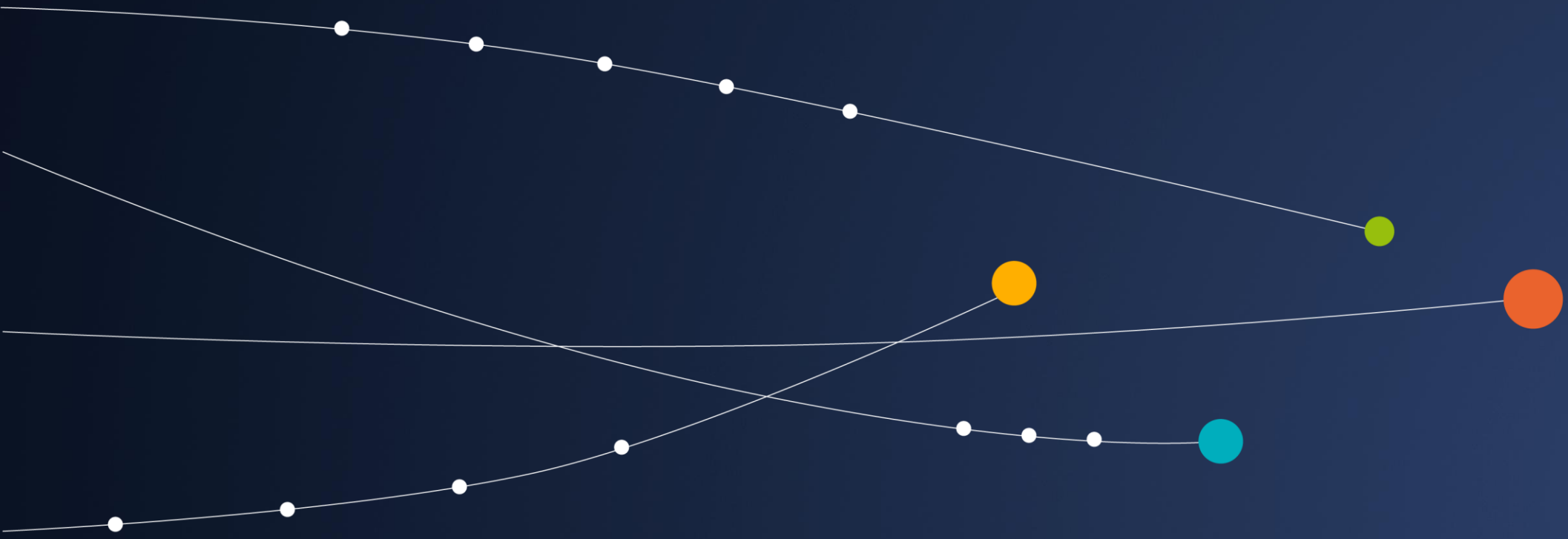

CO_2 emissions reduction

Accounting principles: GHG emissions

Husqvarna Group uses a combination of emission reporting approaches. These include energy-based calculations, an activity-based approach, and a cradle-to-gate life cycle assessment (LCA) approach. The main sources for emission factors include the International Energy Agency (IEA), DEFRA, the U.S. Environmental Protection Agency (EPA), the Intergovernmental Panel on Climate Change (IPCC), and the GHG Protocol. Based on the analysis of the Group's Scope 3 greenhouse gas inventory, the Group has identified Category 1 (Purchased goods and services) and Category 11 (Use of sold products) as material. Accordingly, the Group discloses greenhouse gas emissions for these categories.

Upstream: Husqvarna Group estimates upstream CO2e emissions using a LCA approach. This process involves modelling upstream CO2 emissions for a selection of representative products based on sales volumes. Data are retrieved from the Bill of Materials (BoM), including material composition, weight, and supplier location, sourced from internal systems. Materials are mapped to the Ecoinvent database within dedicated LCA software, where appropriate emission factors are applied. Results are then extrapolated across the full product portfolio, taking into account each product's gross weight. Emissions are calculated using the PCF ISO 14067 standard (IPCC 2021 AR6) and include CO2e for CO2, CH4, N2O, HFCs, PFCs, SF6, and NF3. The approach relies on several assumptions, including the application of approximations where detailed supplier, product gross weight or material data are unavailable, and on external databases. In some cases, emissions from in-house processing may be double counted due to methodological constraints. However, the Group has assessed the overall impact of this to be immaterial. Limitations, and therefore sources of uncertainty, include the availability and quality of BoM data, supplier-related information, reliance on external databases, and the extrapolation of emissions data from a selected representative sample of products to the entire portfolio, with adjustments based on product gross weight. Overall, the Group has assessed the level of uncertainty as high. The LCA model is being further developed by incorporating more products with supplier-specific data, thereby improving accuracy over time.

Own operations: Scope 1 covers direct emissions from fuel consumption and refrigerant leakages across all manufacturing facilities, as well as non-manufacturing sites under the Group's operational control, and the Group vehicles. Scope 2 covers indirect emissions from purchased electricity and heat. For all manufacturing sites and non-manufacturing sites larger than 5000 m2, the data is collected from fuel purchase records, third-party reports, and facility-level reporting, and converted into CO2 equivalents using emission factors from IEA, DEFRA, EPA, IPCC, and the GHG Protocol. Where actual data is not feasible to retrieve, values are estimated using defined assumptions. For the remaining non-manufacturing sites, data is estimated based on the floor area of the premises, multiplied by a unified emission factor per square meter for buildings provided by the System Change Lab. For the Group vehicles, data is sourced from fuel purchase records and third-party reports covering markets representing more than 80 percent of net sales. The remaining percentage is estimated using an intensity factor per SEKm derived from actual data. The methodology relies on standardized emission factors, which may not fully reflect local variations. The Group consumes renewable electricity, either generated on-site or secured through contractual instruments such as Renewable Energy Guarantees of Origin (REGOs). Overall, uncertainty is assessed as low, with Scope 2 estimates considered robust and Scope 1 subject to minor deviations due to estimation methods. Emissions include CO2e for CO2, CH2, N2O, HFCs and PFCs.

Downstream: Estimates are based on the expected lifetime, technical parameters and energy consumption of sold products, combined with relevant emission factors for the type of energy used (e.g., petrol, electricity grid mix) and converted into CO2 equivalents using emission factors from IEA, DEFRA, EPA, IPCC, and the GHG Protocol. Where product-specific test data is not available, assumptions are applied on average lifetimes, efficiency, load and usage factors. Emissions include CO2e for CO2, CH4 and N2O. The methodology relies on several assumptions, including standardized energy factors that may not reflect local variations, average product lifetimes, product efficiency, usage and load factors that may differ from actual use, and typical operating patterns that cannot capture the full diversity of customer behavior. Limitations include the potential for under or overestimation where user behavior deviates significantly from assumed averages. Overall, the Group has assessed the level of uncertainty as medium, and is working across functions to address product-specific data gaps and improve accuracy over time.