

Annual
report

2025



GRUNDFOS 

Possibility in every drop



“ We move water to those who depend on it. ”



Front page
The photos on the front page illustrate how Grundfos solutions move water to those who depend on it. In this case, solar-powered Grundfos pumps ensure a reliable supply of water for irrigation of the olive groves at the Mount Rouge Olive Estate in South Africa.

About this report

With the 2025 annual report, we combine the presentation of financial and sustainability performance for the first time.

This reflects our ambition to provide a holistic view of how we create long-term value through our business, enhance transparency and demonstrate the interconnection between our strategic priorities and performance.

The report includes the management’s review, sustainability statements and consolidated financial statements. The report was prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union (EU). It also complies with the additional disclosure requirements of the Danish Financial Statements Act, including sections 99a on statutory reporting on corporate social responsibility (CSR).

While Grundfos is not yet in scope of the EU Corporate Sustainability Reporting Directive (CSRD), these sustainability statements serve as a preparatory step towards full CSRD compliance, which will apply to Grundfos from the financial year 2027. The statements reflect the principles of the European Sustainability Reporting Standards (ESRS). They present our double materiality assessments, disclosures on the impacts, risks and opportunities and our distinctive approach to reporting environment, social and governance topics in alignment with our own sustainability framework.

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* Our management report consists of two parts: The management's review and the sustainability statements

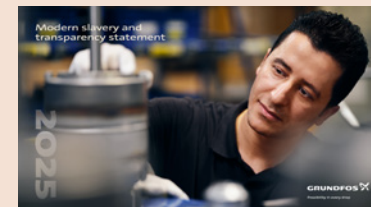
Grundfos Holding A/S
Poul Due Jensens Vej 7
DK-8850 Bjerringbro
CVR no.: 31 85 83 56

Learn more



Responsible taxes report
We see taxes as an essential part of a well-functioning society. For further information, please visit our Responsible taxes report 2025.

[Download and read our report](#)



Modern slavery and transparency statement
Our annual modern slavery and transparency statement describes our due diligence, efforts, progress and how we comply with human rights regulations such as the Norwegian Transparency Act, UK and Australian Modern Slavery Acts, and the Canadian Fighting Against Forced Labour and Child Labour in Supply Chains Act.

[Download and read our report](#)



Management's review



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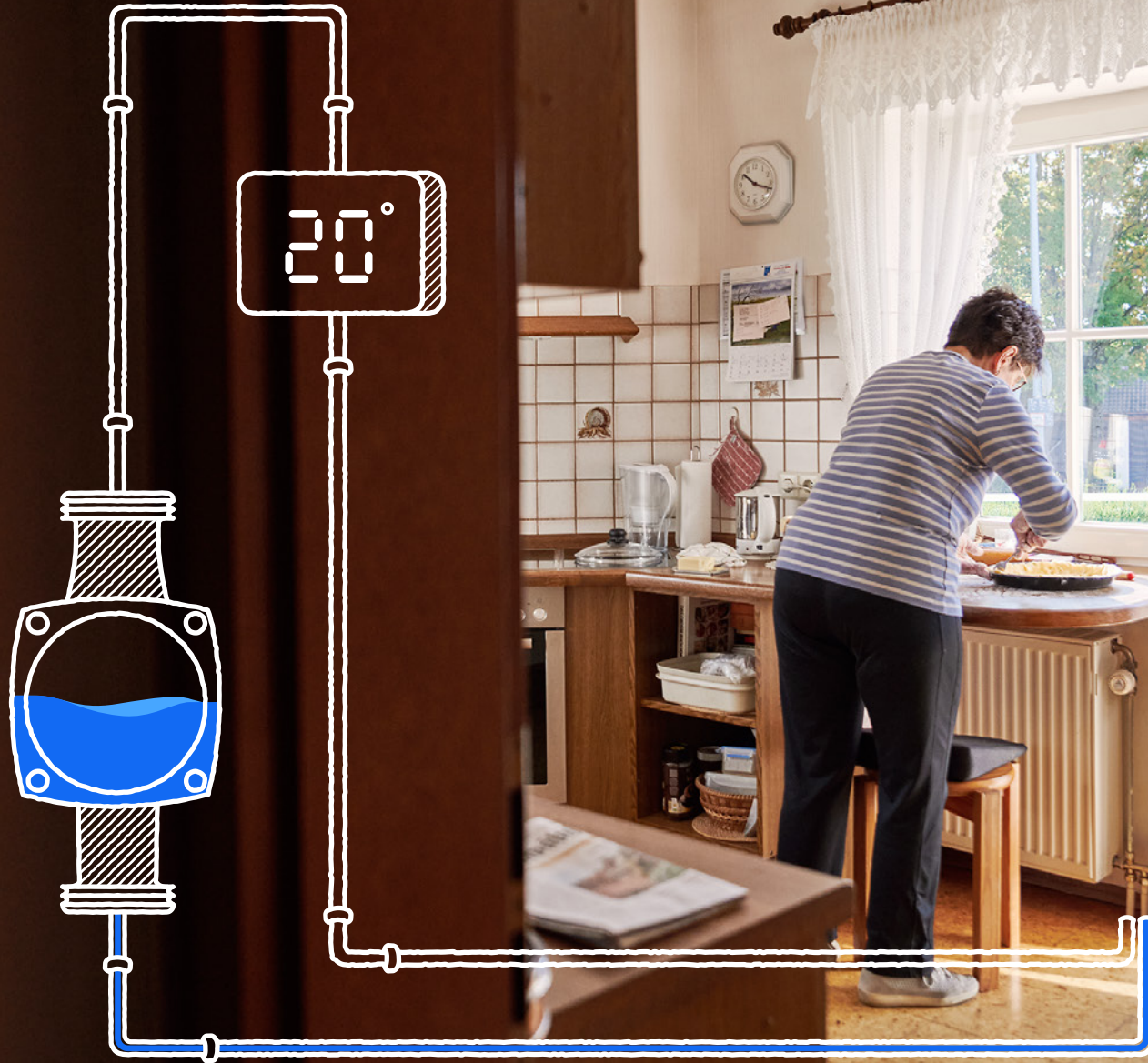


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Introduction



Domestic Building Services

ALPHA GO reduces energy consumption in your home

The new ALPHA GO range covers nearly 70% of integrated Grundfos circulator pumps and most stand-alone replacement pumps. Designed to simplify the installer's workflow, it reduces the need for spare parts and minimises stockholding challenges. With the Grundfos GO app, installers can deliver a professional installation in a single visit. A correctly commissioned pump can reduce energy consumption by up to 55%, supporting sustainability goals in key markets.



ALPHA2 GO is a high-efficiency circulator pump designed for heating and air conditioning systems.

[Read more](#)

Letter from the CEO

Looking back on an eventful 2025, I am proud to see how the combined efforts of my 21,000 colleagues have paid off. In a year where we celebrated our 80th anniversary, we once again made significant progress, both in expanding our business and advancing our sustainability ambitions.

We delivered a solid sales growth of 5.7% and successfully met our financial targets. We made investments to gain market shares and continued to ensure healthy earnings (EBIT) of 10.6% of our revenue. At the same time, our customer satisfaction reached an all-time high, demonstrating that our success is rooted in the trust we build and the experiences we create for our customers. One of the highlights of the year was the significant growth of our business in the world's biggest pump market, the US, where we also welcomed Newterra into the Grundfos group, thereby expanding our water treatment and reuse capabilities.

Like many other global companies, we faced geopolitical challenges in 2025, and we expect this to continue in the coming year. Nevertheless, I remain

confident that we will navigate the evolving global landscape in 2026 with the same determination and agility we demonstrated throughout 2025. I would like to take this opportunity to thank my Grundfos colleagues across the group for their hard work and contribution to our progress and results.

At Grundfos, we provide increasingly intelligent and energy-efficient

water solutions that strengthen the efficiency and resilience of societies, industries, businesses and homes. In 2025, we increased sales of our most energy-efficient solutions and grew their share of our portfolio. As artificial intelligence becomes a more integrated part of our daily lives, the need for data centre water cooling is rising. The rapid global expansion of data centres has created new

opportunities for us in 2025, and developed the foundation for strong growth in this part of our business as we help customers reduce both water and energy consumption.

We like to say that water is the messenger of climate change. The increasing frequency of floods and droughts makes this clearer than ever. Our deep understanding of water gives us strong advantages

in our markets and reinforces our commitment to address the world's water challenges.

These challenges include that more than two billion people still lack access to safely managed drinking water and that within a few years, half of the world's population will be affected by water stress. Action here is essential. I am pleased that in 2025,

we enabled an additional 20 million people globally to gain access to safely managed drinking water.

Finally, we remain firmly committed to achieving net zero in line with the Paris Agreement and continue to support the UN Global Compact. Our aspiration is clear: We want to be the leading provider of intelligent water and climate solutions globally, shaping our industry in innovation, circularity and net zero impact.

I hope that you will enjoy reading this report.



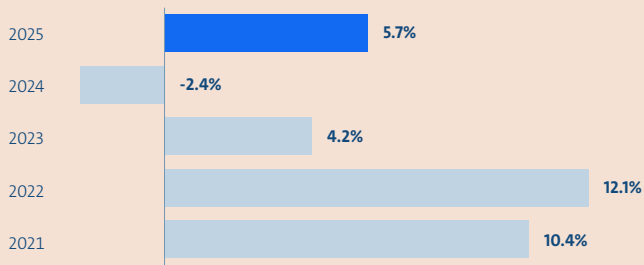
Poul Due Jensen
Group President & CEO



Performance at a glance

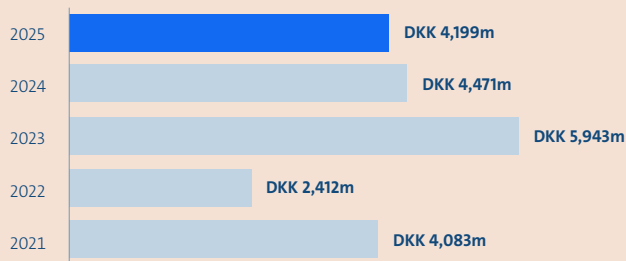
Sales growth
in local currencies
%

5.7%



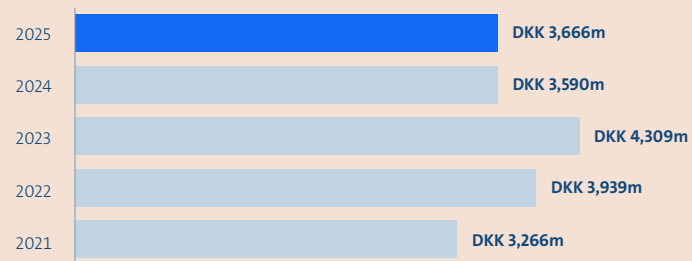
Cash flow from
operating activities
DKKm

4,199



EBIT before special items
DKKm

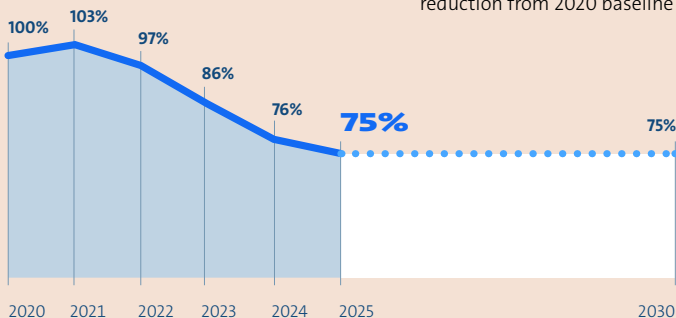
3,666



GHG emissions reduction
- scope 1, 2 and 3 (market-based)¹
%

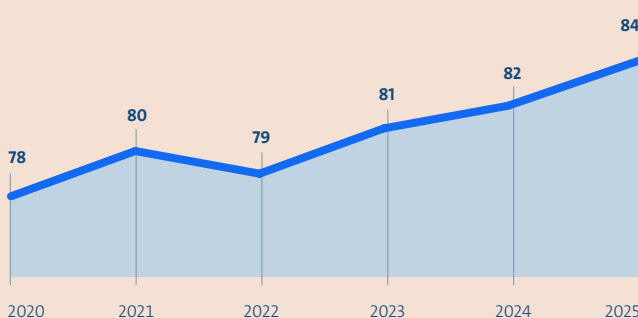
25%

reduction from 2020 baseline



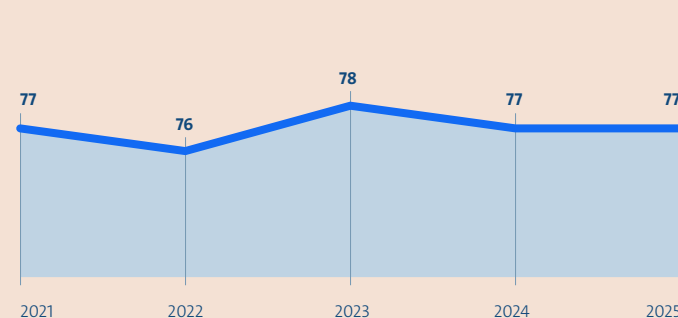
Customer satisfaction
Score

84



Employee motivation
Score

77



¹ 'GHG' = greenhouse gases

Five-year overview

Financial key figures and ratios (DKK million)

	2025	2024	2023	2022	2021
Consolidated profit and loss account					
Revenue	34,733	33,226	34,407	33,341	28,733
Earnings before interest and tax (EBIT) before special items	3,666	3,590	4,309	3,939	3,266
Earnings before interest and tax (EBIT)	3,666	4,064	4,309	3,088	3,266
Net finance income and expenses	104	315	395	(339)	104
Profit before tax	3,770	4,379	4,704	2,749	3,370
Consolidated profit after tax	2,849	3,433	3,422	2,016	2,659
Consolidated balance sheet					
Intangible assets	6,161	4,425	2,739	2,530	2,548
Property, plant and equipment	7,602	7,600	7,112	6,517	6,640
Financial assets	1,373	1,315	1,028	1,063	884
Current assets	20,028	21,459	21,819	20,682	19,196
Total assets	35,164	34,799	32,698	30,792	29,268
Equity	25,323	24,524	23,155	20,946	19,507
Non-current liabilities	1,944	2,068	1,444	1,414	1,436
Current liabilities	7,897	8,207	8,099	8,432	8,325
Total liabilities and equity	35,164	34,799	32,698	30,792	29,268
Financial key figures and ratios					
Capital investments - tangible	1,104	1,278	1,593	1,234	1,078
Capital investments - intangible	327	359	278	193	256
Total capital investments	1,431	1,637	1,871	1,427	1,334
Research and development cost, incl. capitalised cost	2,206	1,941	1,826	1,677	1,563
Interest-bearing net deposit/loan	6,774	8,174	8,885	6,625	7,482
Cash flow from operating activities	4,199	4,471	5,943	2,412	4,083
Net cash flow from operating and investment activities	2,848	2,904	4,079	986	2,781
Sales growth	4.5%	-3.4%	3.2%	16.0%	9.1%
Sales growth in local currencies	5.7%	-2.4%	4.2%	12.1%	10.4%
EBIT before special items as a percentage of net revenue	10.6%	10.8%	12.5%	11.8%	11.4%
Return on equity	11.4%	14.4%	15.5%	10.0%	14.4%
Equity ratio	72.0%	70.5%	70.8%	68.0%	66.6%

i

Definition of key figures and financial ratios:

Sales growth: Annual change in consolidated net revenue, measured in DKK.

Sales growth in local currencies: Annual change in consolidated net revenue adjusted for currency impact.

Interest-bearing net deposit/loan: Securities, cash and cash equivalents and interest-bearing debt.

Return on equity: Consolidated profit after tax as a percentage of the average equity.

Equity ratio: Equity at year-end as a percentage of total assets.

Net cash flow from operating and investment activities: Net cash flow from operating and investment activities before impact from purchase/sale of securities and acquisition/sale of companies.

Five-year overview

Sustainability key figures

	Unit	2025	2024	2023	2022	2021
Environment						
GHG emissions - scope 1, 2 and 3 (market based)	t CO ₂ e	106,628,369	108,296,638*	122,008,675*	138,681,402*	-
Scope 1 and 2 emissions (market based)	t CO ₂ e	66,734	76,482	94,109	100,323	114,631
Scope 3 emissions	t CO ₂ e	106,561,635	108,220,156*	121,914,566*	138,581,079*	-
Energy consumption	MWh	292,072	284,611	286,264	319,641	333,705
Water withdrawal	m ³	350,711	335,610	339,608	365,126	341,538
Resource recovery through take-back	t	83	89	134	64	38
Waste to landfill	t	876	669	872	965	1,098
Social						
Number of employees at year-end	headcount	21,433	20,818	19,937	20,026	20,154
Women on the Board of Directors	%	40	33	20	33	33
Women in leadership positions	%	25	25	25	24	22
Employee motivation	score	77	77	78	76	77
Employee engagement	score	3.99	-	-	-	-
People with disabilities	%	3.0	3.0	2.8	3.0	3.0
Voluntary turnover	%	5.5	5.9	7.6	-	-
Total Recordable Injury Rate (TRIR)	per million working hours	3.72	3.52	3.57	4.09	6.64
People reached with drinking water access (estimate)	million	20.4	17.2	7.1	9.8	7.6
Project-based	million	5.6	6.4	2.1	4.0	1.6
Sales-based (estimate)	million	14.8	10.8	5.0	5.8	6.0
Governance						
Supplier sustainability						
Overall CSR compliance rate	%	93.4	91.3	91.6	-	-
Spend coverage by collected carbon data	%	32.3	30.5	22.3	-	-
Spend coverage by collected water data	%	25.9	26.0	20.1	-	-

* Number has been restated, please refer to page 75.



Employee engagement replaces employee motivation:

In 2025, a new metric for assessing employee engagement was implemented and is presented in this report. From 2026, the employee motivation score will be replaced by the employee engagement score.



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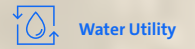


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Purpose and strategy



Constant pressure with CU 302

The new Grundfos CU 302 controller matches Grundfos SQE submersible pumps for residential groundwater installations with constant-pressure application. CU 302 provides even more options to monitor and control pumps and maximise their potential. The controller is equipped with Bluetooth and Wi-Fi capabilities and facilitates monitoring through the Grundfos GO app. From the app, installers can commission pumps, generate installation reports and check the status of pumps.



CU 302 is designed for monitoring and controlling SQE submersible pumps, for example in constant-pressure applications.

[Read more](#)

Purpose

**We pioneer solutions to
the world's water
and climate challenges
and improve quality
of life for people.**

Since the birth of Grundfos, water and treating people with respect and dignity have been at the heart of what we do. Today, this is expressed in our purpose statement.

This purpose is central to everything we do, and it also guides us in our promise to respect, protect and advance the flow of water.

Winning Aspiration 2040

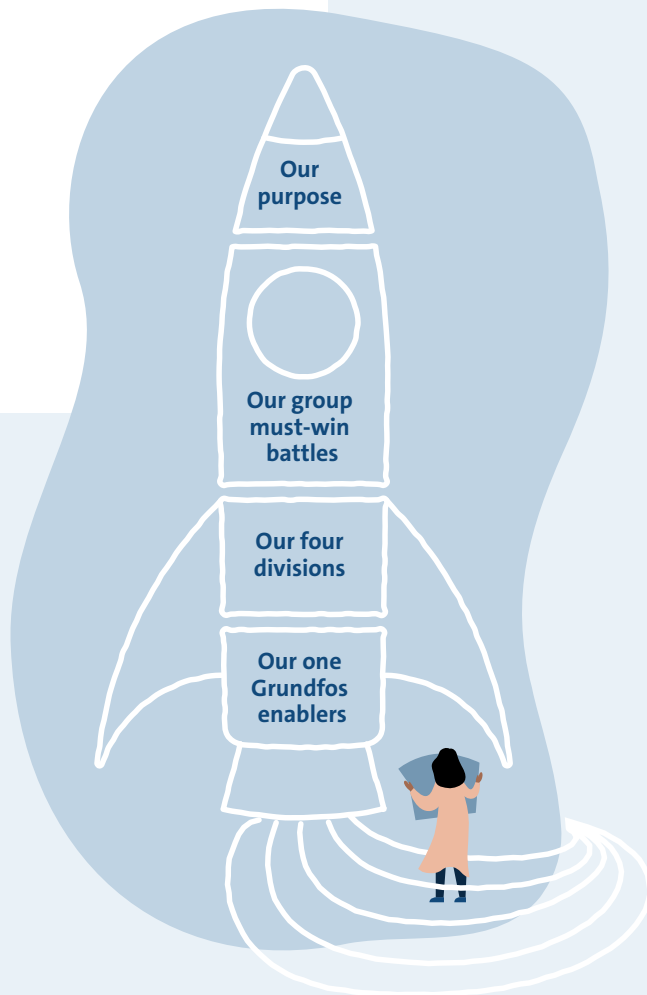
In 2040, we are the leading provider of intelligent water and climate solutions globally, shaping our industry in innovation, circularity and net-zero impact.

We see the achievement of our winning aspiration as a rocket journey to the Moon. This ambitious journey consists of several steps or strategic phases. We are now one year into the first strategic phase, which is called Ignite'27.

Ignite'27 strategy

Launched in February 2025, Ignite'27 outlines the strategic agenda for Grundfos in 2025-2027.

Important steps were taken during 2025 to deliver on the Ignite'27 strategy, for example the launch of several new and innovative products, the acquisition of Newterra to continue the development of our water treatment business platform and the announcement of the expansion of our production facility in Brookshire, Texas.



We pioneer solutions to the world's water and climate challenges and improve quality of life for people.

The current strategy phase is called Ignite'27 because we see it as the ignition of our journey. For Ignite'27, we have defined the following must-win battles:

- Innovate to grow
- Expand through M&A
- Win in the US
- Organise for competitiveness

Our strategy comes to life through the efforts of four business divisions. Read more about our divisions on the next page.

- Commercial Building Services
- Industry
- Domestic Building Services
- Water Utility

To empower our four business divisions, our business enabling functions provide what we call 'group enablers.' Our four critical group enablers are:

- Lead in water sustainability and net zero
- Build people and organisational capabilities
- Build efficient and resilient supply chains
- Differentiate through software, digital and AI

Business model

Grundfos is organised into four divisions, with full end-to-end accountability to accelerate innovation and create the best customer experiences.

Together, the four divisions and the non-Grundfos branded entities DAB and Peerless Pumps form a unified Grundfos group, guided by our shared purpose and values. The divisions are supported by three corporate functions, led by the Chief Operating Officer, Chief Human Resources Officer and Chief Financial Officer.

We call our business model 'One Grundfos to the power of four.' This refers to the fact that - while our four divisions have end-to-end accountability within their areas - they and our group functions are united by a common culture and common values, as well as a shared responsibility to realise synergies, functional excellence and specialised capabilities to serve customers and to accelerate innovation and growth.



Commercial Building Services (CBS)

CBS serves customers within commercial building services with reliable, high-technology products and solutions, as well as a range of services, including energy and system optimisation. CBS is dedicated to helping the end users of commercial buildings reach their water and climate ambitions, while respecting, protecting and advancing the flow of water.



Domestic Building Services (DBS)

DBS serves OEMs, distributors, installers and homeowners with the world's most energy-efficient pumps and solutions for domestic homes. DBS develops, produces and sells smaller domestic pumps and solutions for single-family housing and residential buildings, serving five domestic applications; heating, HVAC OEM, domestic hot water, boosting and wastewater. The DBS division aspires to offer homeowners the most attractive choices for sustainable homes and comfortable lives.



Industry (IND)

IND serves industry customers with a wide range of premium-quality products, solutions and services based on pumping and water treatment systems. IND optimises industrial utilities and processes, covering areas such as water treatment and water reuse, system integration and energy and process optimisation by delivering value-adding digital solutions. The division helps industrial customers and end users globally reach their water and climate ambitions while maximising their output.



Water Utility (WU)

WU serves water utilities customers by providing intelligent pumping solutions aimed at optimising water management in groundwater and irrigation, clean water distribution, wastewater collection and transport, as well as water intake. WU is committed to transforming challenges into opportunities, pioneering innovation and delivering consistent value.



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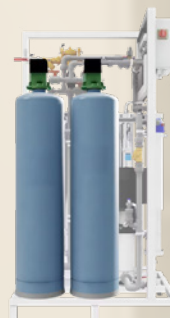
Performance overview



Industry

Water treatment taken to a new level with CU:RO

Smarter, more efficient and built for the future, the new and updated CU:RO has a digital control panel and comes with an e-pump. With a flexible one-size-fits-all configuration, the demineralisation unit allows for easy upgrades and is a testament to Grundfos' water treatment capabilities.



CU:RO is a complete, single-pass reverse osmosis system with pre-treatment for industrial applications.

[Read more](#)

Performance review

Solid results in a fragile and volatile business environment

In 2025, the global economy was characterised by many national economies showing slow or no growth. Coinciding with this, geopolitical tensions led to greater uncertainty and, consequently, lower investment appetite. Overall, we have been operating in a fragile and volatile global business environment.

Fortunately, we were also exposed to geographies and applications showing significant growth, and we have been determined in taking full advantage of these growth pockets.

Across our key geographies, markets like Germany, the UK and other Central and Western European countries suffered from no growth, whereas we delivered solid growth in Southern Europe.

With 'Win in the US' being one of our strategic must-win battles, we are happy to be able to look back on high growth rates in the US. We did, on the other hand, experience continued challenges in China, where a depressed construction sector and fierce competition impact our business.

In Grundfos, we deliver solutions to many different applications, be it in domestic or commercial buildings, in industrial environments, in municipal water transport, processing or groundwater intake. Especially the data centre application has grown at a very high pace, and we are among the preferred suppliers to those who build and operate data centres.

We are leaders in supplying the most energy efficient pumping solutions, and our relentless focus on energy

efficiency is recognised by our customers. Since 2020, we have almost doubled the sales of our most energy-efficient solutions measured as a share of our total sales. This is a business that is both profitable and has a substantial positive impact on greenhouse gas emissions (GHG).

In 2025, we in the Grundfos group have delivered solid growth, earnings and cash flow. This is a testament to the robustness of our business and a result of us taking full advantage of growth opportunities, whilst navigating the complex global market situations and trade barriers.

In August 2025, we welcomed the US-headquartered water treatment business Newterra into Grundfos. Since 2020, the Grundfos Industry division has executed five acquisitions in the water treatment space, earning us a significant position in water treatment across Europe and North America. Based on our financial and organisational strength, and firmly anchored in our strategy, we aim to continue building our business both organically and through acquisitions.



“ We deliver solid growth, earnings and cash flow in a fragile and volatile global business environment. ”

Mikael Geday
CFO, Grundfos



Fluctuating sales with an overall upward-moving trend

Our full-year revenue for the group in 2025 amounted to DKK 34.7bn, representing a 5.7% increase compared to 2024 when measured in local currencies.

Measured in DKK, sales increased by 4.5%, reflecting a negative currency impact of 1.2%-point.

Our determination to seek out growth opportunities became the key to the solid growth we created in 2025.

Our Commercial Buildings Services (CBS) division has established itself as a prominent global supplier of the pumping solutions that deliver cooling in data centre buildings. This has been a significant contributor to CBS delivering 5% growth (measured in local currencies) in 2025.

Similarly, our Industry (IND) division is a leading global supplier of IT equipment cooling solutions, for example for data racks in data centres. Additionally, IND sales have been driven by strong growth in our water treatment business, supported both by organic sales growth in for example the pharma industry, and by acquisitions, most recently making the US-based company Newterra part of Grundfos. IND generated a strong 13% sales growth in 2025.

The Water Utility (WU) division has created growth both in the ground water intake applications and in our municipal business, delivering a total of 5% sales growth. Despite a continued dampened activity level in the construction sector for residential buildings, our Domestic Building Services (DBS) division accomplished 1% growth in sales.

The US-based Peerless Pump business continues its solid growth trajectory with 7% growth in 2025. Our Italy-headquartered DAB branded business saw a sales decline of 1% in the year.

Overall, 2025 demonstrated the continued robustness of our business, as we generated solid growth in markets that were volatile and fragile.

Financial performance in line with strategic ambition

For 2025, our EBIT before special items ratio to revenue is 10.6%, which is fully in line with our strategic ambition of a 10% EBIT ratio. Our solid earnings reflect the robustness of our business in an environment where many of our served markets have not been favourable.

EBIT before special items landed at DKK 3,666m (2024: DKK 3,590m).

Net income from finance items ended at DKK 104m (2024: DKK 315m), driven mainly by interest income on cash deposits and returns on our securities portfolio. Profit before tax amounted to DKK 3,770m (2024: DKK 4,379m) and profit after tax was DKK 2,849m (2024: DKK 3,433m).

Cash flow from operating activities amounted to DKK 4,199m (2024: DKK 4,471m). The decrease in cash flow from operating activities derives primarily from an increase in working capital.

Significant investment in the development of new products, services and solutions continues. Investments in 2025 totalled DKK 1,431m (2024: DKK 1,637m), equivalent to 4.1% of revenue (2024: 4.9%).

Free cash flow was DKK 2,848m (2024: 2,904m), largely as a result of the decrease in cash flow from operating activities.

Our balance sheet remains strong. The equity ratio at year-end equalled 72.0% (2024: 70.5%).

Revenue growth was on par with our outlook for the year as shared in last year's report, and earnings again met and exceeded the targeted 10% ratio for EBIT before special items/revenue.

Sustainability performance shows continued dedication

More than 99% of our GHG emissions are scope 3 emissions. With a continued strong focus on transforming our portfolio towards a higher share of sales of energy-efficient products, we are well on our way to achieving our 2030 scope 3 target. We have currently reached a 25% reduction compared to our 2020 baseline, and we intend to maintain this reduction rate going forward.

Additionally, for scope 1 and 2, we have now reached a total emissions reduction compared to baseline of 45%, thereby making a solid progress towards our 2030 target.

Revenue

DKKbn

34.7

EBIT before special items ratio

10.6%



[A quick overview](#)

Poul Due Jensen,
Group President, CEO

Customer satisfaction score exceeds strategic targets

As a mark of the continued dedication of the Grundfos organisation to engaging in dialogue with customers and pursuing their needs, the annual customer satisfaction score reached an all-time high for the third consecutive year and exceeded both the 2025 target and our targets for the 2025 – 2027 strategy phase by two points.

This result is highly satisfactory and confirms that efforts made, particularly within the parameters 'Products and solutions', 'Buying experience', 'Responsiveness', 'Value for money', 'Marketing', 'Delivery' and 'Complaint handling,' have been fruitful. We are determined to exceed the expectations of our customers and be easy to do business with.

Overall customer satisfaction score

84

2024: 82

Number of responding business customers

10,792

Innovation drives business and sustainability

At Grundfos, the innovative effort behind our smart water solutions is a cross-company effort, involving customers and close proximity to the applications. Behind every new and groundbreaking solution, there are years of research and development. This relentless spirit and dedication are pivotal for our ability to make a difference for our customers and distinguish ourselves from the competition.

As export restrictions impacted heavy rare earth materials during 2025, we benefitted greatly from our foresight and ensuing innovative efforts, which already some years ago eliminated these materials from the permanent magnets used in our products without compromising magnetic performance. This is an example of how innovation can strengthen supply chain resilience. We also constantly seek out more efficient and smart production technologies, as well as new software, AI, Internet of Things (IoT) and digital platforms that can support us in enabling greater value and more reliable and intelligent services for our customers.

Within product cyber security, we remain focused on enhancing our expertise and the security of our products. In 2025, this included completing conformity assessments of all Grundfos products in scope for the Radio Equipment Directive (RED) Delegated Act, which came into effect in August. This EU rule adds mandatory cyber security requirements to radio-enabled devices, including wirelessly connected pump solutions.

In 2025, Grundfos dedicated **DKK 2,206m** (2024: DKK 1,941m) to research and development, equivalent to **6.4%** of revenue (2024: 5.8%).

New products released in 2025

24

Product safety and cyber security are critically important to Grundfos, as seen through our **ISO 27001 and IEC 62443** certifications. These validate that we have implemented an effective information security management system and secure processes to oversee the development and maintenance of our digital products and solutions.

Intellectual property rights are essential for protecting our business and staying ahead of competition. In 2025, Grundfos was granted 98 new patents.

New patents granted

98

High motivation score maintained

When Grundfos people are asked whether our company is a good place to work and if they can see themselves working here in future, the vast majority of our colleagues respond 'yes.' Our colleagues also tell us that they are kept very busy serving customers or enabling their colleagues across our business to develop, produce and sell our industry-leading water solutions. It is invaluable for us to maintain a dynamic dialogue with our people to identify opportunities for improvement, which our leaders follow up on every year.

One of the channels for this dialogue is the annual employee motivation survey. In 2025, 89% of all Grundfos group employees responded to the survey, and the motivation score was 77 for the entire group, which is the same result as in 2024.

Although the result is one point below our strategic target, fact remains that our employee motivation score is at a very high level, and that we continually can be proud that we offer our people a work place with great opportunities to learn and grow.

Read more about the employee motivation survey, as well as our inclusion agenda, in the sustainability statements section of this report.

[Read more on page 60](#)

Motivation score

77

2024: 77

Group KPIs

This table summarises the achievements for the group's most important KPIs against our strategic targets.

KPI	2025	2024	Strategic target
Sales growth	5.7%	(2.4%)	Grow more than served market (avg. 4%)
Customer satisfaction	84	82	81
Employee motivation	77	77	78
Return on sales	10.6%	10.8%	10%
Cash conversion	0.70	0.73	Average 0.75%
GHG emissions reduction			
- Scope 1 and 2 emissions (market-based) ¹	45%	37% ²	50% reduction by 2030
- Scope 3 emissions ¹	25%	24% ²	25% reduction by 2030

¹Accumulated reduction compared to SBTi base year 2020

²Number has been restated, please refer to page 75



Definitions:

Sales growth: Annual growth in sales in local currencies.

Customer satisfaction is measured in the annual External Customer Satisfaction Survey (ECSS). The customer satisfaction factor is measured on three questions regarding overall customer satisfaction. Answers are rated on a scale from 1 to 10, and for reporting purposes the scores are converted to an index number between 0 and 100.

Employee motivation is captured through 47 questions in the annual survey. From 2026, we will replace Employee motivation with a measure of Employee engagement as a group KPI.

Return on sales: EBIT before special items/ revenue.

Cash conversion: Operating cash flow divided by EBITDA with operating cash flow defined for internal performance purposes.

Scope 1 and 2 emissions: Greenhouse gas emissions from Grundfos' own operations (market-based).

Scope 3 emissions: Greenhouse gas emissions from our value chain.

Outlook for 2026

For 2026, we forecast revenue growth measured in the local currencies in the range of 4 – 7%. The forecast does not include impacts from potential acquisitions and divestments in 2026.

We target an EBIT before special items ratio in line with our strategic ambition of 10%

Uncertainty relating to recognition and measurement

In preparing the consolidated financial statements, management makes a number of estimates and assumptions related to the recognition and measurement of assets and liabilities, all of which are inherently subject to uncertainty. As of 31 December 2025, estimates and assumptions are particularly relevant in respect of the impairment testing of goodwill.

Grundfos is party to a number of disputes, lawsuits and legal actions, including tax disputes. It is the view of management that the outcome of these legal actions will have no other significant impact on the group's financial position beyond what has been recognised and stated in the annual report. See Note 28.2

Financial risks

As a result of our global activities, group profit and equity are influenced by a number of financial risks. Foreign exchange risks in the operating companies are managed centrally, as are interest and liquidity risks. The Board of Directors has set up a policy for the use of financial instruments.

Foreign exchange risk

Grundfos' policy is to hedge foreign exchange rates for the most essential flow of goods, i.e. sale and purchase of goods. The objective of the policy is to reduce the potential adverse short-term (up to 18 months) impact of foreign exchange rate fluctuations on cash flows and earnings, and thereby allow for planning and counteractions in the case of longer-term adverse impacts.

Currency hedging is carried out centrally by Group Treasury and covers cash flow risk as well as fair value risk. Cash flow risk is hedged for a period of up to 18 months, aiming at a coverage of 50 – 90% of the expected exposure, whereas fair value hedging aims at 80 – 90% coverage of the balance sheet exposure. The most important currencies hedged are USD, AUD, GBP, CNY and HUF. At the end of 2025, currency contracts to reduce the foreign exchange risk in connection with the flow of goods amounted to DKK 6,630m (2024: DKK 6,760m). Reference is made to Note 31 for further details.

Other financial risks

- **Liquidity risk:** Financial independence is a core value for Grundfos. Maintaining adequate liquidity is therefore key. In addition to unused borrowing facilities, net deposits amounted to DKK 6,774m by the end of 2025 (2024: DKK 8,174m).
- **Credit risk:** Credit risks derive primarily from trade debtors, securities and bank receivables. Risks on trade debtors are diversified across a large number of customers, reducing the exposure. The credit risk on bank receivables, forward exchange contracts and similar instruments is reduced by selecting financial business partners with a high credit rating.
- **Raw materials risk:** Grundfos does not hedge raw materials. No single raw material constitutes a significant proportion of production costs.



Management's report on the parent company

Grundfos Holding A/S is the parent company of the Grundfos group and holds the shares of all the other Grundfos group companies – either directly or indirectly. The company's activities include the majority of the group's research and development functions, as well as group functions involving coordination, planning and management.

In this capacity, Grundfos Holding A/S performs several overarching functions and services. Grundfos Holding A/S had 2,084 employees at the end of 2025 (2024: 2,060). In 2025, the revenue of Grundfos Holding A/S totalled DKK 5,524m (2024: DKK 5,578m), and EBIT amounted to DKK 252m (2024: DKK 1,002m). According to the equity method, income from the other group companies amounted to DKK 2,458m (2024: DKK 2,410m). Profit after tax stood at DKK 2,846m (2024: DKK 3,427m). The balance sheet shows equity of DKK 25,292m (2024: DKK 24,489m), corresponding to an equity ratio of 79.9% (2024: 79.3%).

For 2026, we expect revenue and EBIT to remain at the same level as in 2025.



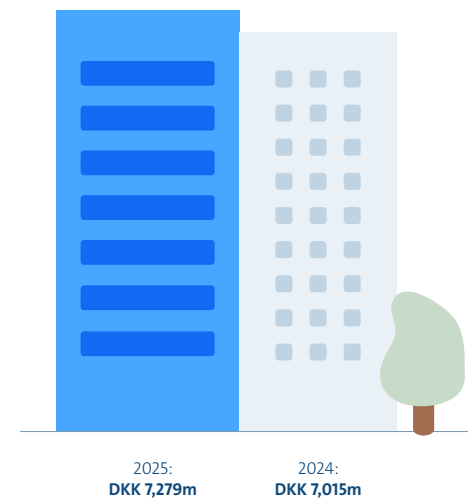
Commercial Building Services (CBS)

Overall solid growth with strong traction in key markets

Revenue

DKKm

7,279



In 2025, CBS saw the strongest commercial traction in the US and IMEA markets. This growth was driven primarily by large cooling projects and data centre developments, complemented by a robust mix of product offerings. Western, Central and Eastern Europe showed steady progress, while the APAC region grew modestly. The Chinese market represented challenges due to a continued dampened activity level.

Strong growth in aftermarket and order intake

Aftermarket sales, which account for a considerable percentage of total divisional sales, continued to grow in 2025. This is both a reflection of intensified efforts to deliver service and energy optimisation solutions, as well as a significant increase in demand. Our new, highly energy-efficient products are in demand because they offer a shorter return on investment on replacements and upgrades and at the same time offer considerable energy savings.

Order intake improved significantly, especially in the Americas, IMEA and Western Europe, propelled by strong performance in new product launches and increased sales of core products and systems solutions. These results highlight CBS's ability to meet evolving customer needs and deliver reliable solutions in key markets.



Domestic Building Services (DBS)



Pursuing growth through innovation and market focus

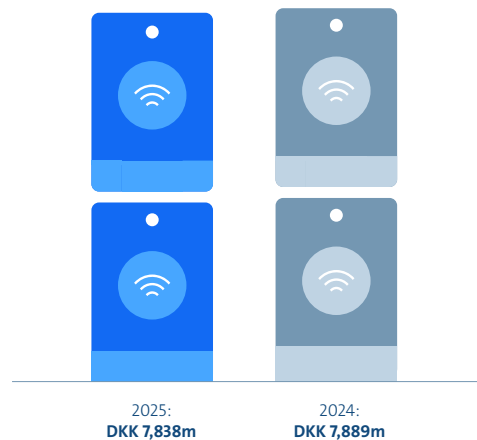
In 2025, DBS pushed the boundaries for energy-efficient and digital water solutions for homes. The year was marked by the launch of the new ALPHA GO range — our most advanced digital circulator pumps to date, fully integrated with the Grundfos GO app. This innovation sets new standards for installers and homeowners, making installation and optimisation easier while delivering energy savings and comfort. The range was successfully launched in Europe. With a strong portfolio of products serving US homeowners, DBS delivered notable sales growth in the US. DBS maintained its leading position in Europe and China in an environment of continued low activity levels.

Advancing circularity and energy efficiency

2025 also marked the opening of our new remanufacturing line in Denmark. This initiative demonstrates our commitment to environmental responsibility by enabling the remanufacturing of pump components. With both new and remanufactured cutting-edge products, DBS continues to help homeowners save water and energy, supporting the global green transition and shaping the homes of the future.

Revenue
DKKm

7,838





Industry (IND)



Strategic expansion and integration of water treatment to accelerate growth

In 2025, IND advanced its strategic ambitions under the Ignite'27 strategy, with continued growth across the US, Europe and India. IND remained focused on delivering sustainable value to customers through water- and energy-efficient solutions and expanded capabilities despite ongoing economic challenges in China and parts of the Asia-Pacific region.

A key highlight of the year was the successful integration of Newterra, further strengthening our water treatment product portfolio. This strategic move enhances our ability to deliver advanced treatment solutions across industrial segments and supports our ambition to serve our customers with even more solutions.

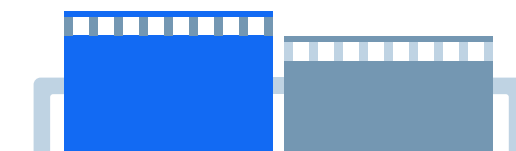
Driving sustainability through innovation and customer partnerships

Customer satisfaction exceeded expectations, as evidenced by top scores in our customer satisfaction survey, alongside measurable improvements in responsiveness, delivery and complaint handling. These results reflect consistent performance across our business.

Sales of the intelligent e-pump portfolio continued to represent double-digit growth, supporting industrial customers in their transition to more energy-efficient and optimised operations through system-integrated solutions. Sustained customer engagement and strategic partnerships further reinforced IND's position as a reliable solutions provider in advancing the sustainability goals of both customers, partners and Grundfos.

Revenue DKKm

10,215



2025:
DKK 10,215m

2024:
DKK 9,283m

Water Utility (WU)



Solid growth through strategic focus and customer proximity

In 2025, WU built strong momentum by executing its strategic priorities under the Ignite'27 strategy. Despite global headwinds, we delivered solid sales growth and increased order intake across the US, Europe, Asia and China.

Targeted investments in talent and regional supply chains paid off, particularly in the US municipal and groundwater installer segments. In the municipal sector, improved supply reliability and local engagement enabled faster response times and deeper customer relationships. On the installer side, face-to-face field engagement and the launch of the new CUE 302 controller supported growth and strengthened market presence.

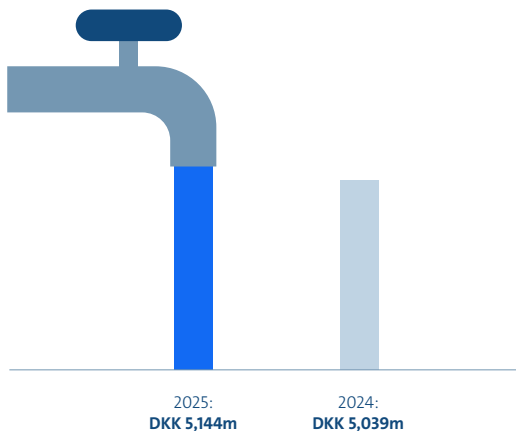
We develop our strong market positions in Europe and the US, while continuing to advance operational excellence and digital transformation. Sales of new products contributed strongly to our growth, and customer satisfaction scores remained high, underscoring our commitment to quality and innovation.

Accelerating impact through innovation and sustainability

In 2025, WU continued to prioritise innovation, energy efficiency and sustainability to support resilient water infrastructure and equitable access. Through smarter, digitally enabled solutions, WU is helping utilities upgrade infrastructure, optimise investments and build more resilient communities. We remain committed to being the partner of choice for water utilities worldwide, driving lasting impact through sustainable innovation and customer-centric solutions.

Revenue DKKm

5,144





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Commercial Building Services

TPE3 reduces complexity for businesses

The new TPE3 range delivers best-in-class energy efficiency with IE5 motors and leading hydraulics, all in a unified design up to 22 kW. Its intelligent features, seamless connectivity and simplified selection and commissioning reduce complexity and lifecycle costs, preparing for future energy optimisation. With environmental product declarations (EPD) and life-cycle assessments (LCA) available, TPE3 supports sustainability goals, making it the ideal choice for future-ready performance.



TPE3 is an intelligent vertical in-line centrifugal pump, designed primarily for commercial heating, cooling and district energy systems.

[Read more](#)

Board of Directors



Claus Aagaard

Chair

Vice President and
Chief Financial Officer, Mars Inc.

Nationality: Danish
Year of birth: 1967
Gender: Male
Member since: 2023
Up for re-election: 2026

Member of committee(s) and role:

- Audit Committee, member
- EC&D Committee*, chair
- M&A Committee, chair



Carsten Reinhardt

Vice Chair

Independent Board Member

Nationality: German
Year of birth: 1967
Gender: Male
Member since: 2016
Up for re-election: 2026

Member of committee(s) and role:

- Audit Committee, member
- EC&D Committee*, member
- M&A Committee, member
- Technology Committee, member



Jabine van der Meijs

Board Member

Independent Board Member

Nationality: Dutch
Year of birth: 1966
Gender: Female
Member since: 2021
Up for re-election: 2026

Member of committee(s) and role:

- Audit Committee, chair
- EC&D Committee*, member
- M&A Committee, member



Henrik Wulff

Board Member

Independent Board Member

Nationality: Danish
Year of birth: 1970
Gender: Male
Member since: 2021
Up for re-election: 2026

Member of committee(s) and role:

- EC&D Committee*, member
- Technology Committee, member



Annika Ölme

Board Member

Senior Vice President & Chief
Technology Officer, AB SKF

Nationality: Swedish
Year of birth: 1973
Gender: Female
Member since: 2023
Up for re-election: 2026

Member of committee(s) and role:

- EC&D Committee*, member
- Technology Committee, chair



Ágnes Pauer

Employee-elected Board Member

Assistant to Plant Director

Nationality: Hungarian
Year of birth: 1976
Gender: Female
Member since: 2024
Up for re-election: 2028



Søren Nielsen

Employee-elected Board Member

Global Senior Service Specialist

Nationality: Danish
Year of birth: 1975
Gender: Male
Member since: 2024
Up for re-election: 2028



John Jacobsen

Employee-elected Board Member

Chief Specialist, Mechatronics

Nationality: Danish
Year of birth: 1960
Gender: Male
Member since: 2024
Up for re-election: 2028

* Executive Compensation & Development

Group Management



Poul Due Jensen

Group President &
Chief Executive Officer

Nationality: Danish
Year of birth: 1971
Gender: Male
Member since: 2015



Mikael Geday

Executive Vice President &
Chief Financial Officer

Nationality: Danish
Year of birth: 1968
Gender: Male
Member since: 2014



Ulrik Gernow

Executive Vice President &
Chief Operating Officer

Nationality: Danish
Year of birth: 1967
Gender: Male
Member since: 2019



Anne Grønbjerg

Executive Vice President &
Chief Human Resources Officer

Nationality: Danish
Year of birth: 1977
Gender: Female
Member since: 2025



Bent Jensen

Executive Vice President &
Divisional CEO of Commercial
Building Services division

Nationality: Danish
Year of birth: 1970
Gender: Male
Member since: 2022



Morten Bach Jensen

Executive Vice President &
Divisional CEO of Domestic
Building Services division

Nationality: Danish
Year of birth: 1971
Gender: Male
Member since: 2022



Inge Delobelle

Executive Vice President &
Divisional CEO of Industry division

Nationality: Belgian
Year of birth: 1969
Gender: Female
Member since: 2024



Hamed Heyhat

Executive Vice President &
Divisional CEO of Water
Utility division

Nationality: American
Year of birth: 1980
Gender: Male
Member since: 2024

Risk management

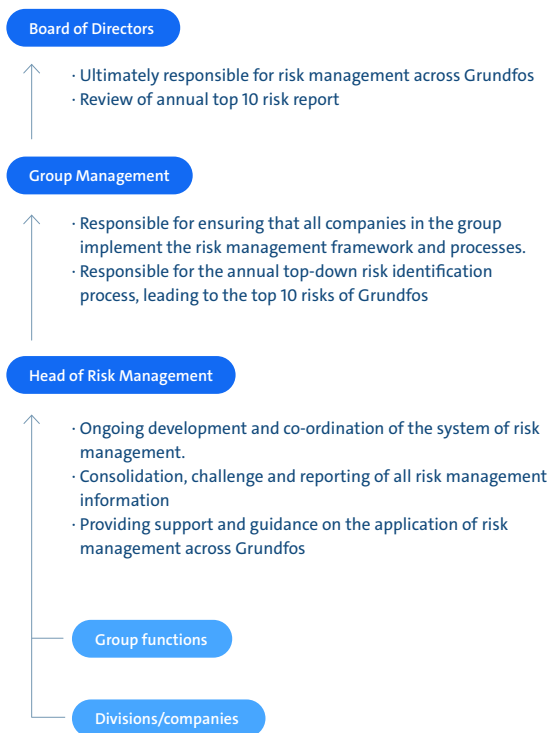
Approach to enterprise risk management

Grundfos has established a robust enterprise risk management framework that engages all risk owners across the organisation, ensuring continuous and proactive management of risks.

By adopting a comprehensive approach to risk identification and mitigation throughout the company, we are able to effectively recognise and address both threats and opportunities. Integrating risk management into daily operations and strategic planning enhances the preparedness for change and enables prompt, effective responses. This approach fosters accountability and drives ongoing improvement, ensuring that risks are managed efficiently and, where possible, leveraged to strengthen our business.

Governance

The Board of Directors holds ultimate responsibility for risk management at Grundfos. Group Management supports the Board of Directors by providing timely and relevant risk information, including key risks and assessments of current control effectiveness. Members of Group Management serve as risk owners and are accountable for the implementation of the Grundfos Risk Management Framework. Designated risk-responsible persons within Grundfos are tasked with planning and executing risk mitigation actions, ensuring these measures are implemented in a timely manner.



Process to identify and evaluate enterprise risks

Our enterprise risk management process is a five-stage-process:

1. Identify and review risks

Key internal stakeholders are engaged to identify new enterprise risks from their respective areas of the business and their subject matter expertise. The stakeholders are asked to re-evaluate the risks from the previous year. Also, findings from the double materiality assessment are evaluated in the enterprise risk management process.

2. Group Management review and evaluation

The identified and evaluated risks are consolidated into a gross list of risks, which is reviewed and evaluated by Group Management.

3. Board review

The revised list of top enterprise risks is presented to the Grundfos Holding A/S Board of Directors.

4. Risk mitigation

Actions for risk mitigation are planned by the internal risk owners.

5. Action status evaluation

The status of the implemented risk mitigation actions is evaluated and reported on a quarterly basis to Group Management, and every six months to the Audit Committee.



Types of risks

Risks are categorised as follows:

1. Regulatory and compliance risks
2. Environmental risks
3. Reputational risks
4. Business interruption risks
5. Safety risks
6. Financial risks

Business ethics

Responsible taxation

At Grundfos, responsible tax management is integral to our commitment to strong governance, transparency, and sustainable business practices. Guided by our group policies and global tax principles, we ensure fair and compliant tax contributions in every country where we operate, supporting local communities and the UN Sustainable Development Goals.

Our tax governance is overseen by the Board of Directors' Audit Committee, with operational responsibility delegated to the Chief Financial Officer and Group Tax department. We do not engage in aggressive tax planning or operate in tax havens, and we only utilise tax incentives that align with the intention of the law and support local development.

In 2025, Grundfos contributed DKK 6.8bn (2024: DKK 6.5bn) in global tax payments, including employee-related taxes, product and sales taxes and corporate income taxes. We maintain open, transparent relationships with tax authorities and proactively manage tax risks through robust controls and regular reviews.

For further details on our tax approach, governance, risk management and a full breakdown of our tax footprint, please refer to the Grundfos Responsible Taxes Report 2025, available here: [Responsible taxes report](#).



Data ethics

The Grundfos group is committed to responsible data consumption, including when we collect, process and use personal data, and implement new technologies.

In our data ethics policy, we set out the key principles for our handling of data, as per section 99d of the Danish Financial Statements Act.

The Grundfos data ethics policy can be found here: [Data ethics policy](#). Here, we also outline our initiatives impacting data ethics for 2025.



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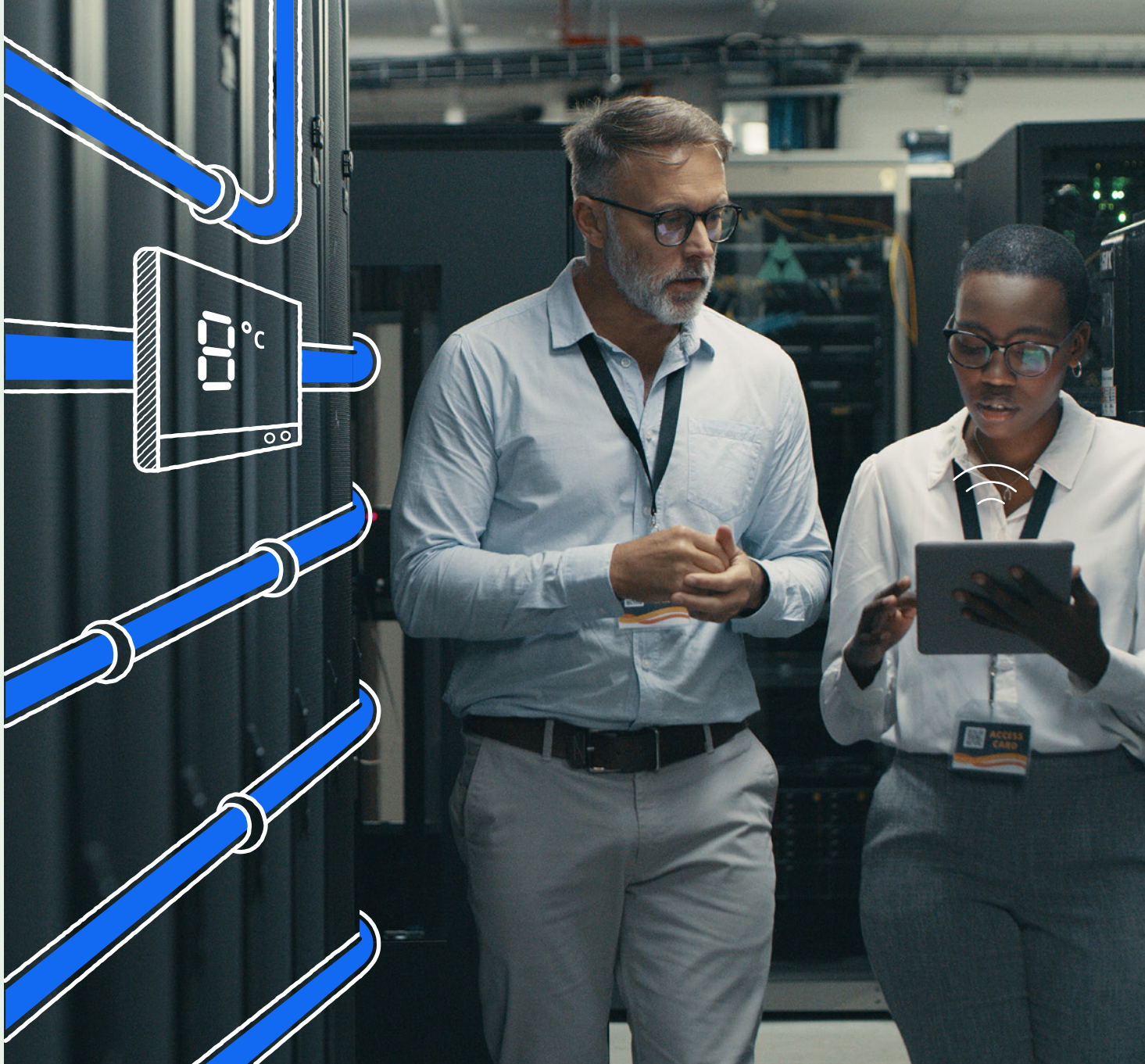


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Global

Data centre cooling has become an increasingly important business area

Grundfos KPVS pumps have become essential for a leading hyperscale data centre company's cooling systems. Their reliability, efficiency and serviceability surpassed competitors, leading to a strong partnership. Key benefits include reduced energy consumption, compact design and superior engineering support, ensuring optimal performance across multiple facilities and long-term infrastructure success.

“ A decade of experience has given the Grundfos data centre team deep insight into the industry's unique demands, enabling us to deliver success across all types of data centre projects. ”

- Ian MacHugh, Regional Manager, Data Centres Grundfos USA & Canada

[Read more](#)

Sustainability performance at a glance

In 2025, we continued to help customers and end users save water and energy, while bringing water access to millions worldwide. We closed out several of our 2025 sustainability targets, and while not all were met, we made progress across key impact areas and captured valuable lessons along the way. In the coming year, we will set new targets to guide our sustainability journey.

Water access



20.4m

people reached with safe water access in 2025, totalling 70.6m people since 2020.

Water stewardship

4.5%

increase of own water withdrawal in 2025, 46% reduction of own water withdrawal since 2008 baseline

1.6bn m³

estimated water saved for end users in 2025, 9.6bn m³ estimated water saved by end users using Grundfos products compared to our 2020 baseline

Climate transition

1.5%

total greenhouse gas (GHG) emissions reduction in 2025, 25% total GHG emissions reduction since 2020 baseline

NEW

climate transition action plan launched

B

CDP Climate score

Circularity

83

tonnes of used products collected by Grundfos in 2025

People

25%

women in leadership positions, meeting our 2025 target



Governance and integrity

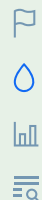
Top 1%

ecovadis

second consecutive year with an EcoVadis platinum medal, keeping Grundfos in the top 1% of all rated companies

93.4%

audited suppliers' compliance rate



Sustainability statement preparation

In 2025, Grundfos prepared its sustainability statement in accordance with the Danish Financial Statements Act §99a.

Grundfos will be subject to sustainability reporting according to the European Union Corporate Sustainability Reporting Directive (EU CSRD) in fiscal year 2027; however, preparations have already started, and this combined financial and sustainability report is inspired by the requirements of the EU CSRD. This sustainability statement also serves as our Communication on Progress to the UN Global Compact and our submission under the CEO Water Mandate, reinforcing our alignment with global sustainability frameworks.

Scope of consolidation

Our sustainability statement is prepared on a consolidated basis, covering Grundfos Holding A/S and all subsidiaries included in our consolidated financial statements for the year ending 31 December 2025. The scope of the sustainability reporting is consistent with our financial reporting boundaries. Unless otherwise noted, all data presented covers the period from 1 January to 31 December 2025.

Value chain coverage

Sustainability does not stop at our factory gates. Our disclosures extend beyond our own operations to include relevant parts of our upstream and downstream value chain, including suppliers, distribution, logistics, customers and end users where material impacts, risks or opportunities have been identified. Where reliable data is available, it is included. Where limitations exist, they are disclosed



transparently. Expanding data coverage across the value chain remains one of our main priorities.

Use of estimates and assumptions

Some of the information presented is based on estimates and assumptions, particularly in areas where direct data is unavailable, such as parts of our value chain. These estimates are grounded in the best available sources, including internal models and industry benchmarks. Where uncertainty is significant, it is clearly noted. We are committed to improving the precision and reliability of these estimates over time. The majority of our sustainability key performance indicators (KPIs) have obtained limited or reasonable assurance by external auditors.

Changes in methodology or presentation

There have been no material changes to the methodology or presentation of sustainability information compared to the previous reporting year. Where data has been restated, the rationale and impact are explained in the relevant sections to ensure transparency and comparability.

Risk management and internal controls over sustainability reporting

Since early 2023, our sustainability KPIs have been tracked via a monthly sustainability scorecard and monitored by the Sustainability Council, Group Management and the Board of Directors. Progress is reviewed quarterly, with internal reporting cycles aligned to financial reporting. This ensures that sustainability performance is not only tracked but acted upon, enabling timely decisions and reinforcing accountability.

Our internal controls and risk processes are embedded across the business and aligned with our enterprise risk management framework. A cross-functional data and reporting team consisting of members representing Group Finance and Corporate Affairs oversee data collection, validation and reporting. This team ensures data quality, with oversight from the Audit Committee.

Sustainability framework

It is our purpose to pioneer solutions to the world's water and climate challenges and improve quality of life for people.

Our updated sustainability framework builds on our purpose and aligns with our aspiration to be the leading provider of intelligent water and climate solutions globally, shaping our industry in innovation, circularity and net-zero impact.



Sustainability framework

In 2025, we updated our sustainability framework to align with our Ignite'27 business strategy and the outcome of our double materiality assessment (DMA).

The sustainability framework highlights our four strategic priorities on water stewardship, water access, climate transition and circularity, in line with our Ignite'27 strategy and Winning Aspiration 2040 to shape our industry in innovation, circularity and net-zero impact.







These priorities are supported by two key enablers: empowering people and respecting human rights and building a strong foundation of business integrity.



Continued support for the United Nations Sustainable Development Goals (UN SDGs)

While we support and have a positive impact on a range of the SDGs, we focus on Goal 6 (Clean water and sanitation) and Goal 13 (Climate action), where we have the most positive impact through our core solutions and wider influence.

Our purpose is to pioneer solutions to the world's water and climate challenges and improve quality of life for people

	 Water stewardship	 Water access	 Climate transition	 Circularity
Ambitions	Build a water resilient world	Transform lives through access to water	Decarbonise every drop of water	Realise the value of circular solutions
Impact	Reduce water use through water efficiency, reuse and recycling of water	Provide access to safe water for 300 million people	Net zero by 2050 25% GHG emission reduction by 2030	Drive circularity across the lifecycle of our products
Key enablers	 People Empower people and respect human rights			
	 Governance and integrity Build on a strong foundation of business integrity			

Sustainability governance

Sustainability governance is integrated into the overall corporate governance framework and underpins our ability to deliver on our ambitions.

Board of Directors

Our Board of Directors holds ultimate responsibility for the oversight of our sustainability approach. It ensures that sustainability is fully integrated into our long-term direction, enterprise risk management and corporate governance. The board's role is active and strategic, shaping our ambition and ensuring we are prepared for the risks and opportunities of a changing world.

Audit Committee

An integral part of the board is the Audit Committee, which plays a critical role in safeguarding the integrity of our disclosures in this statement. It monitors compliance with legal and regulatory reporting requirements and supervises the internal control and assurance processes that underpin our environmental, social and governance (ESG) data.

Group Management

Group Management translates ambition into action. It sets the strategic direction for our sustainability efforts and ensures that the necessary resources are in place. It approves key targets and initiatives and receives regular updates on progress and emerging risks and opportunities from the Sustainability Council.

Corporate Affairs

Corporate Affairs leads the implementation of our sustainability framework and provides expert guidance to the council. It ensures alignment with global standards and regulations, such as the EU CSRD and the Science Based Targets initiative (SBTi). Corporate Affairs also supports business units in developing roadmaps, initiatives and compliance strategies.

Sustainability Council

The Sustainability Council comprises nine senior leaders representing group functions and divisions. It meets four to six times per year and is responsible for monitoring progress on sustainability goals, assessing and managing material sustainability-related impacts, risks and opportunities and advising Group Management on strategic direction. The council ensures that sustainability is integrated into business planning and performance management.

Group Finance

Group Finance leads ESG data management and analysis. It maintains the monthly sustainability scorecard, oversees data collection and validation and ensures ESG data is reported in accordance with our sustainability data reporting manual.



Board competence and training

In 2024, the Board of Directors completed a dedicated ESG training programme. The training covered strategic integration of sustainability, risk management and enterprise risk alignment, ESG data governance and assurance and the board’s role in sustainability oversight. The board is updated annually on strategic sustainability enablers and monitors key sustainability performance indicators, such as total GHG emissions and employee motivation.

Remuneration and incentives

Sustainability performance is directly linked to executive and senior leadership remuneration. Since 2017, our incentive programme has included sustainability KPIs.

The depicted goals and weights for the short-term incentive apply to members of Group Management and all senior leaders in vice president and senior director positions, with a small difference being the weight of the Employee Motivation Survey (EMS) score, which is set at 20% for non-executive employees.

Sustainability due diligence

Due diligence is a cornerstone of how we manage sustainability risks and uphold our commitment to responsible business conduct. Our approach is structured, risk-based and aligned with international standards, including the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

We conduct due diligence across our operations and value chain, with a focus on identifying, assessing and mitigating actual and potential adverse impacts to people and planet. This includes human rights and environmental risk mapping and conducting human rights impact assessments. We actively support regulatory developments that reinforce responsible business conduct and contribute to creating a level playing field globally, which aligns with our ambition to drive sustainable impact through transparency and accountability.

Our due diligence approach is reflected throughout this report, with disclosures mapped to our material ESG risks and responses. We continue to strengthen our processes to meet evolving expectations and regulatory requirements.

ESG in executive short-term incentives (STI) 2025

ESG component	Weight	Target	2025 result	Bonus
Reduction of GHG emissions (scope 1, 2 and 3)	17%	0% Annual reduction target based on long-term commitment	1.5% emissions reduction achieved	Above target
Employee motivation score	17%	78	77	Below target
Total weight of ESG components in executive STI	33%	Two of six evenly rated KPIs in the Grundfos executive incentive programme are linked to sustainability goals.		

ESG in executive long-term incentives

Year	ESG component	Weight	Target	Result	Bonus
2023 - 2025	Reduction of GHG emissions (scope 1, 2 and 3)	25%	1.5% average annual reduction of scope 1, 2 and 3 emissions	8.4% emissions reduction achieved	*N/A
2022-2024	Reduction of GHG emissions (scope 1 and 2)	25%	Reduction of scope 1 and 2 GHG emissions by 6% compared to 2020 baseline, excluding PPA (Power Purchase Agreement) and green certificates	13.6% emissions reduction achieved.	Above target

* 3-year programmes. First established in 2022. Result will be available after the release of this report.



Stakeholders and partnerships

We engage with a broad network of stakeholders at global and local levels to strengthen relationships, understand interests and inform our sustainability actions.

Engaging with stakeholders is an ongoing process that involves direct and indirect dialogue through trusted partners, experts and third parties. We maintain regular communication with employees, customers, suppliers, non-governmental organisations (NGOs), universities, advocacy groups and policymakers. Our engagement methods with stakeholders include surveys, meetings, e-learning platforms, social media, town hall meetings and collaborative partnerships. For suppliers and their workers, we focus on local interaction, interviews, collaborative partnerships, sponsorships and awards.

Outcomes from our stakeholder engagement sessions guide actions in areas such as training, policy development and value chain management. These insights are crucial for leveraging new technology, solving global climate and water challenges, mitigating actual and potential adverse human rights impacts, attracting talent and maintaining high ethical standards.

Key partnerships and commitments



UN Global Compact (UNGC)

Our membership since 2002 reflects our longstanding commitment to responsible business and connects us to a global network for sharing best practices with companies advancing sustainability.



CEO Water Mandate

Our membership demonstrates our commitment to water stewardship across the value chain and enables collaboration to address global water challenges and advance sustainable management.



C40 Cities

We partner with C40 Cities to apply our water management expertise and strengthen climate resilience in megacities representing over 700 million inhabitants worldwide.



International Water Association (IWA)

We sponsor the Young Water Professionals programme to develop future talent in the water sector, with over 400 applicants for its two-year cycle and plans to make it a recurring opportunity.



World Economic Forum (WEF)

Through the Grundfos Foundation, we contribute to WEF initiatives that advance global sustainability, including the Alliance of CEO Climate Leaders, the Centre for Nature and Climate and the Centre for Urban Transformation.



Water Resilience Coalition

We joined the Water Resilience Coalition and signed the Water Resilience Pledge in 2025, committing to measurable impact by 2030 and collaborating to build water resilience in the world's most stressed basins.



Double materiality assessment

Our double materiality assessment (DMA) identifies and prioritises sustainability-related impacts, risks and opportunities most significant to our business and stakeholders.

The DMA supports our sustainability priorities, risk management and reporting. We review the process annually and fully update every three years or when significant changes occur.

In 2025, we strengthened and expanded the analysis with deep-dive assessments and expert input. We involved key internal subject matter experts in climate, water sustainability, human rights, circularity and governance. External input was gathered by engaging external subject matter experts and advisors, and additional insights came through desktop research and publicly available papers. Where direct stakeholder feedback was not possible, proxies were used.

The assessment is part of our preparation for the CSRD, and it links directly to our sustainability KPIs, which build on findings from:

- Human rights risks and saliency assessment
- Climate risks and opportunities assessment
- Water risks assessment

We continually strengthen our process and expect to see changes to some of our impacts, risks and opportunities over the coming years.

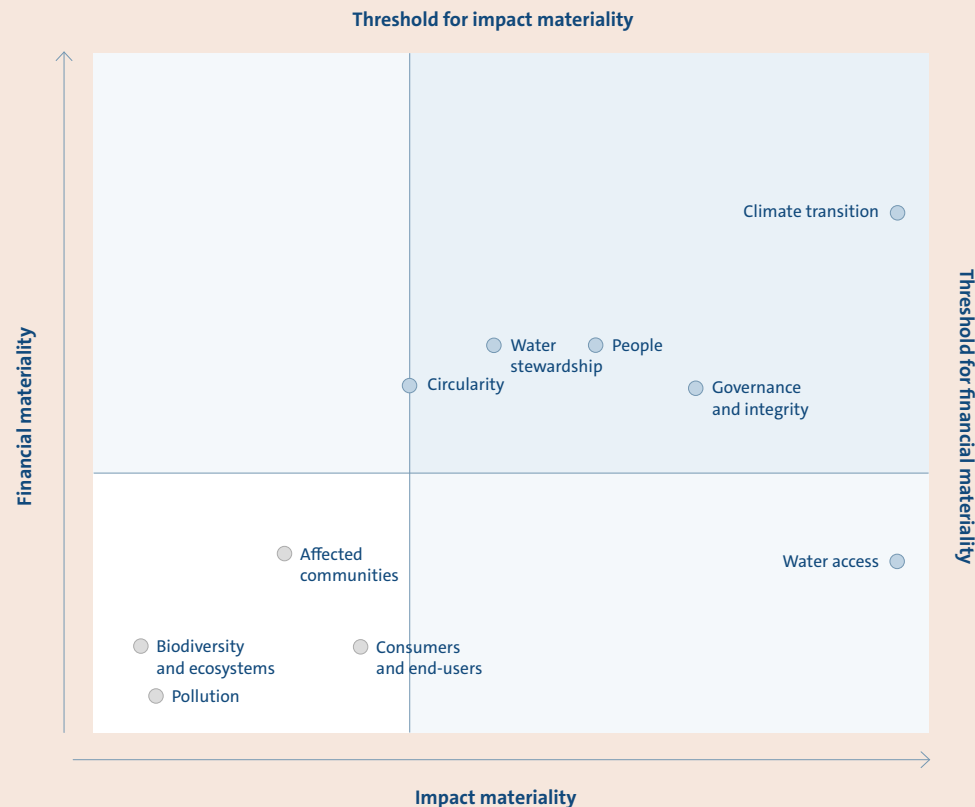
Assessing materiality

We assess impacts on people and the environment based on scale, scope and irremediability. Risks and opportunities are scored for likelihood and financial impact, with human rights severity taking precedence over likelihood. Financial impact uses quantitative thresholds where available and qualitative thresholds otherwise. For topics with both risk and opportunity, the highest score applies.

Scoring follows a four-point scale aligned with enterprise risk management. Topics that scored 1.5 or above are considered material and guide decision-making. We continually strengthen our double materiality process and build connecting processes and analyses.

The double materiality matrix provides a high-level overview of key impacts, risks and opportunities (IROs). The following pages outline these IROs in detail and explain how they are managed across our value chain. We conclude the DMA section by showing how it is integrated into our business risk management and overall strategy.

Double materiality matrix



● Material topics ● Topics below the materiality threshold

Our impacts, risks and opportunities

The DMA identifies where our operations and products have the most significant impact and where sustainability-related risks and opportunities are most likely to arise.

Climate transition

IRO title	ESRS subtopic	Value chain	IRO type	Likelihood	Time horizon
GHG emissions from use of products during their operational lifetime (use-phase of products)	Climate change mitigation	Entire value chain	⊖ Negative impact/business risk	Actual	Long-term
Disruption of production and supply chain from climate-related events (floods and droughts)	Climate change mitigation	Own operations/supply chain	⊖ Business risk	Potential	Medium-term
Energy consumption and emissions from manufacturing and logistics	Climate change mitigation	Own operations/supply chain	⊖ Negative impact	Actual	Medium-term
Customer demand for energy-efficient, low-carbon pump and water solutions	Climate change mitigation	Downstream	⊕ Business opportunity	Actual/potential	Long-term
Growth in sales to renewable energy, data centre and green technology sectors	Climate change mitigation	Downstream	⊕ Business opportunity	Potential	Medium-term

[Explore more in the section 'Climate transition'](#)

Water stewardship

IRO title	ESRS subtopic	Value chain	IRO type	Likelihood	Time horizon
Providing solutions that help customers and communities reduce water use and adapt to water stress	Water	Entire value chain	⊕ Positive impact/business opportunity	Actual	Medium-term

[Explore more in the section 'Water stewardship'](#)

Circularity

IRO title	ESRS subtopic	Value chain	IRO type	Likelihood	Time horizon
Compliance with new circular economy regulations (e.g., take-back and recycled content)	Circular economy/resource inflow	Upstream and own operations	⊕ Positive impact/business risk	Actual	Medium-term
Collection and reuse of end-of-life pumps and components through take-back programmes	Circular economy	Own operations	⊕ Positive impact	Actual	Long-term
Shift to circular business models (refurbishment, rental or buy-back) for pumps	Circular economy/re-source inflow	Own operations	⊕ Business opportunity	Potential	Medium-term
Waste to landfill from operations (hazardous and non-hazardous)	Circular economy	Own operations	⊖ Negative impact	Actual	Medium-term
Use of virgin materials driving embedded emissions in components	Circular economy/re-source inflow	Upstream	⊖ Negative impact	Actual	Long-term

[Explore more in the section 'Circularity'](#)

⊕ Positive impact/business opportunity ⊖ Negative impact/business risk



People

IRO title	ESRS subtopic	Value chain	IRO type	Likelihood	Time horizon
Ensure diversity and equal opportunity across the workforce and leadership	Equal treatment and opportunity for all	Own operations	⊕ Positive impact/ ⊖ impact/ business risk	Actual/ potential	Medium-term
Avoid conflict-linked or high-risk minerals through responsible sourcing	Other work-related rights	Upstream/ own operations	⊖ Business risk	Potential	Medium-term
Prevent injuries and ensure safe working conditions	Working conditions/ health and safety	Own operations	⊖ Business risk	Actual/ potential	Short-term
Support employee motivation and well-being through engagement and benefits	Working conditions/ work-life balance	Own operations	⊕ Positive impact	Actual	Short-term
Develop skills and capabilities to meet innovation and business needs	Talent upskilling and development	Downstream	⊕ Business opportunity	Potential	Medium-term
Improve working conditions for supply chain workers through engagement and audits	Working conditions	Upstream	⊖ Business risk	Potential	Medium-term
Prevent forced and child labour risks in the supply chain	Other work-related rights	Upstream	⊖ Business risk	Potential	Medium-term
Mitigate adverse human rights impacts in relevant geographies	Other work-related rights	Upstream	⊖ Business risk	Potential	Long-term

[Explore more in the section 'People'](#)

Water access

IRO title	ESRS subtopic	Value chain	IRO type	Likelihood	Time horizon
Providing water access to underserved communities through Grundfos projects	Grundfos specific - water access	Downstream	⊕ Positive impact	Actual	Short-term
Increasing market demand for affordable, scalable water access solutions	Grundfos specific - water access	Own operations	⊕ Business opportunity	Potential	Short-term

[Explore more in the section 'Water access'](#)

Governance and integrity

IRO type	ESRS subtopic	Value chain	IRO type	Likelihood	Time horizon
Promoting ethical business conduct and compliance with our code of conduct	Corporate culture	Own operations	⊕ Positive impact/ ⊖ impact/ business risk	Actual	Long-term
Managing supplier compliance with sustainability and ethical standards	Management of relationships with suppliers	Upstream	⊖ Business risk	Potential	Medium-term
Handling whistleblower reports and ensuring non-retaliation	Corporate culture/ whistleblower	Own operations/ external stakeholders	⊕ Positive impact	Actual	Short-/ medium-term

[Explore more in the section 'Governance and integrity'](#)

⊕ Positive impact/business opportunity ⊖ Negative impact/business risk

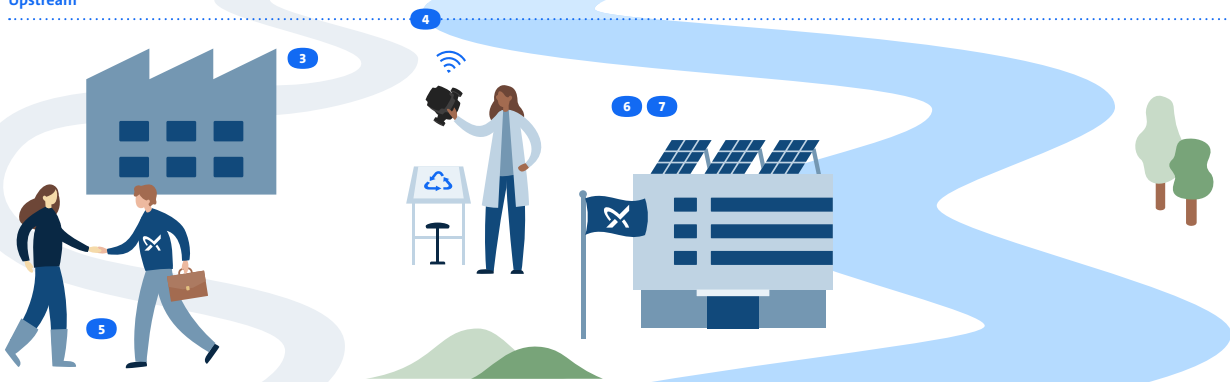
Managing impacts, risks and opportunities across our value chain



Upstream

1 Raw material sourcing
We conduct due diligence and strive to enhance our efforts in responsible sourcing and respect human rights.

2 Supply chain
We hold ourselves and our suppliers to the highest standards of social and environmental responsibility by upholding human rights, maintaining labour standards, reducing carbon and water footprints, ensuring chemical compliance and sourcing materials responsibly, including conflict minerals.



Own operations

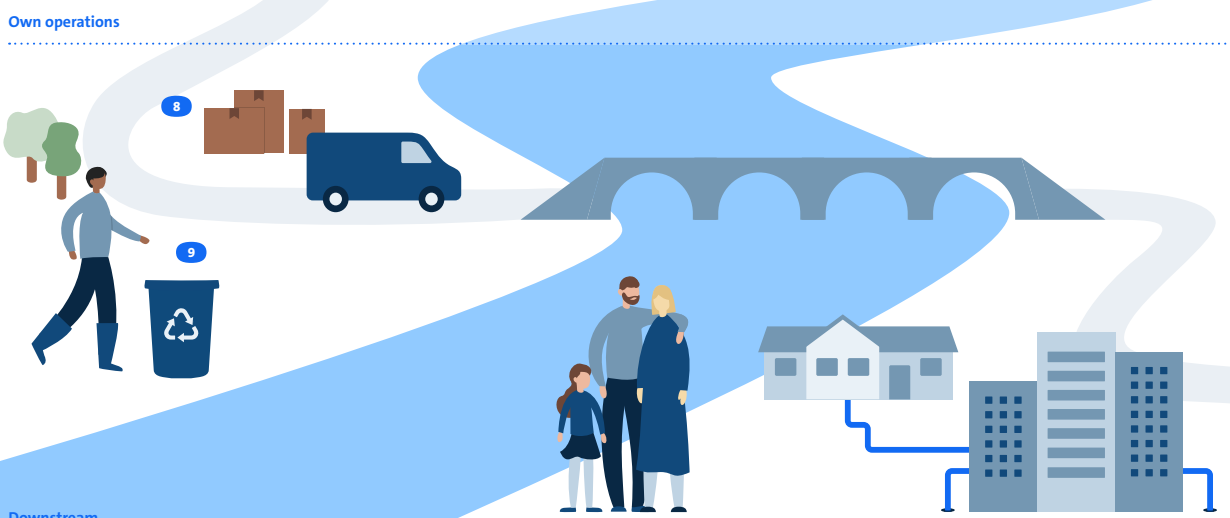
3 Production
We work continuously to reduce our carbon and water footprint by improving operational efficiencies, while ensuring the best conditions for the health, safety and well-being of our employees.

4 Design and product development
We focus on developing products and solutions that enable energy and water efficiency, as well as circularity and reduced material use.

5 Sales
We are transparent with our customers about our products and ensure the most suitable solutions for their needs.

6 Research and development
We invest in research and development of products and solutions that enable energy and water efficiency, as well as circularity and reduced material use.

7 Governance
Our sustainability governance ensures action and accountability for key sustainability ambitions.



Downstream

8 Distribution
We reduce logistics impact with reusable packaging, use of fewer resources and reduced emissions.

9 End-of-life
We take back end-of-life products to cut waste through remanufacturing and reuse.

10 Use and services
We cut emissions with efficient solutions and extend product life through our global service programme.

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We cut emissions with efficient solutions and extend product life through our global service programme.

11 Collective action and local communities
Through collective action, we actively engage with partners to improve quality of life for people.

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Through collective action, we actively engage with partners to improve quality of life for people.



Integrating DMA findings into risk management and business strategy

The DMA is integrated into how we manage impacts, risks and opportunities across our value chain and helps shape our business strategy. It identifies where our operations and products have the most significant impact and where sustainability-related risks and opportunities are most likely to arise. In 2025, the DMA confirmed our Ignite'27 strategy ambition of becoming a leading water and climate solutions provider, and directly informed the strategic enabler 'lead in water and net zero.'

[Read more on page 13](#) of this report about how our business model enables customers and end users to reduce negative impact and reach their climate and water ambitions.

Our assessment continuously informs the annual enterprise risk management (ERM) process, ensuring that material ESG-related risks are integrated into risk management and governance processes. By integrating material sustainability topics into our business model, we keep our strategy resilient, forward-looking and aligned with our purpose of addressing the world's water and climate challenges.

Setting time horizons for the DMA

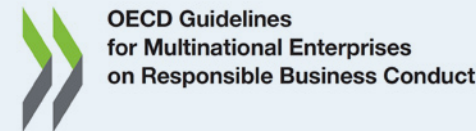
To ensure relevance and strategic alignment, the assessment considered short-, medium- and long-term time horizons:

- Short-term: One year
- Medium-term: Two to five years
- Long-term: More than five years

For certain strategic ambitions, most notably our commitment to achieving net-zero emissions by 2050, we apply an extended long-term horizon. This reflects the scale and complexity of the transformation required across our operations and value chain. This target is supported by deep decarbonisation efforts and partnerships.

Grundfos aligns with international frameworks and standards

While guided by our DMA findings, we also develop our sustainability priorities and approach in line with internationally recognised sustainability standards and guidelines. This ensures our approach reflects global best practice and enables transparent communication and benchmarking of progress.



UN Guiding Principles on Business and Human Rights





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Wenshang, China

iGRID hydronic balancing system brings new life to urban district heating

In the Wenshang County, the outdated district heating system was replaced by smart regional pumps and hydraulic balancing. The solution improved energy efficiency, reduced water and electricity consumption and, importantly, cut complaints by 45%. Intelligent control and real-time monitoring ensured stable, on-demand heating, setting a new standard for sustainable urban heating in the area.

32%

electricity consumption decrease per unit compared to last year

[Read more](#)



Water stewardship



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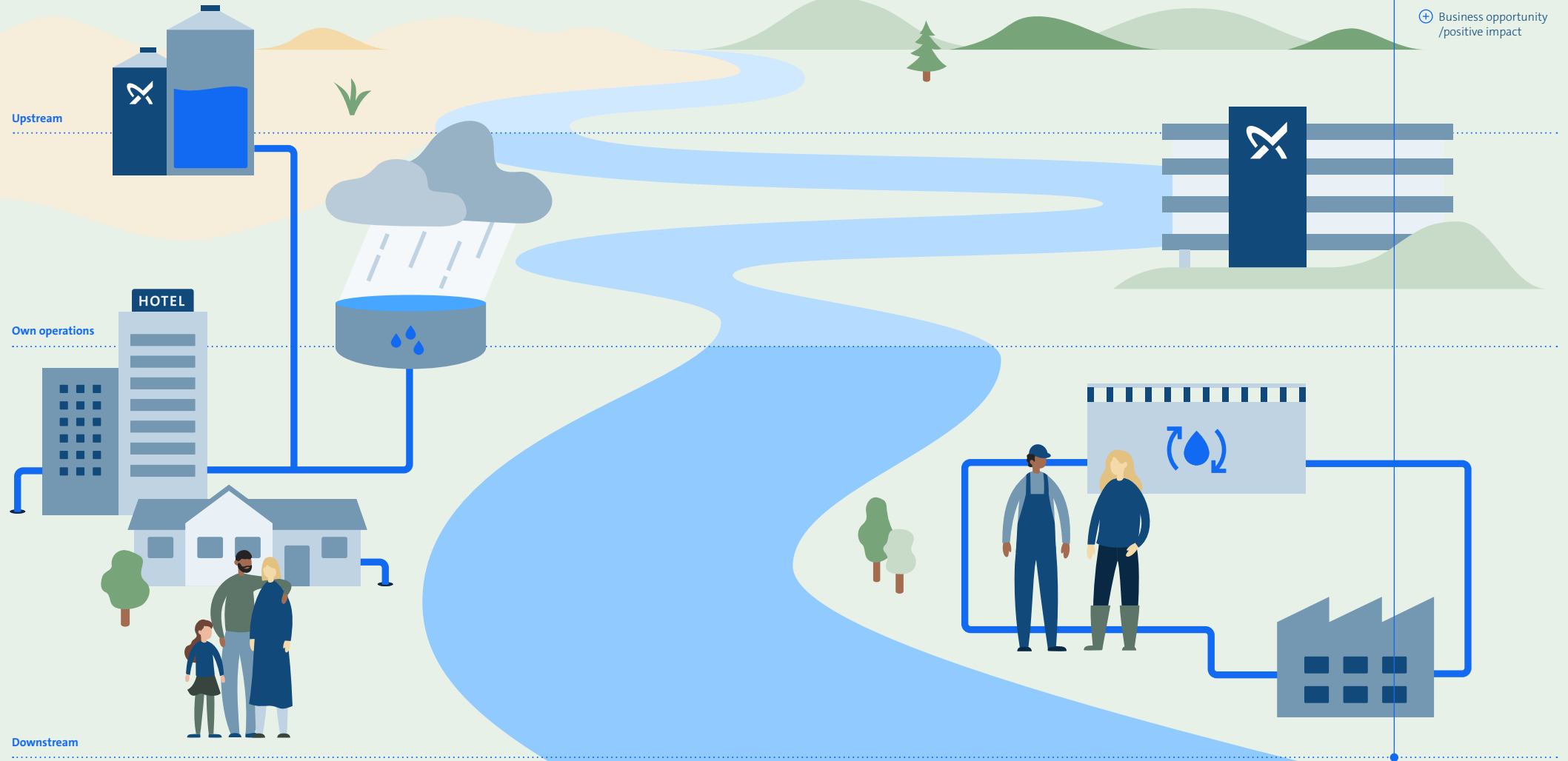
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- Circularity
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- 1 Providing solutions that help customers and communities reduce water use and adapt to water stress
 - + Business opportunity /positive impact

+ Positive impact/business opportunity - Negative impact/business risk

We reduced 46% of our water withdrawal in own operations since 2008, and in 2025, we enabled end users to save 1.6bn m³ of water in their operations.

Water is the foundation of thriving communities and economies. Yet, challenges like scarcity, pollution and flooding are intensifying, driven by the accelerating impacts of climate change.

Water-related pressures are growing and impacting communities, ecosystems and businesses everywhere. As demand for water rises across sectors, these challenges directly influence how we manage our supply chain and serve our customers. In 2025, we introduced a holistic water stewardship approach throughout our value chain, reinforcing our commitment to global water resilience and climate action. This approach is embedded in our water stewardship plan.

Impacts, risks and opportunities

Water underpins resilient communities and economies, but pressures from scarcity, pollution and flooding are growing with climate change. While water is not a major issue across our own operations, several sites lie in high-stress areas that require specific attention. Additionally, the supply chain’s ability to manage water risk needs to strengthen. Our approach is holistic, spanning across operations, suppliers, customer solutions, advocacy and collective action.

Water stewardship and access

Build a water resilient world

Reduce water use

through water efficiency, reuse and recycling of water

Transform lives

through access to water

Adapt to water shocks

through alternative water sources, sewer resilience and flood protection



1. Supply chain

Reduce supplier water use in water stressed areas and increase supply chain resilience to water shocks



2. Operational sites

Reduce water withdrawals in water stressed locations and increase site resilience to water shocks



3. Water solutions

Enable end users to reduce water use and adapt to water shocks



4. Water access

Reach 300 million people with safely managed drinking water by 2030



5. Advocacy and partnerships

Encourage action to strengthen water resilience and adopt water sustainability solutions



6. Collective action

Measurably improve water availability, quality and resilience for communities in priority areas

Upstream

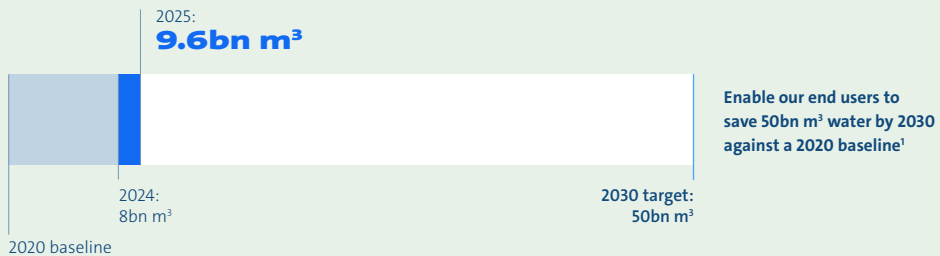
Own operations

Downstream



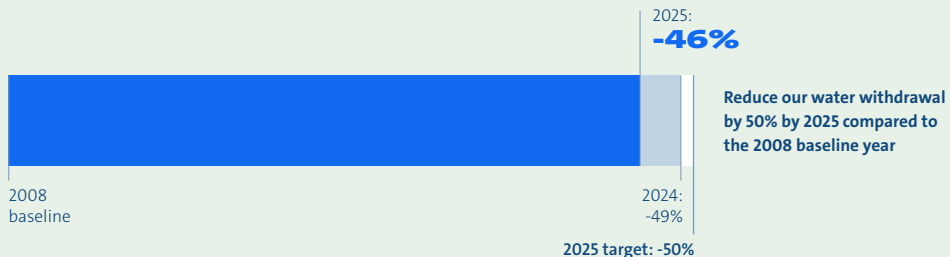
Achievements

Progress on water stewardship



In 2025, we helped end users save 1.6bn m³ of water using our intelligent water solutions. This was driven by higher demand in water treatment and water reuse applications, reflecting a broader shift towards sustainable water management.

¹ This metric is limited to data from the Industry division.



We also closed out our 2025 target to reduce our water withdrawal by 50% compared to our 2008 baseline. While we have made progress, we have not fully met this ambitious target. The primary reason for this is that we have acquired several companies in recent years, and this has contributed significantly to our overall water withdrawal. We will continue the focus on water withdrawal reduction, particularly at our sites based in areas where water stress and water-related risks are most critical because this is where we can make the most valuable impact.

Metrics

Table 1 (m³)	2025 vs 2024	2025	2024	2023	Assurance level 2025
Water withdrawal	4.5%	350,711	335,610	339,608	Reasonable
Reduction compared to 2008 baseline	3%p	-46%	-49%	-48%	-
Water saved by end users	7%	1.6bn m³	1.5bn m³	1.6bn m³	-

‘-’ indicates that the KPI has not been assured

Approach to water

We embed water stewardship throughout our business, recognising that real impact requires coordinated action across operations, supply chain, customer engagement and policy.

Our ambition is to help build a water-resilient world in ways where we can drive the greatest impact: by reducing water use, improving access and supporting adaptation to water challenges. Our comprehensive water stewardship plan guides our efforts in six action areas, and aligns the organisation toward positive impact and business value.

This approach covers everything from responsible sourcing and efficient site operations to designing intelligent water solutions and engaging in public policy and collective action.

Through our innovative products and solutions, we aim to meet the growing need for sustainable water management moving, managing and treating water more efficiently for homes, buildings, industries and utilities.



In buildings, we aim to create resilient commercial buildings for the future. We ensure business continuity by delivering water precisely where and when it is needed, while creating resilience in and around buildings, through intelligent solutions and energy efficient products.



In industry, we redefine industrial water treatment to accelerate the global water and energy transformation. Our smart water treatment solutions help customers reduce water and energy consumption and waste, enabling recovery, reuse and compliance. And by expanding in water critical industries, we are turning circularity from ambition into reality.



In homes, we advance energy and water-efficient products and solutions, enabling homeowners to save water and energy and decarbonise their homes. We help homeowners adapt to water shocks by offering solutions like rainwater harvesting and flood prevention.



In utilities, we safeguard sustainable water management from source to tap. We protect vital water resources, reduce water loss and enable recycling and reuse through intelligent, system level water and wastewater solutions. Our technologies deliver reliable, efficient water services, build resilient infrastructure and promote water access, empowering communities to thrive today and adapt for tomorrow.

Policies

Our efforts to build a water resilient world are grounded in our group sustainability policy.

[Go to group sustainability policy](#)

Actions on water

In 2025, we took significant steps in formalising and deploying our water stewardship plan.

In our operations, we started adopting a context-based approach to measure our own water withdrawal. This will shape our future water targets by focusing on locations most impacted by water stress. To support this, we developed a new water accounting concept and established a global rollout plan to be implemented in 2026 and beyond. The first phase will focus on sites with significant water withdrawal and/or those located in water-stressed areas.

Across supply chain, we improved our water risk visibility by engaging with selected suppliers and assessing their water management maturity through a new survey. The survey covered key areas such as water risk assessment, mitigation activities and stewardship efforts. We also developed a gap assessment and mitigation plan to strengthen supply chain resilience and inform a more strategic approach to supplier engagement in high-risk water areas.

Through our intelligent water solutions, we continue to help end users save water and improve system efficiency. In 2025, we launched the SE/SL Range 48 and 52 pumps and the Grundfos Connect Sewer Insights platform, both designed to support better wastewater management, reduce water use and optimise operations.

On the global stage, we strengthened our influencing efforts by contributing to the EU Water Resilience Strategy and joining the Water Resilience Coalition, where our first collective action project is now underway. These partnerships reinforce our commitment to driving systemic change and advancing water resilience.

Looking ahead

As we move into 2026, we will continue to activate our water stewardship plan across the organisation, building alignment with our ambitions, establishing key performance indicators and setting targets across the value chain.

In our operations, we will continue to implement the water accounting system globally, looking into risk mitigation activities where needed and ensure that water management processes are updated to cater for our new context-based approach.

We will further address the growing need to move, manage and treat water in more resource-efficient ways by delivering innovative, intelligent water solutions for customers and end users across sectors. This will include smart water treatment solutions that enable water reuse in water intense industries, like data centres.

Moreover, we will focus on segmentation of our supply chain according to water-related risk and water management maturity, deepen our knowledge of site-specific issues and develop a heatmap using a scoring system to assess the main water risk categories. We will also develop a maturity-specific supplier engagement programme to strengthen supply chain water resilience.





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- Climate transition
- Circularity
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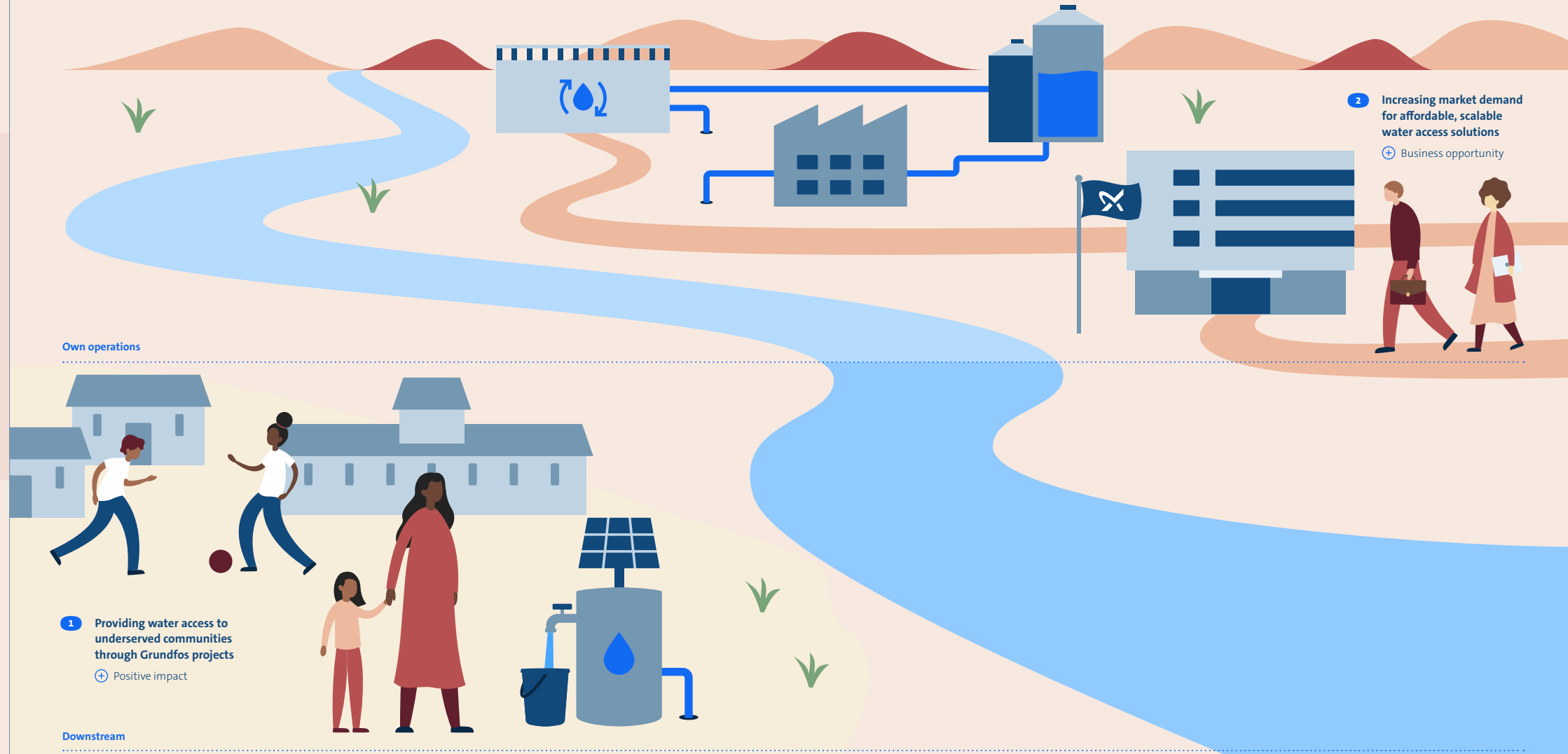


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Water access



Own operations

1 Providing water access to underserved communities through Grundfos projects

- ⊕ Positive impact

Downstream

2 Increasing market demand for affordable, scalable water access solutions

- ⊕ Business opportunity



In 2025, we delivered access to safe water for 20.4m people through both direct projects and estimated sales channels.

The global water crisis is deepening with two billion people lacking clean water¹. In sub-Saharan Africa, rapid urbanisation and population growth are expected to drive a 163% increase in water demand by 2050², intensifying the challenge.

We see this crisis as a shared responsibility. Guided by our purpose, we are committed to making a tangible difference by providing access to safe water in some of the world's most vulnerable communities. Our colleagues are central to this effort, applying their expertise and passion to create lasting impact.

Impacts, risks and opportunities

We are improving water access for underserved communities, particularly across the Global South, by using our core business solutions, global network, financing partnerships and collective action programmes. This allows us to create positive societal impact while responding to the growing demand for water access solutions, which presents an opportunity for us to grow our business and contribute to sustainable development at scale.

Approach to water access

Our ambition is to reach 300 million people with safely managed drinking water by 2030. It is a strategic ambition aligned with the United Nations Sustainable Development Goal (SDG) 6. Using the WHO/UNICEF Joint Monitoring Programme (JMP) Ladder as a guide, we have defined a strategy to address water access in some of the most water stressed countries in the world, including countries across East and West Africa, Southeast Asia and the Middle East.

Our approach centres on strategic partnerships, fit-for-market solutions, driving innovative business models and unlocking financing options, while growing the pipeline of impactful projects.

We collaborate with humanitarian organisations/NGOs, governments, local distributors, service providers, utilities, investors and financial institutions to deliver lasting impact. We combine innovative, commercially viable solutions with deep local engagement. We identify needs, design tailored systems and provide training and long-term service support to ensure solutions are sustainable, scalable and owned by the communities they serve.

Our colleagues are local to the regions they support and lead with passion for water access. Through strategic partnerships and new business models, we help transform communities by improving health, enabling education and supporting economic development.

¹ World Health Organization. (2025). *1 in 4 people globally still lack access to safe drinking water — WHO & UNICEF.*

² World Resources Institute. (2023) *The 25 countries with the most water stress.*

Actions on water access

In partnership with Economist Impact and Grundfos Foundation, we expanded our Water Access Impact Tool to 20 countries, helping investors, funders and financiers to quantify the social and economic value of safe water access and make data-driven decisions to close the funding gap. We also launched a public-private partnership with WaterAid and Danida Green Business Partnership to begin work in 2026 to scale small utilities in Tanzania and support local entrepreneurs, ensuring water systems are built to last and owned by those who use them.

Our fit-for-market solutions continued to evolve. In Kenya and Indonesia, we piloted energy optimisation projects with local partners, replacing outdated infrastructure with efficient systems that reduce energy use and operational costs.

We expanded our training programmes, including sessions with our long-standing partner World Vision, to reach more participants and build local technical capabilities. This contributes to ensuring long-term sustainability through local, independent operation and maintenance.

Around the world, large scale projects are set to make a meaningful difference. Our project pipeline grew with a major tender win from the United Nations World Food Programme (UN WFP) in Ethiopia. In Tashkent, Uzbekistan, our solutions will help provide clean water to approximately 1.5 million people, equalling 35% of the city’s population. In Iraq, two water projects are designed to meet the needs of 2.5 million people over the next 30 years. Meanwhile, in China, improved water access will benefit six million people. These projects are powerful examples of how we are reaching millions and creating lasting change with safe water access.

We initiated a new partnership with WaterStarters and Amref Health to explore bridge financing for mid-sized water projects. With our partnership, we aim to scale the number of water franchises. By contributing with technical expertise, we will support the local entrepreneurs in making the best decisions for their systems.

Using our strong voice in water access advocacy, we became the first private sector participant in the 300 Water Leaders, a global initiative uniting utility leaders to accelerate UN SDG6 by ensuring 300 million more people gain access to water and sanitation by 2030. By joining this initiative, we are empowering utilities as a key driver of change, and believe that strong, financially sustainable utilities are essential to delivering water access at scale. Through the partnership between C40 and the Grundfos Foundation, we contributed our perspectives on improving urban water security and ensuring equitable access. We participated in the World Economic Forum in Davos, the Global Water Summit in Paris and Climate Week in New York, reinforcing our role in shaping the global water agenda.

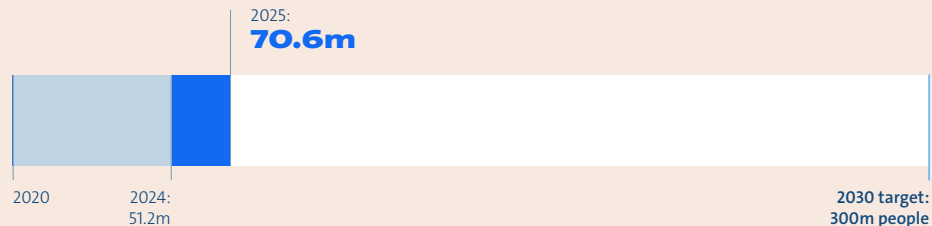
[Read more in the C40 paper on urban water security](#)

Looking ahead

In 2026, our water access focus is centred on driving innovative business models that help save energy and support sustainable upgrades, strengthening cross-sector partnerships, deepening community-led water access solutions and growing our project pipeline with valued partners and new business opportunities. All with the ambition of reaching more people with clean and accessible drinking water in 2026.

Achievements

Progress on water access



300 million

We made headway towards our ambition of reaching 300 million people with safely managed drinking water by 2030

The reduction in global development and humanitarian funding means that many water sector actors must sharply reduce their budgets, leading to lower investment in new water infrastructure in 2025 and forward. This shift has also accelerated new forms of collaboration with the private sector. Through these partnerships, we aim to mobilise innovative blended financing models that enable water access solutions to scale despite a constrained funding environment.



Metrics

Table 2 (amount)	2025 vs 2024	2025	2024	2023	Assurance level 2025
People reached with drinking water access (estimate)	19%	20.4m	17.2m	7.1m	-
Project-based	-13%	5.6m	6.4m	2.1m	Limited
Sales based (estimate)	38%	14.8m	10.8m	5.0m	-

“-” indicates that the KPI has not been assured





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Climate transition



⊕ Positive impact/business opportunity ⊖ Negative impact/business risk

In 2025, we achieved a 25% reduction of total GHG emissions since baseline year 2020, and a 1.5% reduction compared to 2024.

The impacts of climate change, rising temperatures, extreme weather and pressure on energy and resource systems, are accelerating and reshaping industries, communities and ecosystems.

For Grundfos, these present realities influence how we operate, innovate and serve our customers. In 2025, we strengthened our climate leadership by publishing our first climate transition action plan, a strategic framework that defines our actions to decarbonise our business, customers and supply chain. This marks a key milestone in our climate leadership journey towards a net-zero future through intelligent water and climate solutions.

Impact, risks and opportunities

Climate change is reshaping our markets, operations and wider value chain. The most significant part of our footprint arises in the use-phase of sold products. Therefore, energy performance and intelligent system optimisation is decisive for our impact. Our own production and logistics activities consume energy and resources. We reduce emissions and intensity in our operations and, at the same time, we enable customers and end users to cut their own energy use and greenhouse gas emissions through energy-efficient pumps, smart controls and data-driven optimisation. When considering our physical risks, flooding can disrupt production and logistics, and droughts can threaten energy supply and site continuity. As we look at our climate transition shift, the scope and pace of climate regulation continue to increase, carbon prices rise and capabilities must move toward low-carbon and digital business models across our organisation and supplier base. These risks are offset by obvious market opportunities, such as an accelerating demand for solutions that are climate-resilient, energy-efficient and digitally optimised across buildings, homes, industries and utilities, including fast-growing segments such as data centres and renewables.

Approach to climate

Climate action is a strategic priority embedded in our Ignite'27 strategy and anchored in our purpose. Our climate transition action plan sets a clear path toward net zero by 2050, with targets to reduce scope 1 and 2 emissions by 50% and scope 3 emissions by 25% by 2030. We focus our efforts where they matter most — across our customers, operations and supply chain.

99% of our total carbon footprint comes from the use of our products, which means our most significant climate lever lies in expanding sales of our energy efficient solutions. When we develop and co-create pumps and water treatment solutions with our customers, we help them meet the growing demands of a changing world while cutting emissions and conserving resources. When we improve the efficiency of our solutions, we reduce our emissions and so do our customers and end users. We do this through our three decarbonisation levers:



Energy-efficient pumps

Our market-leading, speed-regulated pumps use significantly less energy than traditional models, helping customers cut emissions while maintaining high performance.



Intelligent water and climate solutions

The systems use smart controls and real-time data to optimise use of energy and water, reduce waste and improve reliability.



Digitalisation, energy optimisation services and business models

Our digital tools and service offerings help customers monitor performance, identify inefficiencies and extend product life.



Within our own operations, we are transforming how we power and run our business. This includes shifting to renewable energy, electrifying our fleet and embedding energy efficiency across facilities and production processes.

Our supply chain plays a critical role in our climate journey. We work closely with suppliers to enhance sustainability performance, monitor their decarbonisation progress and maturity and raise awareness to encourage responsible sourcing and greater transparency. Our progress depends on strong collaboration and high-quality data.

We also recognise that climate action must extend beyond our own boundaries. We engage with partners, policymakers and global forums to advocate for climate resilience. Through initiatives such as the WEF Alliance of CEO Climate Leaders and UN Global Compact, we promote collective action, support a just transition and help shape policies that accelerate progress toward higher energy efficiency and a net-zero future.

Policies

Our work in climate action is framed by our group sustainability policy, sustainable purchasing policy and climate transition action plan.

[Go to group sustainability policy](#)

[Go to sustainable purchasing policy](#)

[Go to climate transition action plan](#)

Climate targets and progress

In 2025, we made strong progress towards our scope 1 and 2 near-term target with a 13% GHG emission reduction compared to 2024, and a 45% GHG emission reduction compared to baseline. We are ahead of our 2030 net-zero commitment, having accelerated scope 1 and 2 reductions in 2025 through our power purchase agreement.

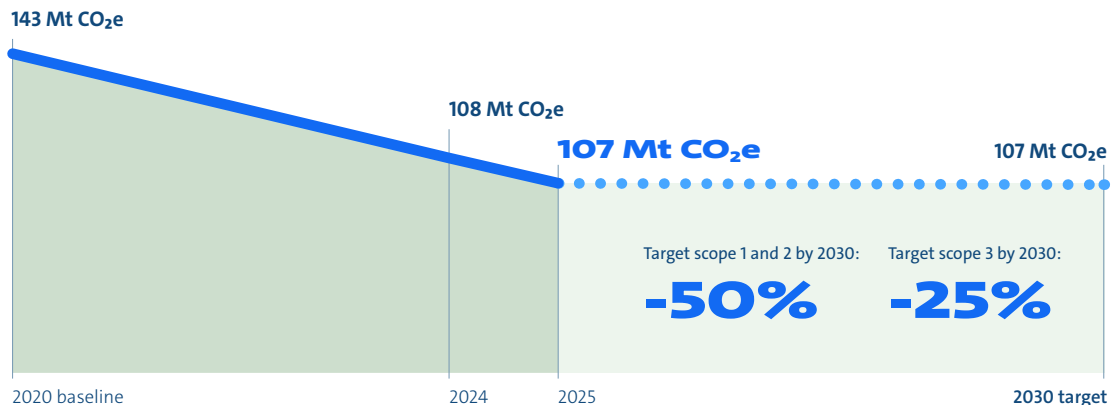
We are also ahead of our scope 3 target with a 2% GHG emission reduction compared to 2024, and a 25% GHG emission reduction compared to baseline. Our most important initiative in achieving this reduction has been our continued focus on transforming our portfolio toward a higher share of energy-efficient products. We remain committed to delivering on both our near- and long-term science-based targets. Our roadmap of actions can be found in our climate transition action plan.

[Read more in our climate transition action plan](#)

Achievements

Progress toward our 2030 target

GHG emissions - scope 1, 2 and 3 (market-based)

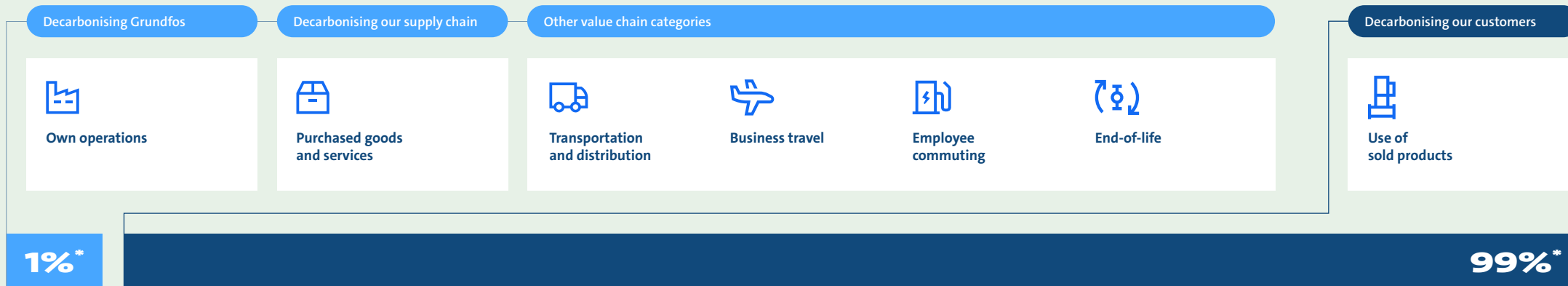


25%

reduction of GHG emissions scope 1, 2 and 3 in 2025 compared to 2020 baseline

2030 target: **-90%**

Grundfos' climate transition impact areas



* of our total CO₂e emissions



Actions on climate

We made progress in our climate transition, taking targeted action across products, operations, supply chain and collective engagement to drive down emissions and accelerate decarbonisation.

Within our products and solutions, we continued to deliver intelligent, energy-efficient technologies that help customers reduce energy use and GHG emissions. Among the year's standout innovations were the ALPHA GO circulator, designed to optimise energy and comfort performance in homes, and TPE3, developed to enhance energy performance in commercial buildings and industrial systems.

Within our own operations, we implemented on-site solar power installations that will produce more than 11,000 MWh of renewable electricity annually, equivalent to running a medium-sized factory for half a year. In total, we have solar installations in 24 countries. We also expanded our electric vehicle uptake programme to 36 countries. We launched a series of high-impact initiatives to reduce emissions and optimise performance across our sites. These included scaling innovative technologies, such as compact hydraulic units, to cut carbon intensity. We transitioned our plant in Chennai, India, to run entirely on renewable energy using solar and battery storage solutions. Then, in China, we upgraded critical equipment to improve equipment performance, reduce energy use per cubic metre produced and lower our carbon footprint.

Metrics

Emissions

Table 3 (tonnes CO ₂ e)	2025 vs 2024	2025	2024	2023	Assurance level 2025
GHG emissions - scope 1, 2 and 3 (market based)	-1.5%	106,628,369	108,296,638*	122,008,675*	Reasonable
<i>GHG emissions reduction compared to 2020 baseline - scope 1, 2 and 3 (market-based)</i>	-1%p	-25%	-24%	-15%	-
GHG emissions - scope 1, 2 and 3 (location based)	-1.5%	106,630,709	108,288,457	121,981,905	Reasonable
Scope 1 and 2 emissions (market-based)	-13%	66,734	76,482	94,109	Reasonable
<i>Scope 1 and 2 emissions reduction compared to 2020 baseline (market-based)</i>	-8%p	-45%	-37%	-22%	-
Scope 1 and 2 emissions (location-based)	1%	69,074	68,301	67,339	Reasonable
<i>Scope 1 emissions</i>	-1%	23,140	23,363	25,485	Reasonable
Scope 2 emissions (market-based)	-18%	43,594	53,119	68,624	Reasonable
<i>Scope 2 emissions reduction - contractual instruments</i>	56%	-40,871	-26,208	-3,933	Reasonable
Scope 2 emissions (location-based)	2%	45,934	44,938	41,854	Reasonable
Scope 3 emissions	-1.5%	106,561,635	108,220,156*	121,914,566*	Reasonable
<i>Scope 3 emissions reduction compared to 2020 baseline</i>	-1%p	-25%	-24%	-15%	-
<i>Emissions from purchased goods and services (category 1)</i>	1%	1,022,882	1,010,127	1,039,031	Reasonable
<i>Emissions from capital goods (category 2)</i>	-25%	87,998	116,642	94,556	Reasonable
<i>Emissions from fuel and energy related activities (category 3)</i>	0%	15,212	15,233	16,495	Reasonable
<i>Emissions from upstream transportation and distribution (category 4)</i>	11%	94,233	84,556	69,540	Reasonable
<i>Emissions from waste generated in operations (category 5)</i>	-26%	624	846	1,008	Reasonable
<i>Emissions from business travel (category 6)</i>	-11%	41,655	46,601	46,147	Reasonable
<i>Emissions from employee commuting (category 7)</i>	6%	17,855	16,774	15,981	Reasonable
<i>Emissions from use of sold products (category 11)</i>	-1.5%	105,277,951	106,926,372*	120,628,407*	Reasonable
<i>Emissions from end-of-life treatment of sold products (category 12)</i>	7%	3,225	3,005	3,401	Reasonable
GHG emissions intensity, market-based (emissions per net revenue)	-6%	3,070	3,259*	3,546*	Reasonable
GHG emissions intensity, location-based (emissions per net revenue)	-6%	3,070	3,259	3,545	Reasonable

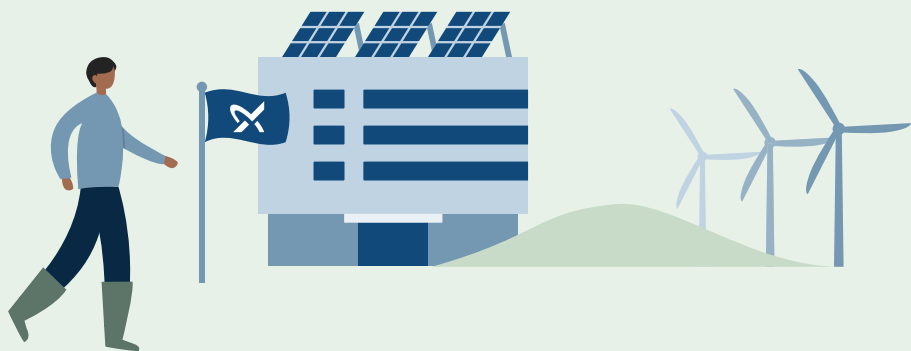
* indicates that the KPI has not been assured

* Number has been restated, please refer to page 75

Metrics

Energy

Table 4 (MWh)	2025 vs 2024	2025	2024	2023	Assurance level 2025
Energy consumption	3%	292,072	284,611	286,264	Reasonable
Energy consumption from fossil sources	-7%	209,045	224,679	269,173	Reasonable
Energy consumption from renewable sources	39%	83,027	59,932	17,091	Reasonable
Fuel consumption from renewable sources	-13%	350	401	716	Reasonable
Consumption of purchased electricity, heat, steam and cooling from renewable sources	47%	71,168	48,550	9,179	Reasonable
Consumption of self-generated non-fuel renewable energy	5%	11,509	10,981	7,196	Reasonable
Percentage of renewable energy sources (%)	7%p	28%	21%	6%	Reasonable



We continued to reduce supply chain emissions in line with our net-zero targets through key initiatives. This included forming a strategic partnership with low-emission stainless steel producer Outokumpu, fully deploying our hybrid carbon reporting solution to set a new best practice and launching our sustainable supplier academy to strengthen supplier engagement and boost our key partners' net-zero commitments. Our supply chain efforts earned us a spot on CDP's Supplier Engagement A List.

We also strengthened our role in climate advocacy and partnerships. Representatives participated in global climate dialogue at the World Economic Forum and UN Climate Week, helping elevate water on the climate agenda. We also joined the Industrial Alliance for Competitiveness and Energy Efficiency (ALLICE) to promote industrial decarbon-

isation through the water-energy nexus, underscoring the vital link between water efficiency and energy savings.

Looking ahead

In 2026, we will keep building momentum on our climate action efforts. We will continue our work delivering energy savings to our end users through the uptake of innovative climate solutions for businesses, homes, industries and utilities. For our own operations, the focus will be on addressing the gaps in our long-term roadmap for reducing scope 1 and 2 emissions. In our supply chain, we will continue strengthening our advanced supplier engagement programme to help more partners commit to net-zero targets, while also improving how we measure and report carbon performance.





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Material topics

- Water stewardship
- Water access
- Climate transition
- Circularity
- People
- Governance and integrity



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Circularity

5 Use of virgin materials driving embedded emissions in components

⊖ Negative impact

Upstream



Own operations

2 Collection and reuse of end-of-life pumps and components through take-back programmes

⊕ Positive impact

3 Shift to circular business models (refurbishment, rental or buy-back) for pumps

⊕ Business opportunity

4 Waste to landfill from operations (hazardous and non-hazardous)

⊖ Negative impact

1 Compliance with new circular economy regulations (e.g., take-back and recycled content)

⊕ ⊖ Positive impact/business risk

In 2025, we collected 83 tonnes of pumps from customers, and we saw an increase of waste to landfill of 31% compared to 2024.

Circularity is central to how we manage environmental impact and build long-term resilience. Circular economy is key to addressing global challenges, such as resource extraction, waste management, water scarcity and biodiversity loss. The materials we use and the way our products are designed and operated influence emissions and affect supply chain stability. As resource pressures grow, the environmental cost of extraction and processing becomes more relevant to our business.

Circularity is an essential part of our Winning Aspiration 2040. To see this vision through, we have challenging work ahead of us in adopting a circular approach that brings customers, partners and suppliers – and their perception of circular products – along with us. This is a considerable mindset change and a transformation of product design, supply chain and business models.

In 2025, we made progress on our circular business journey through a range of targeted pilots and initiatives, generating insights that will inform future efforts to consolidate and scale. We also continued our take-back programme for circulator pumps in European markets, while also amplifying governance structures, data transparency and internal capabilities.

Impacts, risks and opportunities

Our biggest opportunity to make a positive impact is through our intelligent water- and energy-efficient solutions, but we also recognise the impact of extracting and processing the materials used to make our products.

Our circularity ambition aims to cut the use of natural resources as well as water consumption and GHG

emissions across global supply chains. Our 2024 climate risk and opportunity assessment confirmed that our most significant impact related to circularity comes from reducing embedded emissions, which are the greenhouse gases released during the production of materials and components.

Circularity enables us to address these impacts while building business resilience and creating new value. By improving transparency, testing new design approaches and expanding recovery efforts, we are beginning to reduce reliance on virgin materials and extend product life. These are early steps, but they reflect a clear direction and commitment to progress.

Approach to circular business

Our circular business approach is built around four action areas that guide our focus in circularity:

Product design

We balance trade-offs between durability, repairability and recyclability into our products to extend their lifespan and enable reuse or refurbishment.

Inputs and materials

We actively collect data from our supply chain and maintain a heatmap of opportunities for increasing the use of recycled and renewable materials. This supports our aim to reducing our reliance on virgin resources.

Circular business models

We explore service-based offerings that extend product lifespans and improve end-of-use recovery, keeping products at their highest value for as long as possible.

End-of-life/next-life solutions

We expand take-back programmes and next-life initiatives to recover used products and create new value from them.



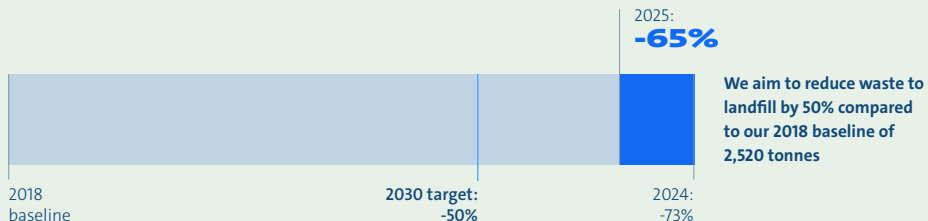
Policies

Our group sustainability policy guides our approach to circularity.

[Go to group sustainability policy](#)

Achievements

Progress on circularity



The 31% increase in waste to landfill in 2025 is primarily driven by recent acquisitions. On a comparable scope to 2024, 2025 performance reflected a 2% reduction in waste to landfill. This improvement highlights the continued efforts across our plants to strengthen waste sorting and segregation practices. We have planned a series of actions to address our increase from our acquired companies going forward.



In 2025, we collected approximately 83 tonnes of end-of-life pumps for reuse and responsible recycling. However, this is well below our 2025 target of 500 tonnes. The gap reflects primarily reverse logistics challenges. We are using these learnings to improve our approach and support future scalability.

Metrics

Table 5 (t)	2025 vs 2024	2025	2024	2023	Assurance level 2025
Resource recovery through take back	-7%	83	89	134	Reasonable
Waste to landfill	31%	876	669	872	Reasonable
Hazardous waste to landfill	22%	57	47	76	Reasonable
Non-hazardous waste to landfill	32%	819	622	797	Reasonable

Actions on circularity

In 2025, we continued to drive take-back services of circulator pumps in 11 European countries, expanding our collaboration with OEM customers for further scale and business integration.

In addition, we launched the Joint Circularity Experiment to test and explore capabilities for take back, reuse and refurbishment of components from larger pump categories, such as our CR pumps. The learnings from this experiment are informing our future efforts to build 'next life' capabilities and further probe into remanufacturing, refurbishing and circular supply chains.

Within product design, we tested circular design principles including recyclability, remanufacturing and component reuse to help us understand trade-offs and build internal capabilities. We continue to explore design for disassembly and to invest in modular designs, aiming to balance sustainability with product performance.

A heatmap was developed to identify opportunities for using recycled and renewable materials. Acting on these insights, we have further reduced reliance on virgin raw materials by sourcing aluminium and stainless steel with high recycled content. In addition, 10% regrind polymer from production waste has been incorporated into pump housings for selected circulators. We continue applying topology optimisation to minimise material use while maintaining functionality.

Looking ahead

In the coming years, we will expand and embed our circular initiatives by aligning programmes and integrating sustainable design principles into new products. We will also improve our manufacturing and business systems to support recovery and reuse of products, components and materials. By building the company-wide infrastructure needed for take back and refurbishment, we aim to increase revenue from circular solutions and extend the life of more products.

As part of our broader environmental efforts, we also completed our biodiversity assessment, which will inform our areas of focus and improvements in aligning circularity with ecosystem protection.



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People



Upstream

1 Ensure diversity and equal opportunity across the workforce and leadership
 ⊕ ⊖ Positive impact/business risk

3 Prevent injuries and ensure safe working conditions
 ⊖ Business risk

4 Support employee motivation and well-being through engagement and benefits
 ⊕ Positive impact

6 Improve working conditions for supply chain workers through engagement and audits
 ⊖ Business risk

7 Prevent forced and child labour risks in the supply chain
 ⊖ Business risk

8 Mitigate adverse human rights impacts in relevant geographies
 ⊖ Business risk

2 Avoid conflict-linked or high-risk minerals through responsible sourcing
 ⊖ Business risk

Own operations

5 Develop skills and capabilities to meet innovation and business needs
 ⊕ Business opportunity

Downstream

⊕ Positive impact/business opportunity ⊖ Negative impact/business risk

In 2025, we achieved an employee motivation score of 77, which is on par with last year's result. 27% of our Grundfos colleagues volunteered for community engagement, which exceeded our 2025 target of 20% participation.

It is deeply rooted in our purpose and values that we seek to improve quality of life for people and respect human rights.

At the heart of our success are the people who drive it, and we are committed to being a world-class place to work, learn and grow. That is why we are determined to foster a safe and healthy workplace, inclusive culture and environment supporting continuous learning — ensuring that every individual thrives.

Considering human rights, we recognise the dignity and integrity of all individuals, and we take responsibility for upholding these principles across our operations and value chain. We are dedicated to respecting human rights in everything we do, making it a core part of our sustainability and business practices, and working with others to continually improve. This includes employees, suppliers, customers and end users whose rights must be protected and promoted.



Health, safety and well-being

Impacts, risks and opportunities

Business expansion and internal changes can introduce health and safety risks, which may affect productivity, financial performance and employee well-being, potentially leading to operational disruptions and higher injury rates. In light of these challenges, our annual employee motivation survey (EMS) continues to show strong results. We view the health, safety and well-being of our employees not only as essential but as a positive opportunity to drive growth.

Approach to health, safety and well-being

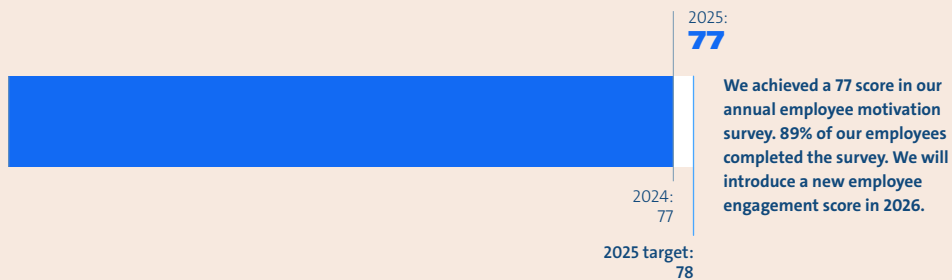
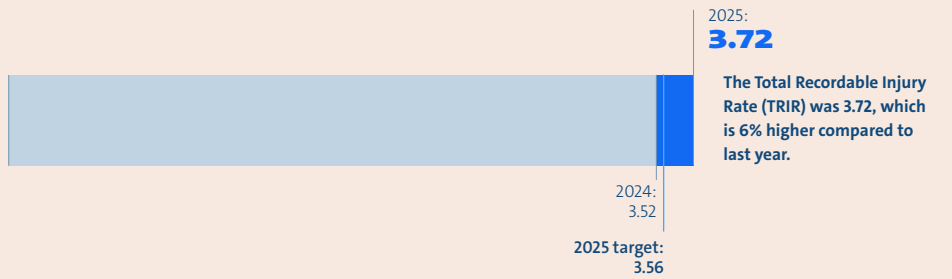
We take a structured and proactive approach to health, safety and well-being, built on strong systems and a culture of care. We have been accredited with the ISO 45001 standard for Occupational Health and Safety Management since 2000. This certification applies to our production sites and R&D functions. It is fully integrated into our management system and guides our continuous improvement efforts.

Our health, safety and well-being ambition promotes three behaviours across our workforce: be present, take action and do not compromise. These principles are central to the interdependent safety culture we are building and preserving. We also regularly assess both physical and organisational risks across our operations. To improve clarity, we distinguish between hazards and risks. Hazards can be proactively reported digitally by employees. Risks are formally assessed and documented digitally. Both digital tools are available to all Grundfos employees.

Well-being is a key part of how we support our colleagues. We recognise that it is shaped by a range of factors, including clarity of roles and processes, workload and team dynamics. These drivers are measured and addressed through our EMS, which helps us identify where support is needed. Our response includes practical tools and training designed to help teams build clarity and resilience.

Achievements

Progress on health, safety and well-being



We also support well-being through global standards such as hybrid working, complemented by local policies that reflect the needs of our global workforce.

We provide multiple channels for employees to raise concerns related to health, safety and well-being. These include direct communication with managers and appointed EHS contacts, proactive hazard reporting via digital tools and access to a global whistleblower system for anonymous reporting. Every employee should feel safe and supported when speaking up.

Actions on health, safety and well-being

In 2025, we introduced the Total Recordable Injury Rate (TRIR) as our primary health and safety KPI to improve how we track and learn from incidents. TRIR includes lost time injuries and medical treatment injuries, providing a more complete view of safety performance and aligning with industry best practice. We continued to monitor Lost Time Injury Rate (LTIR) for consistency but did not meet our 2025 target. Our performance shows variation across sites and functions, reinforcing the need for a broader and more proactive measurement through TRIR.

We also continued to amplify our commitment to embedding health, safety and well-being in our culture during the 2025 'Health, Safety and Well-being Week.' This year's theme focused on health, and under the banner "Together we create health, safety and well-being – because we care," more than 4,000 employees participated in the 'Walk for

Health' campaign. This global initiative underscored the importance of physical, mental and social well-being, and reinforced our guiding behaviours.

To support our growing global footprint and ensure consistent standards across newly acquired entities, we strengthened our organisational infrastructure, focusing on safety performance in acquired businesses that are not branded as Grundfos. This initiative enhances our ability to uphold safety excellence and drive continuous improvement across all areas of our operations.

We also made meaningful progress in embedding well-being into the everyday employee experience. A new well-being measurement was integrated into the EMS, reflecting our evolving approach towards a holistic view on well-being. Our factory operating model was updated in line with the 'Three Ways to Well-being' framework. These efforts signal our commitment to making well-being a lived experience for every colleague.

Looking ahead

In 2026, we will launch a renewed health and safety strategy, which will focus on strengthening our safety culture, refining performance metrics and building employee capabilities across the organisation. Our 'Health, Safety and Well-being Week' will shift its focus to safety, while global initiatives such as 'Mental Health Day' and potential continuation of the 'Walk for Health' campaign will reinforce our commitment to holistic well-being. As we expand through acquisitions, we will continue integrating global well-being processes across all our companies to ensure consistent standards and shared values throughout Grundfos group.

Policies

Our work in health, safety and well-being is supported by our environmental, health and safety (EHS) policy.

[Go to EHS policy](#)

Diversity, equity and inclusion (DE&I)

Impacts, risks and opportunities

Attracting and fostering a diverse workforce that brings different perspectives is essential to our success. A lack of diversity can lead to a homogenised workforce, which may pose financial risks by limiting innovation and reducing the breadth of ideas needed to navigate a complex and evolving business environment. We see diversity as a powerful opportunity to strengthen creativity, drive innovation and build a more resilient organisation for the future.

Approach to DE&I

Diversity, equity and inclusion (DE&I) are rooted in our core values and are an incredible source of power in driving our global business forward. When people with different perspectives from around the world come together, they create better solutions, collaborative teams and a more resilient business. This is why we foster an inclusive environment where people feel respected, supported and empowered to thrive.

We adhere to the applicable laws and regulations within the markets we serve. Accordingly, we make any talent and employee decisions in accordance with applicable laws and regulations, including local non-discrimination laws. We act on our global DE&I initiatives and engage with colleagues worldwide to ensure a workplace where all employees can contribute their unique skills in line with our company culture and values.

Our DE&I approach is structured around three core elements:

- **Strong governance:** Our DE&I Council is composed of appointed leaders, employee-elected members and chaired by an appointed vice president. The council sets strategic direction and monitors progress across the organisation.

- **Inclusive culture:** We welcome different perspectives and create a psychologically safe environment where all talents can thrive. Leaders and employee resource groups are the pillars for this culture.

- **Workplace accommodation:** We actively support employees with special needs, enabling full participation and contribution.

Actions on DE&I

Our primary focus in 2025 was to ensure that all employees feel included and experience a sense of belonging within the Grundfos community. This included our partnership with Sunflower to create safe spaces for dialogue, support and awareness about invisible disabilities.

Other key actions in the year included:

- **Universal access:** Significant progress was made towards the goal that all employees, including those from acquired companies, have access to inclusion tools.
- **Employee resource group registration:** We revised the ERG tool, enhanced accessibility and compliance and streamlined the enrolment process.
- **Cultural assessment tool:** We deployed an organisation-wide approach to assess and improve cultural awareness by leveraging tools for the purpose.
- **Strengthened governance and new inclusion framework:** The Grundfos Inclusion Council added new members to the council with specialised skills and external perspectives. This was also beneficial to support shaping the new inclusion framework, which will be released in 2026.

Metrics

Table 6 (amount)	2025 vs 2024	2025	2024	2023	Assurance level 2025
Health and safety					
Number of fatalities in own workforce as result of work-related injuries	0%	0	0	0	Reasonable
Number of recordable work-related accidents for own workforce	5%	135	128	129	Reasonable
Total Recordable Injury Rate (TRIR)	6%	3.72	3.52	3.57	Reasonable
Well-being					
Employee motivation score	0%	77	77*	78	Reasonable
Employee engagement score		3.99			
Workforce composition					
Average number of full-time employees	4%	20,570	19,854	19,916	Reasonable
Number of employees at year-end	3%	21,433	20,818	19,937	Reasonable
Women	3%	7,401	7,214	-	Limited
Men	3%	14,023	13,596	-	Limited
Other	13%	9	8	-	Limited
Number of employees in countries representing at least 10% of total					
Denmark	0%	4,483	4,490	-	Reasonable
Hungary	7%	3,279	3,065	-	Reasonable
Women on the Board of Directors	7%p	40%	33%	20%	Reasonable
Women in top leadership	-1%p	20%	21%	21%	Reasonable
Women in leadership positions	0%p	25%	25%	25%	Reasonable
People with disabilities	0%p	3.0%	3.0%	2.8%	Limited
Voluntary turnover	-0.4%p	5.5%	5.9%	7.6%	Reasonable
Employee volunteering participation rate	10%p	27%	17%	1%	-
People reached with access to drinking water through Water2Life (estimated)	-1%	115,000	115,640	-	-

* indicates that the KPI has not been assured

* Accounting principle has been changed, please refer to the relevant description on page 74.

Employee resource groups

We are proud of our five employee resource groups: Pride, Gender balance, Future, Abilities and Multicultural. These groups are open to anyone in the company, and they bring energy, insight and lived experience to our diversity and inclusion efforts across our local offices. They play a vital role in shaping initiatives and fostering a sense of belonging while creating a psychologically safe space for employees and leaders.

In 2025, these employee-led groups drove programmes for employees on relevant topics aligned to their mission and raised awareness and organised events to mark International Women's Day, Pride Month, the International Day of People with Disabilities and other key moments.

Inclusion Fund impact

Also, in 2025, our Inclusion Fund deployed DKK 1m to support employee-led projects globally. A total of 21 projects were funded, and multiple projects had a global scope. The Grundfos Career Expo 2025 was also funded by the Inclusion Fund and led by our Future employee resource group to create a more inclusive, connected and growth-focused workplace. It encouraged open conversations about career challenges, making it safer to share mistakes and learn from them. By spotlighting diverse voices and experiences from early-career professionals to senior leaders, it helped break down barriers and build empathy across teams. The event also empowered employees to explore their identities, embrace technology responsibly and take ownership of their own development. With over 600 registrations and more than 400 attendees across sessions, the expo demonstrated a strong appetite for learning, connection and inclusive career growth.

ERG membership

Gender balance

621

members across 43 countries

Abilities

384

members across 37 countries

Pride

377

members across 34 countries

Multicultural

82

members across 21 countries

Future

906

members across 47 countries

Looking ahead

The previous inclusion framework ended in 2025, and our new inclusion framework will be launched during 2026. The new framework will support the Ignite'27 strategy with a continued focus on ensuring all employees feel included and experience a sense of belonging. Some work will be dedicated to ensuring that we operate with non-discriminatory principles and provide opportunities to all talents. We will focus on collaboration efforts within our value chain and the industry at large to positively impact society and the communities we serve.



Learning and talent development

Impacts, risks and opportunities

With rapid technological advances, demographic shifts, digital transformation and our commitment to sustainability, we recognise the potential for a growing skills gap. If left unaddressed, this gap could hinder our long-term growth, innovation, digital enhancement and competitiveness. At the same time, it can create challenges in attracting and retaining skilled employees. We see this as an opportunity to invest in learning and development, ensuring our workforce is equipped to thrive in a changing business landscape.

Approach to learning and development

We nurture a culture where everyone is encouraged to take ownership of their development. This applies across all roles and levels, from shopfloor to senior leadership.

Our learning and talent development approach is built on accessibility, relevance and impact. We aim to provide development opportunities when and where they are needed, whether through hands-on experience, leadership programmes or digital learning platforms.

We also listen closely to our people. In our annual EMS, we ask our employees how they feel about their career goals and if they are met at Grundfos. This gives us a valuable understanding of how employees perceive their growth opportunities with us. These results help us continuously improve our approach and ensure our efforts are aligned with what matters most to our workforce.

Other highlights of our global efforts include:

- **Empowering shopfloor excellence (ESE programme):** We continue to strengthen our global network of colleagues across manufacturing and assembly sites who champion development and share best practices. This peer-driven model fosters collaboration, operational learning and continuous improvement at the operational level.
- **Mergers and acquisitions integration:** As we grow through acquisitions, we prioritise cultural alignment and long-term capability building. Our approach ensures that new colleagues are welcomed into a learning environment that reflects Grundfos values while respecting the pace and context of each acquired company.
- **Learning and development offers:** We provide impactful learning experiences through our dedicated training academies and internal platforms that support functional development across the organisation. These resources are complemented by external platforms such as LinkedIn Learning, giving employees access to a wide range of courses and professional development opportunities.
- **Leadership development:** We are committed to defining and developing leadership at all levels. Our strategic focus is on building a consistent leadership culture that supports performance, inclusion and transformation across the organisation.
- **Language training:** As our workforce becomes increasingly diverse, we are investing in language and communication skills to support effective collaboration across regions and functions. This ensures that all employees can contribute confidently in a global context.

This integrated approach strengthens our ability to build a workforce that is skilled, engaged and prepared for future demands.

Actions on learning and development

In 2025, we made progress in strengthening our learning and development efforts across the organisation. Leadership development remained a priority. We welcomed 438 people leaders into our global leadership programme, which continues to receive positive feedback. At the same time, we promoted a culture of self-directed learning and a growth mindset, encouraging employees at all levels to take ownership of their development. Our empowering shopfloor excellence (ESE) programme also grew, with a global network of colleagues sharing best practices and championing development across manufacturing and assembly sites.

Looking ahead

In 2026, we will advance our shift to a skills-based development approach, using skills as the foundation for unlocking potential and enabling greater internal mobility. By increasing transparency around capabilities and career paths, we aim to make growth opportunities more visible, intuitive and accessible for all employees.

Achievements

Progress on learning and development

3.85

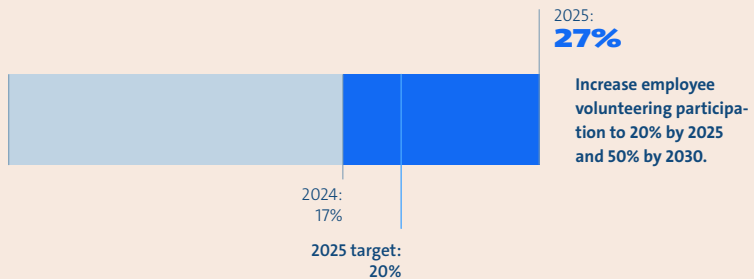
Overall, I feel that my career goals can be met at this company

As part of our updated and more inclusive employee motivation survey, we have evolved how we measure learning and development to better reflect what matters most to our colleagues. Going forward, we will measure how included our colleagues feel and whether they believe their career goals can be achieved at Grundfos, using this insight to guide our development efforts.



Achievements

Progress on volunteering engagement



Employee and community engagement

Impacts, risks and opportunities

Employee engagement initiatives are vital to advancing sustainability and community well-being. Low participation could limit our impact and weaken the connection between employees and our purpose-driven commitments. Active involvement in programmes that provide access to safe water or otherwise improve the quality of life for people creates shared responsibility and offers an opportunity to strengthen morale, while delivering meaningful social impact.

Approach to engagement

We believe that real change starts with people. That is why we support our colleagues in taking action where it matters most to them, namely in their own communities. We support employee and community engagement through our global volunteer programme and community engagement grants.

Our volunteering policy applies to all regular employees, including temporary staff, and offers up to three paid days each year for activities that support access to water, environmental restoration and social development. Volunteering encourages personal growth, which we monitor through employee feedback and annual surveys.

Our community engagement grants, funded by the Grundfos Foundation, enable employees to lead local projects that matter to them. Applications are reviewed by a board of employees from across our global operations to ensure fairness and relevance.

The Water2Life employee donation programme closed at the end of 2025. In 2025, the programme reached an estimated 115,000 people. During the lifetime of the Water2Life programme, we estimate that 275,000 people have been provided access to clean water. We will continue to support donations for water projects through external partners and expand options to include climate and people-focused causes.

Actions in engagement

In 2025, we progressed across our employee and community engagement ambitions. The Grundfos Foundation approved 60 employee-led projects, totalling DKK 27m in funding. We also launched partnerships with United Way and Agua Segura, supporting community projects in 13 countries across Latin America and Europe.

Looking ahead

In 2026, we aim to expand our partnerships with Agua Segura, United Way and potentially new organisations to offer more opportunities for community engagement. We will continue working toward our 50% volunteering target by promoting the benefits of volunteering and encouraging participation across all levels of the organisation.



Human rights

Impacts, risks and opportunities

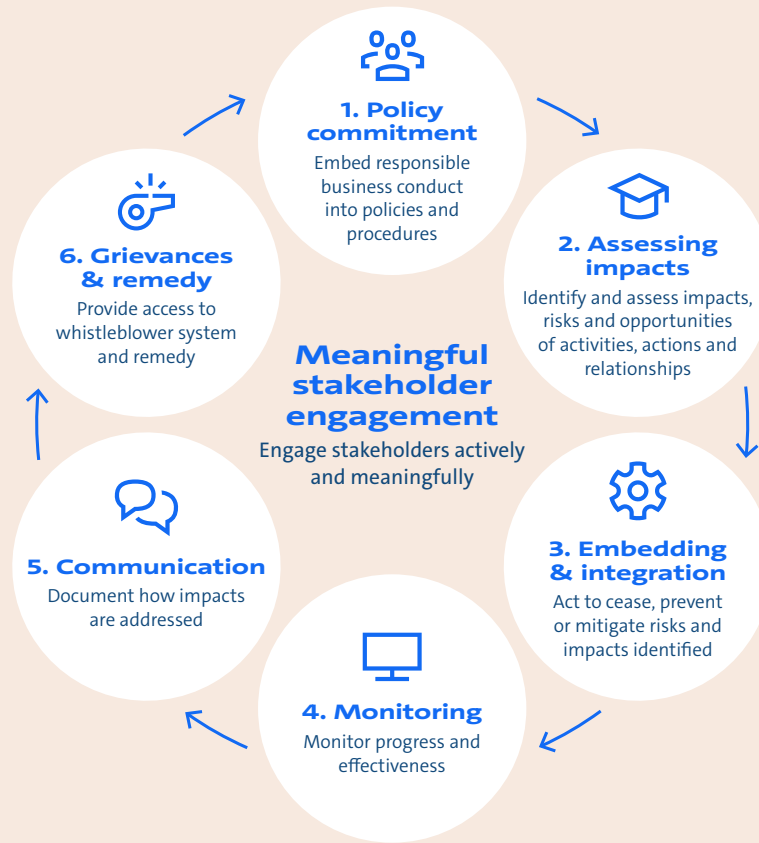
Human rights impacts across our value chain can potentially affect stakeholder groups in several ways. Key areas include discrimination and harassment, working conditions, freedom of association and collective bargaining, access to remedy, child labour, working hours and environmental impact on local communities. These issues are further detailed in our salient human rights issues section.

Approach to human rights

Our approach is guided by internationally recognised frameworks and standards, including the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, the International Bill of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work. These frameworks shape our due diligence approach to assess and manage potential risks and impacts that we may cause, contribute or be directly linked to through our business activities.

We pay particular attention to vulnerable groups, including non-employee contracted workers, women and migrant workers. We engage these stakeholders through dialogue, human rights impact assessments and supplier onsite social audits to ensure meaningful participation and to help us identify risks from their perspectives. We collaborate with external human rights networks and experts to strengthen our understanding of risks and improve performance.

Grundfos human rights due diligence process



Salient human rights issues

In 2024, we conducted a company-wide human rights risk and saliency assessment with support from an independent expert. The process was based on international standards and included internal engagement, policy review and input from recent assessments and stakeholder consultations. Risks to potentially affected stakeholder groups across our value chain, particularly vulnerable groups, and the connection of Grundfos to these risks, were also considered. Our salient human rights issues were determined based on their likelihood and severity, including scope, scale and irremediability. The 2024 assessment identified fifteen human rights at risk of the most severe impacts, grouped into broader categories, resulting in eight salient human rights issues.

Supporting a just transition

As part of our climate and social responsibility efforts, we began exploring the concept of just transition and identified key focus areas to guide our future efforts in just transition.

Policies

Our human rights programme is supported by a set of policies and standards that apply to all our employees and workers of the value chain, including the human rights policy, sustainable purchasing policy and responsible minerals statement.

[Go to the human rights policy](#)

[Go to the sustainable purchasing policy](#)

[Go to responsible minerals statement](#)

To increase internal awareness and collaboration across functions, we joined a peer-led learning lab on just transition facilitated by external sustainability experts. This initiative has helped us reflect on the social impacts of transitioning to a low-carbon, water-resilient economy across our value chain.

Human rights governance

Our human rights team, anchored in Corporate Affairs and led by the Human Rights & Social Sustainability Lead, has the operational oversight of our human rights programme. The team provides regular updates and sets the agenda for the Human Rights Forum, which brings together senior representatives from key group functions and divisions to ensure alignment, collaboration and coordinated actions on salient human rights issues across the organisation. While the human rights team drive programme oversight, Grundfos senior leaders are accountable for implementing the policy and making decisions on human rights matters within their respective areas.





Actions on human rights

In 2025, we conducted an on-site human rights impact assessment in Hungary at our Tatabánya site, accounting for approximately 1,000 Grundfos colleagues. The assessment identified inclusive workplace practices, fair compensation and strong health and safety measures. It also highlighted areas for improvement, including recruitment and training, supplier monitoring and ergonomics. Corrective actions have been defined in collaboration with local management, reinforcing our commitment to continuous improvement.

Additional actions include the launch of our updated human rights policy, following up on previously conducted human rights impact assessments in Vietnam and contributing to global dialogue through the UN Global Compact Human Rights Think Lab.

We further advanced our commitment to fair compensation by conducting a living wage benchmark assessment which covered more than 60% of our own workforce. The insights

Grundfos human rights risk and saliency assessment

	Potentially impacted stakeholders			
	 Own workers	 Workers in the value chain	 Affected communities	 End users & consumers
Freedom from discrimination and harassment	●	●	○	○
Safe and healthy working conditions	●	●	○	○
Freedom of association and collective bargaining	●	●	○	○
Wages, benefits and working hours	●	●	○	○
Eradicating forced labour and modern slavery	○	●	○	○
Elimination of child labour and protection of young workers	○	●	○	○
Clean, healthy and sustainable environment for local communities	○	○	●	○
Access to remedy	●	●	●	●

● Most affected ○ Not affected

will inform future actions to strengthen wage transparency and practices.

Our supplier human rights heatmap methodology was updated to reflect our revised salient human rights issues and the high-risk regions and categories covering our tier 1 supply chain was updated as well. Supplier audits and assessments were carried out by our online assessment partner, EcoVadis, and for on-site social audits, we have partnered with Bureau Veritas and internal auditors. We

delivered training on modern slavery to category managers, equipping them to recognise and respond to risks in procurement and engaging with suppliers.

Further information on how we respect human rights across the value chain can be found in our modern slavery & transparency statement 2025.

[Go to modern slavery & transparency statement 2025](#)

Looking ahead

In 2026, we will continue to build on this foundation to meet emerging regulatory requirements, including the EU Corporate Sustainability Due Diligence Directive (CSDDD). We will deploy the revised human rights policy with special attention to strengthening the awareness of labour rights and guidance to mitigate risks.

We will update our group human rights risk assessment to reflect new findings and insights from recent assessments. A new on-site human rights impact assessment will be conducted, alongside follow-up actions from earlier assessments. Training and workshops for procurement teams will continue, with a focus on strengthening internal competencies and embedding human rights into daily decision-making.

Finally, as of June 2026, EU countries must implement the Pay Transparency Directive into national law. At Grundfos, we strive to be open and honest and believe that this directive reinforces our commitment to fairness and inclusion. In 2026, we will continue to develop our approach to pay transparency.



Governance and integrity

- 2 Managing supplier compliance with sustainability and ethical standards
 - ⊖ Business risk

Management's review

Sustainability statements

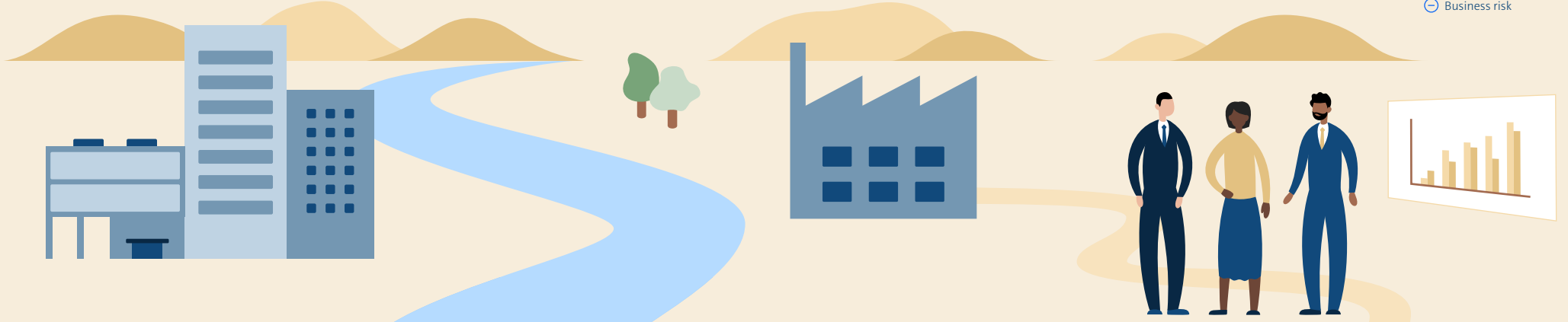
General disclosure

Material topics

- Water stewardship
- Water access
- Climate transition
- Circularity
- People
- Governance and integrity

Financial statements

Management's statement and auditors' reports



Upstream

- 1 Promoting ethical business conduct and compliance with our code of conduct
 - ⊕ ⊖ Positive impact/business risk

- 3 Handling whistleblower reports and ensuring non-retaliation
 - ⊕ Positive impact



Own operations

⊕ Positive impact/business opportunity ⊖ Negative impact/business risk

In 2025, 90% of Grundfos employees completed the code of conduct training during the year. 93.4% of our suppliers achieved a compliance rate on supplier audits.

We are deeply committed to running a responsible business across all operations, guided by our values and code of conduct, and aligned with international frameworks. Our approach is built on transparency, accountability and a culture where speaking up is encouraged and protected.

Impacts, risks and opportunities

Operating globally brings responsibility as well as risk. Ethical challenges, such as breaches of our code of conduct, including human rights violations, discrimination, data privacy concerns, environmental responsibility, corruption, retaliation against whistleblowers and unfair competition, could impact our organisation. Exposure to corruption, bribery and other unethical practices may present financial, legal and compliance risks to our business, while insufficient supplier oversight could result in supply chain disruptions, regulatory issues and negative sustainability impacts.

These challenges are our opportunity to strengthen our business and ensure that we govern it in line with our values. Through training, compliance monitoring, supplier assessments and robust reporting, we build accountability and drive continuous improvement.

Code of conduct

Policies and approach

As a global organisation, we have a duty to ensure that our code of conduct meets consistent ethical standards across all markets. It applies to all employees, board members and third parties acting on our behalf. Our code of conduct sets clear expectations in areas such as human



rights, non-discrimination, data privacy, environmental responsibility, anti-corruption and fair competition.

The Ethics Committee oversees the annual code of conduct training and investigates reported breaches. Employees can raise concerns through their manager, the human resources department, the legal team or anonymously via our whistleblower system.

Progress and key actions

In 2025, we enhanced our mandatory code of conduct training to more effectively reach all Grundfos employees. Shopfloor colleagues participated in classroom sessions, while other employees accessed e-learning modules. The training topics included human rights, working environment, data privacy, anti-corruption, anti-bribery, fair competition, export control and sanctions, as well as the whistleblower system. In 2025, 90% of employees successfully completed the training.

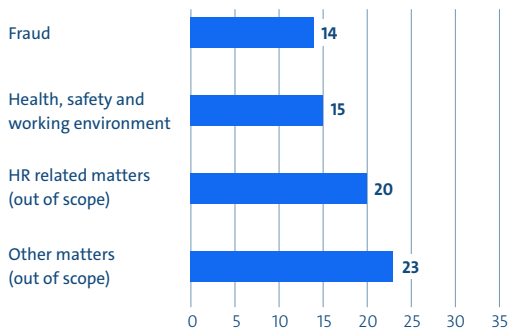
Access to remedy

We are committed to providing or cooperating in remedy where we have caused or contributed to adverse human rights and/ or environmental impacts. We continuously work to strengthen our processes for enabling effective access to remedy for affected stakeholders, including our own workforce, workers in the value chain and impacted communities.

We engage with legitimate judicial and non-judicial mechanisms to ensure access to remedy when credible allegations are raised externally. Where Grundfos is directly linked to adverse impacts through our business relationships, we seek to use and build our leverage to prevent or mitigate harm.



Categories of the whistleblower cases



Policies

Our supplier code of conduct, sustainable purchasing policy and responsible minerals statement ensure coherence and consistency throughout our operations.

[Go to supplier code of conduct](#)

[Go to sustainable purchasing policy](#)

[Go to responsible minerals statement](#)

[Go to whistleblower policy](#)

Anti-corruption and anti-money laundering

Policies and approach

We have a zero-tolerance approach towards corruption, including bribery, facilitation payments, conflicts of interest and other unethical practices. This applies to all employees and third parties acting on our behalf.

We remain politically neutral and do not contribute to political parties or organisations. Our policies align with the EU Whistleblower Directive (2019/1937) and the UN Convention against Corruption. Concerns can be raised internally or anonymously via our whistleblower system.

Progress and key actions

In 2025, we continued to strengthen our measures against financial crime. All potential cases of money laundering and corruption were thoroughly investigated, and appropriate actions were taken to ensure compliance and accountability.

A key milestone was the launch of the anti-corruption and anti-money laundering compliance booklet, which consolidates our efforts and enhances risk management practices. The updated code of conduct training included essential anti-corruption elements reinforcing our commitment to ethical business conduct.

Whistleblower system

Policies and approach

We foster a culture that values openness and trust. Our whistleblower system allows employees and external stakeholders to report concerns confidentially and anonymously. Whistleblowers who speak up in good faith are protected against retaliation.

The whistleblower policy outlines what can be reported (including violations of human rights), how to report it and who handles the process. It applies to all Grundfos companies and complies with the EU Whistleblower Directive.



Progress and key actions

In 2025, 72 whistleblower cases were reported. After assessment, 29 cases were within the scope of the whistleblower system. Cases outside scope, such as HR-related or other matters, were referred to relevant HR professionals or business departments, if justified. The Ethics Committee closed 64 cases by year-end. 31 of the reported cases mentioned 'harrasment and discrimination' and nine mentioned 'corruption and bribery'.

Supplier engagement

Policies and approach

We are dedicated to nurturing sustainable procurement practices that reflect our corporate sustainability objectives. The sustainable supplier management programme establishes a frame for systematically assessing, monitoring, engaging and improving supplier sustainability performance. This is done by covering supplier assessments

and audits, human rights, product chemical compliance, responsible minerals sourcing and environmental impact.

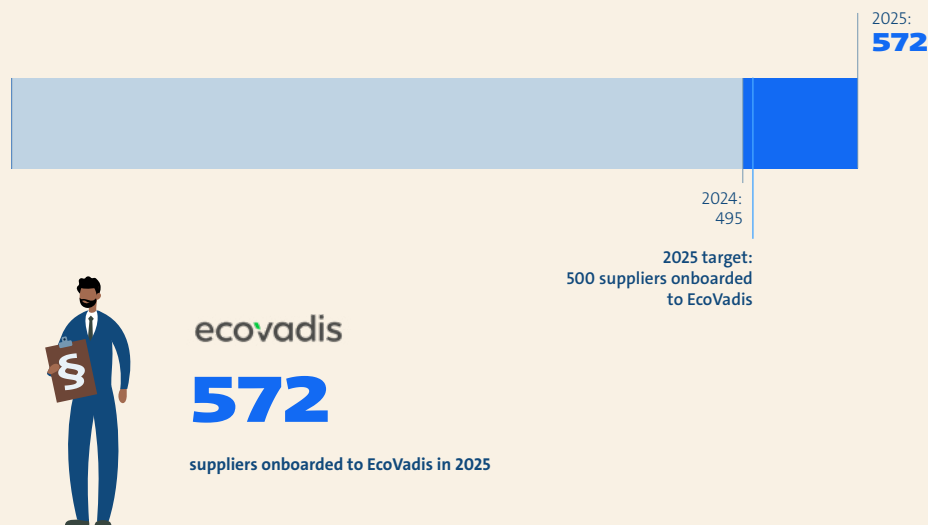
Through ongoing monitoring and collaboration with suppliers, we aim for continuous improvement of sustainability performance across our supply chain. This involves risk mitigation, due diligence and the creation of lasting value for all stakeholders.

Progress and key actions

In 2025, we onboarded 77 suppliers into the EcoVadis platform for sustainability assessments, and we conducted 67 on-site audits, achieving a 93.4% compliance rate. Suppliers for sustainability assessments and audits are selected by a comprehensive risk-based approach, where we consider our partners' country and industry risk, human rights and carbon risk profile, along with the extent of the business relationship.

Achievements

Progress on supplier engagement



Metrics

Table 7 (%/number)	2025 vs 2024	2025	2024	2023	Assurance level 2025
Overall CSR compliance rate	2.1%p	93.4%	91.3%	91.6%	Reasonable
Number of EcoVadis onboarding	16%	572	495	408	Reasonable
Spend coverage by collected carbon data	1.8%p	32.3%	30.5%	22.3%	Reasonable
Spend coverage by collected water data	-0.1%p	25.9%	26.0%	20.1%	Reasonable
Number of chemical compliance data acceptance	34%	46,850	35,093	25,366	Reasonable
Conflict minerals declaration coverage	3.2%p	98.9%	95.7%	92.5%	Reasonable

Product sustainability

Policies and approach

We integrate product sustainability within our responsible business practices, ensuring solutions meet the highest standards for quality, safety, environmental performance and transparency.

We design products to comply with ecodesign regulations and requirements, meeting energy efficiency criteria and minimising environmental impact. Furthermore, our commitment to transparency and data-driven sustainability is fundamental to our approach to product sustainability. This is supported by our life cycle assessment (LCA) capabilities and issuing environmental product declarations (EPDs) that provide customers with third-party verified data on the environmental impact of the product and guide our sustainable design decisions.

Chemical compliance is maintained worldwide through the **Grundfos Focus List**, which bans or restricts substances in our products, production processes and facilities. This list is aligned with European legislation, such as REACH and RoHS, as well as global regulations, including TSCA (USA) and CEPA (Canada). We uphold these standards across our value chain through supplier audits and governance, verifying adherence to chemical legislation and contractual obligations.

In circularity and responsible resource management, we provide comprehensive end-of-life documentation for our products, including guidance on safe disposal, recycling and packaging. Our repair instructions and documentation are available for our products, enabling customers to extend product life through maintenance and reuse.

Beyond meeting current compliance requirements, we contribute to shaping future sustainability standards for pump systems and resource efficiency in our industry.

Our work focuses on methodologies that improve energy performance and support market transformation. In China, Grundfos is the main driver of the first domestic pump system regulation expected to deliver unprecedented energy savings, reinforcing national and global decarbonisation objectives. We also actively contribute to IEC 62309, which addresses the reliability of products incorporating reused components.

Progress and key actions

This year we made strong progress in accelerating product sustainability data processes. We now have over 100 EPDs published, covering our circulators and water pumps. In addition, chemical compliance information for all our products is now available on [Grundfos.com](https://www.grundfos.com).

Looking ahead

During the current strategy period, we plan to emphasise activities that relate to human rights impact and develop a detailed roadmap related to our supply chain. This includes a revision of our supplier code of conduct and sustainable purchasing policy. The intention is to strengthen the responsibilities we share with suppliers and to further investigate increased sub-tier visibility. Additionally, we will continue to enhance our supplier assessment and audit activities with a particular focus on human rights. Supplier engagement and risk mitigation efforts will be further advanced to ensure responsible and sustainable practices across our value chain.

In product sustainability, we will continue our efforts in reducing lead time to complete our EPDs, while also maintaining productive engagement in standards and regulations that will shape the future product sustainability and compliance landscape. Across all our business conduct areas, we will continue to monitor our programmes diligently to ensure adherence to our high ethical standards and best practices.

Accounting policies

All environmental and safety data of our divisions and performance units is consolidated in Sphera Cloud, with the exception of data sourced for CO₂e from refrigerants and scope 3 emissions from categories 2, 7 and 12. Human resources-related data is collected in Employee Central. People reached with drinking water access and Sourcing Sustainability Index KPIs are calculated in their own separate database. All data is reported to relevant management bodies. There are a few locations and small offices with minor environmental impacts, which are excluded, but these are covered by estimations that are made according to internal process descriptions.

There have been no material changes to the methodology or presentation of sustainability information compared to the previous reporting year except for scope 3, category 11, where the methodology of calculation was further improved. This improvement also resulted in the restatement of our 2020 baseline and performance of previous years. Details of the changes can be found in the relevant descriptions.

Climate

Fossil energy consumption — scope 1 and 2

Our fossil energy consumption stems from:

- Electricity
- Heat and steam
- Natural gas
- Light fuel oil
- Diesel in stationary units
- Consumed fuels in our global vehicle fleet and Grundfos jet

Renewable energy consumption — scope 1 and 2

Our renewable energy consumption stems from:

- Renewable share of electricity, including on-site renewable electricity generation and contractual instruments
- Renewable share of heat and steam
- Renewable fuel

Share of renewable energy is calculated according to market-based methodology, accounting for both on-site renewable energy production and contractual instruments.

GHG emissions — scope 1, 2 and 3

Grundfos group calculates and presents the scope 1, 2 and 3 emissions in CO₂e in line with the Greenhouse Gas (GHG) Protocol. For the basis of reporting we use manual meter readings, automated real-time consumption monitoring systems and invoices from our utility suppliers as the source of information. Our scope 1 emissions arise from the usage of natural gas, light fuel oil, diesel in our production activities and from the burning of fuels in our vehicles (compressed and liquefied gas, petrol, diesel and jet fuel). Our scope 1 emissions also include the effect of refrigerant gases. CO₂e emissions from refrigerants are based on data collection (total amount of refrigerants in the system) and extrapolation based on site area in square metres, considering offices and production areas separately. Based on LEED V4.0 we calculated a total refrigerant leakage of 3%. In 2025, we used the emissions from refrigerant gases calculated for 2023, adjusted for the actual site area. For these types of energy consumption and refrigerant gases, we apply conversion factors published by the UK's Department for Business, Energy & Industrial Strategy (BEIS) unless supplier-specific factors are available locally.

Our scope 2 emissions are emitted through our usage of purchased electricity, electric vehicles, heat and steam. For market-based scope 2 emissions, we apply Power Purchase Agreements (PPAs) and renewable energy certificates as contractual instruments, followed by supplier-specific conversion factors (if they meet GHG Protocol quality requirements), residual mix data (Green-e, AIB) and location-based factors — applied in this order of availability. For location-based scope 2 emissions, we apply conversion factors from the International Energy Agency (IEA) for electricity and the Europe average from GaBi for heat and steam. For location-based scope 2 emissions, we use the IEA and Environmental Protection Agency (EPA) and EPA E-Grid region for electricity for the United States and the GaBi library for heat and steam for China. We refresh our factors on 1 January every year based on the latest available figures.”

Emissions from purchased goods and services — scope 3, category 1

The category includes emissions from purchased goods and services. Grundfos established a standardised process for measuring and reporting carbon emissions associated with purchased goods and services after implementing the Sievo CO₂ Analytics module. Sievo CO₂ Analytics is a system that calculates emissions using a hybrid model that combines spending and/or material data with average emission factors originated from Ecoinvent and Exiobase databases, or primary verified emission data from suppliers. Ecoinvent uses the life cycle impact assessments (LCIA) methods and used for material-based emission allocation, as per purchased volume. Exiobase provides emission factors as per a time series of environmentally extended multiregional input-output (EE MRIO). The methodology used is based on the GHG Protocol. Subsidiaries that do not have detailed spending breakdowns are scaled by their spending value or cost of sales with respect to Grundfos' emission-to-spending/revenue intensity.

Accounting policy before 2024

Emissions are calculated based on the spending (excluding VAT) of each purchased goods and service category and multiplied by the corresponding Environmentally-Extended Input-Output (EEIO) emissions factors. EEIO factors are provided by the Carbon Trust and adjusted for global inflation, average global improvements in CO₂e/GDP, and switch to the service sector of the global economy. Subsidiaries that do not have detailed spending breakdowns are scaled by their spending value or cost of sales with respect to Grundfos' emission-to-spending/revenue intensity.

Capital goods — scope 3, category 2

The category includes capital goods from all upstream emissions associated with their production and that have been purchased within the reporting period. Capital goods are those that are treated as fixed assets or as property, plant and equipment. Goods expensed in the accounting year (i.e. operating expenditure or “opex”) should be included in category 1 instead. Emissions are calculated based on the investment spending and multiplied by the corresponding EEIO emissions

factors. EEIO factors are provided by Carbon Trust and adjusted for global inflation, average global improvements in CO₂e/GDP, and switch to service sector of global economy.

Fuel and energy-related activities — scope 3, category 3

The category includes the upstream emissions relating to the production of fuels and electricity consumed by Grundfos. Emissions are calculated based on the energy consumption of various energy sources as stated in scope 1 and 2 and multiplied by the corresponding latest available indirect factors in Sphera Managed LCA Content (MLC – formerly GaBi), except energy from liquefied gas and jet fuel where the source of factors is BEIS (DEFRA) library. Emission from renewable fuel consumption is reported in scope 1 category.

Upstream transportation and distribution — scope 3, category 4

The category includes upstream transportation and distribution emissions from goods transportation for Grundfos globally. CO₂e is measured on a Well to Wheel (WTW) basis according to international standards. Data is derived from a combination of transport supplier reports, third party companies maintaining the transport and data from the Grundfos ERP system with one month delay. Data from the Grundfos ERP system is structured and sent to EcoTransIT via the Grundfos agreement for CO₂e WTW calculation. Subsidiaries that are not included in the calculations are scaled by the spending/revenue value following the emission-to-spending/revenue intensity of Grundfos.

Waste generated in operation — scope 3, category 5

The category includes all emissions from the third-party disposal and treatment of waste generated by Grundfos' owned or controlled operations. Emissions are calculated based on the collected waste categories and multiplied by the corresponding emissions factors from BEIS (DEFRA) library. Non-hazardous and hazardous waste disposed at landfill is collected monthly, while all other categories are collected quarterly. Emissions for construction waste is calculated based on estimated material composition and with the corresponding factors in BEIS (DEFRA).

Business travel — scope 3, category 6

The category includes emissions from business travel. For all Grundfos companies that use the group business travel service, we calculate emissions from air travel based on the flight distance and airline, from other forms of transportation (taxi, car rental) and from hotels. Emissions are calculated by our external partner. Subsidiaries that are not included in the calculation are scaled by the spending/revenue value following the emission-to-spending/revenue intensity of Grundfos. This methodology is applied in cases of emissions from air travel for Biral, DAB, Water Treatment Europe, Water Treatment Americas, Metasphere and Sintex companies, as well as in cases of emissions from hotel, car rental, taxi, train and ferry for Biral, DAB, Water Treatment Europe, Water Treatment Americas, Metasphere, Sintex, Vortex and Watermill companies.

Employee commuting — scope 3, category 7

The category refers to employee commuting to all emissions arising from the transportation of employees between their homes and worksites. These may include emissions from automobiles, bus and rail travel, as well as other modes. Emissions are calculated at a country level, based on the number of employees and multiplied by emissions factors. Emissions factors from the BEIS (DEFRA) are adjusted based on the categorisation of a country's income and level of public transportation service.

Use of sold products — scope 3, category 11

The category refers to the use-phase emissions from the electricity consumption of the use of products sold by Grundfos to end users during their lifetime. Lifetime is estimated to be ten years for all products based on the alignment by the industrial association called EuroPump. Emissions are calculated using the energy consumption per product, the lifetime operating hours (based on product type), the quantity of units sold and the destination-country emission factors provided by the International Energy Agency (IEA). Emission factors are IEA location-based data with a ten-year forecast adjustment.

Water treatment is a solution-based type of business where Grundfos offers complete solutions and systems for water treatment. These solutions contain several components that consume energy (electricity and steam), and some of these are not pumps. The method for solution-based entities is to calculate the total CO₂e emissions at the point of job creation. For Water Treatment America, calculations are based on completed jobs and include the total quantity of components sold

to customers. For Water Treatment Europe to be able to take into consideration all components that go into the solutions, Grundfos uses purchasing data as a base for calculation, with the assumption that all purchased components are shipped in the same fiscal year. To accommodate closest grid factor, a weighted average grid factor is used, based on sales market share for each solution-based company.

Subsidiaries where needed information is not available (WTA – 2022, 2023; Newterra – 2025) are scaled by the revenue value, following the emission-to-revenue intensity of either a calculated year or the corresponding Grundfos business unit.

End-of-life treatment of sold products — scope 3, category 12

The category refers to emissions from the waste disposal and treatment of the products sold at their end of life (EoL) and based on the analysis report from STENA on nine of the key products from Grundfos. Emissions are calculated based on the total weight of all Grundfos' sold products. For each product family, we assigned a proxy based on the nine key products by characteristic resemblances. Material weight and its assumed waste handling method are established and multiplied by the BEIS (DEFRA) emissions factors. Subsidiaries that are not included in the calculations are scaled by the revenue value following the emission-to-revenue intensity of Grundfos.

Category 8, upstream leased assets, category 9, downstream transportation and distribution, category 10, processing of sold products, category 13, downstream leased assets, category 14, franchises and category 15, investments were excluded on the basis that there were no emissions identified to be included in these categories following Grundfos group operation.

CO₂e intensity

CO₂e intensity based on net revenue is calculated as a ratio indicating the total CO₂e emissions (scope 1, 2 and 3) per net revenue, where total CO₂e emissions is the sum of scope 1, 2 and 3 CO₂e emissions in tonnes divided by the net revenue in DKK, presented for the market-based method and the location-based method.

Water**Water withdrawal**

Grundfos' global water withdrawal consists of two major sources:

- Municipal water source
- Groundwater from our own wells

For the basis of reporting, we apply manual meter readings, automated real-time consumption monitoring systems and invoices from our water suppliers as the source of information.

Water access**People reached with drinking water access (project-based)**

The number of people reached via registered projects is based on data collected from partners of Grundfos (primarily non-profit and humanitarian organisations and utilities) that install Grundfos water solutions for underserved communities. Grundfos products are sold either directly to the partner executing the project or indirectly via a distributor. In either case, the executing partner reports on the project(s), which is linked to the corresponding sales order(s). Partners are requested to report annually on installed drinking water solutions, including the product types and the number of products, the number of people served with water by these solutions and their geographical location. Data is provided based on project design specifications or usage data and validated by Water Acces & Sustainability against official national census data on population location. If there are multiple projects in one area, these projects are accumulated and checked against the population living in the same area. All data received from the customer and validated, as described above, during the reporting period is counted by the report closing in January, irrespective of the project closing date. Reported number of people reached per project is not checked against pump capacity, since water consumption patterns are not known.

Accounting policy before 2024

Only pumps installed and people reached in the relevant calendar year are counted, as reported by the customer.

Resource use and circular economy**Waste to landfill**

The KPI measures the total weight of our waste disposed of in landfills, excluding construction waste. The waste components in this indicator are categorised as hazardous and non-hazardous waste. Data is collected on a monthly basis from each site, based on invoices and assumptions supported by on-in-house measurements.

Resource recovery through take back

Resource recovery from take back is the total amount of end-of-life pumps in kilograms (kgs), including field returns, retrieved by Grundfos, through a reversed supply chain with the aim of finding the best environmental use for them, their components and their materials. The end-of-life pumps, including field returns, are accounted for when they arrive at the designated disassembly facilities and are ready for treatment. The pumps are collected in Denmark, the Netherlands, the United Kingdom, Italy, Germany, France, Norway, Sweden, Austria, Portugal and Finland before being sent to Grundfos' disassembly facilities in Bjerringbro, Denmark, or Sunderland, United Kingdom.

Own workforce**Number of employees at year-end**

The number of employees with a valid permanent or temporary Grundfos or subsidiary contract. An individual is counted as headcount if they are in an employment relationship according to national law or practice. The number is measured as headcount at year-end. Data is also presented by gender composition and country split.

Accounting principle before 2024

The number of employees with a valid permanent or temporary Grundfos contract, excluding employees on leave. The number is measured as headcount at year-end.

Average number of full-time employees

FTEs measures capacity in full-time equivalents. An FTE is equal to the number of a full-time employee working in the organisation, according to the standard hours set based on local practice or law. The calculation base for FTE is headcounts excluding employees on leave. FTE is a calculated field based on the standard weekly working hours divided by the contract weekly working hours for the employee.

The average FTE is calculated as the sum of the monthly FTE divided by 12.

Women on the Board of Directors (BoD) women ratio

The percentage of women on the Board of Directors is calculated by dividing the number of women non-executive directors elected by the Assembly General to the Board of Directors (i.e. excluding employee-elected members of the

Board of Directors) by the total number of non-executive directors elected by the Assembly General in the reporting year multiplied by 100.

Women in top leadership

Top leadership is defined as Group Management and next level of people leaders (equivalent to other managerial levels as defined in the Danish Financial Statement Act). We identify the top leadership by the different organisational levels according to the organisational hierarchy. The representation of women in top leadership is calculated by identifying the women in the top leadership divided by the overall number of leaders within top leadership multiplied by 100.

Women in leadership positions

Women in leadership ratio represents the number of women leaders divided by the total number of leaders multiplied by 100. Leaders are Grundfos employees who have a minimum of one internal direct report.

Accounting policy before 2024

Leaders are Grundfos employees in band levels 1-9, based on the year-end headcount, including employees on leave. Band levels are defined by Grundfos' internal career level structure. Leaders have people responsibility, i.e. they have employees reporting directly to them. Women in leadership ratio represents the number of women in leadership positions divided by the total number of leadership positions multiplied by 100. The following companies are not included in the KPI: Biral, DWT Holding S.p.A., Poul Due Jensens Fond, Peerless Pump Company, Solvermedia B.V., Sintex a/s, Deutsche Vortex GmbH & Co, Water Mill, Mechanical Equipment Company, Metasphere, WaterWorks, Eurowater, Grundfos Istra and Grundfos OOO. Therefore, it covers 85% of the total headcount.

Employee motivation score

The employee motivation score is measured through a weighted average of underlying questions on the Employee Motivation Survey (EMS). The Satisfaction & Motivation KPI is measured on a scale of 0-100 based on four questions across all brands. Employees with a valid permanent or temporary Grundfos or subsidiaries contract are in scope for the survey. An individual is counted as headcount who is in an employment relationship according to national law or practice.

Accounting policy before 2024

The following companies were not included in the KPI before 2024: Biral, DWT Holding S.p.A., Poul Due Jensens Fond, Peerless Pump Company, Solvermedia B.V., Sintex a/s, Deutsche Vortex GmbH & Co, Water Mill, Mechanical Equipment Company, Metasphere and Water Treatment Europe.

Employee engagement score

The employee engagement score is measured through a weighted average of employees' responses to questions in the annual employee engagement survey. The engagement KPI is measured on a scale of 1-5, based on three questions across all brands. Employees with a permanent or temporary contract with Grundfos or subsidiaries are in scope for the survey. An individual is counted as headcount who is in an employment relationship according to national law or practice.

People with disabilities

This indicator is measured as a percentage of employees with disabilities relative to the total headcount at year-end, including employees on leave. We define a person with disability as a person who has a long-term physical, mental, cognitive, sensory impairment, or a chronic disease, which in interaction with various barriers may hinder their full and effective participation in the workplace on an equal basis with others. The definition is in accordance with the UN and WHO definition. From 2024, employees have the possibility to self-disclose and self-register own disability. People are registered with no official documentation as well as people with documentation.

Total Recordable Injury Ratio (TRIR)

TRIR is the number of Lost Time Injuries (LTI) and Medical Treatment Injuries (MTI) expressed as ratio percentage of the total hours worked by the employee.

LTIs is the number of injuries that have led to lost working days by preventing an employee from being able to return to work the day after the injury. Status on performance is made by the report closing for the previous fiscal year. If a case turns into an LTI later than this date, e.g. due to surgery linked to the specific case, that will be accounted for the next fiscal year.

MTIs is the number of incidents requiring medical treatment beyond first aid without lost time beyond the day the injury occurred.

The ratio covers all LTIs and MTIs in all areas of Grundfos including office, sales, production and warehouse.

The work hours are defined as yearly norm hours per FTE per legal entity subtracted by different kinds of absence (public holiday, vacation, sickness, leave, etc.) and added overtime, plus work hours for contingency workers.

The TRIR is calculated as the number of LTIs and MTIs divided by the total calculated hours worked by all Grundfos employees multiplied by one million.

Number of fatalities

Number of work-related fatalities refers to fatalities caused at work or while doing work-related activities.

Reporting includes production, sales and offices. Employees included are Grundfos employees (individuals directly employed by Grundfos), as well as people working for Grundfos under our managerial authority, such as substitutes, temporary workers and contractors. This also includes contracted employees performing outsourced activities.

Voluntary turnover

Defined as the number of employees who all voluntarily left the company during a 12-month rolling period compared with the ending headcount, including employees on leave, expressed as a percentage.

Accounting policy before 2024

The following companies were not included in the KPI before 2024: Biral, DWT Holding S.p.A., Poul Due Jensens Fond, Peerless Pump Company, Solvermedia B.V., Sintex a/s, Deutsche Vortex GmbH & Co, Water Mill, Mechanical Equipment Company, Metasphere and Water Treatment Europe.

Business conduct

Overall CSR compliance rate

Overall Compliance rate [%]: share of active* compliant** suppliers within the total active audit and assessment scope; [(nr of active compliant suppliers/nr of total active audited & assessed suppliers) *100]

Accounting policies before 2024

Overall CSR compliance rate (30%): number of compliant suppliers* within the total number of audited and assessed suppliers.

- * Active suppliers: "phased out supplier that is no longer part of the active supplier base due to discontinued business relationship" and "out of scope supplier is excluded from the current scope of sustainability audits and assessments because the Grundfos risk-based selection approach for third-party assessments and audits no longer applies to them" audit and assessment statuses are excluded from the calculation.
- ** Compliant suppliers: meet Grundfos' minimum requirement (online assessment score is 45 or higher, on-site audit rating is 'B' or 'A').

Number of EcoVadis onboarding

The number of suppliers that have submitted required documentation for assessment in EcoVadis and where EcoVadis has issued a sustainability score.

Spend coverage with collected carbon or water data

Spend coverage of suppliers who completed* our data sharing request within the total purchasing spend — considering spending from last closed year.

Spend coverage [%]: share of those suppliers' spend within the total purchasing spend who fulfilled our data sharing request [(Last FY Annual spend of suppliers who completed the data sharing request/total Last FY spend)*100]

- * Completed data collection of carbon and water footprint:
 - Suppliers that provided absolute and intensity data from the last three closed years regarding carbon footprint. GHG Protocol classification is required (scope 1, 2 and 3, if scope 3 is available). In case of missing scope 3 data, written confirmation from the supplier is a must to declare that this part of the carbon report is not developed yet.
 - Data collection can also be accepted if the information is available only from the last one or two closed years because of the recently developed carbon and/or water footprint report. Written confirmation from the supplier is then needed.

Number of chemical compliance data acceptance

Number of accepted part number-vendor combination lines where suppliers submit information confirming compliance with chemical regulations as per Grundfos Focus List.

Chemical compliance [nr]: number of the P/N-vendor combination lines accepted [YTD accepted nr of P/N-vendor combination lines].

Conflict minerals declaration coverage

Suppliers who completed our data sharing request within the defined scope. Every bill of the material supplier within the categories concerned is in the scope of the data collection, and prioritisation is conducted as per comprehensive risk-based selection criteria.

Conflict minerals declaration coverage [%]: Share of suppliers with 'accepted' status within the total supplier scope [(supplier nr with 'accepted' status/supplier number in scope) *100]

Mergers and acquisitions

It is a strategic ambition for Grundfos group to explore opportunities and create in-organic growth via acquisitions. Maturity assessment of ESG data is an integrated part of the due diligence process for acquisitions. In 2025, Grundfos entered into an agreement to acquire Newterra in the US and Canada. The acquired companies became part of the Water Treatment performance unit from August 2025. The data integration of new sites started in 2025 with the collection of general and environmental data. Thus, the former Newterra performance is part of the reported headcount, average number of full-time employees, energy consumption, GHG emissions, waste to landfill and water withdrawal. The acquired companies are excluded from the rest of the social KPIs (turnover rate, women

in leadership, women in top leadership positions, TRIR and people with disabilities).

Restatement policy

In order to maintain consistency and the ability to compare the same category of data sets, the baseline of our KPIs, targets and/or historic figures are recalculated or restated based on the company restatement and re-baseline policy in certain cases.

We are continuously refining our methodology for scope 3 GHG emissions - especially regarding use of sold products (category 11) - by enhancing calculation methods and data quality. When improvements occur, we recalculate and restate prior data to ensure consistency. When we acquire new companies and expand our approach, further updates and baseline recalculations are expected.

Restatement of Science Based Targets initiative (SBTi) 2020 baseline and GHG emissions

In November 2022, SBTi approved the Grundfos net-zero target using 2020 as baseline year (market-based approach). Grundfos has subsequently improved data quality and methodology to improve accuracy and transparency.

The baseline for emissions in scopes 1, 2 and 3 has been updated to account for acquisition activities in 2024. In addition, emissions from use of sold products (category 11) have incorporated the following updates:

- To include the effect of bottom-up calculation instead of revenue-based uplifting for our Water Treatment Americas, Water Treatment Europe and WGB business
- Emissions from Sintex were removed because the company does not sell products that consume electricity

Grundfos submitted the SBTi re-baseline in February 2025.

	Unit	Re-baseline 2024	Re-baseline 2025
GHG emissions, scope 1, 2 and 3	t CO ₂ e	146,832,956	142,723,575
Scope 1 emissions	t CO ₂ e	28,853	28,656
Scope 2 emissions	t CO ₂ e	90,017	92,155
Scope 3 emissions	t CO ₂ e	146,714,085	142,602,763

In line with the above methodology improvements, emissions from use of sold products (category 11) has been restated for 2022, 2023 and 2024:

	Unit	2022 published in sustainability report 2024	2022 restated in annual report 2025	2023 published in sustainability report 2024	2023 restated in annual report 2025	2024 published in sustainability/annual report 2024	2024 restated in annual report 2025
GHG emissions, scope 1, 2 and 3	t CO ₂ e	142,220,719	138,681,402	125,318,071	122,008,676	112,116,501	108,296,638
Scope 3 emissions	t CO ₂ e	142,120,396	138,581,079	125,223,962	121,914,567	112,040,019	108,220,156
Scope 3, category 11 emissions	t CO ₂ e	140,703,810	137,164,493	123,937,802	120,628,407	110,746,236	106,926,372
GHG emissions intensity	t CO ₂ e / DKK millions	4,266	4,159	3,646	3,546	3,374	3,259
GHG emissions reduction compared to 2020 baseline							
- Scope 1 and 2 emissions (market-based)	%					35.7	36.7
- Scope 3 emissions	%					23.6	24.1



Management's review



Sustainability statements



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Management's review



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Europe

Pushing the water resilience agenda

Fragmented and inconsistent water rules across EU member states limit industrial water efficiency, reuse and water circularity. A circular water approach could deliver a water-saving potential of 50 – 75% in light industries, equivalent to the annual water use of 67 million households. Raised awareness, stronger guidance and tools for businesses and targeted financial incentives to scale proven water resilience technologies are needed. Grundfos and GlobeScan published a report to push this important agenda in 2025.

67

million households — that is the amount of annual water use that could be saved if light industries adopted a circular water approach, achieving a 50 – 75% reduction in water consumption.

[Read more](#)

Consolidated statement of profit and loss

1 January - 31 December 2025

DKK million	Note	2025	2024
Revenue	1	34,733	33,226
Production cost		(19,520)	(19,343)
Gross profit		15,213	13,883
Research and development cost	2	(2,195)	(1,839)
Selling and distribution cost	3	(5,616)	(5,127)
Administrative cost	4	(3,736)	(3,327)
Earnings before interest and tax (EBIT) and before special items		3,666	3,590
Special items	7	0	474
Earnings before interest and tax (EBIT)		3,666	4,064
Finance income	8	260	420
Finance expenses	8	(156)	(105)
Profit before tax		3,770	4,379
Income tax expenses	9	(921)	(946)
Profit for the year		2,849	3,433
Attributable to:			
Shareholders of Grundfos Holding A/S		2,846	3,427
Non-controlling interests (NCI)		3	6
Total		2,849	3,433

Consolidated statement of other comprehensive income

1 January - 31 December 2025

DKK million	Note	2025	2024
Profit for the year		2,849	3,433
Other comprehensive income that may be reclassified to profit and loss in subsequent periods:			
Net gain/loss on cash flow hedges		217	(149)
Exchange rate adjustments on foreign operations		(590)	(238)
Tax on foreign exchange adjustments and hedging instruments		13	5
Other comprehensive income that may be reclassified to profit and loss in subsequent periods, net on tax		(360)	(382)
Other comprehensive income that will not be reclassified to profit and loss in subsequent periods:			
Remeasurement gain/loss on defined benefit plans	18	13	60
Tax on defined benefit plans	9	(5)	(16)
Other comprehensive income that will not be reclassified to profit and loss in subsequent periods, net of tax		8	44
Other comprehensive income for the year		(352)	(338)
Total comprehensive income for the year, net of tax		2,497	3,095
Attributable to:			
Shareholders of Grundfos Holding A/S		2,498	3,089
Non-controlling interest (NCI)		(1)	6
Total comprehensive income for the year, net of tax		2,497	3,095

Consolidated statement of financial position

As at 31 December 2025

Assets (DKK million)	Note	2025	2024
Non-current assets			
Intangible assets:			
Goodwill	10	3,532	2,177
Other intangible assets	10	1,918	1,623
Other intangible assets in progress	10	352	277
Completed development projects	10	163	111
Development projects in progress	10	196	237
Total intangible assets		6,161	4,425
Property, plant and equipment:			
Land and buildings	11	2,907	3,128
Technical installations and machinery	11	2,709	2,616
Other technical installations	11	299	314
Property, plant and equipment in progress	11	931	952
Right-of-use assets	12	756	590
Total property, plant and equipment		7,602	7,600
Financial assets:			
Securities	13	73	73
Deferred tax assets	9	1,077	1,013
Pension assets	18	164	165
Other accounts receivable		59	64
Total financial assets		1,373	1,315
Total non-current assets		15,136	13,340
Current assets			
Inventories	14	6,048	5,916
Trade and other receivables	15	6,688	6,544
Income tax receivable		565	783
Securities	13	3,877	4,707
Cash and cash equivalents	16	2,850	3,509
Total current assets		20,028	21,459
Total assets		35,164	34,799

Equity and liabilities (DKK million)	Note	2025	2024
Equity			
Share capital	17	381	381
Hedge transaction reserve		72	(101)
Exchange adjustment reserve		(556)	(27)
Retained earnings		23,995	22,536
Proposed dividend		1,400	1,700
Equity attributable to shareholders of Grundfos Holding A/S		25,292	24,489
Non-controlling interests		31	35
Total equity		25,323	24,524
Non-current liabilities			
Pensions and similar obligations	18	124	135
Provisions	19	686	1,101
Deferred tax liabilities	9	661	410
Lease liabilities	12, 20, 25	463	364
Interest-bearing debt	25	10	58
Total non-current liabilities		1,944	2,068
Current liabilities			
Provisions	19	491	395
Trade and other payables	21	2,840	2,938
Interest-bearing debt	25	16	57
Lease liabilities	12, 20, 25	309	243
Income tax payable		656	1,166
Other liabilities	22	3,585	3,408
Total current liabilities		7,897	8,207
Total liabilities		9,841	10,275
Total liabilities and equity		35,164	34,799

Consolidated statement of cash flows

1 January - 31 December 2025

DKK million	Note	2025	2024
Operating activities:			
Profit after tax		2,849	3,433
Depreciation and amortisation of non-current assets	6, 10, 11, 12	1,835	1,586
Finance income	8	(260)	(420)
Finance expenses	8	156	105
Gain on disposal of property, plant and equipment		(45)	(24)
Other adjustments		(271)	(489)
Tax for the year	9	921	946
Changes in net working capital	24	337	(59)
Changes in warranty and other provisions		(307)	423
Net foreign exchange differences		(1)	(56)
Cash flow from operations before financial items and tax		5,214	5,445
Taxes paid		(1,125)	(1,258)
Interest paid and realised currency losses	8	(106)	(51)
Interest received and realised currency gains	8, 13	245	360
Interest paid on lease liabilities	8, 12	(29)	(25)
Cash flow from operating activities		4,199	4,471

DKK million	Note	2025	2024
Investing activities:			
Purchase of intangible assets	10	(327)	(359)
Proceeds from sale of property, plant and equipment		80	70
Purchase of property, plant and equipment	11	(1,104)	(1,278)
Acquisition of subsidiaries, net of cash acquired	27	(2,046)	(1,622)
Purchase of securities	13	(2,799)	(3,403)
Sale of securities	13	3,644	1,891
Cash flow from investing activities		(2,552)	(4,701)
Net cash flow from operating and investing activities		1,647	(230)
Financing activities:			
Payment of principal portion of lease liabilities	12, 25	(350)	(233)
Repayment of borrowings	25	(88)	(11)
Purchase of own shares		(71)	(79)
Dividend paid		(1,703)	(1,701)
Cash flow from financing activities		(2,212)	(2,024)
Net increase/decrease in cash and cash equivalents		(565)	(2,254)
Cash and cash equivalents as at 1 January		3,509	5,808
Exchange rate adjustments		(94)	(45)
Available fund (Opening)		3,415	5,763
Cash and cash equivalents as at 31 December		2,850	3,509

Consolidated statement of changes in equity

1 January - 31 December 2025

DKK million	Note	Share capital	Retained earnings	Hedge transaction reserve	Exchange adjustment reserve	Proposed dividend	Equity attributable to shareholders of Grundfos Holding A/S	Non controlling interest	Equity
Balance at 1 January 2024		381	20,790	12	244	1,700	23,127	28	23,155
Profit/loss for the year, attributable to shareholders		0	1,727	0	0	1,700	3,427	6	3,433
Actuarial gain/loss	18	0	60	0	0	0	60	0	60
Fair value adjustment of hedging instruments		0	0	(149)	0	0	(149)	0	(149)
Exchange rate adjustments, affiliated companies, etc.		0	0	0	(240)	0	(240)	2	(238)
Tax on other comprehensive income		0	(16)	36	(31)	0	(11)	0	(11)
Total other comprehensive income		0	44	(113)	(271)	0	(340)	2	(338)
Dividend paid	17	0	0	0	0	(1,700)	(1,700)	(1)	(1,701)
Purchase of treasury shares		0	(378)	0	0	0	(378)	0	(378)
Sale of own shares		0	125	0	0	0	125	0	125
Share-based compensation	26	0	228	0	0	0	228	0	228
Total transactions with shareholders		0	(25)	0	0	(1,700)	(1,725)	(1)	(1,726)
Balance at 31 december 2024		381	22,536	(101)	(27)	1,700	24,489	35	24,524
Profit/loss for the year, attributable to shareholders		0	1,446	0	0	1,400	2,846	3	2,849
Actuarial gain/loss	18	0	13	0	0	0	13	0	13
Fair value adjustment of hedging instruments		0	0	217	0	0	217	0	217
Exchange rate adjustments, affiliated companies, etc.		0	0	0	(586)	0	(586)	(4)	(590)
Tax on other comprehensive income		0	(5)	(44)	57	0	8	0	8
Total other comprehensive income		0	8	173	(529)	0	(348)	(4)	(352)
Dividend paid	17	0	0	0	0	(1,700)	(1,700)	(3)	(1,703)
Purchase of treasury shares		0	(395)	0	0	0	(395)	0	(395)
Sale of own shares		0	142	0	0	0	142	0	142
Share-based compensation	26	0	258	0	0	0	258	0	258
Total transactions with shareholders		0	5	0	0	(1,700)	(1,695)	(3)	(1,698)
Balance at 31 december 2025		381	23,995	72	(556)	1,400	25,292	31	25,323

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Hedge transaction reserve

The group has in OCI presented the gains/losses arising from the hedge transaction reserve, including those related to foreign currency forward contracts that are hedges of forecast revenue and inventory purchases, which may be reclassified to profit and loss in subsequent periods. In subsequent periods, the amount previously recorded in the cash flow hedge reserve will be recognised in profit and loss when the asset (liability) is recovered (settled) or if the conditions for cash flow hedging are no longer fulfilled.

Exchange adjustment reserve

The group recognised translation differences on foreign operations in a separate component of equity, i.e. the exchange adjustment reserve.

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Note 1**Revenue**

Revenue breakdown according to the following divisions and regions:

DKK million	2025	2024
Divisions		
Commercial Building Services	7,279	7,015
Domestic Building Services	7,838	7,889
Industry	10,215	9,283
Water Utility	5,144	5,039
Other	4,257	4,000
Total	34,733	33,226
Geographical markets		
Europe	18,550	17,484
North and South America	8,411	7,601
Asia	5,988	6,371
The Middle East/Africa	1,785	1,770
Total	34,733	33,226



Revenue includes pump solutions of DKK 31,710m (2024: DKK 30,448m), service sales of DKK 2,131m (2024: DKK 2,124m) and project sales of DKK 893m (2024: DKK 655m).

Contract balances

Contract liabilities (deferred income) are immaterial to the group's consolidated financial statements.

Remaining performance obligations

The group applies the practical expedient in IFRS 15.121 as substantially all contracts have an original expected duration of one year or less. Accordingly, the disclosure of remaining performance obligations is not presented.

Note 2**Research and development cost**

DKK million	2025	2024
Staff cost	1,568	1,356
Depreciation and amortisation	189	142
Other research and development cost	438	341
Total	2,195	1,839

Note 3**Selling and distribution cost**

DKK million	2025	2024
Staff cost	3,221	2,912
Distribution cost	674	631
Depreciation, amortisation and impairment	120	110
Other selling and distribution related cost	1,601	1,474
Total	5,616	5,127

Note 4**Administration cost**

DKK million	2025	2024
Staff cost	1,873	1,762
Depreciation and amortisation	414	244
Other administration	1,449	1,321
Total	3,736	3,327

Note 5**Staff cost**

DKK million	2025	2024
Wages and salaries	9,143	8,633
Share-based payments	258	228
Pensions, defined benefit plans	22	20
Pensions, defined contribution plans	563	487
Other social security cost	944	834
Total	10,930	10,202

Staff cost is recognised as follows:

Production cost	4,268	4,172
Research and development cost	1,568	1,356
Selling and distribution cost	3,221	2,912
Administration cost	1,873	1,762
Total	10,930	10,202
Average number of full-time employees	20,570	19,854
Number of employees at year-end	21,433	20,818



Staff cost includes our long-term incentive programme (LTI), which is described in note 26 Share-based compensation expenses.

Note 5

Staff cost (continued)

Staff cost includes fees to Group Management and the Board of Directors of Grundfos Holding A/S for directorships in Grundfos Holding A/S and can be specified as follows:

DKK million	2025			2024		
	Board of directors of the parent company	Registered group management of the parent company	Other group management	Board of directors of the parent company	Registered group management of the parent company	Other group management
Remuneration	11	23	26	11	22	23
Cash bonus	0	13	14	0	13	9
Pensions and other post-employment benefits	0	4	4	0	4	3
Termination benefits	0	0	0	0	0	3
Share-based payments, note 26	0	10	8	0	9	1
Total	11	50	52	11	48	39

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Selected GHG emissions-related KPIs are included as part of Grundfos' executive and senior leadership remuneration programme for short-term and long-term incentives. For further information, see note 26.

For details on members of Group Management, please refer to page 26.

Note 6

Depreciation, amortisation and impairments

DKK million	2025	2024
Intangible non-current assets, note 10	434	341
Tangible non-current assets, note 11	1,105	1,001
Right-of-use assets, note 12	296	244
Total	1,835	1,586
Depreciation, amortisation and impairment are recognised in the statement of income and loss as follows:		
Production cost	1,112	1,090
Research and development cost	189	142
Selling and distribution cost	120	110
Administrative cost	414	244
Total	1,835	1,586

Note 7

Special items

DKK million	2025	2024
Recycling of exchange adjustment reserve	0	(353)
Other cost related to divestment	0	(121)
Total	0	(474)

Note 8

Finance income and expenses

DKK million	2025	2024
Interest income bonds	94	92
Value adjustment bonds	1	41
Dividend income shares	55	18
Value adjustment shares	11	67
Interest income on bank deposits	66	165
Other financial income	33	37
Total	260	420
Interest on lease liabilities	29	25
Loss electricity swap	21	29
Interest expense on bank loans	12	10
Other finance expenses	94	41
Total	156	105

Fair value adjustments recognised in the consolidated statement of profit and loss amount to DKK 15m (2024: DKK 61m).

Note 9

Tax

Note 9.1

Income taxes in statement of profit and loss and reconciliation

DKK million	2025	2024
Income tax for the year is specified as follows:		
Income tax for the year	921	946
Tax on other comprehensive income, deferred	39	(20)
Tax on other comprehensive income, current	(57)	31
Total	903	957

For further information on tax; see our Responsible taxes report 2025

[Download and read our report](#)

Note 9.1

Income taxes in statement of profit and loss and reconciliation (continued)

DKK million	2025	2024
Income tax for the year is calculated as follows:		
Current income taxes	834	1,179
Deferred income taxes	54	(245)
Change in deferred tax due to change in tax rates	(1)	0
Deferred income taxes regarding previous years	(12)	23
Adjustment regarding previous years	43	(12)
Top-up corporate income tax	3	1
Total	921	946
Effective tax rate is calculated as follows:		
Danish tax rate	22%	22%
Deviation in tax rate in foreign companies in relation to Danish tax rate	1%	1%
Non-taxable income and non-deductible expenses	0%	(2%)
Non-deductible withholding taxes	1%	1%
Other, including adjustments regarding previous years	0%	0%
Effective tax rate	24%	22%
Consolidated other comprehensive income:		
Deferred tax related to items recognised in OCI during the year:		
Net gain/loss on cash flow hedges	(44)	36
Remeasurement gain/loss on actuarial gains/losses	(5)	(16)
Deferred tax charged to OCI	(49)	20

Note 9.2

Deferred taxes

DKK million	2025	2024
Changes in deferred tax:		
Net deferred tax assets 1 January	603	492
Acquisition of companies	(95)	(121)
Exchange rate adjustment	(2)	(10)
Change in tax rate	1	0
Deferred tax recognised in profit and loss account	(42)	222
Deferred tax recognised in equity	(49)	20
Net deferred tax assets 31 December	416	603
Breakdown of deferred tax:		
Non-current assets	(469)	(459)
Current assets	418	668
Provisions	313	335
Liabilities	154	59
Net deferred tax assets	416	603
Reflected in the statement of financial position as follows:		
Deferred tax assets	1,077	1,013
Deferred tax liabilities	(661)	(410)
Net deferred tax assets	416	603



The group accumulated tax losses of DKK 89m (2024: DKK 99m) that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose.

Deferred tax assets have not been recognised in respect of these losses as they may not be used to offset taxable profits elsewhere in Grundfos group. They have arisen in subsidiaries that have been loss-making for some time, and there are no other tax planning opportunities or other evidence of recoverability in the near future.

Cumulative deferred income taxes recorded in equity amounted to DKK 135m (2024: DKK 174m). The group does not recognise any deferred taxes on investments in subsidiaries because it controls the dividend policy of its subsidiaries – i.e. the group controls the timing of reversal of the related taxable temporary differences and management is satisfied that no material amounts will reverse in the foreseeable future.

Note 10

Intangible assets

DKK million	Goodwill	Other intangible assets	Other intangible assets in progress	Completed development projects	Development projects in progress	Total
Cost at 1 January 2025	2,592	2,520	277	263	237	5,889
Acquisition of companies	1,422	483	0	0	0	1,905
Additions	0	56	191	9	71	327
Disposals	0	(86)	0	(57)	0	(143)
Transfers	0	133	(116)	140	(112)	45
Exchange rate adjustments	(114)	(82)	0	0	0	(196)
Cost at 31 December 2025	3,900	3,024	352	355	196	7,827
Amortisation and impairment at 1 January 2025	415	897	0	152	0	1,464
Amortisation	0	339	0	95	0	434
Impairment	0	0	0	0	0	0
Amortisation and impairment on disposals	0	(86)	0	(55)	0	(141)
Exchange rate adjustments	(47)	(44)	0	0	0	(91)
Amortisation and impairment at 31 December 2025	368	1,106	0	192	0	1,666
Carrying amount at 31 December 2025	3,532	1,918	352	163	196	6,161

DKK million	Goodwill	Other intangible assets	Other intangible assets in progress	Completed development projects	Development projects in progress	Total
Cost at 1 January 2024	1,467	2,161	144	192	185	4,149
Acquisition of companies	1,062	461	0	0	0	1,523
Additions	0	58	168	20	112	359
Disposals	0	(320)	0	(9)	0	(329)
Transfers	0	97	(36)	60	(60)	61
Exchange rate adjustments	63	63	0	0	0	126
Cost at 31 December 2024	2,592	2,520	277	263	237	5,889
Amortisation and impairment at 1 January 2024	389	889	0	132	0	1,410
Amortisation	0	312	0	29	0	341
Impairment	0	0	0	0	0	0
Amortisation and impairment on disposals	0	(319)	0	(9)	0	(328)
Exchange rate adjustments	26	15	0	0	0	41
Amortisation and impairment at 31 December 2024	415	897	0	152	0	1,464
Carrying amount at 31 December 2024	2,177	1,623	277	111	237	4,425

Note 10**Intangible assets** (continued)

Amortisation of intangible assets is included in the Consolidated statement of profit and loss as follows:

DKK million	2025		2024	
	Other intangible assets	Completed development projects	Other intangible assets	Completed development projects
Research and development expenses	122	95	108	29
Selling and distribution expenses	113	0	107	0
Administration expenses	103	0	97	0
Total	338	95	312	29

Impairment test

At the end of 2025, the reported goodwill amounts to DKK 3,532m. Goodwill primarily arose from the acquisitions of Silhorko-Eurowater in 2020, Mechanical Equipment Company Inc. (MECO) in 2021, Metasphere in 2023, the Commercial & Industrial business of Culligan in 2024 and Newterra Inc. and Newterra Ltd. in 2025.

Goodwill represents the premium paid by Grundfos above the fair value of the net assets acquired. It is attributable to synergies and know-how resulting from the combination of the businesses and the value of the employee base.

Goodwill is allocated to cash-generating units, which are determined to be the most appropriate business segment levels to which it pertains.

The ongoing evolution of our business structure and operations has resulted in a revision of the definition of cash-generating units (CGUs). Over time, our business areas have developed and matured, making the division level a more appropriate basis for assessing performance and allocating resources. Conducting impairment tests at this level aligns with how management monitors the business and supports goodwill, ensuring a more accurate representation of value creation across the organisation.

For the reporting period, following cash-generating units were identified:

(i) Industry and (ii) Water Utility. The allocation of the goodwill to the cash generating units is specified in the above table.

As at the reporting date, an impairment test was performed on the carrying amount of intangible assets with indefinite useful lives, which for the reporting period only represents goodwill.

Industry

Impairment tests are performed based on expected future cash flows that are built from budgets and long-term business plans. The carrying amount of the net assets including goodwill is compared to the recoverable amount. The recoverable amount is calculated using cash flow projections for a five-year period, which thereafter converge into a terminal value applying perpetuity growth. The projected cash flows represent management's best estimate of revenue, profitability and investment plans for the cash-generating units.

The discount rate applied to cash flow projections is 8.5% before tax and terminal value cash flows are extrapolated using a 2.0% growth rate, which represents the estimated long-term average growth rate for the industry.

The recoverable amount of the Industry is significantly higher than the carrying amount.

Carrying amount of goodwill:

DKK million	2025	2024
Water Utility	228	239
Industry	3,260	0
Industry - Water Treatment Solutions	0	1,801
Industry - Pump Solutions	0	93
Others	44	44
Total	3,532	2,177

The group did not identify any reasonably possible change in key assumptions that could cause an impairment loss to be recognised for Industry.

Water Utility

Impairment tests are performed based on expected future cash flows that are built from budgets and long-term business plans. The carrying amount of the net assets, including goodwill is compared to the recoverable amount. The recoverable amount is calculated using cash flow projections for a five-year period which from thereafter converge into a terminal value applying perpetuity growth. The projected cash flows represent management's best estimate of revenue, profitability and investment plans for the cash-generating units.

The discount rate applied to cash flow projections is 8.5% before tax and terminal value cash flows are extrapolated using a 2.0% growth rate, which represents the estimated long-term average growth rate for the industry.

The recoverable amount of the Water Utility is significantly higher than the carrying amount.

The group did not identify any reasonably possible change in key assumptions, which could cause an impairment loss to be recognised for Water Utility.

Note 11

Property, plant and equipment

DKK million	Land and buildings	Technical installations and machinery	Other technical installations	Property, plant and equipment in progress	Total
Cost at 1 January 2025	7,350	14,800	1,582	952	24,684
Acquisition of companies	87	29	5	11	132
Additions	57	307	81	659	1,104
Disposals	(87)	(359)	(101)	0	(547)
Transfers	41	540	52	(678)	(45)
Exchange rate adjustments	(235)	(152)	(38)	(13)	(438)
Cost at 31 December 2025	7,213	15,165	1,581	931	24,890
Depreciation and impairment at 1 January 2025	4,222	12,184	1,268	0	17,674
Depreciation	238	732	135	0	1,105
Write-down of the year	0	0	0	0	0
Depreciation and impairment on disposals	(65)	(354)	(95)	0	(514)
Transfers	0	0	0	0	0
Exchange rate adjustments	(89)	(106)	(26)	0	(221)
Depreciation and impairment at 31 December 2025	4,306	12,456	1,282	0	18,044
Carrying amount at 31 December 2025	2,907	2,709	299	931	6,846

DKK million	Land and buildings	Technical installations and machinery	Other technical installations	Property, plant and equipment in progress	Total
Cost at 1 January 2024	7,334	14,370	1,916	1,135	24,755
Acquisition of companies	35	7	6	1	49
Additions	59	404	75	740	1,278
Disposals	(40)	(527)	(434)	(5)	(1,006)
Transfers	110	684	39	(894)	(61)
Exchange rate adjustments	(148)	(138)	(20)	(25)	(331)
Cost at 31 December 2024	7,350	14,800	1,582	952	24,684
Depreciation and impairment at 1 January 2024	4,305	12,153	1,578	0	18,036
Depreciation	227	633	141	0	1,001
Write-down of the year	0	0	0	0	0
Depreciation and impairment on disposals	(31)	(475)	(431)	0	(937)
Transfers	0	0	0	0	0
Exchange rate adjustments	(279)	(127)	(20)	0	(426)
Depreciation and impairment at 31 December 2024	4,222	12,184	1,268	0	17,674
Carrying amount at 31 December 2024	3,128	2,616	314	952	7,010

Note 12

Right-of-use assets

The group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the group is restricted from assigning and subleasing the leased assets.

The group has leases with lease terms of 12 months or less and leases of office equipment with low value. The group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use (ROU) assets recognised and the movements during the period:

DKK million	Land and buildings	Motor vehicles	Other equipment	Total
Carrying amount at 1 January 2025	304	239	47	590
Acquisition of companies	17	0	0	17
Additions	249	183	39	471
Disposal of ROU assets	(2)	0	0	(2)
Depreciation	(134)	(137)	(25)	(296)
Exchange rate adjustments	(16)	(7)	(1)	(24)
Carrying amount at 31 December 2025	418	278	60	756
Carrying amount at 1 January 2024	190	167	36	393
Additions	215	197	33	445
Disposal of ROU assets	0	(6)	(2)	(8)
Depreciation	(103)	(118)	(23)	(244)
Exchange rate adjustments	2	(1)	3	4
Carrying amount at 31 December 2024	304	239	47	590



The group has lease contracts, primarily for buildings and vehicles used in its operations. Leases of motor vehicles generally have lease terms between four and five years, and buildings have lease terms between one and ten years.

The table to the right shows the carrying amounts of lease liabilities (included under interest-bearing loans and borrowings) and the movements during the period:

DKK million	2025	2024
Balance at 1 January	607	401
Acquisition of companies	17	0
Additions	471	444
Interest	29	25
Disposals	(2)	(8)
Payments	(350)	(255)
Balance at 31 December	772	607
Current	309	243
Non-current	463	364
Total	772	607
Undiscounted lease liabilities maturity analysis:		
Less than one year	324	253
One to three years	389	304
More than three years	98	74
Total undiscounted lease liabilities at 31 December	811	631
The following are the amounts recognised in profit and loss:		
Depreciation expense of right-of-use assets	296	243
Interest expense on lease liabilities	29	25
Expense relating to short-term leases	74	74
Expense relating to low value assets	34	29
Total	433	371

The group had total cash outflows for leases of DKK 379m in 2025 (DKK 258m in 2024).

The group has several lease contracts that include extension and termination options. Management assesses whether or not it is reasonably certain that these options will be exercised after considering all relevant facts and circumstances.

Note 13

Securities

DKK million	2025	2024
Cost at 1 January	4,736	3,224
Additions during the year	2,799	3,403
Disposals during the year	(3,644)	(1,891)
Cost at 31 December	3,891	4,736
Value adjustments at 1 January	44	(16)
Value adjustments during the year	15	60
Value adjustments at 31 December	59	44
Balance at 31 December	3,950	4,780
Current	3,877	4,707
Non-current	73	73
Total	3,950	4,780
The portfolio consists solely of listed shares and bonds and is distributed as follows:		
Shares	702	1,368
Bonds	3,248	3,412
Total	3,950	4,780

Information about the group's financial assets and associated risks is disclosed in note 29.

Note 14

Inventories

DKK million	2025	2024
Raw materials and consumables	2,120	2,316
Work in progress	1,826	1,873
Manufactured goods and goods for resale	2,102	1,727
Total	6,048	5,916
Provision for obsolete inventories at 1 January	629	605
Reversal of provision through profit and loss	(69)	(48)
Additional provision	85	72
Provision for obsolete inventories at 31 December	645	629

During 2025, DKK 16m (2024: DKK 24m) was recognised as an expense for inventories carried at net realisable value. This was recognised in production costs.

Note 15

Trade and other receivables

DKK million	2025	2024
Trade receivables	6,272	6,187
Customer bonus	(1,003)	(1,035)
Prepayments	303	302
Other current receivables	1,234	1,202
Total trade and other receivables	6,806	6,656
Allowance for expected credit loss	(118)	(112)
Trade and other receivables, net	6,688	6,544

Customer bonus is recognised at an estimated value according to underlying agreements. When finally settled, the bonus will be set off against future payments from the customer.

Trade receivables are non-interest bearing and are generally on terms of 30 – 60 days.

Note 15

Trade and other receivables (continued)

The table below displays the movement in the allowance for expected credit losses of trade receivables and contract assets:

DKK million	2025	2024
Balance at 1 January	112	130
Provisions during the year	48	31
Realised losses	(14)	(8)
Reversal of provision through profit and loss	(27)	(40)
Exchange rate adjustments	(1)	(1)
Balance at 31 December	118	112
Trade receivables' age profile:		
Not overdue at the reporting date	5,674	5,806
Overdue less than 30 days	354	295
Overdue 30 to 60 days	100	81
Overdue 60 to 120 days	57	35
Overdue more than 120 days	87	82
Trade receivables before provision	6,272	6,299
Provision for bad debt at 31 December	(118)	(112)
Balance at 31 December	6,154	6,187

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Customer credit risk is managed by each business unit subject to the group's established policy, procedures and controls relating to customer credit risk management. The credit quality of a customer is assessed based on a credit rating scorecard and individual credit limits are defined in accordance with this assessment. The group's trade debtors comprise a large number of customers, and the group's risk in that connection is not considered unusually high.

Note 15**Trade and other receivables** (continued)

Outstanding customer receivables are regularly monitored. On 31 December 2025, the group had 55 customers (2024: 42) that owed it more than DKK 10m each and accounted for approximately 23% (2024: 24%) of all the receivables outstanding.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, product type, customer type and rating, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written off if past due for more than one year. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in note 29.

The letters of credit and other forms of credit insurance are considered an integral part of trade receivables and considered in the calculation of impairment. The group evaluates the concentration of risk with respect to trade receivables and contract assets as low, as its customers are located in several jurisdictions and industries and operate in largely independent markets.

The group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the group may also consider a financial asset to be in default when internal or external information indicates that the group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Note 16**Cash and cash equivalents**

DKK million	2025	2024
Cash at bank and on hand	2,850	3,509
Total	2,850	3,509

Cash at banks earns interest at floating rates based on daily bank deposit rates.

Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the group, and earn interest at the respective short-term deposit rates.

Note 17**Share capital**

The share capital consists of 38,090,911 shares with a nominal value of DKK 10 each. All shares rank equally. The share capital is fully paid.

DKK million	2025	2024
Ordinary shares of DKK 10 each	381	381
Total	381	381

In 2025, the group bought 237,547 own shares (0.6% of share capital) from PDJF A/S (at fair value at time of purchase for proceeds of DKK 395m). All shares have been used for the group's share programmes during 2025. The group has been authorised by the shareholders to acquire up to 2,502,000 treasury shares, equal to 6.6% of the share capital. The authorisation expires in yearly tranches during the period from 30 April 2026 to 30 April 2030.

DKK million	2025	2024
Dividend per share		
Proposed dividend per share	36.75	44.63
Dividend from last year per share	44.63	44.63

Note 18**Pension and similar obligations****Defined contribution plans**

The group has made pension agreements with a considerable number of its employees. The majority of the agreements are for defined contribution plans. Contributions are paid to pension insurance plans and charged to the consolidated income statement in the period to which the contributions relate. Once the contributions have been paid, there are no further payment obligations.

Defined benefit plans

The group has a number of defined benefit plans where the responsibility for the pension obligation towards the employees rests with the group.

The largest plans are in Switzerland and the UK accounting for 70% (2024: 69%) of the group's obligation (gross) and 77% (2024: 76%) of its plan assets.

The plans are primarily based on years of service, and benefits are generally determined on the basis of salary and rank. The group assumes the risk associated with future developments in salary, interest rates, inflation, mortality and disability etc.

The majority of the obligations are funded with assets placed in independent pension funds. In a number of countries, some minor obligations are unfunded.

For these unfunded plans, the retirement benefit obligations amounted to DKK 113m or 6% of the present value of the gross obligation (2024: DKK 119m or 6%).

Switzerland

Participants are insured against the financial consequences of retirement, disability and death. The pension plans guarantee a minimum interest credit and fixed conversion rates at retirement. Contributions are paid by both the employee and the employer. The plans must be fully funded. In case of underfunding, recovery measures must be taken, such as additional financing from the employer or from the employer and employees, reduction of benefits or a combination of both.

The pension plans include a risk-sharing element between Grundfos and the plan participants.

The UK

Participants are insured against the financial consequences of retirement and death. The schemes do not provide any insured disability benefits. The pension plans guarantee a defined benefit pension at retirement on a final salary basis. The majority of the pension plans do not include a risk-sharing element between Grundfos and the plan participants.

Note 18

Pension and similar obligations (continued)**Actuarial assumptions**

Actuarial calculations and valuations are performed annually for all major plans. The actuarial assumptions vary from country to country due to local conditions.

Discount rates at 31 December are based on the market yield of high quality corporate bonds or government bonds with a maturity approximating to the terms of the obligations.

Sensitivity analysis for Switzerland and United Kingdom

The table below illustrates the sensitivity related to significant actuarial assumptions used in the calculation of the defined benefit obligation recognised at the reporting date. The sensitivity covers the plans in United Kingdom and Switzerland. The analysis is based on changes in assumptions that the group considered to be reasonably possible at the reporting date. It is estimated that the relevant changes in assumptions would have increased/(decreased) the defined benefit obligation by the amounts shown below:

	2025		2024	
	0.5%	(0.5%)	0.5%	(0.5%)
Discount rates	(83)	92	(87)	95
Salary increase	7	(7)	8	(8)
Pension increase	40	(37)	42	(38)

%	2025		2024	
	CH	UK	CH	UK
Discount rates	1.00	5.50	1.00	5.25
Salary increase	1.25	4.30	2.00	4.80
Pension increase	0.00	2.70	0.00	3.10

The fair values of each major class of plan assets are as follows:

DKK million	2025	2024
Investments quoted in active markets:		
Listed equity investments	331	681
Real estate	158	154
Corporate bonds	1,068	801
Cash and cash equivalents	30	29
Unquoted investments:		
Insurance contracts	138	141
Corporate bonds	14	14
Other	196	188
Total	1,935	2,008

Note 18

Pension and similar obligations (continued)

DKK million	2025			2024		
	Present value of obligation	Fair value of plan assets	Obligation, net	Present value of obligation	Fair value of plan assets	Obligation, net
Carrying amount at 1 January	1,970	2,000	(30)	1,872	1,837	35
Current service cost	24	0	24	22	0	22
Past service cost	0	0	0	0	0	0
Interest on obligation/plan asset	65	70	(5)	73	74	(1)
Recognised in profit and loss	89	70	19	95	74	21
Actuarial gain/loss, demographic assumptions	7	0	7	(2)	0	(2)
Actuarial gain/loss, financial assumptions	(48)	0	(48)	41	0	41
Actuarial gain/loss, experience adjustments	9	0	9	(12)	0	(12)
Return on plan assets excl. interest income	0	(4)	4	0	79	(79)
Impact from asset ceiling	0	(15)	15	0	8	(8)
Recognised in other comprehensive income	(32)	(19)	(13)	27	87	(60)
Foreign exchange adjustments	(63)	(76)	13	38	47	(9)
Acquisition and divestments, net	0	0	0	16	0	16
Employee contributions	10	10	0	10	10	0
Employer contributions	(6)	29	(35)	(4)	33	(37)
Benefits paid	(96)	(102)	6	(84)	(88)	4
Other changes	(155)	(139)	(16)	(24)	2	(26)
Carrying amount at 31 December	1,872	1,912	(40)	1,970	2,000	(30)
Accumulated impact from asset ceiling	0	23	(23)	0	8	(8)
Pensions and similar obligations at 31 December	1,872	1,935	(63)	1,970	2,008	(38)
Carrying amount is reflected in the statement of financial position as follows:						
Net pension obligations			124			135
Net pension assets			(164)			(165)
Net pension obligations			(40)			(30)

In 2025, the net pension position for the company has changed from a net asset of DKK 30m to a net asset of DKK 40m.

The estimated weighted average duration of the defined benefit obligation was 13.0 years (2024: 13.1 years) and is split into:

	2025	2024
Active employees	2,143	2,170
Retired employees	541	572
Deferred vested	722	708
Total employees	3,406	3,450

The expected payments or contributions to the defined benefit plans within the next 12 months amount to DKK 20m (2024: DKK 25m).

Note 19**Provisions**

DKK million	Warranty	Restructuring	Jubilee	Others	Total
Balance at 1 January 2025	213	615	180	488	1,496
Provision	167	19	43	22	208
Utilised	(185)	(135)	(18)	(121)	(445)
Reversed	(4)	(71)	0	(13)	(91)
Acquisition of companies	8	0	1	0	9
Exchange rate adjustments	(11)	0	(3)	(18)	0
Balance at 31 December 2025	188	428	203	358	1,177
Current	164	240	20	67	491
Non-current	24	188	183	291	686
Balance at 1 January 2024	219	207	193	416	1,035
Provision	178	508	0	87	773
Utilised	(188)	0	(10)	(7)	(205)
Reversed	(3)	(121)	(3)	(16)	(143)
Acquisition of companies	1	0	0	0	1
Exchange rate adjustments	6	21	0	8	35
Balance at 31 December 2024	213	615	180	488	1,496
Current	136	159	0	0	395
Non-current	77	456	180	488	1,101

**Warranty**

The provision is recognised for potential warranty claims on the basis of past experience and expected measures. The ordinary warranty on products sold covers a period of 24 months.

Restructuring

The provision covers the expected cost related to the announcement of the planned relocation of our Wahlstedt manufacturing activities. Payment will take place over one to two years. The reversed amount is a consequence of contractual commitments and liabilities which have been settled in 2025.

Jubilee

In the majority of companies there is an obligation to remunerate employees celebrating certain anniversaries (such as 25, 40 and 50 years). The payments vary among countries and companies.

Other

Other provisions include legal disputes to which the group is a party.

Note 20**Bank and other loans**

DKK million	Interest rate	Maturity	2025	2024
Bank loans	6.8%	2026	3	50
Other loans	5-6%	2026	22	27
Lease liabilities	0-3%	2026-2032	772	607
Bank overdrafts and loans			1	38
Total			798	722
Current			325	300
Non-current			473	422
Total			798	722

**Bank overdrafts:**

The bank overdrafts are secured by a portion of the group's short-term deposits.

Note 21**Trade and other payables**

DKK million	2025	2024
Trade payables	2,840	2,938
Total	2,840	2,938



Trade payables are non-interest bearing.

Note 22

Other liabilities

DKK million	2025	2024
Staff related	1,480	1,394
Deferred income	564	546
VAT and other taxes	674	503
Accrued expenses	813	807
Other	54	158
Total	3,585	3,408



Deferred income refers to prepayments from customers for goods and services where the group has not yet fulfilled its contractual obligations.

Note 23

Fees to auditors appointed by the shareholders

DKK million	2025	2024
Fee to EY for statutory audit	17	16
Fee to EY for other assurance engagements	4	4
Fee to EY for tax advisory services	5	6
Fee to EY for other services	6	6
Total	32	32

Note 24

Changes in working capital

DKK million	2025	2024
Changes in inventories	(132)	(253)
Changes in accounts receivable	(139)	(1,004)
Change in trade creditors, other liabilities and deferred income	79	927
Unrealised exchange rate adjustments	529	271
Total	337	(59)

Note 25

Changes in liabilities arising from financing activities

DKK million	Current interest-bearing loans and borrowings	Current lease liabilities	Non-current interest-bearing loans and borrowings	Non-current lease liabilities	Total
Balance at 1 January 2025	57	243	58	364	722
Cash flows	(41)	(140)	(47)	(210)	(438)
New leases	0	189	0	282	471
Other	0	26	0	41	67
Exchange rate adjustments	0	(9)	(1)	(14)	(24)
Balance at 31 December 2025	16	309	10	463	798
Balance at 1 January 2024	123	162	8	239	532
Cash flows	(66)	(105)	55	(152)	(268)
New leases	0	178	0	267	445
Other	0	10	0	15	25
Exchange rate adjustments	0	(2)	(5)	(5)	(12)
Balance at 31 December 2024	57	243	58	364	722



'Other' includes the effect of reclassification of non-current portion of interest-bearing loans and borrowings, including lease liabilities, to current due to the passage of time, the accrual of special dividends that were not yet paid at year-end, and the effect of accrued but not yet paid interest on interest-bearing loans and borrowings, including lease liabilities. The group classifies interest paid as cash flows from operating activities.

Note 26**Share-based compensation expenses****Note 26.1****Long-term incentive programme (LTI)**

The LTI is targeted at Group Management and other members of senior management. Under this programme, Restricted Stock Units (RSUs) are granted to the executives.

These RSUs vest with them after a continued service of 3.5 years and are also contingent on targets for performance indicators that are defined for the programme for a specific year.

Following the vesting of RSUs under both these programmes, the executives will receive shares of Grundfos Holding A/S.

The expense recognised over the vesting period is based on the fair value of the RSUs at the grant date.

	No. of units	Weighted average grant date fair value (DKK per unit)
Outstanding as at 1 January 2024	161,043	1,434
Granted during the year	76,030	1,711
Vested during the year	(47,381)	1,372
Forfeited during the year	(12,724)	1,506
Outstanding as at 31 December 2024	176,968	1,565
Granted during the year	85,347	1,663
Vested during the year	(44,665)	1,614
Forfeited during the year	(11,378)	1,619
Outstanding as at 31 December 2025	206,272	1,592

The outstanding units are expected to vest over a weighted average period of 1.6 years (2024: 1.7 years).

Note 26.2**Employee share purchase plan (ESP)**

ESP is a global programme, whereby certain employees are granted an option to buy shares of Grundfos Holding A/S at a discounted price. Employees of group companies in certain countries are excluded from this due to local restrictions or requirements. The only condition for eligibility is that the employee is employed by the group as at the specified date (close to the grant date) and has not resigned or been terminated.

The Board of Directors of Grundfos Holding A/S will each year decide if an employee share purchase plan is offered.

The expense recognised in the year in question is based on the discount the employee is entitled to upon purchase of the shares.

	2025	2024
Number of shares purchased during the year	194,722	173,828

Note 26.3**Expense recognised during the year**

DKK million	2025	2024
Expense arising from equity-settled share-based payment transactions (LTI)	76	54
Expense arising from equity-settled share-based payment transactions (ESP)	182	174
Total	258	228



There were no cancellations or modifications to the grants.

Note 26.4**Inputs and model used**

The share price is calculated once per year and is valid for a 12-month period. The methodology for calculating the share price is prescribed in the articles of association and is based on a multiples approach. In 2025, the articles of association were amended, resulting in a change to the underlying parameters used for the calculation.

Up to and including 2024, the share price was based on a price-earnings multiple derived from a peer group of companies and the Grundfos Group's profit after tax. For the share price valid from May 2025, the key parameters have shifted to an EV/EBIT multiple from a revised peer group and the EBIT of the Grundfos group.

	2025	2024
Benchmark PE multiple	NA	19.8
Annual growth in average profit after tax applied for share price calculation	NA	18%
Benchmark EV/EBIT multiple	15.8	NA
Annual growth in EBIT	0.3%	NA

Note 27

Business combinations

On 15 August 2025, Grundfos acquired Newterra's water and wastewater treatment solutions in US and Canada, which are now integrated into Grundfos' Industry Division. From a legal perspective, Grundfos has acquired 2 limited liability companies. The total consideration amounted to DKK 2,046m.

The result of the acquired activities has been included in the consolidated financial statements as of 15 August 2025. The acquired business does not have a material impact on the consolidated financial statements, and therefore historical and pro forma disclosures have not been presented. Had the acquisition taken place at 1 January 2025, revenue would have been higher by DKK 381m and profit would have been higher by DKK 42m.

The fair values of the identifiable assets and liabilities of the Newterra activities as at the date of acquisition were:

DKK million	Fair value recognised in acquisition
Recognised amounts of identifiable assets acquired and liabilities assume:	
Technology	225
Customer relations and distributors	231
Other intangible assets	27
Total intangible assets	483
Property, plant and equipment	132
Total non-current assets	615
Inventories	49
Trade receivables	179
Other receivables	7
Cash at bank	27
Total current assets	262
Total assets	877

DKK million	Fair value recognised in acquisition
Long-term liabilities	(450)
Provisions	(9)
Deferred tax	(95)
Total non-current liabilities	(554)
Short-term liabilities	(6)
Trade creditors	(54)
Other payables	(68)
Total current liabilities	(128)
Total liabilities assumed	(682)
Total identifiable net assets	195

DKK million	Fair value recognised in acquisition
Goodwill	1,422
Cash net	429
Total cash acquisition cost	2,046
Purchase consideration	2,046
Contingent purchase consideration	0
Fair value of consideration	2,046

The fair value of the trade receivables amounts to DKK 179m. The gross amount of trade receivables is DKK 187m.

The deferred tax liability mainly comprises the tax effect of the identified intangible assets.

As part of the purchase price allocation of the acquisition, goodwill of DKK 1,422m was identified after recognition of the fair value of identifiable assets, liabilities and contingent liabilities. Fair value adjustments were determined using discounted cash flows for identified assets. The intangible assets reflect the recognition of Technological know-how (DKK 225m) and Customer relations (DKK 231m) and other intangibles (DKK 27m). The deferred tax liability of DKK 95m is in relation to these intangible asset adjustments. The acquisition of the Newterra activities involved acquisition cost of DKK 50m, which is recognised as administrative expense.

The goodwill of DKK 1,422m comprises the value of expected commercial and scaling synergies arising from the integration of the Newterra business, into the Industry division.

The goodwill does not meet the criteria for recognition as an intangible asset under IAS 38. The amount of the goodwill is not expected to be deductible for income tax purposes.

Note 28**Commitments and contingencies****Note 28.1****Commitments**

DKK million	2025	2024
Performance and payment guarantees	202	147
Purchase agreements for property, plant and equipment	97	143
Total	299	290

Lease contracts etc. are renewed on a continuous basis; hence, there is a minor number of contracts committed not yet recorded as at 31 December 2025. The value of these contracts is considered to be immaterial.

At 31 December 2025, the group has entered a lease contract that has not yet commenced. The accumulated committed future lease payments for the contract are estimated at DKK 277m

Apart from this, the group is under no material obligations to acquire assets.

Note 28.2**Contingencies**

The group is party to a number of disputes, lawsuits and legal actions, including tax disputes. It is the view of management that the outcome of these legal actions will have no other significant impact on the group's financial position beyond what has been recognised and stated in the annual report.

Note 29**Financial risk management and financial instruments**

The group's activities expose it to a variety of financial risks:

- Market risks: Currency risk and raw materials
- Credit risk
- Liquidity risk

The main purpose of the group's financial risk management is to finance the group's operations and to provide guarantees to support its operations. The group uses derivative financial instruments to hedge certain risk exposures.

The group's financial risk activities are governed by the policies approved by the Board of Directors. Risk management is carried out by the central Treasury department who is responsible for identifying, measuring and managing the group's financial risks in accordance with the group's policies and risk objectives.

It is the group's policy that no trading in derivatives should be undertaken for speculative purposes.

Note 29.1**Financial risks****Market and financial risks**

Financial risks	Description	Effect	Reference
Currency risk	The group is exposed to fluctuations when performing sales and purchases in foreign currencies.	Effect: Moderate Threat: Moderate	Note 1 'Revenue'
Interest rate risk	The group is exposed to fluctuations in interest rates related to cash position, financial investments and financing arrangements.	Effect: Low Threat: Moderate	Note 13 'Securities'
Credit risk	The group is exposed to the risk that a counterparty (mainly related to trade receivables and cash position) will not meet its obligation leading to a financial loss.	Effect: Moderate Threat: Low	Note 15 'Trade and other receivables' Note 20 'Bank and other loans'
Raw materials risk	The group is exposed to raw material price inflation. No single raw material constitutes a significant proportion of production costs..	Effect: High Threat: Moderate	Note 14 'Inventories'

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks: currency risk and other price risk, such as interest-rate risk and raw material risk. Financial instruments affected by market risk include transactions with entities in foreign currencies.

The sensitivity analysis in the following sections relates to the position as at 31 December in 2025 and 2024.

The sensitivity analysis has been prepared on the basis that the proportions of financial instruments in foreign currencies are all constant and on the basis of the hedge designations in place as at 31 December 2025. Further, it is assumed that the exchange rate sensitivities have a symmetric impact, i.e. an increase in rates results in the same absolute movement as a decrease in rates.

The following assumption has been made in calculating the sensitivity analysis: The sensitivity of the relevant statement of profit and loss item is the effect of the assumed changes in respective market risks.

This is based on the financial assets and financial liabilities held on 31 December 2025 and 2024, including the effect of hedge accounting.

The sensitivity analysis shows the effect on profit and equity of a reasonably possible change in exchange rates. Hedges consist primarily of currency derivatives, which are further described in the following sections.

Risk on raw material prices is not hedged by way of financial instruments. Risks on changes in interest rates are not considered material for the purposes of the financial statements..

Note 29.2**Financial instruments by category**

DKK million	2025	2024
Financial risks		
Shares	702	1,368
Bonds	3,248	3,412
Long-term electricity swap	0	0
Financial assets measured at fair value through profit and loss	3,950	4,780
Trade receivables	6,272	6,187
Cash and cash equivalents	2,850	3,509
Financial assets measured at amortised cost	9,122	9,696
Forward currency contracts	68	0
Financial assets measured at fair value through other comprehensive income	68	0
Long-term electricity swap	30	23
Financial liabilities measured at fair value through profit and loss	30	23
Bank and other loans	26	115
Trade creditors	2,840	2,938
Lease liabilities	811	631
Financial liabilities measured at amortised cost	3,677	3,684
Forward currency contracts	0	149
Financial liabilities measured at fair value through other comprehensive income	0	149

Note 29.3**Fair value measurement**

The following table provides the fair value measurement hierarchy of the group's assets and liabilities.

DKK million	Quoted market prices (level 1)	Valuation based directly or indirectly on market (level 2)	Valuation techniques based on unobservable inputs for valuation (level 3)	Total
2025				
Shares	702	0	0	702
Bonds	3,248	0	0	3,248
Forward currency contracts	0	68	0	68
Financial assets measured at fair value as of 31 December	3,950	68	0	4,018
Long-term electricity swap	0	0	30	30
Financial liabilities measured at fair value as of 31 December	0	0	30	30
2024				
Shares	1,368	0	0	1,368
Bonds	3,412	0	0	3,412
Financial assets measured at fair value as of 31 December	4,780	0	0	4,780
Forward currency contracts	0	149	0	149
Long-term electricity swap	0	0	23	23
Financial liabilities measured at fair value as of 31 December	0	149	23	172

There were no transfers between the three levels during 2025 or 2024.

Note 29.4**Valuation techniques and assumptions used**

Management assesses that the fair value of cash and short-term deposits, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts, largely due to the short-term maturities of these instruments.

Securities

Fair value of securities is based on observable market prices from stock exchanges.

Foreign exchange derivatives

The group enters into derivative financial instruments with various counterparties, principally financial institutions, with investment grade credit ratings. Foreign exchange forward contracts are valued using valuation techniques, which employ the use of market observable input. The most frequently applied valuation techniques include forward pricing and swap models using present value calculations.

Note 29.4**Valuation techniques and assumptions used** (continued)

The models incorporate various input including the foreign exchange spot and forward rates, yield curves of the respective currencies, and currency basis spreads between the respective currencies. As at 31 December 2025, the mark-to-market values of other derivative asset positions do not contain a credit valuation adjustment attributable to derivative counterparty default risk. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationships and other financial instruments recognised at fair value.

Electricity swap

The group has entered into a long-term electricity swap, in which the group purchases renewable electricity from a wind farm at a fixed price and sells it at market price with net settlements on a monthly basis. It is a ten-year contract with expiry in 2034. The volume in the electricity swap covers a portion of the group's electricity consumption but is not considered a hedge. The valuation of electricity swaps is based on estimates of non-observable prices for a long-term period. The fair value of electricity swaps is determined by discounting estimated future cash flows. Discounting takes place on the basis of estimated price curves and volumes of electricity produced.

The instrument is classified as level 3 in the fair value hierarchy due to the use of significant unobservable inputs. These include:

- A fixed purchase price agreement (PPA) of EUR 47.55/MWh and a swap price of EUR 45.97/MWh, with additional value from renewable energy certificates priced at EUR 1.58/MWh.
- Forecast production volumes adjusted from P50 to P90, resulting in a probability-weighted output of 86.93% of expected annual generation.
- A discount rate of 9%, reflecting market participant assumptions including time value of money, credit risk, and liquidity risk.

These inputs are reviewed quarterly by Group Treasury, using internally developed valuation models and externally sourced market data. The valuation methodology and assumptions are subject to oversight by Group Finance and updated as necessary to reflect changes in market conditions or contract terms.

Note 29.5**Foreign currency risks**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The group's exposure to the risk of changes in foreign exchange rates relates primarily to the group's operating activities (when revenue or expense is denominated in a local currency, normally being a foreign currency).

The group manages its foreign currency risk by hedging transactions that are expected to occur within a maximum 18-month period for hedges of forecasted sales and purchases.

The group hedges its exposure to fluctuations of the translation into Danish Kroner of its foreign operations by using foreign currency swaps and forwards.

At 31 December 2025, the group has hedged 80% of the next 12 months' exposure of its expected foreign currency sales. The hedged sales were highly probable at the reporting date. The foreign currency risk is hedged by using foreign currency forward contracts.

The majority of Grundfos' transactions are denominated in USD, EUR, AUD, GBP, CNY or HUF. The functional currency of the subsidiaries is generally the local currency, therefore, Grundfos has exposure to these currencies through the translate value of future EBIT and cash flows. The following table demonstrates the sensitivity to the possible change in the exchange rates of the currencies below after the effect of hedge accounting, with all other variables held constant. The group's exposure to foreign currency changes for all other currencies is not material. Given the Danish Krone has a fluctuation limit of a maximum +/- 2.25% through the European Exchange Rate Mechanism, the effect of EUR on sensitivity is minimal.

DKK million	2025			2024			
	Increase in exchange rate	Monetary items	Hedging	Net	Monetary items	Hedging	Net
Currency sensitivity - impact to equity (before tax)							
USD	5%	66	(82)	(16)	37	(92)	(55)
AUD	5%	6	(13)	(7)	3	(14)	(11)
GBP	5%	17	(40)	(23)	17	(39)	(22)
CNY	5%	47	(8)	39	12	(22)	(10)
HUF	5%	4	29	33	0	21	21
Total		140	(114)	26	69	(146)	(77)

The impact on equity arises from monetary items and hedging instruments where the currency that the hedging instruments and monetary items are denominated in differs from the functional currency of the entity. The impact would have been the opposite if exchange rates had decreased by similar percentages. The analysis is based on the transaction currency.

Monetary items are expected to be converted to cash during a period of up to 60 days. Hedging contracts cover up to 80% of expected inflows in each currency for a period of up to 18 months.

Profit before tax will not be impacted by changes in the exchange rates due to a high degree of efficiency in the hedging.

Note 29.6**Liquidity risk**

The group monitors its risk of a shortage of funds using a liquidity planning tool. The group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and lease contracts. The group's policy is that not more than 25% of borrowings should mature in the next 12-month period. Approximately 10% of the group's debt will mature in less than one year as at 31 December 2025 (2024: 10%) based on the carrying value of borrowings reflected in the financial statements.

The group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low.

The group has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders. Further, to prevent significant restrictions to Grundfos' liquidity, cash is held among several investment grade financial institutions to minimise loss in an illiquidity event. The table below summarises the maturity profile of the group's financial liabilities based on contractual undiscounted payments:

DKK million	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
As at 31 December 2025						
Interest-bearing loans and borrowings (excl. items below)	0	0	16	10	0	26
Lease liabilities (refer to note 12)	0	77	232	463	0	772
Trade and other payables	0	2,367	473	0	0	2,840
Forward currency contracts	0	80	25	0	0	105
Long-term electricity swap	0	3	12	16	(1)	30
Total	0	2,527	758	489	(1)	3,773
As at 31 December 2024						
Interest-bearing loans and borrowings (excl. items below)	0	0	57	58	0	115
Lease liabilities (refer to note 12)	0	61	182	364	0	607
Trade and other payables	0	2,448	490	0	0	2,938
Forward currency contracts	0	40	109	0	0	149
Long-term electricity swap	0	1	7	13	2	23
Total	0	2,550	845	435	2	3,832

Note 30**Capital management**

For the purpose of the group's capital management, capital includes issued capital and all equity reserves attributable to the equity holders of the parent. The primary objective of the group's capital management is in accordance with guidelines defined by the majority owner, Poul Due Jensens Fond, to ensure and support healthy economic growth and development of the Grundfos group.

This includes to maintain a solid equity ratio – under the current economic conditions – at a level above 60%.

There is no written dividend policy; however, in recent years, dividend distribution has been at a level of 50% of the consolidated profit of the year.

DKK million	31 December 2025	31 December 2024
Bank and other loans	798	722
Trade and other payables	2,840	2,938
Less: Cash and short-term deposits	(6,727)	(8,216)
Net debit	(3,089)	(4,556)

In terms of liquidity, the group has a cash reserve comprising cash and cash equivalents (see note 16) and securities (see note 13).

The group has only few and immaterial loans. Thus, the group is not subject to financial covenants from banks or other financial institutions.

Gearing ratio is negative, demonstrating that the group has effectively no net debt.

Note 31

Hedging activities and derivatives

Forward currency contracts are estimated by generally accepted valuation techniques based on relevant observable swap curves and exchange rates. The fair value applied is calculated mainly by external sources on the basis of discounted future cash flows. Anticipated cash flow for individual contracts is based on observable market data such as interest rates and exchange rates. In addition, fair values are based on non-observable data, including exchange rate volatilities, or correlation between yield curves and credit risks. Non-observable market data account for an insignificant part of the fair value of the derivative financial instruments.

Foreign currency risk

Foreign currency forward contracts are designated as hedging instruments in cash flow hedges of forecast cash inflows of predominantly, USD, EUR, AUD, GBP, CNY and cash outflows of HUF from operations denominated in the local currency of entities within the group. Should there be a forecasted transaction in excess of DKK 50m, this will be considered significant, and therefore, between 50-90% of this cash flow exposure should be hedged.

Otherwise, the exposures of foreign currency cash flows must be within the following ratios:

0-6 months: 70%-90%
7-12 months: 50%-80%
13-18 months: 0%-60%

These forecast transactions are highly probable. Refer to the adjacent table for the relevant amounts of the respective transactions. The foreign exchange forward contract balances vary with the level of expected foreign currency sales and purchases and changes in foreign exchange forward rates. Given the Danish Krone has a fluctuation limit towards EUR of a maximum +/- 2.25% through the European Exchange Rate Mechanism, the group has entered into foreign exchange forward contracts predominantly with EUR as the other leg of the currency pair.

There is no proxy hedging for the currency risk hedging, and therefore the economic relationship between the hedged exposure and the hedge is high. Effectiveness is assessed using the critical terms match approach according to IFRS 9. The source of ineffectiveness is the credit risk of the hedging instruments. For hedges where the cost of hedging is applied, the change in basis spread is recognised in other comprehensive income and is a time effect during the life of the forward contract. At maturity, this amounts to zero.

The net amount of the foreign exchange contracts is presented within either 'Other current assets' or 'Other current liabilities', depending on whether the carrying amount is positive or negative.

The group is holding the following foreign exchange forward contracts:

	Fair value, asset	Fair value, liability	Notional amount	Maturity Less than 1 month	Maturity 1 to 3 months	Maturity 3 to 6 months	Maturity 6 to 9 months	Maturity 9 to 12 months	Total
As at 31 December 2025									
Foreign exchange forward contracts (highly probable forecast sales or purchases)									
USD			EUR	21	53	79	57	34	244
AUD			EUR	5	9	19	16	9	58
GBP			EUR	13	14	23	23	17	90
CNY			EUR	11	30	46	37	34	158
HUF			EUR	(2,070)	(4,570)	(9,550)	(7,120)	(5,264)	(28,574)
Notional amount (in DKK millions)									
USD	53.0	(2.2)		136	340	499	361	215	1,551
AUD	1.3	(3.7)		19	40	81	68	36	245
GBP	6.3	(1.7)		112	118	198	197	141	767
CNY	5.4	(0.8)		10	27	42	33	31	144
HUF	25.7	(0.3)		(40)	(88)	(185)	(138)	(102)	(553)
Average forward rate (EUR/one currency unit)									
USD				1.013	1.113	1.173	1.186	1.176	1.147
AUD				1.662	1.796	1.805	1.807	1.795	1.791
GBP				0.857	0.863	0.870	0.887	0.893	0.875
CNY				6.385	7.593	8.221	8.308	8.195	7.951
HUF				420.458	418.162	418.882	409.898	399.741	412.982

Note 31

Hedging activities and derivatives (continued)

The group is holding the following foreign exchange forward contracts:

	Fair value, asset	Fair value, liability	Notional amount	Maturity Less than 1 month	Maturity 1 to 3 months	Maturity 3 to 6 months	Maturity 6 to 9 months	Maturity 9 to 12 months	Total
As at 31 December 2024									
Foreign exchange forward contacts (highly probable forecast sales or purchases)									
USD			EUR	29	31	62	66	56	244
AUD			EUR	6	11	15	16	11	59
GBP			EUR	15	13	21	20	13	82
CNY			EUR	44	120	115	92	46	417
HUF			EUR	(1,900)	(3,900)	(6,180)	(5,970)	(4,540)	(22,490)
Notional amount (in DKK millions)									
USD	0.0	(76.0)		211	222	443	472	401	1,749
AUD	4.0	4.0		25	48	66	72	47	258
GBP	0.0	(17.0)		131	119	192	180	118	740
CNY	0.0	(9.0)		43	118	113	90	45	409
HUF	0.0	(11.0)		(34)	(71)	(112)	(108)	(82)	(407)
Average forward rate (EUR/one currency unit)									
USD				1.072	1.106	1.100	1.116	1.088	1.099
AUD				1.668	1.658	1.641	1.667	1.665	1.658
GBP				0.848	0.866	0.864	0.857	0.847	0.857
CNY				7.846	7.805	7.789	7.741	7.698	7.779
HUF				399.233	403.053	401.096	408.208	423.449	407.505

The impact of hedged items on the statement of financial position is as follows:

DKK million	Volume of foreign exchange forward contracts	Cash flow hedge reserve
31 December 2025		
Highly probable expected net cash flows from customers/to vendors	6,630	68
31 December 2024		
Highly probable expected net cash flows from customers/to vendors	6,760	149

The effect of the cash flow hedge in the statement of profit and loss and other comprehensive income is as follows:

DKK million	Total hedging gain/loss recognised in OCI	Ineffectiveness recognised in profit and loss	Line item in the statement of profit and loss
Year ended 31 December 2025			
Highly probable expected net cash flows from customers/to vendors	68	0	Revenue/ production cost
Year ended 31 December 2024			
Highly probable expected net cash flows from customers/to vendors	149	0	Revenue/ production cost

Note 32

Related parties

Note 32.1

Group information

The table below provides information about the group's structure, including details of the subsidiaries and the holding company. Grundfos Holding A/S directly or indirectly owns the entire share capital in all subsidiaries except for Grundfos Saudi Arabia Company Limited, Saudi Arabia, with an ownership percentage of 75%.

Group companies

Argentina, Bombas Grundfos de Argentina S.A.
Austria, Grundfos Water Treatment Austria GmbH
Austria, Grundfos Pumpen Vertrieb G.m.b.H.
Australia, DAB Pumps Oceania Pty. Ltd.
Australia, Grundfos Australia Holding Pty. Ltd.
Australia, Grundfos Pumps Pty. Ltd.
Australia, Metasphere Australia Pty.
Belgium, Grundfos Water Treatment Belgium NV
Belgium, Grundfos Bellux S.A.
Brazil, Bombas Grundfos do Brasil Ltda.
Bulgaria, Grundfos Bulgaria EOOD
Canada, Grundfos Canada Inc.
Canada, Newterra Ltd.
Canada, DAB Pumps Canada Inc.
Chile, Bombas Grundfos Chile SpA
China, DAB Pumps (Qingdao) Co. Ltd.
China, Grundfos Pumps (Changshu) Co. Ltd.
China, Grundfos (China) Holding Co. Ltd.
China, Grundfos Pumps (Chongqing) Co. Ltd.
China, Grundfos Pumps (Hong Kong) Ltd.
China, Grundfos Pumps (Shanghai) Co. Ltd.
China, Grundfos Pumps (Suzhou) Ltd.
China, Grundfos Pumps (Wuxi) Ltd.
Colombia, Grundfos Columbia S.A.S.
Croatia, Grundfos Sales Croatia d.o.o.

Group companies

Czechia, Grundfos Water Treatment Czech Republic s.r.o.
Czechia, Grundfos Sales Czechia and Slovakia s.r.o.
Denmark, Armacoat A/S
Denmark, Eurotank A/S
Denmark, Grundfos A/S
Denmark, Grundfos DK A/S
Denmark, Grundfos Finance A/S
Denmark, Grundfos Operations A/S
Denmark, Grundfos US ApS
Denmark, Grundfos Water Treatment Denmark A/S
Denmark, Sintex A/S
Egypt, Grundfos Holding Egypt LLC
Egypt, Grundfos Egypt LLC
Egypt, Grundfos Service Egypt LLC
Finland, OY Grundfos Environment Finland AB
Finland, OY Grundfos Pumput AB
France, DAB Pumps France
France, Grundfos Water Treatment France S.A.S.
France, Pompes Grundfos Distribution S.A.S.
France, Pompes Grundfos S.A.S.
Germany, Biral GmbH
Germany, DAB Pumps GmbH
Germany, Deutsche Vortex GmbH & Co. KG
Germany, Grundfos Water Treatment Germany GmbH
Germany, Grundfos GmbH
Germany, Grundfos Pumpenfabrik GmbH
Germany, Grundfos Verwaltung GmbH
Germany, Grundfos Dosing & Disinfection GmbH
Ghana, Grundfos Pumps Ghana Ltd.
Greece, Grundfos Hellas Single-Member A.E.B.E.
Hungary, DAB Pumps Hungary Kft.
Hungary, Grundfos Water Treatment Hungary Kft.
Hungary, Grundfos Shared Services Kft.
Hungary, Grundfos Hungary Manufacturing Ltd.
Hungary, Grundfos South East Europe Kft.
India, Grundfos Pumps India Private Ltd.
Indonesia, PT DAB Pumps Indonesia
Indonesia, PT Grundfos Pompa
Indonesia, PT Grundfos Trading Indonesia

Group companies

Ireland, Grundfos (Ireland) Ltd.
Ireland, Mechanical Equipment Company Ireland Ltd
Italy, DAB Pumps S.p.A.
Italy, DWT Holding S.p.A.
Italy, Grundfos Water Treatment Italy S.r.l.
Italy, F.D.T. S.r.l.
Italy Everblue S.r.l.
Italy, Grundfos Pompe Italia S.r.l.
Japan, Grundfos Pumps K.K.
Kazakhstan, Grundfos Kazakhstan LLP
Kenya, Grundfos Kenya Ltd.
Korea, Grundfos Pumps Korea Ltd.
Latvia, GRUNDFOS Pumps Baltic SIA
Malaysia, Grundfos Pumps SDN. BHD
Mexico, Bombas Grundfos de Mexico Manufacturing S.A. de C.V.
Mexico, Bombas Grundfos de Mexico S.A. de C.V.
Mexico, DAB Pumps de Mexico S.A. de C.V.
Netherlands, DAB Pumps B.V.
Netherlands, Grundfos Water Treatment Netherlands B.V.
Netherlands, Solvermedia B.V.
Netherlands, Grundfos Nederland B.V.
New Zealand, Grundfos Pumps NZ Ltd.
Nigeria, Grundfos Water Solutions NGA Limited
Norway, Grundfos Water Treatment Norway AS
Norway, Grundfos Norge AS
Peru, Grundfos de Peru S.A.C.
Philippines, Grundfos IS Support & Operations Centre Philippines Inc.
Philippines, Grundfos Pumps (Philippines) Inc.
Poland, Centrum Badawczo-Wdrozeniowe Unitex Sp.z o.o.
Poland, DAB Pumps Poland Sp.z.o.o.
Poland, Grundfos Water Treatment Poland sp. z.o.o.
Poland, Grundfos Pompy Sp.z.o.o.
Portugal, Bombas Grundfos (Portugal) S.A.
Romania, SC Grundfos Pompe Romania SRL
Saudi Arabia, Grundfos Saudi Arabia Company Limited
Serbia, Grundfos Srbija d.o.o.
Singapore, MECO Water Purification (Asia) Pte
Singapore, Grundfos (Singapore) Pte. Ltd.
Slovakia, Grundfos Water Treatment Slovakia spol. s r. o.

Group companies

Slovenia, Grundfos Ljubljana d.o.o.
South Africa, DAB Pumps South Africa (Pty) Ltd.
South Africa, Grundfos Holding South Africa (Pty) Ltd
South Africa, Grundfos (Pty) Ltd.
Spain, Bombas Grundfos España S.A.
Spain, DAB Pumps Iberica S.L.
Sweden, Grundfos Water Treatment Sweden AB
Sweden, Grundfos AB
Switzerland, Biral AG
Switzerland, Grundfos Water Treatment Switzerland AG
Switzerland, Grundfos Handels AG
Switzerland, Grundfos Pumpen AG
Taiwan, Grundfos Pumps (Taiwan) Ltd.
Thailand, Grundfos (Thailand) Ltd.
Türkiye, Grundfos Pompa Sanayi ve Ticaret Ltd.Sti.
Ukraine, Grundfos Water Treatment Ukraine LLC
Ukraine, LLC Grundfos Ukraine
United Arab Emirates, Grundfos Gulf Distribution FZE
United Arab Emirates, Grundfos Trading L.L.C.
United Kingdom, DAB Pumps Ltd.
United Kingdom, Grundfos Manufacturing Ltd.
United Kingdom, Grundfos Pumps Ltd.
United Kingdom, Grundfos Water Treatment UK Ltd.
United Kingdom, Grundfos Watermill Ltd.
United Kingdom, Metasphere Limited
USA, Grundfos CBS Inc.
USA, Grundfos Americas Corporation
USA, Grundfos Pumps Corporation
USA, Grundfos Pumps Manufacturing Corporation
USA, Grundfos US Holding Corporation
USA, Mechanical Equipment Company Inc.
USA, Newterra Corporation Inc.
USA, Sterling Fluid Systems (USA) LLC (DBA Peerless Pump Company)
USA, DAB Pumps Inc.
USA, SFS (USA) Holding Inc.
USA, Grundfos Water Utility Inc.
USA, Water Works Inc.
Vietnam, Grundfos Vietnam Company Ltd.

Note 32.1**Group information** (continued)

Grundfos Holding A/S, based in Bjerringbro, Denmark, is the parent company of the Grundfos Holding A/S group.

Ownership

PDJF A/S, which is owned 100% by Poul Due Jensens Fond, owns 88.0% of the share capital in Grundfos Holding A/S, while the founder's family owns 8.4% and the employees own 3.6%.

Associates

Megat Projekt Sp. z o.o., Poland – 50% ownership.

There are restrictions on access to liquidity among the group's companies but the amounts on which the restrictions occur are immaterial.

The German subsidiary Deutsche Vortex GmbH & Co. KG, Ludwigsburg, uses the exemption in the § 264b HGB to prepare, audit and publish individual annual accounts.

Note 32.2**Transactions with related parties****Board of Directors and group executive team**

In the financial year, no transactions took place with the Board of Directors and group executive team other than the transactions as a result of conditions of employment.

For compensation of Group Management, please refer to note 5.

Poul Due Jensens Fond and PDJF A/S

In the financial year, a limited number of transactions have taken place with Poul Due Jensens Fond and PDJF A/S. The transactions comprise service transactions. The total payment to the Grundfos group from Poul Due Jensen Fond does not exceed DKK 5m (2024: DKK 6m) and the total payment to the Grundfos group from PDJF A/S does not exceed DKK 62m (2024: DKK 0m). In the financial year, PDJF A/S sold shares in Grundfos Holding A/S at a value of DKK 395m to Grundfos Holding A/S (2024: DKK 378m). In 2025, the group entered into a ten-year lease agreement with PDJF A/S for the new global Grundfos headquarters in Bjerringbro. The lease contract has not yet commenced (see note 28).

Other related parties

In the financial year, a limited number of transactions have taken place with certain shareholder members of the Due Jensen Family. The transactions comprise service transactions. The total transactions with the Grundfos group do not exceed DKK 1m (2024: DKK 1m).

Note 33**Events after the balance sheet date**

Subsequent to 31 December 2025, there have been no further events with any significant effect on the financial statements beyond what has been recognised and disclosed in the annual report.

The Board of Directors of Grundfos Holding A/S has approved the issuance of these consolidated financial statements on 2 February 2026.

The annual general assembly is expected to finally approve the consolidated financial statements on 27 February 2026.

Note 34**Information regarding the group****Note 34.1****Corporate information**

The consolidated financial statements comprise the parent company Grundfos Holding A/S and its subsidiaries (the group) for the year ended 31 December 2025. The group's main operations consist of the manufacture and sale of pump solutions.

The parent company is a limited liability company incorporated and domiciled in Denmark. The company's registered office address is Grundfos Holding A/S, Poul Due Jensens Vej 7, DK-8850 Bjerringbro.

Note 35**Summary of material accounting policies****Note 35.1****Basis of preparation**

The annual report for the year ended 31 December 2025 has been prepared in accordance with IFRS Accounting Standards® as adopted by the European Union (EU), and additional disclosure requirements in the Danish Financial Statements Act applicable to reporting class C (Large) entities.

The Grundfos group has adopted all new, amended or revised IFRS Accounting Standards® and interpretations as endorsed by the EU effective as of 1 January 2025.

The consolidated financial statements have been prepared on a historical cost basis, except for derivative financial instruments, earn-outs and debt or securities and equity financial assets that have been measured at fair value.

The annual report is presented in Danish Kroner (DKK), the functional currency of the parent company, and all amounts are stated in millions, except when otherwise indicated.

Note 35.2**Basis of consolidation**

The consolidated financial statements comprise the parent company, Grundfos Holding A/S, and subsidiaries over which Grundfos Holding A/S exercises control.

Entities acquired or formed during the year are recognised in the consolidated financial statements from the date of acquisition or formation. Entities disposed of are recognised in the consolidated statement of profit and loss until the date of disposal.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent company and to non-controlling interests even if this means that the non-controlling interests have a negative balance. When necessary, the financial statements of subsidiaries are adjusted to align their accounting policies with those of the group. All intra-group assets and liabilities, equity, income, expenses and cash flows arising from transactions between group entities are fully eliminated on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

Note 35.3**New and amended standards and interpretations**

The following accounting standards/amendments is effective as of 1 January 2025.

- Amendments to IAS 21: Lack of exchangeability

The above amendments does not have material impact on our financial statements.

Note 35.4**Standards issued but not yet effective**

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the group's financial statements are disclosed below. The group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

The following accounting standards/amendments are effective in future periods:

- IFRS 18 – Presentation and Disclosure in Financial Statements – Replacement of IAS 1 Presentation of Financial Statements (effective 1 January 2027)
- IFRS 19 – Subsidiaries without Public Accountability: Disclosures (effective 1 January 2027)
- Amendments to IFRS 9 and IFRS 7 – Classification and Measurement (effective 1 January 2026)
- Amendments to IFRS 9 and IFRS 7 – Nature-dependent Electricity Contracts (effective 1 January 2026)
- IAS 21 – Reporting in Hyperinflationary Economies (effective 1 January 2027)
- IFRS 10 and IAS 28 – Sale or Contribution of Assets (effective date deferred indefinitely)

Impact on the group

The group has performed assessments and evaluations of the potential impact of these new and amended standards. Based on these assessments, the group does not expect any of the changes to have a material effect on its consolidated financial statements or disclosures.

Note 35.4**Standards issued but not yet effective** (continued)

In particular, IFRS 18 introduces a new framework for presentation and disclosure in financial statements, replacing IAS 1. While this will require updates to the structure and presentation of the group's financial statements, it does not change recognition or measurement principles. The group has allocated resources to ensure compliance with the new disclosure requirements and will implement necessary changes to presentation formats before the effective date.

The adoption of these standards, including IFRS 18, is not expected to have a material impact on our financial statements.

Note 35.5**Critical accounting estimates and judgements**

In preparing the consolidated financial statement, management has made judgements, estimates and assumptions that affect how the group's accounting policies are applied and the amount of assets, liabilities, income and expenses reported.

Note 35.5.1**Judgements**

The following provides information about judgements made in applying those accounting policies that most significantly impact the amounts recognised in the consolidated and separate financial statements:

Special items

The use of special items entails management judgement in the separation from ordinary items. Management carefully assesses individual classifications for a fair distinction between operating activities and significant income and expenses of a special nature. The exit decision from Russia and Belarus led to one-off expenses, which management deems a special item.

Exit-related expenses relate to impairment of assets and cost related to severance and other legal commitments arising from the Share Purchase Agreement with the buyer.

Management has assessed the various scenarios and likelihood in their judgement and estimation of the provision.

Note 35.5.2**Assumptions and estimation uncertainties**

Management makes accounting estimates and assumptions on which the recognition and measurement of the group's revenues, expenses, assets and liabilities, and the accompanying disclosures, are based.

The following provides information about assumptions and estimation uncertainties, which could result in outcomes that require a material adjustment to the carrying amounts of assets or liabilities affected in future periods.

Tax (note 9)

Interpretation of local tax regulations, including transfer pricing, creates uncertainty regarding timing and measurement. Tax assets and liabilities are recognised based on the most likely future impact, considering expected taxable income.

The group also applies IFRIC 23 for uncertain tax positions, mainly related to transfer pricing. Estimates involve judgement on audit outcomes, arm's length pricing and dispute resolution. Provisions are reviewed annually and adjusted for new information. Additional exposures beyond recognised amounts are disclosed in note 28.

Impairment test of goodwill (note 10)

The key assumptions supporting recoverable amounts mainly comprise discount rate (WACC) and expectations regarding future production and unit prices. Please refer to note 10 for more details related to the impairment test.

Depreciation on tangible non-current assets (note 11)

The expected lifetime for tangible assets is determined based on experience and expectations for future use of the assets. Estimated lifetime is linked to uncertainty due to varying utilisation.

Inventories (note 14)

Valuation of inventories includes estimates related to allocation of indirect cost and estimates on the net realisable value at which inventories are expected to be sold. Estimates in these areas are based on judgements such as determination of obsolete items and expected future revenue.

Trade receivables (note 15)

The valuation of trade receivables includes estimates on the expected credit loss. These estimates are based on statistics over the historic risk of credit losses, and judgements over future risk of losses. By nature, this methodology is associated with uncertainty.



Note 35.5.2**Assumptions and estimation uncertainties** (continued)**Pension obligations, defined benefit plans (note 18)**

Pension obligations under defined benefit plans are based on assumptions in the actual individual agreements (such as a fixed amount or a percentage of the employee's salary) and generic assumptions (interest, inflation, mortality etc.), which are associated with a degree of uncertainty. External actuarial support is used on significant plans.

The calculated pension obligation is measured at discounted present value.

Provisions (note 19)

Provision for warranty is determined on historic experience on the level and size of claims under the warranty provided. The provision is adjusted annually. Management continually assesses provisions, including contingencies and the likely outcome of pending and potential legal proceedings. The outcome of such proceedings depends on future events, which are, by nature, uncertain. When considering provisions involving significant estimates, opinions and estimates by external legal experts and existing case law are applied in assessing the probable outcome of material legal proceedings. Estimated cost of restructuring reflects the total estimated cost of decided or foreseen significant restructuring measures.

Note 36**Grundfos Holding A/S group
general accounting policies****Note 36.1****Revenue****Pump solutions**

Pump solutions relate to sale of finished goods of which revenue is recognised in the statement of profit and loss when control of the products has been transferred to the customer (the performance obligation is satisfied at a point in time). Control is transferred when the products are delivered, which occurs when the group has objective evidence that all criteria for transfer of risk have been satisfied. Sales are only recognised to the extent that it is highly probable that a significant reversal will not occur. Products are often sold with retrospective volume discounts. Revenue is measured at the fair value of the consideration agreed, excluding VAT, duties, and discounts in relation to the sale contract. Accumulated experience is used to estimate variable considerations (expected value method). The validity of

Note 36.1**Revenue** (continued)

assumptions and estimates are reassessed at each reporting date. Because of historical accurate estimates, it is highly probable that a significant reversal in the cumulative revenue recognised will not occur.

Service sales

Service income is recognised in the statement of profit and loss as the services are rendered. Accordingly, the recognised sale corresponds to the sales value of the work performed during the year. This is determined based on the actual cost incurred relative to the total expected cost. The sale of services is recognised in the statement of profit and loss when the aggregated income and expenses of the service contract can be reliably measured, and it is probable that the group will receive the financial benefits, including payments.

Project sales

In addition to the standard pump sales, Grundfos develops and delivers highly customised pump solutions. The performance obligation is satisfied over time and payment is generally due upon completion of installation and acceptance by the customer. In some contracts, short-term advances are required before the installation service is provided.

A loss is recognised if the sum of the expected cost for services under the contract exceeds the transaction price.

The group's standard payment terms are 30-60 days. However, there may be country-specific deviations from the standard payment terms. The group does not expect to have any contracts where the period between the transfer of the promised products or services to the customer and payment by the customer exceeds one year. Therefore, the group does not adjust any of the transaction prices for the time value of money. A receivable is recognised when the products are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

The group's obligation to repair or replace faulty products under the standard warranty terms is recognised as a provision.

Note 36.2**Production cost**

Production cost comprises cost incurred in generating the revenue for the year.

This includes direct and indirect cost such as staff cost, depreciation, amortisation and provisions for obsolete inventory.

Note 36.3**Research and development cost**

Research and development cost is cost that relates to the company's R&D activities, including staff cost, amortisation and depreciation. Research cost is recognised in the profit and loss account in the year it is incurred.

Development cost incurred for the maintenance and optimisation of existing products or production processes is recognised in the profit and loss account. Cost for the development of new products is recognised in the profit and loss account, unless the criteria for recognition in the consolidated statement of financial position are met for the individual development project.

Note 36.4**Staff cost**

Staff cost includes the group's total cost of wages, salaries, pensions and other social insurance cost. Staff cost also includes cost in accordance with the group's employee share programme.

Staff cost including cost related to the employee share programme is distributed across functions in accordance with the functions primarily executed by the relevant employees.

Note 36.5**Special items and earnings before interest and tax (EBIT) before special items**

Special items include significant and rarely occurring items that are the result of external events over which Grundfos has no influence and are not attributable to Grundfos' normal operations.

This includes – but is not limited to – unforeseeable events that would be considered as force majeure, such as natural disasters and political actions that significantly impact Grundfos' operations.

Consequently, operating profit (EBIT) before special items is defined as operating profit (EBIT) excluding the above-mentioned special items.

Note 36.6**Finance income and expenses**

Finance income and expenses comprise interest received and interest paid, realised and unrealised gains/losses on securities, receivables, debt and transactions denominated in foreign currencies.

Further, the interest element of leasing payments is included.

Note 36.7**Goodwill**

Goodwill is recognised at initial recognition in the statement of financial position at cost and allocated to cash-generating units as described under note 10 'Intangible assets'.

Subsequently, goodwill is measured at cost less accumulated impairment losses. Goodwill is not amortised.

Note 36.8**Other intangible assets**

Other intangible assets are measured at cost less accumulated amortisation and write-downs. Amortisation on other intangible assets is made according to the straight-line method over the anticipated economic life of the asset.

Estimated useful lives and residual values are reassessed annually. The estimated useful lives are:

Know-how	3-10 years
Customer relations	3-10 years
Other intangible assets	3-10 years

Note 36.9**Development projects**

Development projects that are clearly defined and identifiable, where the technical feasibility, sufficient resources and a potential future market or utilisation opportunity within the group are demonstrated, and where the group intends to produce, market or use the project, are recognised as intangible assets, provided that the cost can be measured reliably and that there is sufficient assurance that future earnings or the net selling price can cover cost of sales, selling and distribution costs and administrative expenses and development cost.

Other development cost is recognised in the consolidated statement of profit and loss when incurred. Recognised development projects are measured at cost less accumulated amortisation and impairment. Cost includes direct and indirect expenses, including wages.

Completed development projects are generally amortised on a straight-line basis over five years. Development projects in progress are not amortised, but annually tested for impairment.

Note 36.10**Property, plant and equipment**

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses. Cost comprises the purchase price and any cost directly attributable to the acquisition until the date on which the assets are available for use.

Depreciation is provided on a straight-line basis over the expected useful lives of the assets.

The expected useful lives are as follows:

Buildings	20-40 years
Technical installations and machinery	3-10 years
Other technical installations	3-10 years
Land	Not depreciated

The remaining useful life is reassessed annually and adjusted as necessary. The residual value of an asset is considered when the depreciable amount of the asset is determined.

The basis of depreciation is calculated considering the asset's residual value less any impairment losses. The residual value is determined at the date of acquisition and reassessed annually.

When the residual value exceeds the carrying amount of the assets, depreciation is discontinued. If the depreciation period or the residual value is changed, the changes are accounted for as accounting estimates, and the effect on depreciation is recognised prospectively.

Gains/losses on the disposal of property, plant and equipment are stated as the difference between the selling price and the carrying amount at the date of disposal.

Gains/losses are recognised in the consolidated statement of profit and loss as other operating income or operating cost in the period of disposal.



Note 36.11**Right-of-use assets and lease liability**

For identified leases, a right-of-use asset and a corresponding lease liability are recognised on the lease commencement date. Upon initial recognition, the right-of-use asset is measured at cost corresponding to the lease liability recognised, adjusted for any lease prepayments or directly related cost, including dismantling and restoration cost.

Right-of-use assets are depreciated by the straight-line method over the lease term or the useful life of the leased asset, whichever is shortest.

The lease liability is measured at the present value of lease payments of the lease term discounted using the interest rate implicit in the lease contract. In cases where the implicit interest rate cannot be determined, an appropriate incremental Grundfos borrowing rate is applied corresponding to the borrowing rate used in the country specific project.

Lease extensions are applied where they are available and when it is foreseeable and reasonably certain they will be exercised.

Right-of-use assets and lease liabilities are not recognised for low value lease assets below DKK 50,000 or leases with a term of 12 months or less. These are recognised as an expense on a straight-line basis over the term of the lease.

Note 36.12**Trade receivables and other receivables**

Receivables are measured at amortised cost less expected credit losses. The estimated value is discounted where relevant.

Contracted work in progress is measured at sales value of the completed part of the contracts as at the date of statement of financial position.

Expected credit loss is based on historic experience including impact from regional and specific circumstances.

An impairment analysis is performed to measure expected credit losses. The provision rates are based on days past due, customer geography, type and rating and coverage by letters of credit or other forms of credit insurance. Generally, trade receivables are written off if past due for more than one year.

The group applies the IFRS 9 simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance for all trade receivables and contract assets.

Note 36.13**Inventories**

Inventories are measured at the lower of cost in accordance with the FIFO method and the net realisable value. The cost of goods for resale and raw materials and consumables comprises purchase price plus delivery cost.

The cost of finished goods and work in progress comprises the cost of raw materials, consumables, direct wages and indirect costs such as material and labour, maintenance of and depreciation on production machinery, buildings and equipment and cost relating to production administration and management.

The net realisable value of inventories is determined as the selling price less cost of completion and cost incurred to make the sale, taking into account marketability, obsolescence and developments in the expected selling price.

Note 36.14**Provisions**

Provisions are recognised when, as a result of past events, the group has a legal or a constructive obligation, and it is probable that there may be outflow of resources embodying economic benefits to settle the obligation.

Provisions are measured at the expected future cash flows and – where material – discounted, using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Management continually assesses provisions, including contingencies and the likely outcome of pending and potential legal proceedings.

Note 36.15**Pension and similar obligations**

The group has established defined-benefit plans with certain employees at some of the group's foreign companies. The plans place the group under an obligation to pay a certain benefit in connection with retirement (e.g. in the form of a fixed amount at retirement or a proportion of the employee's exit salary). The pension obligations are determined by discounting the pension obligations at the present value.

The present value is determined based on assumptions about the future development in economic variables such as interest rates, inflation, mortality and disability probabilities, which are subject to some degree of uncertainty. External actuaries are used for the measurement of all significant defined-benefit plans. The assumptions used are disclosed in note 18 'Pension and similar obligations'.

Note 36.16**Tax****Income tax**

Tax expense for the year includes current and deferred tax. Tax is recognised in the consolidated statement of profit and loss, except when the tax relates to items recognised in other comprehensive income or directly in equity, in which case the tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax

Current tax assets and tax liabilities arising from current or prior periods are recognised at the amounts expected to be received from or paid to the relevant tax authority.

Tax for the period is recognised in the consolidated statement of profit and loss.

The tax rates applied are those in force at the date of the statement of financial position.

Deferred tax

Deferred tax is measured using all temporary differences between the carrying amount and the tax value of assets and liabilities.

Deferred tax assets, including the tax value of tax loss carry forwards, are recognised to the extent that future taxable income is likely to be available against which the differences can be used – either as a set-off against tax on future income or as a set-off against deferred tax liabilities.

Deferred tax assets are assessed on an ongoing basis and are recognised only to the extent that future taxable profits are likely to allow the recovery of the deferred tax asset.

Deferred tax assets and deferred tax liabilities are measured using the tax rates expected to apply in the year when the asset is realised, or the liability is settled.

Deferred tax assets and deferred tax liabilities are set-off if a legal right to do so exists, and the deferred tax is attributable to the same legal tax entity.

The temporary exception from the requirement to account for deferred taxes arising from the implementation of the Global Minimum Tax has been applied.

Uncertain tax positions

Uncertain tax positions are recognised if it is probable that the uncertain tax position will affect the group's future tax payments. Uncertain tax positions are measured at the expected future value to be settled.

Note 36.17 Share-based payments

Employees (including senior executives) of the group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity settled transactions).

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised in employee benefits expense, together with a corresponding increase in equity (retained earnings), over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit and loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

Note 36.18 Financial instruments

Financial assets and financial liabilities

Financial assets and liabilities are measured at fair value through the consolidated statement of profit and loss or at fair value through other comprehensive income (hedging instruments). Financial instrument transactions are accounted for on settlement date.

Derivatives and hedge accounting

Derivative financial instruments are measured at fair value.

An economic relationship between the hedged item and the hedging instrument exists when it is expected that the values of the hedged item and hedging instrument will typically move in opposite directions in response to movements in the same risk (hedged risk). Effectiveness is monitored by comparing the change in the value of the future cash flow hedged to the change in the value of the derivative.

Changes in the fair value of derivative financial instruments designated as a hedge of a recognised asset or liability are recognised in other comprehensive income.

Changes in the fair value of derivative financial instruments that are not designated as a hedge or do not meet the criteria for hedge accounting are recognised as finance income or finance cost in the consolidated statement of profit and loss.

Other financial assets and liabilities

Receivables and other financial assets are measured at amortised cost and written down for expected credit loss on bad debt.

Payables are measured at amortised cost.

Note 36.19 Fair value measurements

The group uses fair value for certain disclosures and measurement of financial instruments and other investments. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the assumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market for the asset or liability. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, presuming that they are acting in their economic best interest.

The group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, thus maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed are categorised within the fair value hierarchy, described as follows, on the basis of the lowest level input that is significant to the fair value measurement as a whole.

- Level 1:** Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2:** Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3:** Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The fair value of interest rate swaps is determined by discounting estimated future cash flows. Discounting takes place on the basis of yield curves based in turn on market rates prevailing at the closing date. Fair value of the issued bonds is equal to the listed bond price at the balance sheet date.

The fair value of electricity swaps is determined by discounting estimated future cash flows. Discounting takes place on the basis of estimated price curves and estimated volumes of electricity produced.



Note 36.20 Business combinations

Enterprises acquired during the year are recognised in the consolidated financial statements from the date of acquisition. The acquisition date is the date when the parent company effectively obtains control of the acquired enterprise. Enterprises disposed of are recognised in the consolidated statement of profit and loss until the disposal date.

For acquisitions of new enterprises in which the parent company is able to exercise control over the acquired enterprise, the purchase method is used. The acquired enterprise's identifiable assets, liabilities and contingent liabilities are measured at fair value at the acquisition date. Identifiable intangible assets are recognised if they are separable or arise from a contractual right. Deferred tax on revaluations is recognised.

Goodwill is initially measured at cost, being the excess of the consideration transferred, over the group net identifiable assets acquired, and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognised in the consolidated statement of profit and loss as a gain from a bargain purchase. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the group cash-generating units that are expected to benefit from the combination. Goodwill is tested for impairment at year-end or more frequently when impairment indicators are identified.

The cost of a business combination comprises the fair value of the consideration agreed upon. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the amount of that adjustment is included in the cost of the combination if the adjustment is probable and can be measured in a reliable manner. Subsequent changes to contingent considerations are recognised in the consolidated statement of profit and loss. If uncertainties regarding the measurement of identifiable assets, liabilities and contingent liabilities exist at the acquisition date, initial recognition will take place on the basis of preliminary fair values. If identifiable assets, liabilities and contingent liabilities are subsequently determined to have significantly different fair value at the acquisition date than first assumed, goodwill is adjusted up to twelve months after the acquisition. The effect of the adjustments is recognised in the opening balance of equity and the comparative figures are restated accordingly.

Note 36.21 Government grants

Grants for R&D purposes are recognised as income in the consolidated profit and loss account under R&D cost, thus offsetting the cost they compensate.

Grants for the purchase of assets and development projects that are capitalised are offset in the cost of the assets to which the grants are given.

Note 36.22 Foreign currency translation

For each of the reporting entities in the group, a functional currency is determined. The functional currency of the parent company is DKK. The functional currency is the currency used in the primary financial environment in which the reporting entity operates. Transactions denominated in other currencies than the functional currency are foreign currency transactions. On initial recognition, foreign currency transactions are translated into the functional currency using the exchange rates at the transaction date. Foreign exchange differences arising between the exchange rates at the transaction date and the date of payment are recognised in the consolidated statement of profit and loss as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated into the functional currency using the exchange rates at the reporting date. The difference between the exchange rates at the date of statement of financial position and at the date at which the receivable or payable arose or the exchange rates in the latest annual report is recognised in the consolidated statement of profit and loss.

The consolidated statement of profit and loss and statement of comprehensive income of entities with a functional currency other than Danish kroner are translated at the exchange rates at the transaction date. Balance sheet items are translated at the exchange rates at the date of statement of financial position. An average exchange rate for each month is used as the exchange rate at the transaction date to the extent that this does not significantly distort the presentation of the underlying transactions.

Foreign currency translation adjustments that are considered part of the total net investment in entities with another functional currency than DKK are recognised in the consolidated financial statements in other comprehensive income under a separate reserve for foreign currency translation adjustments under equity.

Note 36.23 Cash flow statement

The cash flow statement shows the cash flows from operating, investing and financing activities for the year, the year's changes in cash and cash equivalents as well as cash and cash equivalents at the beginning and end of the year.

The cash flow effect of acquisitions and disposals of entities is shown separately in cash flows from investing activities. Cash flows from acquired entities are recognised in the cash flow statement from the acquisition date. Cash flows from disposals of entities are recognised up until the date of disposal.

Cash flows from operating activities are calculated in accordance with the indirect method based on profit/loss after tax adjusted for non-cash operating items, changes in working capital, interest received and paid, including the interest element related to recognised lease commitments, dividends received and corporation tax paid.

Cash flows from investing activities comprise payments in connection with acquisitions and disposals of entities and activities, of intangible assets, property, plant and equipment and other non-current assets as well as securities that are not presented as cash and cash equivalents.

Cash flows from financing activities comprise changes in the size or composition of the share capital and related expenses as well as borrowings, repayment of interest-bearing debt, repayment of lease commitments, purchase and sale of treasury shares and distribution of dividends to shareholders.

Cash and cash equivalents comprise cash at bank and in hand. Cash flow in currencies other than the functional currency are translated using average exchange rates unless this deviates significantly from the rate at the transaction date.

Note 36.24 Contingent liabilities and assets

Contingent liabilities comprise obligations that are not recognised because the outflow of resources embodying economic benefits will probably not be required to settle the obligation, or because the amount of the obligation cannot be measured with sufficient reliability.





Management's review



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North America

We welcome Newterra to the Grundfos family

In 2025, Grundfos acquired Newterra, a leader in modular and scalable water and wastewater treatment technology. This acquisition boosted our water treatment platform significantly and enhanced our offerings within energy and water-efficient solutions.

“ We’re excited to join Grundfos. Our shared vision for sustainable solutions aligns perfectly, and together we can achieve even more for our customers and the world. ”

- Kevin Cassidy, CEO of Newterra

[Read more](#)

Statement of profit and loss

1 January - 31 December 2025

DKK million	Note	2025	2024
Revenue	1	5,524	5,578
Production cost		(212)	(204)
Gross profit		5,312	5,374
Research and development cost	2	(1,832)	(1,427)
Selling and distribution cost	3	(971)	(989)
Administrative cost	4	(2,257)	(1,956)
Earnings before interest and tax (EBIT)		252	1,002
Income from investments in affiliated companies		2,458	2,410
Finance income	5	444	682
Finance expenses	5	(199)	(320)
Profit before tax		2,955	3,774
Income tax expenses	6	(109)	(347)
Profit for the year		2,846	3,427

Statement of other comprehensive income

1 January - 31 December 2025

DKK million	Note	2025	2024
Profit for the year		2,846	3,427
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		(225)	149
Other adjustments		(147)	(456)
Tax on other comprehensive income		50	(33)
Net other comprehensive loss that may be reclassified to profit or loss in subsequent periods		(322)	(340)
Total comprehensive income for the year, net of tax		2,524	3,087

Statement of financial position

As at 31 December 2025

Assets (DKK million)	Note	2025	2024
Non-current assets			
Intangible assets			
Completed development projects		167	111
Other intangible assets		352	125
Development projects in progress		163	237
Other intangible assets in progress		196	277
Total intangible assets	7	878	750
Property, plant and equipment			
Technical installations and machinery	8	95	104
Other technical installations	8	146	152
Property, plant and equipment in progress	8	140	164
Right of use assets	9	316	110
Total property, plant and equipment		697	530
Financial assets			
Investments in affiliated companies	10	18,545	17,147
Accounts receivable from affiliated companies	11	3,169	2,752
Other accounts receivable		25	30
Total financial assets		21,739	19,929
Total non-current assets		23,314	21,209
Current assets			
Inventory		1	3
Accounts receivable from affiliated companies	11	3,211	2,387
Corporation tax receivable		197	0
Prepayments and other accounts receivable	12	208	256
Securities	13	3,875	4,705
Cash and cash equivalents	14	856	2,303
Total current assets		8,348	9,654
Total assets		31,662	30,863

Equity and liabilities (DKK million)	Note	2025	2024
Equity			
Share capital	15	381	381
Reserve development projects		280	191
Reserve for net revaluation under the equity method		5,772	4,898
Retained earnings		17,459	17,319
Proposed dividend		1,400	1,700
Total equity		25,292	24,489
Non-current liabilities			
Provisions	16	32	36
Deferred tax liabilities	6	161	181
Lease liabilities	9	224	99
Total non-current liabilities		417	316
Current liabilities			
Trade and other payables	18	310	283
Accounts payable to affiliated companies	11	5,135	5,262
Interest-bearing debt	17	7	31
Lease liabilities	9	93	12
Income tax payable	6	0	79
Other liabilities	19	408	391
Total current liabilities		5,953	6,058
Total liabilities		6,370	6,374
Total liabilities and equity		31,662	30,863

Statement of cash flows

1 January - 31 December 2025

DKK million	Note	2025	2024
Operating activities:			
Profit after tax		2,846	3,427
Depreciation and impairment of property, plant and equipment and right-of-use assets	7, 8, 9	373	339
Finance income	5	(444)	(682)
Finance expenses	5	199	320
Income from investments in affiliated companies	10	(2,458)	(2,410)
Provisions		(4)	7
Tax for the year	6	109	347
Changes in net working capital		446	496
Dividends received	10	1,422	1,256
Cash flow from operations before financial items and tax		2,489	3,100
Taxes paid		(405)	(63)
Interest paid and realised currency losses		(199)	(320)
Interest received and realised currency gains		444	682
Other adjustments		130	358
Cash flow from operating activities		2,459	3,757

DKK million	Note	2025	2024
Investing activities:			
Purchase of intangible assets	7	(285)	(323)
Purchase of property, plant and equipment	8, 9	(384)	(163)
Capital injections to subsidiaries		(524)	(1,612)
Repayment of loans from affiliated companies		(1,382)	(276)
Purchase of securities	13	(2,800)	(3,395)
Sale of securities	13	3,461	1,938
Cash flow from investing activities		(1,914)	(3,829)
Net cash flow from operating and investing activities		545	(72)
Financing activities:			
Payment of principal portion of lease liabilities	9	(101)	(98)
Proceeds from borrowings affiliated companies		(91)	(96)
Repayment of borrowings		(24)	(27)
Purchase of own shares		(76)	(80)
Dividend paid		(1,700)	(1,700)
Cash flow from financing activities		(1,992)	(2,001)
Net increase/decrease in cash and cash equivalents		(1,447)	(2,073)
Cash and cash equivalents as at 1 January		2,303	4,376
Cash and cash equivalents as at 31 December		856	2,303

Statement of changes in equity

1 January - 31 December 2025

DKK million	Share capital	Reserve development projects	Reserve equity method	Retained earnings	Proposed dividend	Equity attributable to shareholders of Grundfos Holding A/S
Balance at 1 January 2024	381	191	4,036	16,819	1,700	23,127
Profit for the year, attributable to shareholders	0	23	1,154	550	1,700	3,427
Other comprehensive income/loss	0	0	(292)	(164)	0	(456)
Exchange rate adjustments, affiliated companies, etc.	0	0	0	149	0	149
Tax on other comprehensive income	0	0	0	(33)	0	(33)
Total other comprehensive income/loss	0	23	862	502	1,700	3,087
Transactions with owners:						
Dividend paid	0	0	0	0	(1,700)	(1,700)
Purchase of treasury shares	0	0	0	(378)	0	(378)
Sale of own shares	0	0	0	250	0	250
Share-based compensation	0	0	0	103	0	103
Total transactions with shareholders	0	0	0	(25)	(1,700)	(1,725)
Balance at 31 december 2024	381	214	4,898	17,296	1,700	24,489
Profit for the year, attributable to shareholders	0	66	1,036	344	1,400	2,846
Other comprehensive income/loss	0	0	0	(147)	0	(147)
Exchange rate adjustments, affiliated companies, etc.	0	0	(162)	(63)	0	(225)
Tax on other comprehensive income	0	0	0	50	0	50
Total other comprehensive income/loss	0	66	874	184	1,400	2,524
Transactions with owners:						
Dividend paid	0	0	0	0	(1,700)	(1,700)
Purchase of treasury shares	0	0	0	(395)	0	(395)
Sale of own shares	0	0	0	274	0	274
Share-based compensation	0	0	0	100	0	100
Total transactions with shareholders	0	0	0	(21)	(1,700)	(1,721)
Balance at 31 december 2025	381	280	5,772	17,459	1,400	25,292

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Note 1

Revenue

DKK million	2025	2024
Intercompany services	5,524	5,578
Total	5,524	5,578

Sale of services consists of fees for royalties, IT services and other intra-group services.

Note 2

Research and development cost

DKK million	2025	2024
Staff cost	870	812
Consultancy	269	235
Depreciation and amortisation	101	54
Other research and development cost	592	326
Total	1,832	1,427

Note 3

Selling and distribution cost

DKK million	2025	2024
Staff cost	193	187
Sales promotion	146	145
Consultancy	48	80
Depreciation and amortisation	9	8
Other selling and distribution cost	575	569
Total	971	989

Note 4

Administration cost

DKK million	2025	2024
Staff cost	700	653
Consultancy	266	205
Depreciation and amortisation	27	67
Other administration	1,264	1,031
Total	2,257	1,956

Note 5

Finance income and expenses

DKK million	2025	2024
Interest income from bonds	94	92
Value adjustment etc. from bonds	1	41
Value adjustment etc. from shares	66	85
Hedging forward contracts	(49)	20
Financial income, affiliated companies	244	297
Other financial income	83	140
Exchange rate adjustments, other	5	7
Total	444	682
Interest on lease liabilities	1	1
Financial expenses, affiliated companies	176	289
Loss electricity swap	21	29
Other finance expenses	1	1
Total	199	320

Note 6

Tax

Note 6.1

Income taxes in statement of profit and loss and reconciliation

DKK million	2025	2024
Income tax for the year is specified as follows:		
Income tax for the year	109	347
Tax on other comprehensive income	(50)	33
Total	59	380

Income tax for the year is calculated as follows:

Current income tax	130	251
Deferred income taxes	(30)	71
Withholding taxes paid abroad	16	19
Adjustment regarding previous years	(17)	6
Total income taxes	109	347

Effective tax rate can be calculated as follows:

Danish tax rates	22%	22%
Non-taxable income and non-deductible expenses	(18%)	(14%)
Withholding taxes abroad	1%	1%
Adjustment previous years	(1%)	0%
Other adjustments	0%	0%
Effective tax rate	4%	9%
Income tax receivables	197	0
Income tax payable	0	(79)
Total income tax	197	(79)

Note 6.2

Deferred taxes

DKK million	2025	2024
Changes in deferred tax		
Net deferred tax liability 1 January	181	110
Deferred tax recognised in profit and loss account	(20)	71
Net deferred tax liability	161	181
Breakdown of deferred tax		
Fixed assets	159	177
Current assets	29	32
Provisions	(28)	(26)
Liabilities	1	(2)
Net deferred tax liability	161	181
Reflected in the statement of financial position as follows:		
Deferred tax liabilities	(161)	(181)
Net deferred tax liability	(161)	(181)

Note 7

Intangible assets

DKK million	Other intangible fixed assets	Other intangible fixed assets in progress	Completed development projects	Development projects in progress	Total
Cost at 1 January 2025					
Acquisition	14	191	9	71	285
Disposals	(53)	0	(57)	0	(110)
Transfers	127	(116)	140	(112)	39
Cost at 31 December 2025	320	352	292	196	1,160
Amortisation and impairment at 1 January 2025					
Amortisation	99	0	95	0	194
Amortisation and impairment on disposals	(53)	0	(55)	0	(108)
Amortisation and impairment at 31 December 2025	153	0	129	0	282
Carrying amount at 31 December 2025	167	352	163	196	878
Cost at 1 January 2024					
Acquisition	22	169	20	112	323
Disposals	(261)	0	(9)	0	(270)
Transfers	90	(36)	60	(60)	54
Cost at 31 December 2024	232	277	200	237	946
Amortisation and impairment at 1 January 2024					
Amortisation	125	0	29	0	154
Amortisation and impairment on disposals	(261)	0	(9)	0	(270)
Amortisation and impairment at 31 December 2024	107	0	89	0	196
Carrying amount at 31 December 2024	125	277	111	237	750

Note 8

Property, plant and equipment

DKK million	Technical installations and machinery	Other technical installations	Property, plant and equipment in progress	Total
Cost at 1 January 2025	494	523	164	1,181
Additions	6	21	51	78
Disposals	0	(11)	0	(11)
Transfers	8	28	(75)	(39)
Cost at 31 December 2025	508	561	140	1,209
Depreciation at 1 January 2025	390	371	0	761
Depreciation	23	56	0	79
Depreciation on disposals	0	(12)	0	(12)
Depreciation at 31 December 2025	413	415	0	828
Carrying amount at 31 December 2025	95	146	140	381
Cost at 1 January 2024	511	831	124	1,466
Additions	13	10	132	155
Disposals	(47)	(339)	0	(386)
Transfers	17	21	(92)	(54)
Cost at 31 December 2024	494	523	164	1,181
Depreciation at 1 January 2024	416	645	0	1,061
Depreciation	21	65	0	86
Depreciation on disposals	(47)	(339)	0	(386)
Depreciation at 31 December 2024	390	371	0	761
Carrying amount at 31 December 2024	104	152	164	420

Note 9

Right-of-use assets

The company has lease contracts for buildings, motor vehicles and other equipment used in its operations. For buildings that are all leased from another company in the group, lease terms of three years have been applied, while motor vehicles and other equipment generally have lease terms between four to five years. The company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the company is restricted from assigning and subleasing the leased assets.

The company also has leases with lease terms of 12 months or less and leases of low value. The company applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

DKK million	Buildings	Motor vehicles	Total
Carrying amount at 1 January 2025	90	20	110
Additions	294	12	306
Depreciation	(90)	(10)	(100)
Carrying amount at 31 December 2025	294	22	316
Carrying amount at 1 January 2024	180	23	203
Additions	0	6	6
Depreciation	(90)	(9)	(99)
Carrying amount at 31 December 2024	90	20	110

Note 9

Right-of-use assets (continued)

DKK million	2025	2024
Balance at 1 January	111	203
Additions	306	6
Interest	1	1
Payments	(102)	(99)
Balance at 31 December	316	111
Current	93	12
Non-current	223	99
Total	316	111
Undiscounted lease liabilities maturity analysis:		
Less than one year	95	12
One to three years	229	103
More than three years	0	2
Total undiscounted lease liabilities at 31 December	324	117
The following are the amounts recognised in profit and loss:		
Depreciation expense of right-of-use assets	100	100
Interest expense on lease liabilities	1	1
Expense relating to short-term leases	0	1
Expense relating to leases of low-value assets	1	2
Total amount recognised in profit and loss	102	104

The company had total cash outflows for leases of DKK 102m in 2025 (2024: DKK 99m).

The company has a number of lease contracts that include extension and termination options. Management assesses whether or not it is reasonably certain that these options will be exercised after considering all relevant facts and circumstances.

Note 10

Investments in affiliated companies

DKK million	2025	2024
Cost at 1 January	18,853	17,847
Additions	524	1,612
Disposals	0	(606)
Cost at 31 December	19,377	18,853
Value adjustments at 1 January	(1,706)	(2,568)
Share of profit	2,458	2,410
Dividends received	(1,422)	(1,256)
Other value adjustments	(162)	(292)
Adjustments at 31 December	(832)	(1,706)
Carrying amount at 31 December	18,545	17,147
Of which carrying amount of goodwill	3,532	2,177

Note 11

Accounts receivable from and payables to affiliated companies

DKK million	2025	2024
Receivables from affiliated companies – non-current	3,169	2,752
Receivables from affiliated companies – current	3,211	2,387
Payables to affiliated companies – current	(5,135)	(5,262)
Total receivable from and payables to affiliated companies	1,245	(123)

Note 11

Accounts receivable from and payables to affiliated companies (continued)

DKK million	2025	2024
Breakdown of receivables from affiliated companies:		
Interest-bearing receivables	6,037	4,732
Non-interest-bearing receivables	343	407
Total receivables from affiliated companies	6,380	5,139
Interest-bearing payables to affiliated companies – current	4,867	5,262
Non-interest-bearing payables to affiliated companies	268	0
Total payables to affiliated companies	5,135	5,262

Note 12

Prepayments and other accounts receivables

DKK million	2025	2024
Prepayments	172	172
Other accounts receivables	34	84
Total	206	256

Note 13

Securities

DKK million	2025	2024
Cost at 1 January	4,615	3,158
Additions during the year	2,800	3,395
Disposals during the year	(3,461)	(1,938)
Cost at 31 December	3,954	4,615
Value adjustments at 1 January	90	(17)
Value adjustments during the year	(169)	107
Value adjustments at 31 December	(76)	90
Balance at 31 December	3,875	4,705
Current	3,875	4,705
Non-current	0	0
Total	3,875	4,705
The portfolio consists solely of listed shares and bonds and is distributed as follows:		
Shares	682	1,346
Bonds	3,193	3,359
Total	3,875	4,705

Note 14

Cash and cash equivalents

DKK million	2025	2024
Cash at bank and on hand	856	2,303
Total	856	2,303
Bank overdrafts	0	0
Cash and cash equivalents	856	2,303



Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the company, and earn interest at the respective short-term deposit rates.

Note 15

Share capital

The share capital consists of 38,090,911 shares with a nominal value of DKK 10 each. All shares rank equally. The share capital is fully paid.

DKK million	2025	2024
Ordinary share of DKK 10 each	381	381
Total	381	381

In 2025, the group bought 237,547 own shares (0.6% of share capital) from PDJF A/S (at fair value at time of purchase for proceeds of DKK 395m). All shares have been used for the group's share programmes during 2025. The group has been authorised by the shareholders to acquire up to 2,502,000 treasury shares, equal to 6.6 % of the share capital. The authorisation expires in yearly tranches during the period from 30 April 2026 to 30 April 2030.

Note 16

Provisions

DKK million	Restructuring	Jubilee	Total
Balance at 1 January 2025	11	25	36
Provision	4	6	10
Utilised	(13)	0	(13)
Reversed	(1)	0	(1)
Balance at 31 December 2025	1	31	32
Current	1	0	1
Non-current	0	31	31
Balance at 1 January 2024	0	29	29
Provision	13	0	13
Utilised	(2)	0	(2)
Reversed	0	(4)	(4)
Balance at 31 December 2024	11	25	36
Current	0	0	0
Non-current	11	25	36

Jubilee

In Grundfos Holding A/S, employees celebrating their 25, 40 or 50-year anniversary receive a one time benefit payment.

Note 17

Interest bearing debt

DKK million	2025	2024
Loan from a third-party	7	31
Total	7	31
Current	7	31
Total	7	31

Bank overdrafts

The bank overdrafts are secured by a portion of the group's short-term deposits.

Note 18

Trade and other payables

DKK million	2025	2024
Trade payables	310	283
Total	310	283

Trade payables are non-interest bearing and are normally settled on 60-day terms

Note 19

Other liabilities

DKK million	2025	2024
Staff related	237	221
Accrued expenses	139	144
Other	30	26
Total other liabilities	406	391

Note 20

Fees to auditors appointed by the shareholders

DKK million	2025	2024
Fee to EY for statutory audit	2	2
Fee to EY for other assurance engagements	4	4
Fee to EY for tax advisory services	3	4
Fee to EY for other services	5	3
Total fees	14	13

Note 21

Staff cost

DKK million	2025	2024
Wages and salaries	1,569	1,450
Share-based payments	100	103
Pensions	147	138
Other social security cost	22	21
Total	1,838	1,712

Staff cost is recognised in the financial statement as follows:

Production	75	60
Research and development	870	812
Sales and distribution	193	187
Administration	700	653
Total	1,838	1,712
Average number of full-time employees	1,996	1,955
Number of employees at year end	2,084	2,060

Note 21

Staff cost (continued)

DKK million	Board of directors	Registered group management	Other group management
2025			
Remuneration	11	23	26
Cash bonus	0	13	14
Pensions and other post-employment benefits	0	4	4
Termination benefits	0	0	0
Share-based payments (according to Note 26 in the consolidated notes)	0	10	8
Total	11	50	52
2024			
Remuneration	11	22	23
Cash bonus	0	13	9
Pensions and other post-employment benefits	0	4	3
Termination benefits	0	0	3
Share-based payments (according to Note 26 in the consolidated notes)	0	9	1
Total	11	48	39

Note 22

Share-based compensation expenses

Note 22.1

Long-term incentive programme (LTI)

The LTI is targeted at Group Management and other members of senior management. Under this programme, Restricted Stock Units (RSUs) are granted to the executives. These RSUs vest with them after a continued service of 3.5 years and are also contingent on targets for performance indicators that are defined in the programme for a specific year.

Note 22.1**Long-term incentive programme (LTI)** (continued)

Following the vesting of RSUs under both these programmes, the executives will receive shares of the parent company. There are no cash settlement alternatives. The group also does not have a past practice of cash settlement for these RSUs.

The expense recognised over the vesting period is based on the fair value of the RSUs at the grant date.

	No. of units	Weighted average grant date fair value (DKK per unit)
Outstanding as at 1 January 2024	161,043	1,434
Granted during the year	76,030	1,711
Vested during the year	(47,381)	1,372
Forfeited during the year	(12,724)	1,506
Outstanding as at 31 December 2024	176,968	1,565
Granted during the year	85,347	1,663
Vested during the year	-44,665	1,614
Forfeited during the year	-11,378	1,619
Outstanding as at 31 December 2025	206,272	1,592



The outstanding units are expected to vest over a weighted average period of 1.6 years (2024: 1.7 years).

Note 22.2**Employee share purchase plan (ESP)**

ESP is a global programme, whereby certain employees are granted an option to buy shares of Grundfos Holding A/S at a discounted price. Employees employed by group companies in certain countries are excluded from this due to local restrictions or requirements. The only condition for eligibility is that the employee should be employed by the group as at the specified date (close to the grant date) and has not resigned or been terminated.

The Board of Directors of Grundfos Holding A/S will each year decide if ESP is offered. The expense recognised over the vesting period is based on the discount the employee is entitled to upon purchase of the shares.

Note 22.2**Employee share purchase plan (ESP)** (continued)

	2025	2024
Shares purchased during the year	194,722	173,828

Note 22.3**Expense recognised during the year**

DKK million	2025	2024
Expense arising from equity-settled share-based payment transactions (LTI)	50	54
Expense arising from equity-settled share-based payment transactions (ESP)	50	49
Total	100	103

There were no cancellations or modifications to the grants.

Note 22.4**Input and model used**

The share price is calculated once per year and is valid for a 12-month period. The methodology for calculating the share price is prescribed in the articles of association and is based on a multiples approach. In 2025, the articles of association were amended, resulting in a change to the underlying parameters used for the calculation.

Up to and including 2024, the share price was based on a price-earnings multiple derived from a peer group of companies and the Grundfos Group's profit after tax. For the share price valid from year-end 2025, the key parameters have shifted to an EV/EBIT multiple from a revised peer group and the EBIT of the Grundfos group.

	2025	2024
Benchmark PE multiple	NA	19.8
Annual growth in average profit after tax applied for share price calculation	NA	18%
Benchmark EV/EBIT multiple	15.8	NA
Annual growth in EBIT	0.3%	NA

Note 23**Financial risk management and financial instruments**

The main purpose of the company's financial liabilities is to finance the company's operations and to provide guarantees to support its operations.

The company is exposed to financial risks, consisting of liquidity risk, foreign currency risk, interest rate risk and credit risk that affect its earnings. Company management oversees the management of these risks, including overseeing that the company's financial risk activities are governed by the policies and procedures outlined by management and that financial risks are identified, measured and managed in accordance with the company's policies and risk objectives. It is the company's policy that no trading in derivatives for speculative purposes may be undertaken.

The Board of Directors reviews and agrees on policies for managing each of these risks.

Note 23.1**Financial risks**

Financial risks	Description	Effect	Reference
Currency risk	The group is exposed to fluctuations when performing sales and purchases in foreign currencies.	Effect: Low Threat: Moderate	Note 1 'Revenue'
Interest rate risk	The company is exposed to fluctuations in interest rates related to financing arrangements.	Effect: High Threat: Moderate	Note 13 'Securities' Note 14 'Cash and cash equivalents' Note 17 'Interest bearing debt'
Credit risk	The company is exposed to risk a counterparty (mainly related to trade receivables and contracts assets) will not meet its obligation leading to a financial loss.	Effect: Moderate Threat: Moderate	Note 11 'Accounts receivable from and payables to affiliated companies' Note 14 'Cash and cash equivalents'

Note 23.2**Financial instrument by category**

DKK million	2025	2024
Shares	682	1,346
Bonds	3,193	3,359
Financial assets measured at fair value through profit and loss	3,875	4,705
Accounts receivable	3,211	2,387
Cash and cash equivalents	856	2,303
Financial assets measured at amortised cost	4,067	4,690
Long-term electricity swap	30	23
Financial liabilities measured at fair value through profit and loss	30	23
Bank and other loans	7	31
Accounts payable	5,445	5,545
Financial liabilities measured at amortised cost	5,452	5,576
Forward currency contracts, external banks	66	149
Forward currency contracts, affiliated companies	(66)	(149)
Financial assets/liabilities measured at fair value through other comprehensive income	0	0

Note 23.3**Fair value measurement**

The following table provides the fair value measurement hierarchy of the company's assets and liabilities.

DKK million	Quoted market prices (level 1)	Valuation based directly or indirectly on market (level 2)	Valuation techniques based on unobservable inputs for valuation (level 3)	Total
2025				
Shares	682	0	0	682
Bonds	3,193	0	0	3,193
Financial assets measured at fair value as of 31 December	3,875	0	0	3,875
Forward currency contracts	0	66	0	66
Long-term electricity swap	0	0	30	30
Financial liabilities measured at fair value as of 31 December	0	66	30	96
2024				
Shares	1,346	0	0	1,346
Bonds	3,359	0	0	3,359
Financial assets measured at fair value as of 31 December	4,705	0	0	4,705
Forward currency contracts	0	149	0	149
Long-term electricity swap	0	0	23	23
Financial liabilities measured at fair value as of 31 December	0	149	23	172

There were no transfers between level 1 and level 2 during 2025 or 2024.

Note 23.4**Valuation techniques and assumptions used**

The management assessed that the fair values of cash and short-term deposits, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

Securities

Fair value of securities is based on observable market prices from stock exchanges.

Electricity swap

The group has entered into a long-term electricity swap, in which the group purchases renewable electricity from a windfarm at a fixed price and sells it at market price with net settlements on a monthly basis. It is a ten-year contract with expiry in 2034. The volume in the electricity swap covers a portion of the group's electricity consumption but is not considered a hedge. The valuation of electricity swaps is based on estimates on non-observable prices for a long-term period. The fair value of electricity swaps is determined by discounting estimated future cash flows. Discounting takes place on the basis of estimated price curves and volumes of electricity produced.

The instrument is classified as level 3 in the fair value hierarchy due to the use of significant unobservable inputs. These include:

- A fixed purchase price (PPA) of EUR 47.55/MWh and a swap price of EUR 45.97/MWh, with additional value from renewable energy certificates priced at EUR 1.58/MWh.
- Forecast production volumes adjusted from P50 to P90, resulting in a probability-weighted output of 86.93% of expected annual generation.
- A discount rate of 9%, reflecting market participant assumptions including time value of money, credit risk, and liquidity risk.

These inputs are reviewed quarterly by Group Treasury, using internally developed valuation models and externally sourced market data. The valuation methodology and assumptions are subject to oversight by Group Finance and updated as necessary to reflect changes in market conditions or contract terms.

Note 23.5**Foreign currency risks**

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of variations in foreign currency rates.

DKK million		2025			2024		
Currency sensitivity - impact on equity (before tax)	Increase in exchange rate	Monetary items	Hedging	Net	Monetary items	Hedging	Net
USD	5%	165	3	168	113	(4)	109
AUD	5%	5	0	5	6	0	6
GBP	5%	(9)	0	(9)	(9)	0	(9)
CNY	5%	0	0	0	(1)	0	(1)
HUF	5%	(16)	0	(16)	(16)	0	(16)
Total		145	3	148	93	(4)	89



The impact on equity arises from monetary items and hedging instruments where the currency that the hedging instruments and monetary items are denominated in differs from the functional currency of the entity. The impact would have been the opposite if exchange rates had been decreasing by similar percentages. The analysis is based on the transaction currency. The company hedges group cash flow with external banks and enters opposite contracts with group companies, hence the net value and calculated impact of currency fluctuations on hedging is zero.

Monetary items are expected to be converted to cash during a period of up to 60 days. Hedging contracts cover up to 80% of expected inflow in each currency for a period of up to 18 months.

Note 23.6**Liquidity risk**

The company's objective is to maintain a balance between funding continuity and flexibility through the use of bank overdrafts, bank loans and bonds issue. Management assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. Access to sources of funding is sufficiently available.

DKK million	On demand	Up to 1 year	From 1 to 3 years	From 3 to 5 years	More than 5 years	Total
As at 31 December 2025						
Interest-bearing loans and borrowings (excl. items below)	0	7	0	0	0	7
Lease liabilities	0	93	219	4	0	316
Trade payables	0	310	0	0	0	310
Long-term electricity swap	0	3	12	16	(1)	30
Total financial liabilities measures at fair value	0	413	231	20	(1)	663
As at 31 December 2024						
Interest-bearing loans and borrowings (excl. items below)	0	31	0	0	0	31
Lease liabilities	0	112	97	2	0	211
Trade payables	0	283	0	0	0	283
Long-term electricity swap	0	7	14	0	2	23
Total financial liabilities measures at fair value	0	433	111	2	2	548

Note 23.7**Interest rate risks**

The company's interest rate risk is mainly related to bank deposits and bonds. Bank deposits have a short time horizon, whereas the exposure of the bond portfolio – amounting to a total of DKK 3,193m (2024: DKK 3,359m) – when expressed by an increase of the interest rate by 1 percentage point is approx. DKK 82m (2024: DKK 86m).

Note 24**Hedging activities and derivatives**

Forward currency contracts are estimated by generally accepted valuation techniques based on relevant observable swap curves and exchange rates. The fair value applied is calculated mainly by external sources on the basis of discounted future cash flows. Anticipated cash flow for individual contracts is based on observable market data such as interest rates and exchange rates. In addition, fair values are based on non-observable data, including exchange rate volatilities, or correlation between yield curves and credit risks. Non-observable market data account for an insignificant part of the fair value of the derivative financial instruments.

Foreign currency risk

Foreign currency forward contracts are designated as hedging instruments in cash flow hedges of forecast cash inflows of predominantly, USD, EUR, AUD, GBP, CNY and cash outflows of HUF from operations denominated in the entities controlled by the Company. Should there be a forecasted transaction in excess of DKK 50m, this will be considered significant, and therefore, between 50-90% of this cash flow exposure should be hedged. Otherwise, the exposures of foreign currency cash flows must be within the following ratios:

0-6 months: 70%-90%

7-12 months: 50%-80%

13-18 months: 0%-60%

The company sets out opposite contracts with the controlled entities which effectively transfers the value of the contract to the controlled entity.

These forecast transactions are highly probable. Refer to the table below for the relevant amounts of the respective transactions. The foreign exchange forward contract balances vary with the level of expected foreign currency sales and purchases and changes in foreign exchange forward rates. Given the Danish Krone has a fluctuation limit towards EUR of a maximum +/- 2.25% through the European Exchange Rate Mechanism, the company has entered into foreign exchange forward contracts predominantly with EUR as the other leg of the currency pair.

Further to the described contracts that are transferred to the controlled entities, the company has entered contracts to hedge own cash outflows in USD.

There is no proxy hedging for the currency risk hedging, and therefore the economic relationship between the hedged exposure and the hedge is high. Effectiveness is assessed using the critical terms match approach according to IFRS 9. The source of ineffectiveness is the credit risk of the hedging instruments. For hedges where the cost of hedging is applied, the change in basis spread is recognised in other comprehensive income and is a time effect during the life of the forward contract. At maturity, this amounts to zero. The net amount of the foreign exchange contracts is presented within either 'Other current assets' or 'Other current liabilities', depending on whether the carrying amount is positive or negative.

Note 24

Hedging activities and derivatives (continued)

The company is holding the following foreign exchange forward contracts:

DKK million	Fair value, asset	Fair value, liability	Notional amount	Maturity, less than 1 month	Maturity, 1 to 3 months	Maturity, 3 to 6 months	Maturity, 6 to 9 months	Maturity, 9 to 12 months	Total
As at 31 December 2025									
Foreign exchange forward contacts (highly probable forecast sales or purchases)									
USD - inflow			EUR	37	53	79	57	34	260
USD - outflow			EUR	(37)	(53)	(79)	(57)	(34)	(260)
AUD - inflow			EUR	6	9	19	16	9	59
AUD - outflow			EUR	(6)	(9)	(19)	(16)	(9)	(59)
GBP - inflow			EUR	13	14	23	23	17	90
GBP - outflow			EUR	(13)	(14)	(23)	(23)	(17)	(90)
CNY - inflow			EUR	61	109	96	37	34	337
CNY - outflow			EUR	(61)	(109)	(96)	(37)	(34)	(337)
HUF - inflow			EUR	2,070	4,570	9,550	7,120	5,264	28,574
HUF - outflow			EUR	(2,070)	(4,570)	(9,550)	(7,120)	(5,264)	(28,574)
Notional amount (in DKK millions)									
USD - inflow	79.5	(0.1)		235	340	499	361	215	1,650
USD - outflow	0.1	(76.4)		(235)	(340)	(499)	(361)	(215)	(1,650)
AUD - inflow	0.0	(3.7)		25	40	81	68	37	251
AUD - outflow	4.2	0.0		(25)	(40)	(81)	(68)	(37)	(251)
GBP - inflow	18.7	0.0		113	118	198	197	141	767
GBP - outflow	0.0	(17.4)		(113)	(118)	(198)	(197)	(141)	(767)
CNY - inflow	9.4	(0.1)		55	99	88	33	31	306
CNY - outflow	0.1	(8.5)		(55)	(99)	(88)	(33)	(31)	(306)
HUF - inflow	0.3	(11.5)		40	88	185	138	102	553
HUF - outflow	12.2	(0.2)		(40)	(88)	(185)	(138)	(102)	(553)
Average forward rate (EUR/one currency unit)									
USD				1.053	1.113	1.173	1.186	1.172	1.146
AUD				1.674	1.796	1.805	1.807	1.795	1.790
GBP				0.849	0.863	0.870	0.887	0.893	0.875
CNY				6.795	7.593	8.221	8.308	8.195	7.959
HUF				420.458	418.162	418.883	409.898	399.741	412.982

Note 24

Hedging activities and derivatives (continued)

The company is holding the following foreign exchange forward contracts:

DKK million	Fair value, asset	Fair value, liability	Notional amount	Maturity, less than 1 month	Maturity, 1 to 3 months	Maturity, 3 to 6 months	Maturity, 6 to 9 months	Maturity, 9 to 12 months	Total
As at 31 December 2024									
Foreign exchange forward contacts (highly probable forecast sales or purchases)									
USD - inflow			EUR	29	31	62	66	56	244
USD - outflow			EUR	(29)	(31)	(62)	(66)	(56)	(244)
AUD - inflow			EUR	6	11	15	16	11	59
AUD - outflow			EUR	(6)	(11)	(15)	(16)	(11)	(59)
GBP - inflow			EUR	15	13	21	20	13	82
GBP - outflow			EUR	(15)	(13)	(21)	(20)	(13)	(82)
CNY - inflow			EUR	132	120	115	92	46	505
CNY - outflow			EUR	(132)	(120)	(115)	(92)	(46)	(505)
HUF - inflow			EUR	1,900	3,900	6,180	5,970	4,540	22,490
HUF - outflow			EUR	1,900	3,900	6,180	5,970	4,540	22,490
Notional amount (in DKK millions)									
USD - inflow	79.5	(0.1)		211	222	443	472	401	1,749
USD - outflow	0.1	(76.4)		(211)	(222)	(443)	(472)	(401)	(1,749)
AUD - inflow	0.0	(3.7)		25	48	66	72	47	258
AUD - outflow	4.2	0.0		(25)	(48)	(66)	(72)	(47)	(258)
GBP - inflow	18.7	0.0		131	119	192	180	118	740
GBP - outflow	0.0	(17.4)		(131)	(119)	(192)	(180)	(118)	(740)
CNY - inflow	9.4	(0.1)		129	118	113	90	45	495
CNY - outflow	0.1	(8.5)		(129)	(118)	(113)	(90)	(45)	(495)
HUF - inflow	0.3	(11.5)		34	71	112	108	82	407
HUF - outflow	12.2	(0.2)		(34)	(71)	(112)	(108)	(82)	(407)
Average forward rate (EUR/one currency unit)									
USD				1.072	1.106	1.100	1.116	1.088	1.099
AUD				1.668	1.658	1.641	1.667	1.665	1.658
GBP				0.848	0.866	0.864	0.857	0.847	0.857
CNY				7.846	7.805	7.789	7.741	7.698	7.779
HUF				399.233	403.053	401.096	408.208	423.449	407.505

Note 24**Hedging activities and derivatives** (continued)

The impact of hedged items on the statement of financial position is as follows:

DKK million	Volume of foreign exchange forward contracts	Cash flow hedge reserve
31 December 2025		
Highly probable expected net cash flows from customers/to vendors	66	0
31 December 2024		
Highly probable expected net cash flows from customers/to vendors	149	0

The effect of the cash flow hedge in the statement of profit and loss and other comprehensive income is as follows:

DKK million	Total hedging gain/loss recognised in OCI	Ineffectiveness recognised in profit and loss	Line item in the statement of profit and loss
Year ended 31 December 2025			
Highly probable expected net cash flows from customers/to vendors	0	0	Revenue/production cost
Year ended 31 December 2024			
Highly probable expected net cash flows from customers/to vendors	0	0	Revenue/production cost

Note 25**Related parties****Note 25.1****Group information**

For more information about related parties, including compensation to Group Management, see note 32 'Related parties under the consolidated financial statements'.

Note 25.2**Transactions with related parties**

Transactions between Grundfos Holding A/S and the subsidiaries

DKK million	2025	2024
Sale of goods and services	5,524	5,578
Cost of goods and services	1,997	1,751
Interest income	244	297
Interest expense	176	289
Dividends received	1,422	1,256
Loans given	6,037	4,732
Loan received	4,868	5,263



The amounts disclosed in the table are the amounts recognised as an expense or income during the reporting period. The amount of loans represent the balances at year-end.

Note 26**Commitments and contingencies****Note 26.1****Commitments**

The company has provided security for facilities in subsidiaries. The total corporate guarantee amounts to DKK 362m (2024: DKK 360m), hereof utilised DKK 46m (2024: DKK 22m).

The company has issued letters of intent to support subsidiaries credit facilities, company credit card limits, trade finance arrangements and foreign exchange risk due to operations in multiple currencies. These letters of intent are contingent upon the subsidiaries' inability to meet their financial obligations

Lease contracts etc. are renewed on a continuous basis, hence there is a minor number of contracts committed not yet recorded as at 31 December 2025. The value of these contracts is considered to be immaterial.

Apart from this the company is under no material obligations or commitments.

Note 26.2**Contingencies**

The company has issued performance and payment guarantees of DKK 16m (2024: DKK 16m).

The company has issued support letters for a number of subsidiaries.

The Danish affiliated companies participate in a Danish joint taxation arrangement with PDJF A/S serving as the administration company and are, therefore, jointly and severally liable for the total corporation tax and for obligations, if any, to withhold tax on interest, royalties and dividends for the jointly taxed companies. The total net liability to the Danish tax authorities is recognised in the financial statements of PDJF A/S.

Note 27

Events after the balance sheet date

The Board of Directors of Grundfos Holding A/S has approved the issuance of the parent company financial statements on 2 February 2026. As of this date, no material events after the reporting date have occurred that are not recognised and disclosed.

Note 28

Grundfos Holding A/S accounting policies

Grundfos Holding A/S is a private limited company domiciled in Denmark. The annual report for the period 1 January to 31 December 2025, comprises the financial statements of Grundfos Holding A/S.

The financial statements of Grundfos Holding A/S have been prepared in accordance with the IFRS Accounting Standards (R) as adopted by the EU and Danish disclosure requirements for large class C companies.

Unless otherwise indicated, the annual report is presented in DKK rounded to the nearest million. Besides the following section, the accounting policies for Grundfos Holding A/S are the same as for the Grundfos group.

Note 28.1

Investments in subsidiaries, associates and joint ventures

Investments in subsidiaries are measured at cost on initial recognition and subsequently at the proportionate share of the companies' net asset value calculated in accordance with the parent company's accounting policies with the deduction or addition of unrealised intra-group gains/losses and with the addition or deduction of goodwill calculated according to the purchase method.

Companies with a negative net asset value are recognised at DKK 0, and any receivable amount from these companies is written down, to the extent it is deemed to be irrecoverable, by the parent company's share of the negative net asset value. If the negative net asset value exceeds the amount receivable, the residual amount is recognised under provisions to the extent that the parent company has a legal or constructive obligation to cover the subsidiary's negative balance.

The proportionate share of the profit or loss of subsidiaries after tax is recognised in the income statement after full elimination of intra-group gains/losses.

Note 28.2

Dividend

Dividend proposed for the financial year is shown as a separate item under shareholders' equity.

Dividend is recognised as a liability at the time of adoption by the shareholders at the annual general meeting (the date of declaration). Dividends expected to be declared in respect of the year are stated as a separate line item under equity.

Note 28.3

Corporation tax

Grundfos Holding A/S is jointly taxed with its Danish subsidiaries. Current tax and deferred tax is allocated between the jointly taxed companies. The jointly taxed companies are taxed under the tax prepayment scheme.

Note 28.4

Development projects

Grundfos Holding A/S has established a non-distributable reserve in equity regarding capitalised development projects. This reserve will be reversed as the development projects have effect on the income statements. The amount is presented net of deferred tax.





Management's review



Sustainability statements



Financial statements



Management's statement and auditors' reports

Management's statement

Independent auditor's report

Independent auditor's reasonable and limited assurance report on selected disclosures in the sustainability statements

Management's statement and auditors' reports

Management's statement

Statement by the Board of Directors and Group Management on the Annual Report

The Board of Directors and Group Management have reviewed and approved the annual report of Grundfos Holding A/S for the financial year 1 January – 31 December 2025.

The annual report has been prepared in accordance with the IFRS Accounting Standards as adopted by the EU and additional disclosure requirements in the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the financial statements of the parent company give a true and fair view of the financial position on 31 December 2025, the results of the group's and parent company's operations, and consolidated cash flows for the financial year 2025.

In our opinion, the Management's report includes a true and fair view of the development in the operations and financial circumstances of the results for the year, and of the financial position of the group and the parent company, as well as a description of the most significant risks and elements of uncertainty facing the group and the parent company.

We recommend that the annual report be adopted at the Annual General Meeting.

Bjerringbro, 2 February 2026

Registered Group Management

Poul Due Jensen
Group President, CEO

Mikael Andreas Holm Geday
Group Executive Vice President, CFO

Jens Ulrik Gernow
Group Executive Vice President, COO

Board of Directors

Claus Aagaard
Chair

Henrik Ehlers Wulff
Member of the Board

Karin Annika Ölme
Member of the Board

John Bjerregaard Jacobsen
Member of the Board, elected by employees

Carsten Joachim Reinhardt
Vice Chair

Jacoba Theresia Maria van der Meijs
Member of the Board

Ágnes Eszter Pauer
Member of the Board, elected by employees

Søren Lund Nielsen
Member of the Board, elected by employees

Independent auditor's report

To the stakeholders of Grundfos Holding A/S

Opinion

We have audited the consolidated financial statements and the parent company financial statements of Grundfos Holding A/S for the financial year 1 January – 31 December 2025, which comprise statement of profit and loss, statement of other comprehensive income, statement of financial position, statement of cash flows, statement of changes of equity and notes, including material accounting policies, for the group and the parent company. The consolidated financial statements and the parent company financial statements are prepared in accordance with IFRS Accounting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

In our opinion, the consolidated financial statements and the parent company financial statements give a true and fair view of the financial position of the group and the Parent Company at 31 December 2025 and of the results of the group's and the parent company's operations and cash flows for the financial year 1 January – 31 December 2025 in accordance with IFRS Accounting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the "Auditor's responsibilities for the audit of the consolidated financial statements and the parent company financial statements" (hereinafter collectively referred to as "the financial statements") section of our report. We believe

that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent to the group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

Statement on the Management's review

Management is responsible for the Management's review.

Our opinion on the financial statements does not cover the Management's review, and we do not express any assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the Management's review and, in doing so, consider whether the Management's review is materially inconsistent with the financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated.

Moreover, it is our responsibility to consider whether the Management's review provides the information required under the Danish Financial Statements Act.

Based on our procedures, we conclude that the Management's review is in accordance with the financial statements and has been prepared in accordance with

the requirements of the Danish Financial Statements Act. We did not identify any material misstatement of the Management's review.

Management's responsibilities for the financial statements

Management is responsible for the preparation of consolidated financial statements and parent company financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the EU and additional requirements of the Danish Financial Statements Act and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting in preparing the financial statements unless management either intends to liquidate the group or the parent company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with

ISAs and additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit conducted in accordance with ISAs and additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's and the parent company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparing the financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group and the parent company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and contents of the financial statements, including the note disclosures, and whether the financial statements represent the underlying transactions and events in a manner that gives a true and fair view.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements and the parent company financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Aarhus, 2 February 2026

EY Godkendt Revisionspartnerselskab

CVR no. 30 70 02 28

Henrik Kronborg Iversen

State Authorised Public Accountant
mne 24687

Morten Friis

State Authorised Public Accountant
mne 32732



Independent auditor's reasonable and limited assurance report on selected disclosures in the sustainability statements

To the stakeholders of Grundfos Holding A/S

Reasonable assurance opinion

We have conducted a reasonable assurance engagement on selected disclosures identified in:

- Table 1 page 46
- Table 3 page 54
- Table 4 page 55
- Table 5 page 58
- Table 6 page 62 (reasonable)
- Table 7 page 71

in the sustainability statements of Grundfos Holding A/S (the group) included in the management report (the "sustainability statements") for the financial year 1 January – 31 December 2025.

In our opinion the selected disclosures identified in the tables 1, 3, 4, 5, 6 (reasonable) and 7 in the sustainability statements are, in all material respects, prepared in accordance with applied sustainability reporting practice as described on page 72-75

Limited assurance conclusion

We have conducted a limited assurance engagement on selected disclosures identified in:

- Table 2 page 50
- Table 6 page 62 (limited)

in the sustainability statements of Grundfos Holding A/S (the group) included in the management report (the "sustainability statements") for the financial year 1 January – 31 December 2025.

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the selected disclosures identified in the tables 2 and 6 (limited) in the sustainability statements is not prepared, in all material respects, in accordance with applied sustainability reporting practice as described on page 72-75.

Basis for reasonable assurance opinion and limited assurance conclusion

We conducted our combined reasonable and limited assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance engagements other than audits or reviews of historical financial information* ("ISAE 3000 (Revised)") and the additional requirements applicable in Denmark.

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our reasonable assurance opinion and limited assurance conclusion. Our responsibilities under this standard are further described in the *Auditor's responsibilities for the assurance engagement* section of our report.

Our independence and quality management

We have complied with the independence and other ethical requirements of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour as well as ethical requirements applicable in Denmark.

EY Godkendt Revisionspartnerselskab applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality

management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Management's responsibilities for the sustainability statements

Management of the group is responsible for:

- Identifying the information to be reported in the sustainability statements as described in the sustainability reporting practice applied on page 72-75;
- The preparation of the sustainability statements in accordance with sustainability reporting practice applied;
- Designing, implementing and maintaining such internal control that management determines is necessary to enable the preparation of the sustainability statements, in accordance with sustainability reporting practice applied that is free from material misstatement, whether due to fraud or error; and
- The selection and application of appropriate sustainability reporting methods and making assumptions and estimates that are reasonable in the circumstances.

Auditor's responsibilities for the assurance engagement

Our objectives are to:

- a) Plan and perform the assurance engagement to obtain reasonable assurance about whether the selected disclosure identified in the tables 1, 3, 4, 5, 6 (reasonable) and 7 in the sustainability statements is free from material misstatement, whether due to fraud or error, and to issue an assurance report that includes our reasonable assurance opinion.
- b) Plan and perform the assurance engagement to obtain limited assurance about whether the selected disclosure identified in the tables 2 and 6 (limited) in the sustainability statements is free from material misstatement, whether due to fraud or error, and to issue an assurance report that includes our limited assurance conclusion.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the selected disclosure identified in the tables 1-7 in the sustainability statements.

As part of our combined reasonable and limited assurance engagement in accordance with ISAE 3000 (Revised) we exercise professional judgement and maintain professional scepticism throughout the engagement.

Our responsibilities in respect of the sustainability statements for a reasonable assurance engagement include:

- Identification of disclosures where material misstatements at the assertions level are likely to arise, whether due to fraud or error; and

- Designing and performing procedures responsive to assessed risks of material misstatement at the assertions level for the selected disclosure identified in the tables 1, 3, 4, 5, 6 (reasonable) and 7. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Our responsibilities in respect of the sustainability statements for a limited assurance engagement include:

- Identification of disclosures where material misstatements are likely to arise, whether due to fraud or error; and
- Designing and performing procedures responsive to assessed risks of material misstatement at the disclosures level for the selected disclosure identified in the tables 2 and 6 (limited). The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Summary of the work performed

The assurance engagement involves performing procedures to obtain reasonable assurance for evidence about the selected disclosure identified in the tables 1, 3, 4, 5, 6 (reasonable) and 7 and limited assurance for evidence about the selected disclosure identified in the tables 2 and 6 (limited) in the sustainability statements.

The nature, timing and extent of procedures selected depend on professional judgement, including the identification of disclosures where material misstatements are likely to arise, whether due to fraud or error, in the selected disclosure identified in the tables 1-7 in the sustainability statements.

In conducting our reasonable assurance engagement, we:

- Obtained an understanding of the group's reporting processes relevant to the preparation of the selected disclosure identified in the tables 1, 3, 4, 5, 6 (reasonable) and 7 in the sustainability statements by obtaining an understanding of the group's control environment, processes and information systems relevant to the preparation of the selected disclosure identified in the tables 1, 3, 4, 5, 6 (reasonable) and 7 in the sustainability statements but not evaluating the design of particular control activities, obtaining evidence about their implementation or testing their operating effectiveness;
- Performed analytical procedures on selected disclosure identified in the tables 1, 3, 4, 5, 6 (reasonable) and 7 in the sustainability statements, and investigated fluctuations and relationships that are inconsistent with other information or that differ significantly from our expectations;
- Tested methods, assumptions and data for developing material estimates, by evaluating how these methods were selected and applied, whether the assumptions and data used are appropriate, and tested the data used to source information;
- Agreed key items and representative samples based on generally accepted sampling methodology to source information to check accuracy and completeness of the data; and
- Visited selected sites to conduct walkthroughs of data gathering, calculation and consolidation processes related to the reasonable assurance of metrics.

In conducting our limited assurance engagement, we:

- Obtained an understanding of the group's reporting processes relevant to the preparation of the selected

disclosure identified in the tables 2 and 6 (limited) in its sustainability statements by obtaining an understanding of the group's control environment, processes and information systems relevant to the preparation of the selected disclosure identified in the tables 2 and 6 (limited) in the sustainability statements but not evaluating the design of particular control activities, obtaining evidence about their implementation or testing their operating effectiveness;

- Performed inquiries of relevant personnel and analytical procedures on selected disclosure identified in tables 2 and 6 (limited) in the sustainability statements;
- Performed substantive assurance procedures on selected disclosure identified in the tables 2 and 6 (limited) in the sustainability statements.

Aarhus, 2 February 2026.

EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

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