technical) training and education programmes designed to build the skills and knowledge that drive their growth and our collective success. We do so because we want our employees to do work that they find enjoyable and inspiring and reach their personal and professional goals. In addition,

we aim to protect and enhance our competitive edge by staying at the forefront of technological innovation.

We hold performance and development conversations throughout the year to empower people to set and work towards their goals and progress in their careers. Additionally, as part of our OneLely programme, we offer training courses in leadership development, team development and personal development to improve teamwork within our organisation.

Van der Lely Foundation

We contribute to the Van der Lely foundation by participating in and financially supporting existing partnerships.

Since 2023, the Van der Lely Foundation has been a proud partner of the Mauritshuis art museum, an institution dedicated to preserving Dutch cultural heritage for future generations. The partnership comes to life in the restoration of De Stier ('The Bull') by Paulus Potter (1647). Through this agreement, the meticulous restoration efforts are financially supported, ensuring that this iconic painting, like farming, remains a part of our future. The partnership ends in 2027.

The partnership also involves a sponsor deal with the Lely organisation. For the duration of the partnership, all Lely employees in the Netherlands and Lely Center employees within the Benelux cluster can visit the museum with their families for free. Additionally, Lely has the option to host three (large) events at the museum each year. As a Dutch family-owned company, we believe we should be proud of and cherish our Dutch heritage. Whether that be Dutch (family) business or art.

About Lely

**Performance and
value creation**

Corporate governance

Sustainability statement

In 2024, nearly 400 employees visited the Mauritshuis. We also hosted three events at the venue, including an educational family day that delved into the restoration process and methods used.

Inspiring the innovators of tomorrow

The future of technology is shaped by the children of today. Our makers serve as role models for the next generation by equipping them with the knowledge and skills they need. GoDare was founded by Alexander van der Lely, shareholder and chairman of the Supervisory Board, and Gideon Yadin, CEO of Gevasol. The GoDare Foundation aims to inspire children to explore the world of technology and innovation.

As a leading technology company, we are dedicated to safeguarding the future of technology. We support GoDare through coaching, free of charge, with our employees leading the workshops. As coaches, they not only share their knowledge but also their love for technology.

GoDare covers six themes, providing two workshops per theme. Each school chooses two themes. In 2024, 500 students participated in workshops coached by 151 Lely coaches. The coaches led a total of 381 workshops, amounting to 1,143 coaching hours, at no cost to the schools.



About Lely

Performance and
value creation

Corporate governance

Sustainability statement

Lely Centers

The Lely Centers play a pivotal role in creating a positive impact on farmers and achieving our vision. They are our eyes and ears in the field, take care of sales and marketing and are responsible for maintenance and customer support.

Lely Center satisfaction

Impact30 articulates our plan for realising a premium distribution channel and taking care of our Lely Center employees. The expertise and dedication of our service technicians is essential for delivering on our mission and supporting our customers. We are committed to enhancing their work experience to improve well-being, job satisfaction and retention. In 2024, we focused on the experience of our Lely Center service technicians. We also started working on measures to shift more activities to daytime hours, supporting a better work-life balance.

Lely Center satisfaction

Also in 2024, we carried out a bi-annual Lely Center satisfaction survey. The survey indicated an improvement in satisfaction with order management and a recovery in manager satisfaction regarding overall support. We pay specific attention to turnover among our service technicians, assessing their satisfaction scores and identifying factors that may contribute to higher turnover rates.



GPTW Trust Index
head office

79

2022: 80

Diversity in management
female/male

24/76%

2022: 23/77%

About Lely

Performance and
value creation

Corporate governance

Sustainability statement

Planet

Achieving our vision of a sustainable, profitable and enjoyable future in farming begins with our own business activities and operations. We are committed to reducing our greenhouse gas (GHG) emissions (Scope 1, 2 and 3) in line with the Paris Agreement and adopting circular principles. We also plan to extend our environmental focus to the impact of our activities on ecosystems and biodiversity.

Farm of the Future

As we expand our vision on the Farm of the Future, we identify areas where there is still a lot of exploration and work to do. When it comes to the environment, these include water, biodiversity and soil health, and the use of chemical substances.

Addressing on-farm greenhouse gas (GHG) emissions is a major topic globally. We aim to contribute to the reduction of on-farm GHG emissions through our solutions, the electrification of our business processes and the reduction in fossil fuel use. Additionally, we seek to enhance farm efficiency, from enabling more efficient feeding to increasing milk yields with the same inputs.

Emissions and energy consumption

We are reducing our Scope 1 and Scope 2 emissions by lowering our consumption of natural gas and transitioning towards a fossil-free vehicle fleet.

This involves upgrading our buildings, for example by installing solar panels, and investing in new sustainable buildings. In 2024, Lely Owned Lely Center Heerenveen moved into its newbuild facility. The building incorporates various sustainable features, such as a gas-free heating and cooling system and 100 solar panels to enable the use of self-generated, renewable electricity.

CO₂ footprint
tonnes CO₂ eq; Scope 1, 2

5,665

2022: 5,887

Electric passenger cars
Dutch entities

60%

2022: 35%

Mobility

Additionally, we are renewing our vehicle fleet to reduce our fossil fuel consumption. Our passenger car policy for the Lely Campus and Dutch Lely Centers in Heerenveen and Zevenbergen is to exclusively enter into new lease contracts for electric vehicles (EVs).

We face obstacles in the electrification of our service vehicle fleet. Our service technicians frequently travel long distances at short notice to respond to service calls. However, the limited driving range of EVs, especially when transporting heavy equipment and spare parts, can jeopardise their response times, potentially affecting the service level provided to our customers. We are preparing a roadmap for further reducing our mobility-related emissions, while safeguarding the reliability of our services.

Circularity

We see circularity as a way to reduce our negative impacts related to resource scarcity and material use and to reduce our Product Environmental Footprint (PEF). In recent years, we have focused on organisational change, data and governance, and realising quick wins in the design of our products. In 2024, we took the next step by formulating the Lely Responsible Design Principles. With these principles, we aim to reduce our use of primary resources in our solutions, extend the product lifespan, reduce CO₂ emissions from materials and product usage and promote recycling at end of life. Short-term goals include minimising packaging and using more biobased and recyclable materials.

Corporate governance

Diversity in management
female/male

24/76%

2023: 23/77%



About Lely

Performance and
value creation

Corporate governance

Sustainability statement

Good governance and management

The Supervisory Board was created in 2020 to safeguard 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. Due to their specific background, the members of the Supervisory Board support the Executive Board in strategy formulation, international business, industrialisation, digital transformation, servitisation 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. For detailed information on the composition of the Supervisory Board, its committees and its members, please refer to the section Biographies Supervisory Board on page 46.

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 45.



About Lely

Performance and
value creation

Corporate governance

Sustainability statement

Risk management

As an innovative company in agricultural manufacturing, Lely is exposed to a range of internal and external risks, including strategic, operational, financial, and environmental, social and governance (ESG)-related risks.

To effectively manage these risks and to enable us achieve our goals, we designed an integrated risk management and control system that aligns with our long-term strategy. The main elements of our risk management approach are described below.

Risk appetite

Lely's risk management approach begins with determining the company's risk appetite, reflecting the risks the organisation is willing to accept and those it aims to avoid by defining risk management actions. The Executive Board has established our risk management approach, which sets the framework for our operations and actions to achieve our goals and long-term strategy. The Executive Board recognises that pursuing innovation involves taking risks but also promotes risk awareness across the organisation. Internally, Lely's willingness to assume risk is therefore considered moderate.

Risk universe

To determine whether and which mitigation measures are needed, the Executive Board annually assesses Lely's risk landscape. This landscape — or risk universe — outlines the key risks that the company is exposed to, the estimated impact on business goals and the likelihood of these risks occurring.

Effectively addressing these identified risks with appropriate actions is essential to achieve our objectives and long-term strategy. These actions are integrated into the design of our operating model and management control framework.

Enterprise risk management

Lely is committed to managing risks as an integral part of its strategy formulation and implementation. The Executive Board plays a key role by 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.

Risk actions are part of Lely's planning and regular reporting processes. Our procedures aim to ensure that risks are effectively managed within Lely's risk appetite. Active risk management allows management to improve decision-making by understanding risk exposure and having the ability to mitigate risks if possible.

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

Use of financial instruments

The primary financial instruments finance the operating activities or mitigate the risks that arise directly from those activities. Our policy aims to limit the consequences of the risks arising from financial instruments in a responsible manner. For details of the objectives and the policy for the management of risks concerning financial instruments, reference is made to the disclosures in the notes to the annual report.

About Lely

Performance and
value creation

Corporate governance

Sustainability statement

Risk diagram



E = External | S = Strategic | O = Operational | F = Financial | 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
O1 Inability to find and retain staff	Recruitment and staffing will become more difficult in North-Western Europe due to the changing (more negative) reputation of dairy farming.	Strategic workforce planning Continuation of Great Place To Work
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 types of jobs and/or new required qualifications.	Exploration of the use of AI programming
O3 A wide-scale cybersecurity attack	A security breach disrupting our operational processes.	Roll-out Cyber Awareness program Strengthening Cyber Resilience (NIS2)
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.	Strengthening the product compliance team
S1 Business climate	Negative governmental view on the future of farming - resulting in reduced subsidy possibilities for farmers to innovate.	Monitoring development Stakeholder engagement via associations
S2 Changing consumer diets	The (consumer) market is changing in dietary patterns and expectations. Plant-based and synthetic alternatives are becoming more popular in certain mature markets.	Monitoring consumer market developments
E1 Natural catastrophes - weather events & disease outbreaks	The frequency and size of natural catastrophes is increasing (e.g., storms, flood, disease outbreaks, etc.).	Development of scenarios to quickly respond to new outbreaks
E2 Macro-events 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
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

About Lely

Performance and
value creation

Corporate governance

Sustainability statement

Integrity and compliance

Code of Conduct

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 2024, 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. We provide a copy of the Lely Code of Conduct to everyone who enters an employment contract or other type of agreement, 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.

Additionally, employees are regularly required to complete compliance-related online training on topics such as fraud prevention, bribery, cyber security and competition law. 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 such a violation of the Code of Conduct is established, corrective actions will be taken towards 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 Code of Conduct translates
our values and outlines the
fundamental principles for
professional behaviour.”**

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 for adequate protection for employees who file reports under the policy.

About Lely

Performance and
value creation

Corporate governance

Sustainability statement

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. 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 organizations 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 also of Country Manager living and working in China. His last position at Provimi before transitioning to Cargill was Group Vice President until 2011.



Marijke Jansen
Chief Operations Officer

Marijke joined Lely in 2011 as Corporate HR Manager and Business Partner and in 2017 she became member of the Executive Board as Vice President HR & Organisation. Marijke holds her current position as of September 2023. She started her career at Heineken where she held several positions during the 13 year she worked there.



Martijn Boelens
Chief Technical Officer

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

About Lely

Performance and
value creation

Corporate governance

Sustainability statement

Biographies Supervisory Board



Alexander van der Lely
Chairman and Member
Audit Committee

In the mid-nineties, Alexander 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.



Lisbet Thyge Frandsen
Member People Committee

Lisbet has more than 30 years' experience in senior management and leadership, most recently as Group Senior Vice President at Grundfos. She holds a MSc in Structural Engineering and she has a substantial track record within the consulting engineering and high tech industry. In addition, Lisbet has served as a member of non-executive boards for more than 15 years, and she brings a lot of experience within technology leadership, strategy, innovation, company purpose, values and culture, and board governance. Lisbet is also member of the Danish Industry Foundation and the Danish Academy of Technical Sciences.



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.



John Quist
Member Audit Committee

John 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 Group 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.

About Lely

Performance and
value creation

Corporate governance

Sustainability statement

Report of the Supervisory Board

Meetings of the Supervisory Board

Consistent with the structure established at the start of the Supervisory Board in 2020, the Board met a total of eight times throughout 2024 - four times without and four times with the members of the Executive Board.

Outside of these regular meetings, there was also continuous contact between 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 the approval of the 2025 budget. Protection against the continuous danger of cybercrime was also a subject of regular review.

The Supervisory Board discussed a number of strategic topics in 2024. These included the company's strategic plans, now bundled in the 5-year strategy, 'Impact30', its vision with respect to the Farm of the Future, products launched, the implementation of the new organisational structure as well as the progress on the company's environmental, social and governance (ESG) strategy.

The Supervisory Board had multiple discussions with the Executive Board on available scenarios and mitigating measures. Despite the challenging business circumstances, the meetings with the Executive Board were 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.

Progress made - developments in 2024

As a result of the market situation in 2024 and the ongoing broadly felt uncertainty for and by farmers, Lely reports a fallback in revenue of 3.4%. Yet, despite these circumstances, the organisation brought new products and concepts to the market and introduced a new 5-year strategy to the organisation. Additionally, the first benefits of the newly implemented organisational structure became evident during the year.

Reflection on the results in 2024

2024 was a challenging year for Lely, as was the case for similar companies in our industry. Yet, we are confident about 2025. Once again, the organisation has shown clear resilience in the past year. The flexibility and decisiveness shown by both Lely's leadership team and the employees in the current market, are a solid basis to realise Lely's ambitions. The new strategy will bring even more focus than before and will prepare the organisation and farmers worldwide for generations to come.

Word of gratitude

We are grateful to all employees of Lely and the Lely Centers for their hard and dedicated work. On 4 June 2025, the Supervisory Board adopted and approved the consolidated financial statements and management reports of Lely Holding over 2024.

Maassluis, 4 June 2025

**Alexander
van der Lely**

Chairman

**Lisbet
Thyge Frandsen**

**Dirk
de Groot**

**John
Quist**



50.000th
Lely Astronaut

Sustainability statement

Reduction GHG emissions
Scope 1 & 2 in tonnes CO₂eq

5,665

2023: 5,887

Scope 3 in tonnes CO₂eq

290,826

2023: 383,097



About Lely

Performance and
value creation

Corporate governance

Sustainability statement

General basis for preparation

At Lely, we are embedding sustainability in our organisation. In 2024, we took an important step forward with the development of our ESG framework. This framework will guide our strategic decision-making, taking into account the impact of our decisions on People, Planet and Profit. The alignment of the ESG framework with our Impact30 strategy reflects our commitment to futureproofing both our business and the future of farming.

This first sustainability statement is a milestone in our journey towards greater transparency, accountability and impact. It serves as a starting point: it shows where we are today and where we need to make progress. Behind the scenes, we are already working hard to fill those gaps, with the development of clear qualitative and quantitative goals that underlie our ESG framework.

As we develop and expand our policies, targets and actions, we align our approach with the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS), as well as the Corporate Sustainability Due Diligence Directive (CSDDD) and the EU Taxonomy. These frameworks help ensure we meet and exceed regulatory expectations while driving responsible business practices.

Frameworks and data selection

The sustainability statements are prepared with reference to the ESRS issued by the European Financial Reporting Advisory Group (EFRAG). All the data points included in the E, S and G sections have been assessed as material according to our double materiality assessment (DMA). Please refer to pages 52 and further for 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 environmental, social and governance (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 E, S and G.

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 data as of December 2024, rather than the average for the entire year.

About Lely

Performance and
value creation

Corporate governance

Sustainability statement

Key accounting estimates and judgements

We use assessments and estimates for the reporting of some data points, e.g., our taxonomy KPIs and 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 we apply the accounting policies. For further information on the key estimates, judgements and assumptions applied, please refer to 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 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.

In 2025, we will start adapting our human rights policy and due diligence practices to meet CSDDD standards and cover the full value chain perspective. In terms of environmental due diligence, we take a preventative approach to manage and reduce the environmental impact of our business. We also help our business partners to do the same. Regarding our supply chain, we measure and monitor GHG emissions and proactively engage with the top emitters to reduce their climate impact.

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



About Lely

Performance and
value creation

Corporate governance

Sustainability statement

Environment

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 to minimise waste and reduce our environmental impact over time.

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 greenhouse gas (GHG) emissions, both within our operations and across our value chain, contributing to the goal 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 doing our part by reducing our GHG emissions and promoting sustainable practices.

In 2021, we started our CO₂ calculation process with a first 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 biggest impact. In 2024, we finalised this process and produced the first full CO₂ footprint over 2023 (in accordance with the GHG protocol). We used this data to estimate our future GHG emissions based on the projected growth of our company and development of our portfolio. In November 2024, we finalised our GHG emissions reduction targets.

We have aligned our commitment to reducing GHG emissions with the Paris Agreement's goal of limiting global warming to 1.5 °C. To this end, we have adopted the Science Based Targets initiative (SBTi) methodology. While Lely has not officially committed to the SBTi, our adoption of the SBTi methodology ensures that our reduction targets are based on science and in line with industry best practices. Additionally, Lely is included in the EU Paris-Aligned Benchmark.

Lely is currently formalising its climate transition plan, and we expect to finalise it in 2025.

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

Climate policy, action plan and targets (E1-2, E1-3, 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 2025.

For emissions related to our own operations — Scope 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 99% 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.

GHG emissions

2030 near-term targets

-46.2%

Absolute reduction target

**Scope 1 and 2 -
2019 baseline year**

Target 2050: -95.0%

-51.6%

**Economic intensity target
per € mln. gross profit**

**Scope 3 -
2023 baseline year**

Target 2050: -97.0%

Baseline and targets

Lely commits to reducing its GHG emissions in line with the Paris Agreement. We have set 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.

About Lely

Performance and
value creation

Corporate governance

Sustainability statement

E1-5 Energy consumption and mix

The table below provides a detailed breakdown of Lely's total energy consumption by energy source in 2024 and 2023, 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

	2024	2023
Fuel consumption from coal and coal products (MWh)	-	-
Fuel consumption from crude oil and petroleum products (MWh)	-	-
Fuel consumption from natural gas (MWh)	1,182	1,239
Fuel consumption from other fossil sources (MWh)	3	4
Consumption of purchased or acquired electricity, heat, steam and cooling from fossil fuels (MWh)	904	1,076
Total fossil energy consumption (MWh)	2,089	2,319
Consumption of nuclear sources (MWh)	71	-
Fuel consumption for renewable sources, including biomass (MWh)	-	-
Consumption of purchased or acquired electricity, heat, steam and cooling from renewable sources (MWh)	4,074	2,800
Consumption of self-generated non-fossil renewable energy (MWh)	1,209	1,022
Total renewable energy consumption (MWh)	5,283	3,822
Total energy consumption (MWh)	7,443	6,140
Share of fossil sources in total energy consumption (%)	28%	38%
Share of consumption from nuclear sources in total energy consumption (%)	1%	0%
Share of renewable sources in total energy consumption (%)	71%	62%

E1-6 GHG emissions

The table below shows our GHG emissions in metric tonnes of CO₂ equivalents (tCO₂e) in 2024 and 2023. It includes our total gross GHG emissions. Scope 2 emissions are reported using both the market-based and location-based methodologies. Scope 3 emissions are broken down by category, providing insight into where emissions occur in our value chain.

Lely CO₂ footprint by Scope and category (in tonnes CO₂ equivalent)

	2024	2023
Gross Scope 1 GHG emissions	5,357	5,570
Gross Scope 2 GHG emissions – location-based	1,736	1,456
Gross Scope 2 GHG emissions – market-based	308	317
Significant Scope 3 GHG emissions	290,836	383,097
Cat. 1 Purchased Goods & Services	125,508	162,072
Cat. 2 Capital goods	-	-
Cat. 3 Fuel and energy related activities	1,396	1,480
Cat. 4 Upstream transportation and distribution	6,253	8,675
Cat. 5 Waste generated in operations	102	34
Cat. 6 Business travel	1,413	1,418
Cat. 7 Employee commuting	747	618
Cat. 8 Upstream leased assets	-	0
Cat. 9 Downstream transportation and distribution	211	169
Cat. 10 Processing of sold products	-	0
Cat. 11 Use of sold products	140,251	194,765
Cat. 12 End-of-life treatment of sold products	154	166
Cat. 13 Downstream leased assets	347	254
Cat. 14 Franchises	14,453	13,446
Cat. 15 Investments	-	-
Total GHG emissions – location-based	297,930	390,123
Total GHG emissions – market-based	296,501	388,984

About Lely

Performance and
value creation

Corporate governance

Sustainability statement

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

Company and lease cars

In 2024, emissions from our company and lease cars and service vans continued to represent the largest category of our Scope 1 and 2 GHG emissions, accounting for 90% of the total emissions. To reduce these emissions, a revised lease car policy for passenger cars was introduced in the Netherlands in 2023. The policy states that Dutch entities can only choose electric vehicles for new passenger lease cars. The effect of this policy is already visible, as the share of electric vehicles in Dutch entities has risen to 60% in 2024 (2023: 35%). While this policy is specifically designed to meet the requirements of Dutch legislation, we will focus on encouraging our international entities to adopt similar practices.

The service vans used by our Lely Owned Lely Centers to install and maintain our propositions on the farm account for the majority of emissions in this category. We are exploring the availability of fossil-free service van options to help address this challenge. Currently, the availability of fossil-free service vehicles that maintain sufficient range under heavier loads is very limited. To reduce the CO₂ emissions of our service vans, we are exploring fossil-free and lower-emission options by starting up pilots. In 2023, we started the first pilot with an electrical service van in our Lely Owned Lely Center in France. The goal of this pilot is to evaluate and gain insights into the use of an electric service van, and to determine which service activities it would be best suited for.

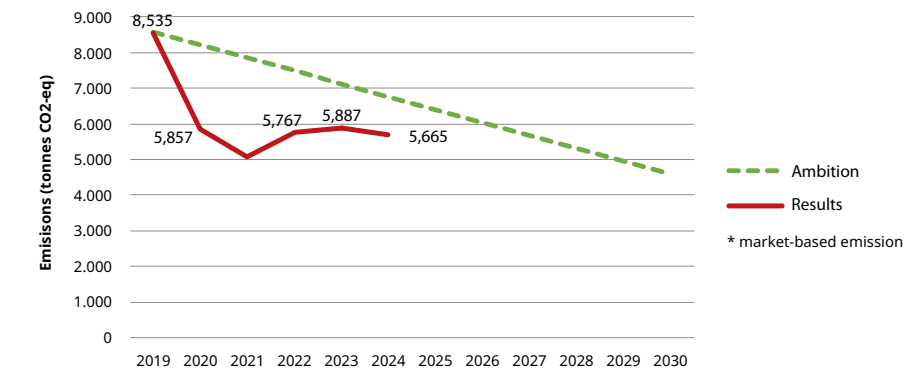
Natural gas and other fossil fuels

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 are still encountering challenges with the conversion from gas heating systems to electric heating installations.

Electricity

Our Scope 2 reduction path is mainly driven by the transition from non-renewable electricity contracts to renewable electricity contracts. In 2024, our total electricity consumption increased to nearly 6,100 MWh (2023: 4,600 MWh). 88% of our consumption came from renewable sources (2023: 83%). At four of our locations, we use solar panels to generate electricity. In 2024, we consumed 1,209 MWh of self-generated electricity (2023: 1,004 MWh).

Emissions from Scope 1 and 2* compared to ambition



About Lely

Performance and
value creation

Corporate governance

Sustainability statement

Scope 3

Scope 3 GHG emissions are the largest category of emissions for Lely. In 2024 they represent over 98% of our total market-based emissions.

Our two largest categories, Use of sold products and Purchased goods & services, accounted for approximately 91% of our total Scope 3 emissions in 2024. The emissions in these categories are related to the volume of products sold during the reporting period. Since the reported sales for 2024 were lower than in the previous year, our absolute Scope 3 emissions for 2024 declined by 24%.

In 2024, we set our targets, and in 2025, we will focus on developing policies and action plans to further define activities needed to reach our climate targets.

E1-7 GHG removals and carbon credits

Reducing our GHG emissions remains our primary focus. Since 2023, we have been offsetting the remaining GHG emissions from our own operations. We consider our Scope 1 and 2 emissions and Scope 3 business travel as emissions from our own operations. We offset these emissions by purchasing Carbon Removal Units (CRUs) through various initiatives:

- **Acorn:** Acorn is an initiative of Rabobank that supports smaller farmers in Africa, Asia and Latin America by helping them plant trees among their crops through sustainable agroforestry practices. This ensures better resilience to climate change, more biodiversity, better soil quality and often also higher food production.
- **Klim:** Klim's projects support regenerative and sustainable farming practices among dairy farmers in Northeast Germany. Through this partnership, farmers directly benefit from additional income from CO₂ credits while also improving the environment. Our partnership with Klim, a climate tech company focused on regenerative agriculture, highlights our commitment to achieving CO₂ offset in collaboration with the dairy farming sector.



About Lely

Performance and value creation

Corporate governance

Sustainability statement

- **Climate Partner:** Climate Partner helps businesses calculate, reduce and offset their CO₂ emissions through transparent and certified climate projects worldwide. The collaboration with Climate Partner enables Lely to further strengthen its offset program with certified projects that contribute to sustainable development.

Each CRU represents one ton of CO₂ absorbed from the atmosphere. In 2024, we will offset approximately 7,200 tons of CO₂ equivalents.

E1-8 Internal carbon pricing

Lely currently does not have an internal carbon pricing mechanism.

E5 Circular Economy

At Lely, we are committed to creating a sustainable future through innovative solutions that promote circularity. As the population grows, the demand for resources intensifies, leading to the scarcity of essential materials. This is driving us to rethink the way we design, produce and manage our products and resources. We commit to reducing the environmental impacts of our solutions by embracing circularity in our business model.

Lely plans to develop its circularity policy and action plan in 2025, 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 propositions
 - Increasing recycling
 - Minimising landfill of operational waste

In 2024, 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, such as a movie showing, various workshops and inspiring presentations. Following the success of the event, we will participate again in 2025, with the goal of involving our global teams as well.

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 reparability of our products in line with circularity principles. Lely already reports on the waste it produces. The table below provides a breakdown of our operational waste in tonnes in 2024.

Lely's operational waste 2024 (in tonnes)*

Total amount of waste generated	361.29	
Hazardous waste	1.86	
Directed to disposal by incineration	1.86	100%
Non-hazardous waste	359.43	
Diverted from disposal for recycling	208.32	58%
Directed to disposal by incineration	147.65	41%
Directed to disposal by landfilling	3.46	1%
Radioactive waste	-	

* Locations included: Lely Campus, Maassluis, NL and Lely Innovations, Zuidbuurt, Maassluis, NL

About Lely

Performance and
value creation

Corporate governance

Sustainability statement

EU Taxonomy

The EU Taxonomy for sustainable activities is a classification system adopted by the European Union that establishes which economic activities can be considered environmentally sustainable. The aim of the Taxonomy is to support the EU's goal of being a climate-neutral economy by 2050 and to prevent greenwashing.

The European Union's Green Deal sets the course for more sustainable investments to reach a climate-neutral economy with net-zero GHG emissions by 2050, with an intermittent goal of reducing GHG emissions by 55% by 2030. An important purpose of the EU Action Plan on Sustainable Finance is to steer cash flows towards sustainable investments. In this context, the EU Taxonomy Regulation became effective in mid-2020 as Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020, which has since been supplemented and amended by Commission Delegated Regulations (EU) 2021/2139, 2021/2178, 2023/2485 and 2023/2486.

The EU has published a list of sustainable activities (the EU Catalog) comprising the six environmental objectives of the EU Taxonomy:

- Climate change mitigation
- Climate change adaptation
- Sustainable use of water and marine resources
- Transition to a circular economy
- Pollution prevention and control
- Protection and restoration of biodiversity and ecosystems

We are required to report whether eligible activities can be considered EU Taxonomy aligned based on the criteria provided. These technical screening criteria determine the conditions under which an economic activity qualifies as contributing substantially to one of the six environmental objectives, whether that economic activity causes no significant harm to any of the other environmental objectives, and whether it complies with minimum safeguards.

In 2024, we conducted our eligibility assessment. The following eligible categories were identified as applicable:

- Manufacture of other low carbon technologies
- Close to market research, development and innovation
- Provision of IT/OT data-driven solutions
- Acquisition and ownership of buildings
- Transport by motorbikes, passenger cars and light commercial vehicles
- Freight transport services by road

In 2025, we aim to perform our alignment assessment on those categories.

About Lely

Performance and
value creation

Corporate governance

Sustainability statement

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 set to begin 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 assesses and rates workplace cultures across various countries and regions, allowing companies to benchmark themselves against both local and international standards.

In 2024, Lely was Great Place To Work-certified for the third time, with a participation rate of 81%, our highest yet. A total of 1,999 employees were invited to participate in the survey, and all nine participating locations received a Great Place To Work certificate. Additional survey results are presented in the table on the next page.

About Lely

Performance and value creation

Corporate governance

Sustainability statement

For additional information about our GPTW results, please refer to the Performance chapter.

Location	# time GPTW survey	Trust Index score	Taking everything into account-statement	Participation rate
Cluster DACH	2 nd	77%	85%	100% (of 55 invited)
Cluster N/E	2 nd	92%	88%	91% (of 57 invited)
Cluster FRIB	1 st	86%	90%	95% (of 41 invited)
Cluster LATAM	1 st	76%	93%	94% (of 32 invited)
Cluster SEET	1 st	74%	79%	100% (of 34 invited)
Cluster Oceania	1 st	85%	90%	84% (of 25 invited)
LOLC Westerstede	2 nd	89%	78%	83% (of 203 invited)
LOLC Armor	4 th	86%	92%	89% (of 75 invited)
Lely Group NL	3 rd	79%	88%	81% (of 1,477 invited)

Reference: At a high level, 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 works to improve working conditions and ensures fair 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 meet on a monthly basis. 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 opportunities to network, develop and socialise. Since its lanch in March 2024, over 240 colleagues have participated in a Young Lely event.

S1-3 – Processes to remediate negative impacts and 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 in reporting any concerns or violations.

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. This obligation also applies to those who work for Lely on a temporary basis. Our Lely Code of Conduct and associated SpeakUp procedure encourage our employees to discuss any suspicion of a violation of the Code of Conduct in an appropriate manner. In some cases, further investigation following 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 for adequate protection for employees who file reports under the policy.

About Lely

Performance and value creation

Corporate governance

Sustainability statement

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 a doctor or psychologist if needed.

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.

S1-6 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 the reporting period.

Gender	Headcount employees
Male	1,840
Female	592
Other	0
Gender not reported	38
Employees (total)	2,470

Country	Headcount employees
Netherlands	1,554
Germany	301
Other	615
Total	2,470

Number of FTE by gender on 31 December 2024

	Male	Female	Other	Not reported	Total
Number of employees FTE	1,789.8	548.7	0.0	37.0	2,375.6
Number of permanent employees FTE	1,604.4	464.7	0.0	37.0	2,106.2
Number of temporary employees FTE	185.4	84.0	0.0	0.0	269.4
Number of non-guaranteed hours employees FTE	0.0	0.0	0.0	0.0	0.0
Number of full-time employees FTE	1,396.0	348.0	0.0	36.0	1,780.0
Number of part-time employees FTE	391.8	196.7	0.0	1.0	589.6

Number of FTE by country on 31 December 2024

	Netherlands	Germany	Other	Total
Number of employees FTE	1,462.5	296.2	616.9	2,375.6
Number of permanent employees FTE	1,214.4	296.2	595.6	2,106.2
Number of temporary employees FTE	248.1	0.0	21.3	269.4
Number of non-guaranteed hours employees FTE	0.0	0.0	0.0	0.0
Number of full-time employees FTE	951.0	287.0	542.0	1,780.0
Number of part-time employees FTE	509.5	9.2	70.9	589.6

Turnover

In the 2024 reporting period, we had an average of 2,295 employees (in 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.

About Lely

Performance and
value creation

Corporate governance

Sustainability statement

Actions on diversity and inclusion

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 19% and men 81%. Our ambition is to have a gender ratio of 30% women and 70% men in managerial roles by 2030.

- At the Supervisory Board level, the ratio is 25% women and 75% men.
- At the Executive Board level, the ratio is 40% women and 60% men.
- At the director level, the ratio is 17% women and 83% men.

In 2024, we focused on creating awareness and taking steps to improve gender diversity across Lely. Activities included:

- Launching our D&I proposition
- Communicating our gender KPI: 30% women and 70% men in senior managerial roles by 2030
- Making D&I a part of standard data reports
- Making D&I a part of our new strategy launch
- Hosting at the Women in Tech conference
- Organising D&I workshops for our Executive Board and sub-top (directors)

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

Gender diversity

2030 target

30/70%

Diversity managerial roles
female/male

Actions on employee attraction, retainment and 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 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 organization 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.

About Lely

Performance and
value creation

Corporate governance

Sustainability statement

S1-14 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 health and safety legislation standards.

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 2024, we developed a new comprehensive Health & Safety policy and 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 2024, 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, onboarding and training more employees to use the Quentic Safety Tool effectively.

The Quentic Safety Tool also plays a key role in safeguarding the risk analyses required for our business operations. In 2024, 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.

About Lely

Performance and
value creation

Corporate governance

Sustainability statement

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-learning on safety through the Safety & Compliance curriculum. Based on job profiles and the specific needs of certain employee groups, we have also developed mandatory health and safety training programmes. 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 2024, 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 became mandatory for technicians. Additionally, we implemented measures to ensure that employees complete the (mandatory) training required to safely perform 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 2024, all Lely Clusters have appointed a Safety Ambassador, and a growing number of Lely Centers are adopting the same approach. To support new members, a Safety Ambassador onboarding programme is available to ensure they acquire and maintain the necessary knowledge and skills for their role. In 2025, we will focus on further developing our Safety Ambassador Community, particularly on the Lely Campus.



About Lely

Performance and
value creation

Corporate governance

Sustainability statement

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 2024, 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. We expect every employee to understand and uphold the standards outlined in the Code of Conduct.

Furthermore, our employees are required to regularly complete compliance-related online training via myAcademy, covering topics such as fraud prevention, bribery, cybersecurity 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 participation rate for this group is between 70% and 80%.

We are also in the process of finalising a Code of Conduct for our business partners, which will outline expectations for ethical and responsible conduct in our external relationships.

We expect every employee to take responsibility for adhering to the letter and spirit of the Lely Code of Conduct and to support others in doing the same. Our SpeakUp Policy encourages employees to raise any concerns, doubts, questions or unethical situations. Employees can confidentially discuss these matters with their manager, an HR contact person, a compliance officer or anonymously via the SpeakUp webpage. For more information on the SpeakUp Policy, please refer to the Social chapter.

Animal welfare is one of the five impact areas defined in our vision on the Farm of the Future. Although animal welfare is at the heart of our product development process, we do not have an official animal welfare policy in place yet. This policy is planned for development in 2025.

G1-4 Incidents of corruption and bribery

We are committed to maintaining the highest standards of integrity and ethical conduct, with zero tolerance for corruption, bribery, discrimination and harassment.

In 2024 we did not receive any reports of corruption or bribery.

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