

EXTENSION TO THE 2024 GREEN FINANCE REPORT

July 2025



Husqvarna
Group



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Extension to the 2024 Green Finance Report

Information on the allocation of proceeds from Green Bonds issued by Husqvarna Group

In 2024 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 have positive environmental impacts. The Green Finance Framework is aligned with the 2021 ICMA Green Bond Principles and the 2023 Green Loan Principles (administered by LMA, LSTA, and APLMA).

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 2024 Allocation and Impact Report has been prepared to illustrate the allocation of proceeds from Green Bonds issued by Husqvarna Group in 2024 and positive environmental impact from Eligible Assets and Projects that were financed or refinanced with proceeds from Green Bonds.

Use of proceeds

In 2024 Husqvarna Group has issued 2 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.

Eligible Assets and Projects must fall within one of the following Eligible Categories:

Low-carbon Products and Solutions

ICMA Green Project Category: Eco-efficient and/or circular economy-adapted products, production technologies, and processes

ICMA GBP and EU Taxonomy Environmental Objective: Climate change mitigation

Use of Proceeds

Proceeds used for finance of research & development, operations, maintenance and expansion of products and solutions that lead to life cycle greenhouse gas emissions savings.

Eligible Assets and Projects include, but are not limited to:

- **Manufacture of other low carbon technologies (Taxonomy activity 3.6)**
Development of Husqvarna Group's range of electrified products. R&D investments to be an industry leader in low-carbon solutions for products such as robotic lawn mowers, trimmers, and chainsaws.
- **Manufacture of batteries (Taxonomy activity CCM3.4)**
Manufacturing of rechargeable battery packs for battery-powered products, supporting the transition to a low-carbon economy.

Contribution to UN SDGs:



Green Buildings

ICMA Green Project Category: Green buildings

ICMA GBP and EU Taxonomy Environmental Objective: Climate change mitigation

Use of Proceeds

Proceeds will be used for construction, financing, new acquisitions, and renovation & maintenance of buildings that meet the EU Taxonomy criteria for sustainable buildings. In addition, renewable energy generation in connection to such buildings is eligible.

Eligible Assets and Projects include, but are not limited to:

- **Construction of new buildings (Taxonomy activity 7.1)**
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.
- **Acquisition & ownership of green buildings (Taxonomy activity 7.7)**
Energy performance of buildings is within top 15% of national building stock.
- **Renovation of existing buildings (Taxonomy activity 7.2)**
Renovation complies with applicable requirements or reduces primary energy demand by min 30%.

Contribution to UN SDGs:



ICMA Green project category: Clean Transportation

ICMA GBP and EU Taxonomy Environmental Objective: Climate change mitigation

Use of Proceeds

Proceeds will be used for the low-carbon transportation in Husqvarna Group's production processes and products.

Eligible Assets and Projects include, but are not limited to:

- **Transport by motorbikes, passenger cars and light commercial vehicles (Taxonomy activity 6.5)**
Purchase, financing, of zero-emissions vehicles.

Contribution to UN SDGs:



Renewable Energy

ICMA Green Project Category: Renewable energy

ICMA GBP and EU Taxonomy Environmental Objective: Climate change mitigation

Use of Proceeds

Proceeds will be used for renewable energy generation in connection to buildings.

Eligible Assets and Projects include, but are not limited to:

- **Installation, maintenance and repair of renewable energy technologies (Taxonomy activity CCM7.6)**
Installation, maintenance and repair of PV panels located on premises.

Contribution to UN SDGs:



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 at 31/12/2024 are presented in the tables below.

SE0019177114 (March 2024)

Total net proceeds	Total allocated	Outstanding amount at 31/12/2024
1,750 SEKm	100%	-

SE0013106424 (November 2024)

Total net proceeds	Total allocated	Outstanding amount at 31/12/2024
1,000 SEKm	80.5%	195.2 SEKm

Impact of the Eligible Green Assets and Projects

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 (2024) ¹	Estimated avoided CO ₂ emissions (2024)
177,006 Qty	39,450.1 tCO ₂ e

ISIN	Estimated avoided CO ₂ emissions (2024) attributable to Green Bonds proceeds
SE0019177114	27,023.0 tCO ₂ e
SE0013106424	12,427.1 tCO ₂ e

To estimate the avoided CO₂ emissions in 2024 from the sale of low-carbon products, only those Husqvarna Group products that were both launched and sold during the 2024 calendar year have been included in the calculation. Low-carbon products are defined as battery-powered or corded electric products.

Data on the number of low-carbon products sold in 2024 was obtained from the Husqvarna Group sales report. For estimation purposes, a materiality threshold was applied - products with sales exceeding 1,000 units in 2024 were considered. To ensure a fair presentation, Gardena products were excluded from the estimation, as all products sold under the Gardena brand are already electrified and have no petrol-powered alternatives.

¹ Low-carbon products from 3 divisions launched and sold in 2024 that meets disclosed criteria.

As a result, the calculation of estimated avoided CO₂ emissions is limited exclusively to the product portfolio of the Husqvarna Forest & Garden division.

The estimated avoided CO₂ emissions for 2024 are calculated by multiplying the difference in emissions between electric and non-electric alternatives by the number of low-carbon products sold.



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