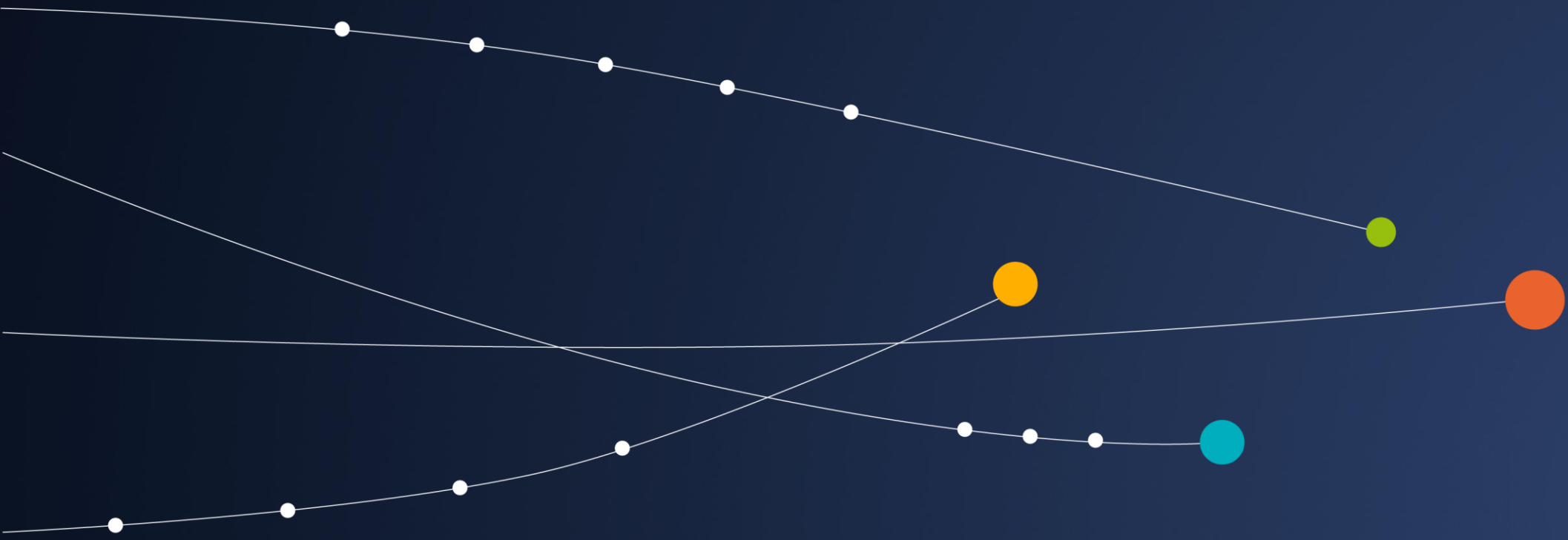




Circular offerings

Reduce demand

R-strategy	The criteria for Reduce demand as a circular offering
Reduce demand Create solutions that consume less natural resources and material A product/solution that require significantly less natural resources and material, per hour or seasons of use, for the same function. The ultimate reduction would be to make the solution redundant by abandoning its function completely or by offering the same function with a radically different solution	Criteria To qualify as a circular offering under this criteria, a product or solution must demonstrate a significant reduction in resource consumption compared to the most common alternative on the market. - The solution must use 30% less material (by weight) than the conventional solution while maintaining the same function. (see equation below). - Modular and upgradable tools with interchangeable components are covered by this R-strategy and qualifies when fulfilling the reduction criteria above. - Solutions that reduce the use of natural resources and materials in the application, as smart watering solutions reducing the use of clean water. The saving during the use phase must meet 30% reduction and the material consumption used in the application should not exceed that of the replaced technology.

Item	Metric	Unit
Base case*	Weight of most common solution in the market	kg/function and year**
Circular Offering	Weight of circular Offering	kg/function and year**
Indicator	Reduction of weight $Indicator = \frac{(Circular\ offering - Base\ case)}{Base\ case} \geq 30\%$	%

* Base case equals the most common alternative on the market.

**The unit can vary between Circular Offerings; however, the aim is to compare the two alternatives on equal grounds taking both function and the lifetime into account. If the two alternatives have different lifetimes in hours or years this needs to be included in the comparison. If the machines have different performance the comparison shall be made for the same function (m2 cut area, maintained lawn etc.).

Reuse

R-strategy	The criteria for Reuse as a circular offering
Reuse Make product use more intensive (e.g. Sharing solutions) or extend the use of product, which is still in good condition and fulfils its original function, to its full lifetime.	Criteria The following solutions qualify under the Reuse criteria: • Product-as-a-service and other circular service models* that demonstrate a robust process for extending product lifespan. This should include maintenance and repair strategies and, where applicable, second-life solutions. * Providing customers with access to products through service models, which are either use-oriented services, where the product is still central, but its ownership remains with the provider and the product is leased, shared, rented or pooled; or result-oriented, where the payment is pre-defined and the agreed result (i.e. pay per service unit) is delivered

Repair

R-strategy	The criteria for Repair as a circular offering
Repair	Criteria
Maintain and repair a product so it can be used with its original function.	This criteria is primary covering by the sales of spare parts, ensuring that products can be maintained and repaired instead of replaced. However, certain exclusions and considerations apply: • Spare part’ means a separate part of a product that can replace a part of a product with the same or similar function. The product cannot function as intended without that part of the product. The functionality of a product is restored or is upgraded when the part is replaced by a spare part in line with Directive 2011/65/EU. Spare parts may be used parts (Taxonomy) • Spare parts include both repair parts and maintenance parts, meaning both parts that are used to restore a product that is not functioning and parts that are required for the regular servicing of a product (e.g. oil filter, spark plug). Spare parts also include the replacement batteries for product-specific batteries which are integrated into the design (e.g. robotic mower batteries, lead-acid batteries in riders/tractors)*. • Consumable parts (e.g. lubricants, diamond blades and saw chains) are not included, as their replacement is a normal part of product use rather than a repair or a maintenance activity. Consumables are defined as “Non-durable goods that are to be used, depleted, or replaced” (inspired by Taxonomy, however batteries are partly included). • Legal obligations for reparability are acknowledged, as well as the overall Husqvarna Group ambition to make most spare parts available for at least 10 years after the product is discontinued. We recognize that some spare parts may have a shorter availability commitment. Service contracts, solutions to conduct repairs (e.g. hose repair kits), to avoid repairs (e.g. sharpening solutions for blades). These solutions need to be evaluated on a case-by-case basis.

* Removable batteries that are generic or interchangeable across unrelated products and not tied to a single product’s design (e.g. Bli and PACE batteries) are not classified as spare parts. This is partly as it is challenging to identify if a battery pack that can be used across several products are purchased for the first time or replace a worn or damaged battery. Repair parts for battery packs as new housing, springs etc. are included in spare parts sales regardless of battery type.

Refurbish

R-strategy	The criteria for Refurbishment as a circular offering
Refurbish Restore an old product and bring it up to date or use parts of discarded product in a new product. This includes refurbishment, remanufacturing, and component reuse, ensuring that valuable materials and components remain in circulation rather than becoming waste.	Criteria To qualify as a circular offering under this criteria, a product or solution must meet at least one of the following conditions: • Sales of refurbished products and components, including refurbished spare parts. • Use of parts from discarded products in new products. • At least 30% of the economic value or of the weight of the final solution must originate from the reused components (see equation below).

Economic approach	Metric	Unit
Circular Offering, V	Economic value of all components in the solution (represented by the sum of the BOM*)	currency (.e.g. SEK, Euro or USD)
Circular Offering, VR	Economic value of reused components (represented by the value of <u>new</u> components according to BOM*)	currency (.e.g. SEK, Euro or USD)
Indicator	Ratio reused components in Circular Offering $Indicator = \frac{Circular\ offering, VR}{Circular\ offering, V} \geq 30\%$	%
Weight approach	Metric	Unit
Circular Offering, W	Weight of all components in the solution (represented by the sum of the BOM*)	kg
Circular Offering, WR	Weight of reused components	kg
Indicator	Ratio reused components in Circular Offering $Indicator = \frac{Circular\ offering, WR}{Circular\ offering, W} \geq 30\%$	%

*Bill of materials

Recycle

R-strategy		The criteria for Reuse as a circular offering	
Recycle Use recycled or bio-based materials in products and/or design products to allow for recycling in end-of-life. Factors that facilitate recycling in end-of-life are easier disassembly, reduced number of different materials, avoiding material blends.		Criteria* Recycled and biobased materials - At least 30% of the total weight of the product/solution excluding packaging must come from recycled or bio-based materials. And at least 30% of the total weight of the packaging must come from recycled or bio-based materials. See equation below. - Bio-based materials that do not compete with food or feed crops are preferred. This includes the use of agricultural residues, forestry residues, and other non-food biomass sources. Biobased materials certified by recognized sustainability standards, such as the Forest Stewardship Council (FSC) or equivalent schemes, are favoured but not required. - Both post-consumer recycled (PCR) and post-industrial recycled (PIR) materials should be included. This excludes by-products and non-product outputs (NPO) generated and reused within the same process. Recyclability in end-of-life - A solution providing a step-change in the recyclability of products. These solutions need to be evaluated on a case-by-case basis	
Item	Metric		Unit
Circular Offering, W	Total weight of the product/solution excluding packaging		kg
Circular Offering, WR	Weight of materials from recycled, reused and/or biobased origin		kg
Indicator	Ratio recycled, reused and biobased material in Circular Offering $Indicator = \frac{(Circular\ offering\ WR)}{Circular\ offering\ W} \geq 30\%$		%
Item	Metric		Unit
Circular Offering, WP	Total weight of the packaging		kg
Circular Offering, WPR	Weight of materials from recycled, reused and/or biobased origin		kg
Indicator	Ratio recycled, reused and biobased material in Circular Offering $Indicator = \frac{(Circular\ offering\ WPR)}{Circular\ offering\ WP} \geq 30\%$		%

*The general guideline is that recycled, reused or biobased content fulfilled through mass balance does not qualify as a Circular Offering