



# 2025 Husqvarna Group allocation and impact report



# Sustainability at Husqvarna Group

Husqvarna Group’s sustainability approach reflects a long-term strategic perspective, supported by continuous improvements in reporting and transparency. Our framework outlines how priority areas are addressed through initiatives that support business performance, risk management, and long-term value creation, while responding to increasing demand for low-carbon and resource-efficient solutions.

Our work has been structured around three focus areas - Carbon, Circular, and People, connecting sustainability to resilience, innovation, and long-term competitiveness. Guided by science-based target, we drive initiatives to reduce greenhouse gas emissions across the value chain while balancing growth and environmental impact. Through product innovation and evolving business models, we improve resource efficiency and reduce material dependency, and through active customer engagement, we support informed, more sustainable choices that strengthen relationships and market relevance.

The 2025 Sustainability targets have now concluded with strong results. By the end of 2025, we had made significant progress across our priority areas, achieving two of our three targets. This positions us well and establishes a solid foundation for the next phase of our sustainability journey.

Building on this progress, we have launched our new 2030 Group strategy, marking the next chapter in our sustainability agenda. As part of this strategy, we are increasing our climate ambition with a new target to achieve a 60 percent reduction in absolute CO<sub>2</sub> emissions across the value chain by 2030. At the same time, we are moving from piloting circular solutions to scaling and commercializing them, with circular offerings targeted to account for 25 percent of net sales by 2030.

By continuing to decarbonize and evolve our products and business models, we aim to further decouple growth from environmental impact, strengthen resilience, and reinforce our position as a sustainability leader.

Further information on the Group’s sustainability results and progress is available in the 2025 Sustainability Statement.

## 2025 Sustainability targets and their outcomes

35% CARBON EMISSIONS REDUCTION SINCE 2015

2025 outcome: **56%**

50 CIRCULAR INNOVATIONS INTRODUCED

2025 outcome: **49**

MORE THAN 5 MILLION PEOPLE EMPOWERED TO MAKE MORE SUSTAINABLE CHOICES

2025 outcome: **5.6m**



# Allocation of proceeds from green bonds issued by Husqvarna Group

In 2025 Husqvarna Group has published its Green Finance Framework, which outlines structured approach to utilizing green financing instruments to support Husqvarna Group’s sustainability journey, including financing and refinancing assets and projects that support transition to low-carbon economy. The Green Finance Framework is aligned with the Green Bond Principles (GBP) 2021 (with June 2022 Appendix I), and the APLMA, LMA and the LSTA Green Loan Principles (GLP) 2023.

The framework has been reviewed by Sustainalytics, which resulted in the Second-Party Opinion, confirming that Green Finance Framework is credible and impactful and aligns with the four core components of the Green Bond Principles 2021 and the Green Loan Principles 2023.

The 2025 Allocation and impact report has been prepared to illustrate the allocation of proceeds from green bonds issued by Husqvarna Group and environmental impact in 2025 from eligible assets and projects that were financed or refinanced with proceeds from green bonds.

## Use of proceeds

Husqvarna Group issued two series of green bonds in line with Green Finance Framework:

ISIN	SE0019177114	SE0013106424
Issuance	March 2024	November 2024
Maturity	March 2027	November 2029
Currency	SEK	SEK
Amount issued (mn)	1,750	1,000

The net proceeds from green bonds can be used to finance and refinance capital and operational expenditures including R&D being reported within the EU Taxonomy requirements.

Financing is defined as assets and projects that will be taken into operation at the transaction date and during the remaining period of the issuance year (2024) following the transaction date plus two fiscal years following the issuance year (2025, 2026). Refinancing is defined as assets and projects that were taken into operation during the two fiscal years preceding the issuance year, as well as the period in the issuance year preceding the transaction date (2022, 2023). When investments take place over several years the total investment might not fully be reported at once.

## Projects evaluation and selection

To ensure that green bonds proceeds are allocated to eligible assets and projects, Husqvarna Group verifies the criteria defined in the relevant EU Taxonomy delegated acts. If the asset or project no longer meets the eligibility criteria, Husqvarna Group will replace such investments.

## Exclusions

Husqvarna Group excluded financing or refinancing of fossil-fuel-powered products and fossil fuel and energy generation.

## Eligible categories

Eligible assets and projects must fall within one of the following eligible categories:

Categories	Eligible projects	UN SDGs
<p><b>Low-carbon products and solutions</b>  <b>ICMA Green Project Category:</b> Eco-efficient and/or circular economy-adapted products, production technologies, and processes  <b>ICMA GBP and EU Taxonomy Environmental Objective:</b> Climate change mitigation</p>	<p><b>Use of proceeds</b>            Proceeds used for finance of research and development, operations, maintenance and expansion of products and solutions that lead to life cycle greenhouse gas emissions savings.</p> <p>Eligible assets and projects include, but are not limited to:</p> <ul style="list-style-type: none"> <li>• <b>Manufacture of other low carbon technologies (Taxonomy activity CCM3.6)</b>                Development of Husqvarna Group’s range of electrified products, with research and development investments directed toward low-carbon product solutions, including robotic lawn mowers, trimmers, and chainsaws.</li> <li>• <b>Manufacture of batteries (Taxonomy activity CCM3.4)</b>                Manufacturing of rechargeable battery packs for battery-powered products, supporting the transition to a low-carbon economy.</li> <li>• <b>Product-as-a-service and other circular use- and result-oriented service models (Taxonomy activity CE5.5)</b>                Providing a product-as-a-service option for both professional and residential customers promotes sustainability by extending product lifecycles, reducing waste, minimizing resource extraction, and ultimately lowering emissions throughout the value chain.</li> <li>• <b>Sale of spare parts (Taxonomy activity CE5.2)</b>                The availability of spare parts is essential to the circular economy, as it improves the reparability and durability of products, reduces waste, decreases the need for new resource extraction, and ultimately lowers emissions throughout the value chain.</li> </ul>	<p>            Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation</p> <p>            Ensure sustainable consumption and production patterns</p> <p>            Take urgent action to combat climate change and its impacts</p>
<p><b>Renewable energy</b>  <b>ICMA Green Project Category:</b> Renewable energy  <b>ICMA GBP and EU Taxonomy Environmental Objective:</b> Climate change mitigation</p>	<p><b>Use of proceeds</b>            Proceeds will be used for renewable energy generation in connection to buildings.</p> <p>Eligible assets and projects include, but are not limited to:</p> <ul style="list-style-type: none"> <li>• <b>Installation, maintenance and repair of renewable energy technologies (Taxonomy activity CCM7.6)</b>                Installation, maintenance and repair of PV panels located on premises.</li> </ul>	<p>            Ensure access to affordable, reliable, sustainable and modern energy</p>

<p><b>Green buildings</b>  <b>ICMA Green Project Category:</b>  Green buildings  <b>ICMA GBP and EU Taxonomy Environmental Objective:</b> Climate change mitigation</p>	<p><b>Use of proceeds</b>  Proceeds will be used for construction, financing, new acquisitions, and renovation &amp; maintenance of buildings that meet the EU Taxonomy criteria for sustainable buildings. In addition, renewable energy generation in connection to such buildings is eligible.</p> <p>Eligible assets and projects include, but are not limited to:</p> <ul style="list-style-type: none"> <li>• <b>Construction of new buildings (Taxonomy activity 7.1)</b>  Primary energy demand is at least 10% lower than applicable net-zero energy building requirements. Relevant tests and global warming potential assessment is conducted as per the Taxonomy.</li> <li>• <b>Acquisition &amp; ownership of green buildings (Taxonomy activity 7.7)</b>  Energy performance of buildings is within top 15% of national building stock.</li> <li>• <b>Renovation of existing buildings (Taxonomy activity 7.2)</b>  Renovation complies with applicable requirements or reduces primary energy demand by min 30%.</li> </ul>	 <p>Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation</p>
<p><b>Clean transportation</b>  <b>ICMA Green project category:</b>  Clean Transportation  <b>ICMA GBP and EU Taxonomy Environmental Objective:</b> Climate change mitigation</p>	<p><b>Use of proceeds</b>  Proceeds will be used for the low-carbon transportation in Husqvarna Group's production processes and products.</p> <p>Eligible assets and projects include, but are not limited to:</p> <ul style="list-style-type: none"> <li>• <b>Transport by motorbikes, passenger cars and light commercial vehicles (Taxonomy activity 6.5)</b>  Purchase, financing, of zero-emissions vehicles.</li> </ul>	 <p>Make cities and human settlements inclusive, safe, resilient and sustainable</p>

### Allocation of the green bonds proceeds

The net proceeds from green bonds have been exclusively used to finance/refinance new or existing eligible assets and projects which fell within one of the eligible categories. Total net proceeds allocated to green eligible assets and projects and outstanding amounts as at 31/12/2025 are presented in the table below.

ISIN	Total net proceeds	Total allocated	Outstanding amount as at 31/12/2025
SE0019177114	1,750 mSEK	100%	0%
SE0013106424	1,000 mSEK	100%	0%

## Impact of the eligible green assets and projects

For the reporting period 2025, green bond proceeds were allocated exclusively to the eligible category of low-carbon products and solutions. No allocations were made during the period to the remaining eligible categories of renewable energy, green buildings, and clean transportation

The table below summarizes the impact of eligible green assets and projects financed and refinanced with the green bonds proceeds.

### Low-carbon products and solutions

Quantity of low-carbon products sold	Estimated avoided CO <sub>2</sub> emissions attributable to green bonds proceeds
66,728 units	6,774.2 tCO <sub>2</sub> e

To estimate avoided CO<sub>2</sub> emissions in 2025 associated with the sale of low-carbon products, the calculation includes only Husqvarna Group products that were both launched and sold during the 2025 calendar year. For the purpose of this estimation, low-carbon products are defined as battery-powered or corded electric products supported by the third-party life cycle assessments. A materiality threshold was applied for estimation purposes, whereby only products with sales volumes exceeding 1,000 units during the year were included in the calculation. To support a consistent comparison, products sold under the Gardena brand were excluded from the estimation, as the Gardena product portfolio is fully electrified and does not include petrol-powered alternatives.

Data on the number of low-carbon products sold in 2025 was obtained from the Husqvarna Group sales report. A materiality threshold was applied, whereby only products with sales volumes exceeding 1,000 units during the year were included in the calculation.

Estimated avoided CO<sub>2</sub> emissions for 2025 were calculated by multiplying the difference in emissions between low-carbon products and their petrol-powered alternatives by the number of low-carbon products sold during the year.





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