

2025 Sustainability report summary



Use the menu for quick access to chapters

Table of contents

1. Introduction	3	5. Profitability	17
For a sustainable future	4	6. Innovation	18
Enabling sustainability in the dairy industry	5	7. Governance	19
DeLaval in brief	6	Ensuring we do business in the right way	20
Our business	7	Risk management	21
Strategic work delivering towards UN SDGs	8	8. Looking ahead	22
2. Animal welfare	9		
Animal-friendly solutions throughout the value chain	10		
3. Planet	11		
New targets 2025	12		
A new pathway to net zero emissions	13		
4. People	14		
People	15		
Sustainable sourcing	16		

This is DeLaval's sustainability report for the period 2025, prepared in accordance with the EU Directive 2014/95/EU, including its statutory sustainability report according to the requirements in the previous wording of the Swedish Annual Accounts Act that applied before 1 July 2025. The sustainability report covers DeLaval Holding AB, corporate registration number 556258-6981, and its subsidiaries. A statement is included in the Board of Directors' report referring to this separate statutory sustainability report (in accordance with the Swedish Annual Accounts Act), confirming that it was submitted at the same time as the Annual Report.

Introduction

Sustainability is a long-term responsibility and an integral part of how we create value for farmers, animals, and society. We are committed to drive sustainable change through a strong focus on animal welfare, environmental impact, working conditions on farms, and resilient profitability.



For a sustainable future



For us compliance with the upcoming EU Corporate Sustainability Reporting Directive (CSRD) is an opportunity to strengthen our leadership in the dairy industry and to prepare for the future in a more informed way. We are currently preparing adaptations to the European Sustainability Reporting Standards (ESRS), as 2027 will be the first reporting year under the CSRD.

This report summary is one of many steps towards this goal, and the first fully CSRD compliant report will be released during the first half of 2028.

Partnership built on shared responsibility

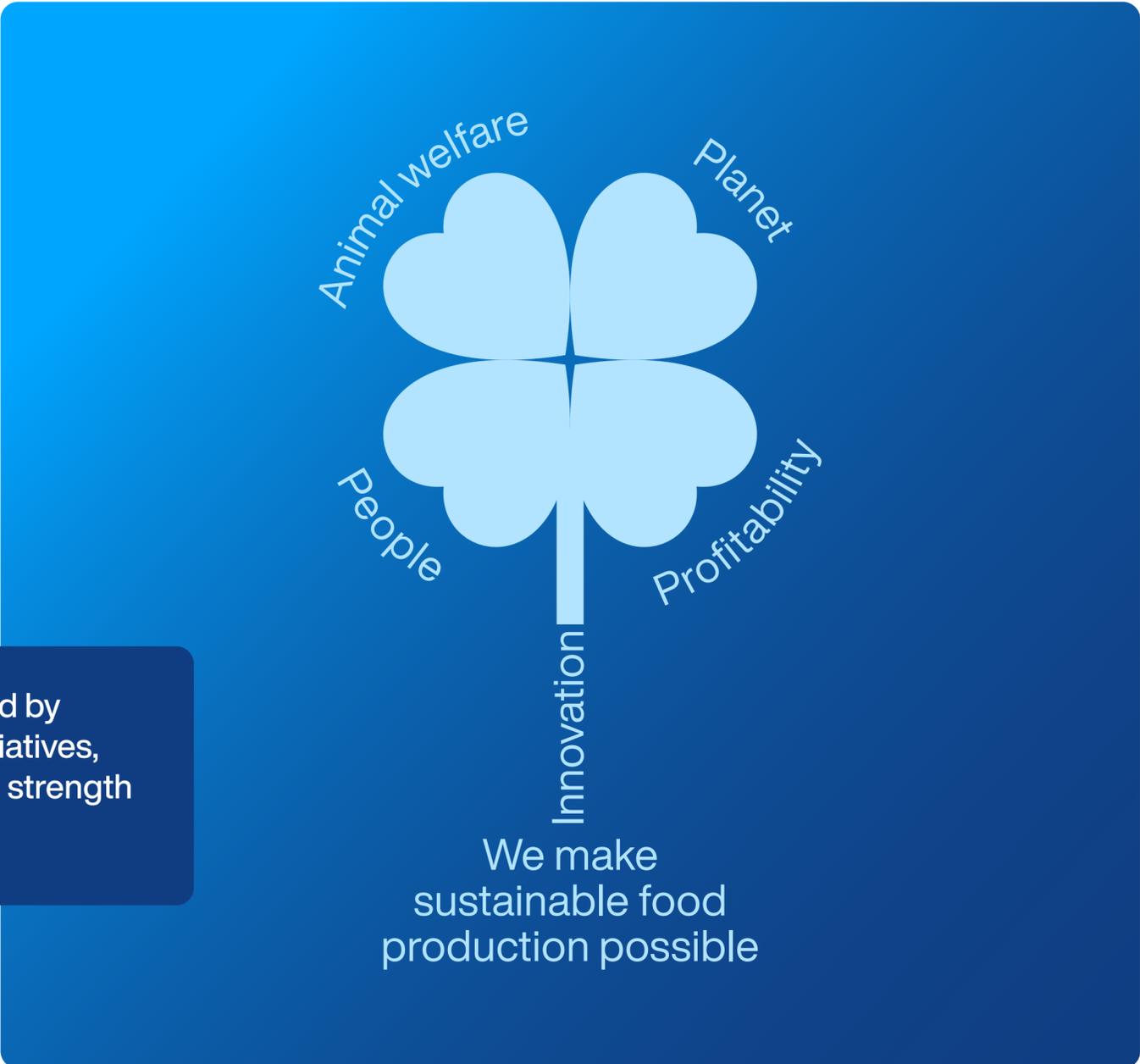
Sustainability is a shared responsibility, and we are proud of the progress we have made within our part of the dairy value chain. Together with our customers, partners, and employees, we are building a resilient business that delivers value for all stakeholders. We continue to concentrate our sustainability efforts where we can create the greatest impact and add business value for both our customers and our own operations.

We aim to secure the future of our business by advancing our sustainability priorities and promoting collaboration with our partners within the dairy industry. Together, we are shaping a sustainable tomorrow.

Shaping the future of innovation for dairy farmers

We drive sustainability in many ways, all guided by a single theme: innovation. It allows us to keep creating products and services that support animal welfare, strengthen profitability, improve the lives of people working on a farm, and reduce emissions. Our advanced products and longstanding knowledge give us a competitive edge and place us in a strong position moving forward.

2025 has been a year marked by new inventions and fresh initiatives, showcasing the breadth and strength of what we have to offer.



Enabling sustainability in the dairy industry

Sustainability is at the heart of everything we do at DeLaval. It shapes our development and guides our responsibilities across the organisation as we strive to lead the dairy equipment industry. Through our solutions and services, we enable more sustainable dairy production and help farmers meet the growing global demand for food.

For us, it is not just a responsibility, it is also a meaningful business opportunity. Sustainability strengthens our resilience as a company and helps the dairy industry become more sustainable, profitable and future-ready by creating value that balances environmental, social, and economic priorities.

We are committed to supporting our customers in improving productivity through a strong focus on animal welfare, increased automation and safe working conditions, while minimising negative environmental impact and strengthening social and human rights.

In one way, our aim is rather simple: a healthy, comfortable cow produces more milk, and healthy cows deliver better results. Higher productivity and strong animal welfare go hand in hand. Our solutions help dairy farmers improve cow health and longevity, which in turn increases milk yield per cow and reduces methane emissions per kilogram of milk. That is also an improvement for the planet and the people living on it.



Innovation through collaboration

We do not have an isolated sustainability strategy. Instead, it is embedded in our overall company strategy and based on our vision 'We make sustainable food production possible'. Our innovations act as enablers, shaping our sustainability focus areas and reinforcing our commitment to a sustainable dairy industry together with our customers and industry stakeholders.

Partners such as the Global Dairy Platform, the International Dairy Federation, and John Deere are just a few examples of the industry actors we collaborate with, because we know that

sustainability challenges cannot be solved in isolation. By working together, we can reduce emissions, improve sourcing practices, and share innovations that make a difference at scale.

Alongside this, the work we do internally through our Global Sustainability Group, our Responsible Sourcing Programme and other initiatives, ensures we address challenges proactively rather than reactively.

From strategy to action and impact

Last year our focus was on translating strategy into action. In 2025, those actions have matured and are delivering tangible impact. Through our solutions, services, and ways of working, we are moving beyond intent to actively enable more sustainable dairy farming. Our daily work directly influences how milk is produced on farms around the world.

By enabling higher productivity through improved animal welfare, smarter use of data, and increased automation, we help farmers reduce emissions from milk production while strengthening the long-term viability of their operations. This is where our greatest impact lies, and it is how our actions contribute to a more resilient, efficient and sustainable dairy industry. We have made significant improvements at our factories and distribution centres, particularly in packaging and renewable energy sourcing, as

well as launching different safety initiatives and lifting the sustainability competence internally.

Our people and culture initiatives have reinforced equality and inclusion during the year. After reaching our goal of 25% female employees and managers in 2025, we worked on identifying and addressing gaps in our 2030 gender diversity goal of 30%. We also prepare for the EU Pay Transparency Act, which aims to promote gender pay equality and transparency. Together, all these efforts have strengthened our effectiveness.

Updated GHG emissions baseline for a more detailed analysis

During the year, we updated DeLaval's greenhouse gas emissions baseline to gain a more accurate and comprehensive understanding of where emissions actually occur across our operations and value chain.

With a clearer and more reliable picture of our starting point, we can set more relevant and measurable targets, track progress with greater confidence, and focus our efforts where they will have the greatest impact. This provides a solid foundation for our pathway towards achieving net zero by 2050.

Sustainability is a long-term responsibility

Despite geopolitical uncertainties and a changing global context during 2025, we remain focused on our long-term sustainability ambitions. Sustainability is part of our vision and embedded in our core business strategy. While external conditions may evolve over time, our direction and commitment remain firm.

Looking ahead, we will continue to direct our innovation efforts towards selected, high-impact areas and work more closely with partners across the value chain. Strong governance, clear targets, and collaboration remain essential, and we will keep a holistic perspective that balances environmental, social, and economic priorities.

We will keep our focus on our customers and how we can help them increase productivity and profitability through improved animal welfare and smart innovations. Being an enabler is not just a statement, it is a responsibility that guides our actions every day to make sustainable food production possible.

Paul Löfgren
President & CEO DeLaval

DeLaval in brief

DeLaval's story began in 1883 and was founded by the visionary Gustaf de Laval, whose groundbreaking invention of the centrifugal cream separator in 1878 helped lay the foundation for modern dairy farming. Born in 1845 in Dalarna, Sweden, de Laval was descended from French families who had settled in Sweden in the 17th century. A prolific inventor, he left a lasting legacy in the agricultural sector. Today, with over 140 years of history, we honour our rich heritage while remaining firmly committed to future innovation.

With more than 320 inventions since our inception, we have over 1 740 patents and pending patent applications worldwide. Today, we're still at it. Every single one of those inventions has one thing in common: empowering dairy producers to be more profitable, and more efficient while keeping them at the forefront of people and animal welfare, food safety, and reducing their environmental impact.

Our ambition remains as strong as ever: to support farmers in producing high-quality milk efficiently and sustainably. We strive to improve milk production, enhance food quality, prioritise animal welfare, and create

better environments for both animals and humans. Our vision is to make sustainable food production possible, by empowering our customers to reduce their environmental footprint while improving profitability, operational efficiency, and the well-being of the people and animals at the heart of their farms.

Innovation is at the core of everything we do. It drives our sustainability efforts, enabling both us and our customers to operate more responsibly and effectively. Our commitment to governance ensures that ethical practices are embedded in all aspects of our sustainability work. This helps us have a positive impact long-term.

Hamra Farm has been essential to DeLaval's journey since our early days. Established as a commercial farm in 1894, Hamra remains a vital hub for innovation, research, training, and collaboration. Hamra Farm serves as a model of excellence, providing real-world insights into the needs of farmers and showcasing cutting-edge solutions. This proximity to the practical realities of dairy farming ensures that DeLaval continues to address the challenges and opportunities of modern agriculture.

In 2025 we inaugurated a significant expansion of Hamra Farm. The development includes three new barns; a VMS Barn with a visitors area, a calf and maternity barn and a heifer barn. All of it is located in the existing farm area.

Through our dedication to innovation and sustainability, we aim to shape the future of dairy farming, helping farmers achieve their goals while advancing a shared vision of a sustainable food system for generations.

“By setting high sustainability standards, enhancing animal welfare, and cutting emissions, we’re driving the future of responsible agriculture.”

Paul Löfgren
President & CEO DeLaval



Our business

DeLaval is one of three companies within the Tetra Laval Group, together with Tetra Pak and Sidel. Together, the three companies focus on technologies that enhance the efficiency and safety of food production and packaging.

We provide a wide array of products and solutions specifically designed for dairy farmers around the globe. Our activities include developing, manufacturing, and distributing equipment and systems focused on milk production and animal husbandry. We also prioritise services, aftermarket solutions, original components, digital services, knowledge sharing, and advisory support. Our products and services are provided through certified DeLaval distributors and directly to dairy farmers.

Our vision is simple: “We make sustainable food production possible.” This principle informs how we support our customers – dairy farmers – in achieving sustainable operations. We strive to empower our customers to increase milk production while reducing environmental impact and costs, helping to support their long-term profitability. Our offerings are intended to foster good animal welfare and satisfactory working conditions on farms. The geographical distribution of DeLaval Group’s net sales, 1.4 billion Euro for 2025, stands at Americas 22%, EMEA 60%, Asia & Pacific 11%, and adjacent businesses 7%.

DeLaval Group consists of the DeLaval core business plus additional companies that we have acquired over the years. We refer to these as adjacent businesses. They are milkrite | InterPuls, UNIFORM-Agri, Dairy Data Warehouse and Lattec.

DeLaval’s headquarters is located in Sweden, south of Stockholm.

For further details, please visit:

delaval.com

and

tetralaval.com



Strategic work delivering towards UN SDGs



During 2025, we started a refresh of our Double Materiality Assessment (DMA) which will be completed in 2026. We also identified and implemented new global sustainability targets, focusing on areas where we believe we can have the greatest impact. These targets are distributed across our focus areas and are aligned with the European Sustainability Reporting Standards (ESRS).

We have set global sustainability targets in the following areas:

Animal welfare

- Basic training

Planet

- Greenhouse gas emissions
- Energy efficiency
- Waste and recycling
- Circularity

People

- Diversity, equity and inclusion (DE&I)
- Sustainable sourcing

We also have internal targets on milk quality and governance.

We have developed clear roadmaps, ensuring that sustainability is integrated throughout our operations and that our initiatives align with our internal targets. Our approach goes beyond merely

meeting compliance requirements; it's about future-proofing both our business and that of our customers. Focusing on these critical areas allow us to standardise our reporting, monitor progress effectively, and drive continuous improvement across our value chain.

Through innovative product design, efficient resource management, and close collaboration with suppliers, we work to reduce the environmental impact of every litre of milk produced. This, in turn, benefits our customers by enhancing productivity and profitability while promoting animal welfare and sustainable agricultural practices. It also supports them in knowing that they buy sustainable products from an environmental, social and human rights perspective. We believe that by embracing these strategic priorities, we contribute to a more sustainable future for the dairy industry and create long-term value for our customers, employees, and the planet.

To us, sustainable food production is more than a vision, it is the cornerstone of our entire business strategy. We have aligned our global sustainability work with the United Nations Sustainable Development Goals, identifying the areas where we can contribute the most, and create the greatest positive impact. These priorities form a cornerstone of our business strategy and guide the products, services, and innovations we bring to market.



SDG 2 (zero hunger):

We enhance food security by improving milk production efficiency, ensuring that every litre of milk is produced with minimal resource use.



SDG 5 (gender equality):

We champion equal opportunities in agriculture and ensure that our innovations benefit everyone, regardless of gender.



SDG 8 (decent work and economic growth):

We support our customers by providing advanced technologies that improve operational efficiency and promote decent working conditions. We also work with our suppliers through our Responsible Sourcing Programme, which sets clear expectations on labour standards and promotes decent working conditions and continuous improvement across our supply chain.



SDG 12 (responsible consumption and production):

We commit to optimising resource use and reducing waste throughout our processes.



Animal welfare

Animal welfare is a cornerstone of sustainable dairy farming. At DeLaval, we are committed to ensuring that cows are healthy and able to express their natural behaviours.

Highlights

-  Our new optical technology, DeLaval BioSensor Milk Cell Analysis (MCA), counts somatic cells in milk and provides precise, real-time data.
-  Our cow longevity programme aims to help herds remain productive for a longer period, which in turn lowers environmental impact while improving animal welfare.
-  We have offered training courses throughout our organisation, including basic e-learning in animal welfare for our employees.
-  By combining Artificial Intelligence (AI)-powered insights with advanced digital solutions, we're revolutionising herd health management and reducing environmental impact.
-  With DeLaval Plus, dairy farmers get a comprehensive suite of services and applications that transform on-farm data into clear, easy-to-understand insights that support animal welfare.
-  Our animal welfare policy sets the foundation for a more ethical and sustainable future.

Five freedoms

As a leading provider of dairy equipment and services, we are deeply committed to upholding the internationally recognised 'Five freedoms' of animal welfare.



Freedom from hunger and thirst



Freedom from discomfort



Freedom from pain, injury and disease



Freedom to express normal behaviour



Freedom from fear and distress

Animal friendly solutions

Our ambition

As a world leader in dairy equipment and services, we are against any act of animal cruelty. This relates to neglect caused by ignorance or incompetence, as well as wilful mistreatment and neglect of animals, and acts that maliciously cause pain, injury, or suffering.

Our ambition is to be a driver of positive change worldwide in our field, actively developing farming solutions, services, and practices that reduce stress and discomfort for animals, thereby enhancing their overall quality of life.

How we achieve our ambition

In our approach, we take a holistic view of animal welfare to ensure that we provide animal-friendly solutions and services throughout the entire value chain, from idea to offer and on-farm application.

Our animal welfare policy sets the foundation for ethical and sustainable farming. It also anchors our commitment to following the globally established 'five freedoms' of animal welfare.

New target 2025

80% of eligible employees, including new hires, will take a basic animal welfare training module before the middle of 2026. The module will be an online training programme of 30-40 minutes. Eligible employees are employees whose field

of work has an influence on animal welfare, and defining eligibility is part of the target.

Five freedoms

As a leading provider of dairy equipment and services, we are deeply committed to upholding the internationally recognised 'Five freedoms' of animal welfare. The Five freedoms form a framework developed by the Farm Animal Welfare Council (FAMC), which monitors and promotes animal welfare standards within the livestock production sector. We stand firmly against any form of animal cruelty, including deliberate mistreatment, neglect, or actions that cause pain, injury, or distress.



Our cow longevity programme

In line with our vision, we have launched a long-term cow longevity programme in the EMEA (Europe, Middle East and Africa) region. This initiative aims to raise awareness, both internally and externally, about how enhancing the lifetime productivity of cows directly contributes to sustainability and farm profitability. To support this programme, we have a range of solutions designed to help our customers extend the productive lifespan of their herds while improving overall herd performance. We also plan to expand the programme to additional regions.

How we achieve this

In the coming years, we will introduce a structured approach to strengthen targeted animal-welfare competence through collaboration with leading partners and by establishing clear training pathways for employees. We will also create a method for assessing animal-welfare impact within our R&D processes to support future KPI tracking. In addition, we will integrate key animal-welfare measures into our performance framework, such as a KPI that tracks how many customers subscribe to and continue using the service.

We create solutions that promote animal well-being directly or through precision dairy farming tools that give farmers valuable insights and monitoring support. Dealers and farmers



also receive continuous education and training, delivered both internally and through external partners.

Our commitment to milk quality

Our milking solutions are designed to ensure gentle and effective milking, prioritising teat integrity and cow comfort. By focusing on these critical aspects, we help strengthen udder health and enhance milk quality, helping to support efficient and sustainable food production.

How we ensure milk quality

• Meet all regulatory requirements for milk quality in every market in which we operate.

- Ensure that any product we launch supports farmers in achieving their goals for milk quality and milking efficiency.
- Commit to global compliance for Food Contact Materials (FCM), ensuring that all our products meet the food contact regulations in every country where we operate.
- Apply an extended food contact approach that covers both direct and indirect contact surfaces, including potential exposure from cleaning liquids, grease, adhesives, or lubricants that may indirectly affect milk safety and quality. This approach is grounded in hygienic design principles that prevent contamination, enable effective cleaning, and protect milk safety throughout the entire milking process.

Planet

We help dairy farmers to reduce our industry's environmental impact, to create a more sustainable future with the next generation in mind.



Highlights

-  We have set new global sustainability targets, supported by coherent plans across operations and product management and development, that will guide our sustainability development through 2030 and towards 2050.
-  The 2022 GHG emissions baseline was updated with more granular calculation methods, improving accuracy and helping to identify the areas where reductions will have the greatest impact.
-  Our Milk Sustainability Center has expanded with new partnerships to provide dairy farmers with even more data and insights.
-  We upgraded the DeLaval VMS™ V300 series, which now includes the Flow-Responsive™ Milking system. It adapts to each cow's natural milk flow and ensures a smoother milking process and shorter milking times, which in turn increases productivity.

Focus areas 2025

During 2025 we have set targets within our four focus areas:



Greenhouse gas emissions



Energy efficiency



Waste and recycling



Circularity

New targets 2025

During the year, we have set a wide range of new targets across the organisation. Most of them are set for 2030, with some extending to 2050. They include both major ambitions and smaller improvements across our areas greenhouse gas emissions, energy efficiency in operations, waste and recycling as well as circularity.



Greenhouse gas emissions

A **30% reduction** in total GHG emissions by 2030 and reaching net zero in accordance with the Greenhouse Gas Protocol by 2050.



Energy efficiency

Energy optimisation: identification and implementation of initiatives each year equivalent to **two percent of the previous year's** energy consumption during 2025–2030.

Renewable electricity with and electricity with low emissions: **60% renewable or low-emissions** electricity, verified through credible certificates and with a disclosed energy mix.

Electricity production on site: **20% coverage** of total electricity consumption through on-site electricity production.



Waste and recycling

Total waste reduction: **reducing 15% of waste** during 2025-2030.

Hazardous waste reduction: **reducing 15% of hazardous waste** during 2025-2030.

Recycling of waste: **0% waste** to landfill and **80% of waste recycled or reused**.



Circularity

Circularity of packaging: establishing a baseline for reductions, developing clear guidelines, and subsequently setting reduction targets.

Sustainable material: exploring and evaluating areas with high potential benefits, followed by setting reduction targets in prioritised areas.

Life Cycle Assessment: conducting life cycle assessments (LCA) for core products and solutions within DeLaval.

A new pathway to net zero emissions

A pathway to net zero Greenhouse gas (GHG) emissions is a key factor driving climate change. We updated our greenhouse gas emissions baseline in 2025, to reflect more robust and precise calculations. With our new 2022 baseline as a starting point, we have defined a clear pathway towards our long-term goal of net zero emissions by 2050.

Our newly defined targets translate this pathway into practical action. Our 2022 baseline set total emissions at nearly 1 million tonnes of GHG. The 2024 results (including adjacent businesses) showed a reduction to 0.7 million tonnes.

Product development reducing CO₂e impact

By enhancing animal welfare and productivity, our products and services can help reduce emissions per kilo of milk produced. Higher productivity means the same resources and emissions are distributed across a larger volume of milk, which can reduce the CO₂e footprint per kilogram of milk.

DeLaval GHG emissions

Our GHG emissions are divided into three scopes.

● Scope 1

Own emissions direct from our operations.

● Scope 2

Indirect emissions from purchased energy that power our operations.

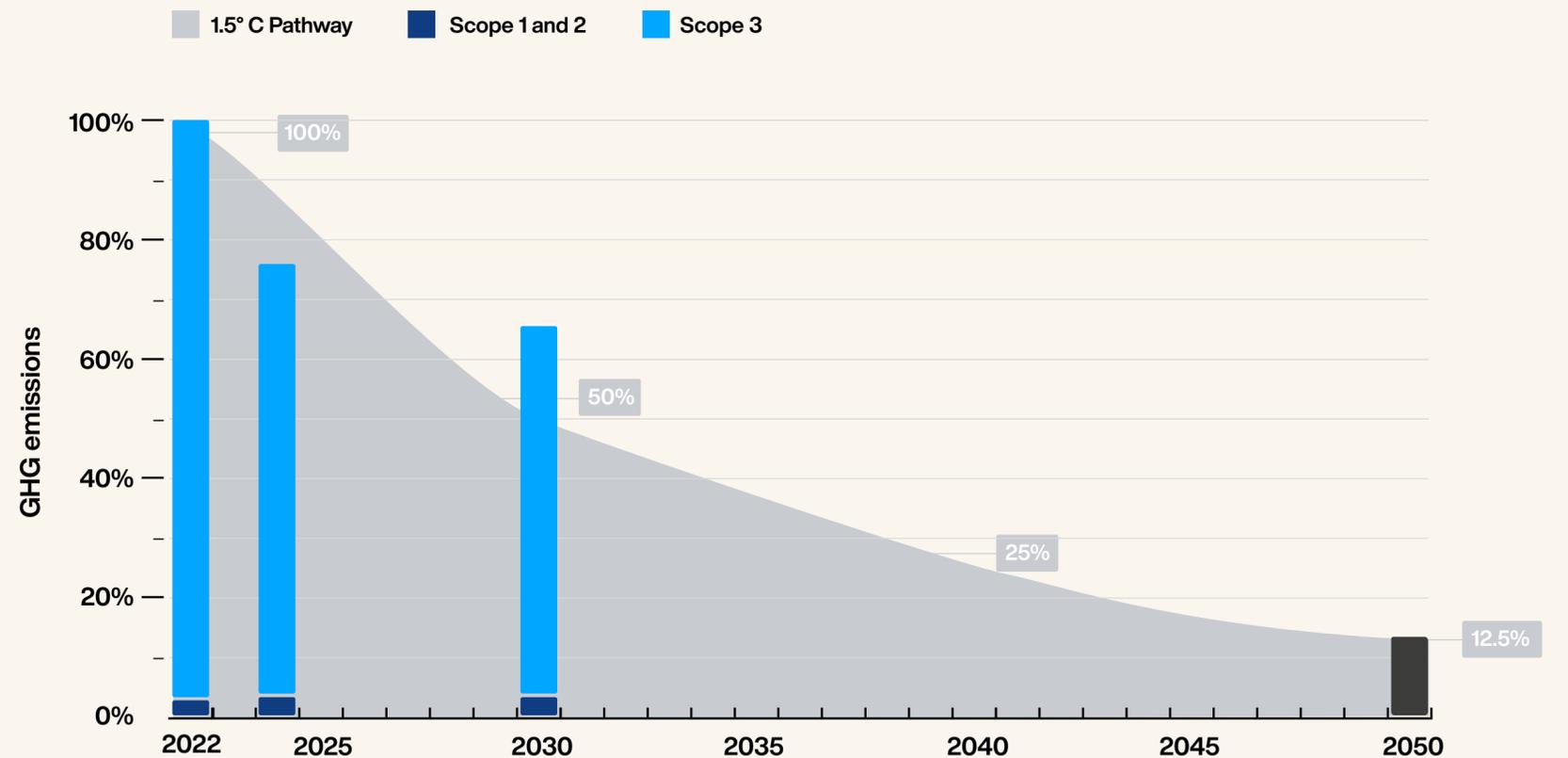
● Scope 3

Value chain emissions that encompass indirect sources across our value chain. These include all emissions that occur outside our own operations but are still connected to the products and services we provide, such as those from suppliers, transportation, product use, and end-of-life treatment.

The vast majority of our greenhouse gas emissions are indirect and it is within scope 3 where we can make the biggest difference.

The vast majority of our greenhouse gas emissions are indirect scope 3 emissions. This is where we can make the greatest impact.

Greenhouse gas emissions pathway



GHG emissions targets
 By 2030: Total GHG emissions reduction: -30%
 By 2050: Become net zero in accordance with the Greenhouse Gas Protocol
 Total GHG emissions reduction: -87.5%



People

Employee engagement is at the heart of how we operate. We aim to create an environment where our people feel empowered, valued, and heard, ensuring their ideas actively shape our future.

Highlights

- Advancing diversity, equity, and inclusion: We reached our target of 25% female employees and managers by 2025 and are working towards 30% by 2030.
- Safety and well-being: We strengthened employee safety and risk mitigation. These improvements are reflected in the 2025 figures, with increased investment in wellness initiatives and private healthcare enhancing overall employee support.
- Transparent governance: Robust policies on whistleblowing, anti-corruption and anti-bribery practices help ensure a safe and ethical workplace for all.

People

We recognise that our greatest strength lies in our diverse and engaged workforce. We also rely on a dynamic community that brings together both our employees, the dedicated individuals across our value chain, and the farmers we proudly serve.

We focus our work in four areas



Employee safety and well-being



Employee engagement



Diversity, equity and inclusion



Responsible sourcing

People

Employee safety and well-being

For us, the safety and well-being of our employees are fundamental to who we are. Our comprehensive safety programmes and wellness initiatives are designed to empower our workforce, mitigate risks, and support both physical and mental health. By prioritising employee safety, we meet industry standards and create a workplace where innovation and engagement can flourish.

”The number of incidents at DeLaval decreased during 2025 and continues to move towards lower levels.”

Ben Condon, Global Director of Occupational Health and Safety

Occupational health and safety training

We have invested in a training programme for our leaders as part of our drive to improve both safety performance and safety culture at DeLaval. We have embarked on an 18-month

education campaign where leaders will apply the knowledge gained through the programme across the organisation.

Employee engagement

We believe that success is far more than knowledge. It is scientifically proven that success is strongly related to behaviours. Our three behaviours are ‘Set direction, Make things happen, One DeLaval’. They have been identified as the most important behaviours for what we, as a company, need in order to be successful in the future as well.

We recognise that the way we lead and do things over time shapes our company culture. And our culture is a part of setting the stage for our success now and in the future.

Diversity, equity and inclusion

Diversity, equity, and inclusion (DEI) are central to our vision for a sustainable future. And we are committed to creating an inclusive and diverse workplace where our talent can thrive. One of our top priorities during 2025 was gender diversity.

Gender diversity goals

We are dedicated to ensuring gender diversity across our operations, and increase the representation of women at all levels of the company.

Overall targets

- 25% female employees and female managers by 2025.
- 30% female employees and female managers by 2030.

Female employees increased to

26.4%

2025 status update

Female employees for the DeLaval Group is 26.4%, and female managers is 26.2%. DE&I continues to be an area where sustained effort is needed to drive real change, and one concrete step we are taking is aiming for a 50/50 representation of female and male candidates in the final stages of our recruitment processes.



Sustainable sourcing

We are strengthening our approach to sustainable sourcing with a clear focus on identifying and mitigating risks related to environmental impact and human rights in the value chain.

During 2025, we developed an updated version of the Ethics and Sustainability Principles for our business partners. The Principles are structured around 15 fundamental principles covering food, animals, people, planet and governance. In parallel, we are in the implementation phase of a Responsible Sourcing Programme, which is aligned with our new principles.

The criteria for our principles are divided into binding 'must' requirements that partners need to comply with in order to do business with DeLaval, and 'good practice' criteria that partners are expected to work towards implementing over time. Communication of the new requirements towards suppliers will begin in

2026, followed by structured collaboration on improvement areas where elevated environmental or human rights risks are identified.

Today, suppliers representing 91% of our global sourcing spend have signed the DeLaval Ethics and Sustainability Principles. Our ambition is that 100% of direct suppliers sign the Principles by 2030, that all high-risk suppliers are audited by 2030, and that all new suppliers are screened against our sustainability criteria.

Today, suppliers representing 91% of our global sourcing spend have signed the DeLaval Ethics and Sustainability Principles.

Our ambition is that 100% of direct suppliers sign the principles by 2030.





Profitability

For us, economic sustainability is about how we increase profitability in dairy farming, to the benefit of both farmers, animals and the planet.

Highlights



We launched a new milking automation system that enables retrofitting of existing parlors and rotaries across the globe. One example is a retrofit of a parlor with MP400 system to the new MA200 system in China which enhanced milking efficiency without requiring a full replacement.



We introduced the DeLaval performance plan programme to support farmers through an integrated, proactive and data driven approach.

- **InService™ All-Inclusive**
- **Digital services via DeLaval Plus**
- **Advisory services**

Creating value that lasts

For us, economic sustainability is about how we increase profitability in dairy farming, to the benefit of both farmers, animals and the planet. Long-term profitability is built on good living conditions for cows, as healthier animals need fewer treatments and produce higher-quality milk, creating greater value for the farmer while contributing to a lower environmental footprint.

It is also about how we create an economically valuable business. In other words, we focus on ensuring fair wages and benefits for our employees. We also invest in the wider society industry investments like our Gustaf de Laval fund that funds projects that we believe will benefit the industry.

Strong financial performance enables us to attract and retain top talent, while also supporting our customers over the long term.

DeLaval performance plan

As part of our 2025 business strategy, we launched the DeLaval performance plan programme. It is a tailored, farm-specific programme that bundle together the services a farmer needs to improve and maintain long-term performance. Rather than selling single products, the plans combine three pillars:

InService™ All-Inclusive which provides scheduled maintenance, service and consumables.

Digital services via DeLaval Plus which provides data, insights, predictions and performance monitoring.

Advisory services where our advisors provide expert guidance to optimise milking performance, cow health and farm efficiency.

Overall, the performance plans aim to position DeLaval as a performance partner, helping farmers boost efficiency, animal welfare and profitability through an integrated, proactive and data-driven approach.



Innovation

Building a future where businesses thrive sustainably.

Highlights

-  Every new product undergoes a rigorous improvement assessment to evaluate its contribution to our sustainability objectives. The criteria for this assessment were updated during 2025 and will be implemented in 2026, ensuring that each product directly supports our global sustainability targets.
-  Milk Sustainability Center, a digital platform developed in collaboration with John Deere to help dairy farmers track and improve sustainability across their operations, was expanded in 2025 and is now fully available across 13 countries.

Sustainability through innovation

Our innovations aim to improve dairy production in ways that benefit animals, farmers, and the environment while ensuring profitability. By enhancing animal welfare and productivity, our products and services help reduce emissions per kilo of milk produced.

Our ambition is that every product and software solution we bring to market supports both sustainability and animal welfare, because healthy, well-cared-for cows are more productive.

Key innovations launched in 2025

DeLaval BioSensor Milk Cell Analysis

This groundbreaking sensor uses advanced optical technology to count somatic cells in milk while also monitoring udder health.

DeLaval VMS™ V300 series update

We upgraded the DeLaval VMS™ V300 series, that now includes the Flow-Responsive™ Milking system, that adapts to each cow's natural milk flow. It ensures a smoother milking process and shorter milking times, which in turn increases productivity.

New features in DeLaval Plus

Continuously adding new applications and features in DeLaval Plus, enabling us to collect richer, real-time data, which is then transformed into actionable insights. These insights empower farmers and dealers to make more accurate, data-driven decisions, ultimately improving sustainability, boosting profitability, and enhancing overall milking performance.



Governance

Strong governance is fundamental to how we do business at DeLaval. It guides how we manage risks, conduct business ethically and take responsibility for our impact.



Governance framework

Our Corporate Governance Framework sets the baseline for how we act in our operations worldwide and consists of the following components:

- Roles and Responsibilities
- The Code of Business Conduct
- Corporate Governance Policies
- Controls

“At DeLaval, we are committed to doing business the right way. With integrity, in compliance with laws, and in respect of human and animal rights. By doing so, we also live up to our sustainability commitment.”

– Paul Löfgren, President & CEO DeLaval



Ensuring we do business in the right way

Our culture drives our commitment to social and economic sustainability, implemented through our global management system, Hamra Model. This model includes our Corporate Governance Framework, and all corporate policies, procedures and guidelines that sets the baseline for how we act in our operations worldwide.

We also have an e-learning programme available in 12 languages and ensure that our employees are well-informed about our Code of Business Conduct, helping to create a culture of integrity and respect across the board.

Anti-corruption

As part of our dedication to combating corruption, we require employees and partners associated with DeLaval to never offer, pay, request or accept illicit contributions.

Important highlights from our Human Resources Policy

Non-discrimination

We're committed to hiring and treating all our employees fairly, without discrimination based on gender, nationality, religion, race, age, disability, sexual orientation, political opinion, union membership, or social or ethnic origin.

Equal opportunities

We believe in treating all employees with equal respect and dignity, providing everyone with equal opportunities to develop their skills and careers. Our commitment to diversity fuels our continuous growth. We cultivate a culture where job appointments, rewards, and personal achievements are based solely on individual abilities and performance.

We also uphold a zero-tolerance policy for sexual harassment and other gender-based offences. We stand firm against any behaviour, including gestures, language, and physical contact that is sexually coercive, threatening, abusive, or exploitative in our workplace.

We ensure compliance with all legal standards regarding wages and working hours in every country in which we operate, with local monitoring in place.

Working conditions and remuneration

We believe that the working conditions, wages, and benefits we offer to employees are competitive with those provided by other employers in local markets, within the industry. If any employee has concerns about working conditions or compensation, they are strongly encouraged to voice these concerns openly and directly to their managers or to Human Resources.



Policies in place

Occupational Health and Safety (OHS)

The OHS policy outlines our commitment to creating and maintaining a safe and healthy work environment for all employees.

Whistleblowing Policy

Our whistleblowing framework ensures transparency and accountability, providing employees with a safe and confidential way to report concerns without fear of retaliation.

Corporate Governance Policies

The Hamra Model is a system that incorporates our Corporate Governance Framework, including our Code of Business Conduct, and all essential corporate policies. These make up the foundation for our processes helping ensure ethical and responsible operations at every level.

In addition to OHS and governance frameworks, we maintain policies that guide human resources practices and promote transparency, such as our HR policy, ensuring all employees have the support and resources they need to thrive.

Risk management

Based on global developments, including political and regulatory shifts, climate change, cyber-security risks and the focus on animal welfare, we identify, evaluate and manage key risks to ensure operational continuity for the DeLaval Group. We are working according to our risk methodology and risk manual, and we manage risks through our risk-management tool. Our methodology is based on the international COSO standards.

We approach risk from two angles, operational and strategic.

Operational risks

Operational risk arises from internal or external events that impact business objectives. Losses may occur due to inadequate or deficient internal processes, people, and systems.

Strategic risks

Strategic risks stem from long-term shifts in the external environment. This includes political, economic, sociocultural, and technological trends, as well as from the design and implementation of strategies. These risks can either threaten our company's viability or present opportunities to enhance our competitive advantage.

This approach enables us to quickly adapt to unexpected events, strengthening our ability to

protect our operations, uphold ethical standards, and build a sustainable future.

Potential risks

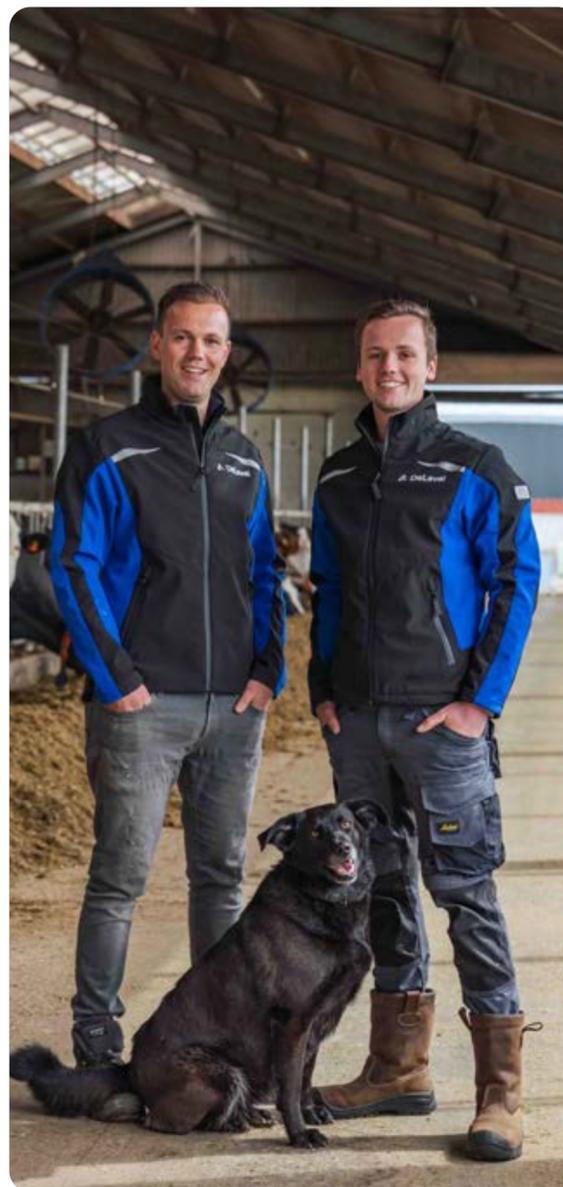
In 2025, we focused on the most critical risk areas, where our efforts could have the greatest impact. While other risks also require attention, concentrating on these key areas has enabled us to deliver significant value and advance our overall risk management strategy.

Trust for milk

As the global population grows, the need for nutritious foods is more important than ever in helping to tackle hunger around the world. At the same time, there are increasing concerns among consumers about animal welfare and the impact of milk production on our environment.

How we work to mitigate the risk

We partner with associations and academic institutions to provide various scientific information regarding the nutritional value of milk and its environmental effects. For our customers, this means helping them reduce the environmental impact of each litre of milk produced in a way that benefits both the animals and everyone working on a farm.



Animal welfare

There is a high prevalence of production-related diseases in cattle herds. Various circumstances and a lack of knowledge can prevent some farmers from managing their farms effectively, resulting in mistreatment of animals.

How we work to mitigate the risk

We provide sensor technology to monitor a farm's cows' health, fertility, and production performance, so that health and welfare issues can be detected early and treated appropriately. These technologies also help farmers improve milk production and decrease their climate footprint.

Milk quality

Contaminated milk presents obvious risks to consumers, customers and our own brand. Food safety is critical for all parts of the dairy value chain.

How we work to mitigate the risk

Our compliance and R&D teams work to ensure that no hazardous or potentially hazardous materials and chemicals are used in or involved in the production of our products.

We are using recognised food standards and use food grade stainless steel as specified in laws and regulations covering food contact materials.

People

Health and safety risks are always present, whether employees are working in our factories and offices or on customers' farms.

How we work to mitigate the risk

We have safety procedures in place at our own facilities and monitor workplace accidents carefully.

We provide guides and training to our own staff on 'How to stay safe in a cow environment'. We also provide advisory services to farmers on how to use our products in a safe and efficient manner and help them with safe farm behaviour. We have clear reporting procedures should an accident occur on the customers' premises.





Looking ahead

Sustainability is embedded in our operations, and we are committed to continuously managing, improving, monitoring and reporting on our sustainability topics in compliance with current and upcoming regulatory requirements.

Our goal is to align our efforts with the EU Corporate Sustainability Reporting Directive (CSRD), which will apply to DeLaval from 2027. This work has already required dedicated time, resources and close collaboration across the organisation, and we will continue working intensively to close remaining gaps and ensure readiness for the new requirements.

As part of our preparation for CSRD, we have started a refresh of our Double Materiality Assessment (DMA) which will be completed in 2026. This helps us look at both our impact on society and how sustainability topics affect our business, so we can better identify and prioritise the sustainability topics that matter most.

And as regulatory expectations continue to evolve in the future, we will adapt our governance framework accordingly, maintaining a strong focus on integrity, accountability and transparency as essential enablers of sustainable business.