

Sustainability Report 2014





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Global leader in forest, garden and construction products

At Husqvarna Group we believe that sustainability creates business opportunities for long-term strategic growth by driving innovation, reducing costs and mitigating risks.

Who we are

Husqvarna Group has come up with innovations and identified new opportunities for 325 years. Our passion has led to innovative solutions in very different areas – from weapons, sewing machines, kitchen equipment and motorcycles to lawn mowers, trimmers, chainsaws, construction equipment and much more.

Husqvarna Group is a company with great potential. We have leadership brands, excellent products and strong market positions. Most importantly, we have a positive working culture – a team that is open and communicative with a strong work ethic.

Our first ergonomic saw was produced in 1969 and since then, sustainability has become an increasingly important consideration when we design our products. Today, besides outstanding ergonomics, we have a strong focus on improving our products' energy efficiency and emissions. And we believe in creating long-

lasting value for our customers and shareholders by integrating social and environmental responsibility into all aspects of our business.

Today, Husqvarna Group is a world leading producer of outdoor power products including chainsaws, trimmers, robotic lawn mowers and garden tractors. The Group is also the European leader in watering products and one of the global leaders in cutting equipment and diamond tools for the construction and stone industries. Our customers are professionals and consumers in more than 100 countries.

Headquartered in Stockholm, Sweden, the Group has more than 14,000 employees in over 40 countries. The Husqvarna share is listed on Nasdaq Stockholm. In 2014, net sales totaled SEK 33 billion.

Vision

We envision a world where people can enjoy well-maintained gardens, parks and forests and experience refined buildings and roads.

Mission

We provide innovative quality products and solutions to make garden, park and forest care as well as construction easier for professionals and consumers around the world.



Letter from the CEO

A year of progress

As we conclude 2014, we can look back on some of the key developments. Firstly, we completed the initial step in our profitability improvement program for 2016. Secondly, we widened our horizons and looked beyond current short-term improvement initiatives. The result is a revised strategy and a new organizational structure that we implemented on January 1, 2015.



Let me begin with a few words about our financial performance in 2014. Operating income, excluding impairment of goodwill of SEK -767m, rose 47 percent to SEK 2,358m (1,608). Sales grew 6 percent, adjusted for currency and the operating margin increased by 1.9 percentage points to 7.2 percent.

We believe that innovative products and profitable growth can be combined with respecting nature and caring for people. In 2020, we aim to be a market leader in priority segments. As we see it, this means being in or competing for the number one market share position, leading the evolution of the industry and exceeding the market in terms of profitable growth. To be a market leader means achieving sustainable results with responsible use of resources – natural, human and capital – in everything we do.

As part of the strategy process, we are currently incorporating sustainability in divisional strategies and processes.

Product innovation is in our DNA

Our fundamental for success has always been about adapting to our customers' needs through innovation and developing products that will take our market presence to new levels. We continuously launch new products that are more productive, energy efficient, safer and ergonomic.

Take the example of our robotic lawn mowers. With superior products, we have pioneered this market since 1995, transforming lawn care from traditional mowing into an automated service that also is energy efficient, silent and almost emissions-free during use.

For professionals and consumers with as high demands as the professionals, we are continuing to extend the range of handheld battery products – chainsaws, trimmers and hedge trimmers.

Another example is Husqvarna Fleet Services™ that uses sensors

(that collect user-data wirelessly) on outdoor power products to enable landscaping businesses and their operators to improve control of up-time, machine handling, vibration reports and service needs, resulting in safer, cleaner and more productive operations.

Honesty and fairness is part of our culture

We have a long and successful history, with a culture characterized by honesty and fairness, of which we are very proud. Since starting out in 1689, our goal has been to combine engineering skills with our strong entrepreneurial spirit and innovative products to help our end-customers become more productive.

Internally, we strive to have zero work-related accidents and a workforce boosted with knowledge, prepared for a changing environment. We stay committed to the UN Global Compact, a policy initiative for businesses that aligns their operations and strategies with ten universally accepted principles for human rights, labor, environment and anti-corruption.

What to expect in 2015

To summarize, we are building a pro-active Husqvarna Group positioned for growth and market leadership. Through superior products and services tailored to our different end-customer segments, we will earn market leadership.

Stockholm, March 2015

Kai Wärn
President and CEO Husqvarna Group

Sustainable and Responsible Business

Sustainability is high on the agenda

At Husqvarna Group we believe that innovative products and profitable growth can go hand-in-hand with respecting nature and caring for people.



HIGHLIGHTS 2014

- Husqvarna's handheld battery range includes trimmers, hedge trimmers and chainsaws. These products are free from direct emissions, have low vibration levels and are ergonomic and quiet.
- Husqvarna Fleet services™ is a solution where sensors are used on outdoor power products and on the operators themselves, giving the landscaping businesses and their teams improved control of up-time, machine handling and vibration reports, thus creating safer, more sustainable and productive operations. During 2014, a beta version of the solution was launched in seven countries.
- Gardena's new garden hoses are free from phthalates.
- New Gardena watering computers make efficient watering even easier.
- Husqvarna flat saws were the first in the world to comply with both European and U.S. legislation regarding emission regulations. These saws were also developed with a clear focus on improved ergonomics.
- A new product range of light and powerful electric equipment for handheld cutting, drilling and wall sawing was launched by Husqvarna. These high-frequency construction products have low vibration levels and replace hydraulic products.

Focus on health and safety

- A new injury rate KPI for safety was implemented to establish a baseline for less severe/more frequent injuries to increase focus on corrective actions.

Closer to our suppliers

- Husqvarna Group has established closer cooperation with its top 150 suppliers. The program, called EXCITE, aims at excellence through common initiatives and teamwork.
- Environmental, health and safety (EHS) training was conducted for selected suppliers in China.

Husqvarna Group participates in the UN Global Compact's initiative and supports the ten principles in the areas of human rights, labor, the environment and anti-corruption. These principles are closely aligned with the Group's way of doing business.



The Group is ranked on the 2014 Global 100 list of the world's most sustainable companies.



The Group is listed in the FTSE4Good Index, which brings together world-leading companies in terms of environmental, social and governance practices.



The Group is part of the STOXX® Global ESG Leaders indexes.



Together with our stakeholders

Listening to stakeholders' views and opinions is a privilege that enables us to do better and improve long-term conditions for successful business.

Regular dialogs are held on many levels with end-customers, trade partners and suppliers. The responsibility for maintaining dialogs with representatives from the local community is handled on the local level. Operations also cooperate with various non-governmental organizations, while shareholder dialogs take place on the Group level.

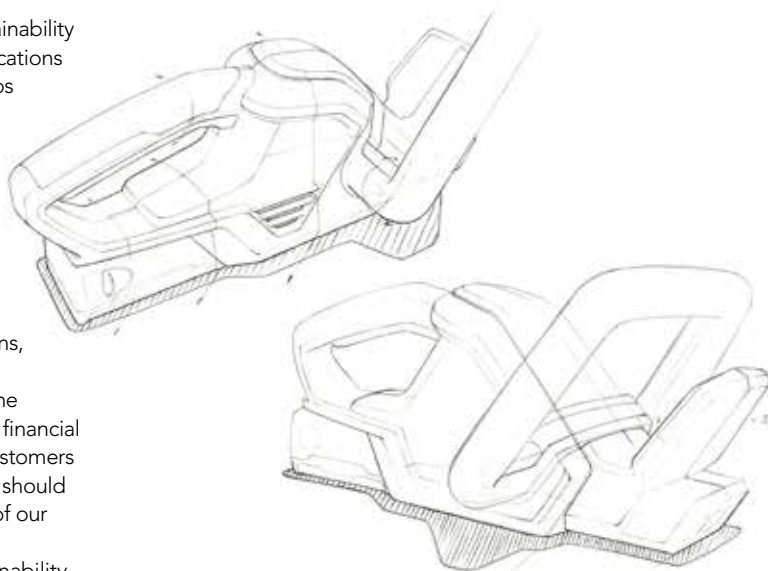
Stakeholder	Dialog in 2014	Key issues	How Husqvarna Group addressed the issue in 2014
Shareholders, investors and analysts	<ul style="list-style-type: none"> Annual General Meeting Capital Markets Day One-on-one meetings with investors and analysts Seminars with the investment community 	<ul style="list-style-type: none"> Long-term strategy Profitability Corporate governance Anti-corruption Sustainable operations 	<ul style="list-style-type: none"> A thorough strategy process and a reorganization Code of Conduct further implemented in operations Participated in seminars on human rights and corruption
Employees	<ul style="list-style-type: none"> Management meetings Annual employee team survey Performance reviews Team meetings Unions and work councils 	<ul style="list-style-type: none"> Strategy 2020 Safe and healthy workplace Fair compensation Career opportunities Talent attraction and retention Good environmental practices 	<ul style="list-style-type: none"> Top Management Meeting focusing on the strategic roadmap and on strategic initiatives Strengthened health and safety organization Structured incident reporting and corrective action processes Strengthened focus on the process for annual performance review Internal audits Piloted new leadership training program Held union negotiations Code of Conduct training
Potential employees	<ul style="list-style-type: none"> Career fairs and events at selected universities Trainee program Summer internships Internships Social media 	<ul style="list-style-type: none"> Career opportunities Safe and healthy workplace 	<ul style="list-style-type: none"> Offered internships Offered internship to members of AIESEC Offered summer jobs Second global trainee program
Suppliers	<ul style="list-style-type: none"> Local supplier meetings and training Global conferences Audits at selected suppliers 	<ul style="list-style-type: none"> Quality Fair compensation Environment, Health and Safety (EHS) performance 	<ul style="list-style-type: none"> Signed supplier agreements New manual for supplier sustainability requirements Updated Restricted Materials List Trained suppliers in the Business Code of Ethics Trained internal quality auditors in Environment, Health and Safety (EHS) Monitored and evaluated supplier EHS performance
Trade partners	<ul style="list-style-type: none"> Regular meetings and conferences Training program for dealers (Husqvarna Academy) 	<ul style="list-style-type: none"> High-quality products Innovative products Delivery on time Increased sales Environmental performance 	<ul style="list-style-type: none"> Revised policy for product safety Innovation of product performance New concept to guide consumers better when choosing handheld products Roadshows focusing on robotics
End-customers	<ul style="list-style-type: none"> End-consumer survey with more than 4,000 respondents in 5 countries Interviews with professionals Focus groups Field tests Social media 	<ul style="list-style-type: none"> Top 5 criteria: Built to last for years, Value for money, Safe, Comfortable to hold and Robust 	<ul style="list-style-type: none"> Continued focus on high quality A new organization with even stronger focus on end-customer needs Launched more battery products A common Customer Relationship Management system covering several countries as well as Construction
Society (non-governmental and governmental organizations), media	<ul style="list-style-type: none"> UN initiatives Trade and industry organizations Local communities Community engagement 	<ul style="list-style-type: none"> Resource use Human rights Transparency Risk and crisis management Environmental performance Carbon footprint Legal compliance Profitability 	<ul style="list-style-type: none"> Signatory of UN Global Compact Reported to the Carbon Disclosure Project (CDP) Participation in trade and industry organization forums such as UN Global Compact, Svenskt Näringsliv, Teknikföretagen, SNS, EGMF (European Garden Machinery Federation) and OPEI (Outdoor Power Equipment Institute) Meetings held with local communities around production facilities Involved in several local community engagement projects

Materiality analysis

In 2014, a structured process was initiated where the VP Sustainability Affairs, Investor Relations Manager and Corporate Communications Manager met representatives of important stakeholder groups to complement other dialogs held in the organization. These meetings verified the picture obtained from other dialogs: our products should be innovative, safe and environmentally sound, our operations should be safe and energy efficient and our employees should be offered fair compensation, good working conditions and opportunities for competence growth. Equally important is to strive for ethical business practices in our supply chain, to fight corruption and bribery, have good community relations, be profitable and pay taxes.

The Group prioritizes the issues that are most material to the Group and our stakeholders by assessing their impact on the financial situation of the company, the environment, the workplace, customers and on society. In our internal analysis, we concluded that we should concentrate our main efforts on improving the performance of our products, since that is where we have the most impact.

In determining materiality, we also rely on the GRI's sustainability reporting guidelines for guidance. The indicators analyzed and reported are considered relevant and material to the Group and its stakeholders.



Strategy

In 2020, we aim to be a market leader in our industry. Being a market leader means being in or competing for the number one market share position, leading the evolution of the industry and exceeding the market in terms of profitable growth. We believe that profitable growth goes hand-in-hand with environmental stewardship, social responsibility and good governance.

During 2014, we developed a new Group strategy aiming at market leadership by 2020. Our starting point for the strategy development was our end-customers and their needs.

Understanding today's and future expectations of different end-customer segments is critical to develop a sustainable long-term strategy. One important part in understanding future customer requirements has been to thoroughly assess the impact of the megatrends shaping our world, like changing demographics, climate change and globalization. By understanding megatrends we can identify new opportunities and threats that we need to address proactively to sustainably meet changing customer requirements and competitive landscapes.

Developing a sustainable new strategy is also about connecting the future with our point of departure. Our 2020 strategy leverages the strengths and pride created in our organization over our 325-year history. We have analyzed our culture and sustainability starting point to ensure that we can stretch our ambitions to a market leadership level in 2020.

We have come to the conclusion that we most likely will benefit long-term from global megatrends. For a number of years, we have been focusing on innovative and resource-efficient products using technologies that make petrol-driven products more energy-efficient and with fewer emissions, as well as inventing battery-driven products with high performance. With a rising middle class moving into the cities, people's interest in caring for green spaces, either grooming public gardens or nurturing their own gardens, is expected to increase.

In the short term, we are aware that demand for our products is dependent on weather and that unexpected weather conditions can affect sales adversely and positively, for example storms affect sales of chainsaws positively, while too much rain or drought affects sales of lawn mowers negatively.

Sustainability organization and governance

The strategy process led to a new brand-based organization with strong divisions which was fully implemented in January 2015. Currently, sustainability is being integrated in the divisions' strategies and processes.

Sustainability is integrated in the divisions and is on the agenda at the divisional management meetings.

At the monthly operational reviews of divisions attended by the President and CEO, Group CFO, Division President, Division Finance Manager and other members of the Division's Management Team, the division's business is discussed to ensure progress and to provide Group insight into each of the divisions' activities (past and planned). Sustainability is on the agenda of these meetings.

On the Group level, a VP Sustainability Affairs was appointed, responsible for shaping the Group's sustainability agenda and facilitating the divisions' sustainability efforts, who reports to the Group's General Counsel.

A Group EHS Manager (Environment, Health & Safety), responsible for defining, ensuring implementation and following up on the Group EHS strategy, developing global procedures/standards, coaching and challenging the divisional activities, reports to Senior Vice President Group Operations. At production facilities, the direct

responsibility for issues relating to EHS rests with the production facility manager. Each production facility has one or more EHS coordinators. They drive the work with EHS at their facilities and collect and report environmental and health and safety data in Group-wide reporting systems.

Control and monitoring

The Group's own control systems include segregation of duties in critical processes and defined management responsibilities with regard to internal control. The Group has a separate Internal Audit Function that continually evaluates and improves the effectiveness of the governance processes, risk management and internal control.

In addition to the company's auditors, the company's operations are subject to external reviews and monitoring by the Swedish Financial Supervisory Authority (Finansinspektionen) and Nasdaq Stockholm among others.

Risk management

Taking sustainability issues into considerations in operations increases the value of the company by leveraging opportunities and managing financial, social and environmental risks. The Group applies the precautionary principle and takes action to prevent or mitigate injury or harm to human health or the environment.

Our business is exposed to a number of risks, such as product development risks, production and supply chain risks, risks of corruption and fraud, reporting risks, environmental as well as health and safety risks. These can potentially have a greater or lesser material impact on the Group. The responsibility for long-term material risks follows the Group's delegation procedure and is imparted from the Board to the CEO and President, and from the CEO and President to the Divisional Presidents.

Risks related to human rights, health, safety and the environment can arise in the entire supply chain, both at our suppliers and at our own production facilities, and these risks can be followed by reputational risks for well-known brands owned by the Group.

Sick leave and issues related to wellness can negatively

impact the productivity of the Group and unsatisfied employees may also not recommend Husqvarna Group as an employer. The Code of Conduct, policies and guidelines, as well as the People Process provide a foundation for a sound business environment.

Having a broad supply chain increases the risk that products may contain components that are not produced sustainably. The Group and its suppliers must share the same high standards for the environment, labor and human rights.

The risk of corruption and fraud exists in markets where Husqvarna Group conducts business. In regions with estimated higher risks, Husqvarna Group strengthens its efforts (see page 17).

Environmental risks related to the Group's operations include physical changes in climate and natural resources, changes in customer or legal requirements for products, generating and handling emissions and waste, and potential environmental liabilities in connection with the acquisition of land or production facilities. In the case of acquisitions or cessation of operations, environmental risk assessments are always conducted by qualified experts.

More information on risk management can be found in the Annual Report.

Objectives and achievements

The management of Husqvarna Group has identified both long- and short-term objectives to measure progress towards becoming a more sustainable company. New objectives will be developed during 2015.

Long-term goals	Objectives 2013–2015	Achievements 2014
Develop environmentally sound products	Develop and implement a roadmap for phasing out hazardous chemicals and substances in products and processes.	<ul style="list-style-type: none"> Efforts to phase out hazardous chemicals are a priority. Surveys were sent to suppliers to collect information about chemical content in delivered components. Achievements have been made, e.g. phasing out DEHP, but work remains.
	Implement and apply the concept of environmental design in the product creation process.	<ul style="list-style-type: none"> Improvements are continually being made to reduce products' environmental impact. Progress has been made, but work remains.
More efficient use of energy and input materials	Reduce energy consumption by 10 percent per produced equivalent unit and/or added value at production facilities.	<ul style="list-style-type: none"> Reduction of 3.4 percent, thanks to energy conservation initiatives.
	Reduce carbon dioxide emissions per tonnes kilometer from transportation of goods.	<ul style="list-style-type: none"> Increased by 11 percent due to larger shipments over longer distances.
	Implement and maintain ISO 14001 on production facilities with more than 100 employees. The goal is 100 percent, baseline 2012: 88 percent.	<ul style="list-style-type: none"> 92 percent of production facilities with more than 100 employees were certified.
Select suppliers that operate in a responsible manner	Implement a unified program for risk mapping, supplier evaluation and supplier selection based on Husqvarna Group's Code of Conduct.	<ul style="list-style-type: none"> Supplier Code of Business Ethics updated 10 supplier sustainability audits conducted in China Training in Environmental, Health and Safety for selected suppliers in China
Reduce workplace accidents to zero	Reduce the number of accidents (measured in lost days) per million hours worked. Baseline 2012: 5.1.	<ul style="list-style-type: none"> Improved to 3.8 (4.5).
	Implement a unified health and safety management system within the Group.	<ul style="list-style-type: none"> Implemented at all production facilities and most supporting operations.
Contribute to the professional development of each employee	80 percent of employees should undergo a performance review. Baseline 2012: 67 percent.	<ul style="list-style-type: none"> Increased to 69 percent (64).
	Employee Satisfaction Index target 85, as measured in the annual employee survey. Baseline 2012: 82.	<ul style="list-style-type: none"> Increased to 84 (79).
Ensure employee adherence to the Code of Conduct	100 percent of managers in tier 1–3 to attend web-based training in Husqvarna Group's Code of Conduct, with additional key roles, for instance within purchasing and sales, covered in tier 4 and below.	<ul style="list-style-type: none"> Web-based training rolled out to 100% of managers in tier 1–4, with 82% of these having completed the training in 2014.
	Code of Conduct included in the induction program for all new employees.	<ul style="list-style-type: none"> Included in induction programs.
Contribute to the development of communities	Two community engagement projects per year at production facilities with more than 100 employees.	<ul style="list-style-type: none"> A Group-wide cooperation with UNHCR was established. Some 500 chainsaws were donated to people in the Philippines to help them clear the ground and build houses after the typhoon in 2013. Several local community engagement projects started.
	Information on community engagement projects and contributions to be gathered at Group level.	<ul style="list-style-type: none"> Data and stories from biggest sites collected and shared.

Environmental stewardship

When designing, the Group improves its products and processes by including environmental, safety and ergonomic considerations.

Product creation

Our focus on product sustainability begins with the very first idea for a design and continues through procurement, manufacturing, transportation and disposal. It governs the materials we choose, emissions, ergonomics and safety, the ease and efficiency of service as well as the product's degree of recyclability.

Primary drivers of innovation for the Group are end-user demands, trends, lower production costs, safety, improved ergonomics, improved environmental impacts, recycling and efficient maintenance as well as laws and regulations.

When we asked our end-customers in 2014, their top five criteria for the ideal tools and equipment were: built to last for years, offering value for money, safe, comfortable to hold and robust. Ergonomics in terms of minimizing aches and pains caused by physical task as well as creating as little pollution as possible were other important criteria.

The environmental impact of the Group's products is typically greatest during use. However, it is difficult to measure exactly how big this impact is for each product, as they are not used continually. Usage also differs greatly depending on the weather and on whether a product is used by a professional or a consumer.

Lately, there has been an increased focus on creating more energy-efficient products. A growing number of products are using technology that reduces fuel consumption and carbon dioxide emissions, such as our handheld construction products and the battery-driven range of lawn mowers, trimmers and chainsaws.

Battery-driven products show better environmental performance compared to petrol-powered, but since the market for petrol-powered products is much bigger, the Group also invests in improving the environmental performance of these products.

Legal regulations

The Group's products are subject to international, national and regional restrictions and regulations, primarily in terms of materials, emissions and noise. The Group is working to ensure legal compliance, to follow the development of new regulations and to make adjustments to meet future requirements.

The Group maintains lists of substances that are either prohibited or restricted due to their potential negative impact on health or the environment. The Group's Restricted Materials List (RML) details hazardous chemical substances that are required to be either not contained in, or restricted in, purchased articles and materials based on legal requirements such as the EU directives REACH and RoHS. Restricted substances are not yet legally excluded but should be replaced taking into account technical and financial aspects. Regular dialogs are held with suppliers of materials and products, and chemical contents in products are monitored.

Conflict minerals

In 2012, the Securities and Exchange Commission (SEC) adopted the final rule implementing Section 1502 of the Dodd-Frank Act, the Conflict Minerals Rule. Under the rule, SEC-reporting companies that manufacture products containing conflict minerals must conduct due diligence related to sourcing of the applicable conflict minerals. The rule applies to all U.S. publicly traded companies – or foreign-owned companies – that are required to report to the SEC.

Husqvarna Group is indirectly affected since conflict minerals are a concern for the Group's SEC-reporting trade partners. The Group is addressing the expected requirements regarding conflict minerals by, among other things, conducting dialogs with suppliers.

CUSTOMER-FOCUSED INNOVATION

The list of Husqvarna Construction's innovations during recent years includes a variety of products with a strong focus on user benefits.

The new Husqvarna flat saws FS 7000D and FS 5000D are faster, cleaner and smarter than their predecessors. But what is unique is that their diesel engines with particle filtration are developed to be compliant with both European and U.S. legislation; Tier 4 and Stage IIIB (with 20 times fewer emissions than Tier 1).



GREATER PRODUCT EFFICIENCY

Battery products have a significantly reduced environmental impact across the product life cycle compared to petrol-driven products and the Group is investing in developing more battery products.

We are also improving our petrol-driven products. Husqvarna's professional chainsaws have AutoTune™ with a computer chip to regulate the flow of fuel to the engine, optimizing performance and minimizing exhaust emissions. The X-TORQ® engine technology developed by Husqvarna for two-stroke engines reduces fuel consumption by up to 20 percent and exhaust emissions by up to 60 to 75 percent.



Sourcing

Purchasing of materials accounts for 50 (53) percent of sales, of which 12 (12) percent is raw materials. The number of suppliers has decreased by approximately 30 percent from 3,100 in 2008 to about 2,300.

The Group emphasizes high standards of environmental and labor practices throughout the supply chain. Contracts with suppliers incorporate Husqvarna Group's Supplier Code of Business Ethics.

Suppliers of direct materials are evaluated for efficiency, quality, delivery, price and reliability and they are required to adopt and follow the principles outlined in Husqvarna Group's Supplier Code of Business Ethics and Husqvarna Group's Restricted Materials List. The Group works closely with its business partners to set up action plans to help them meet the criteria.

Husqvarna Group has established closer cooperation with its top 150 suppliers, covering approximately 65 percent of the Group's purchasing spend. The program, called EXCITE, aims at excellence through common initiatives and teamwork. Quality, cost-efficiency, supply chain flexibility and innovation have been key topics. There are quarterly global communication activities with these suppliers. As part of the program, a two-day supplier conference was held in Charlotte, U.S. with 116 of the largest suppliers attending. Husqvarna Group was awarded the 2014 Procurement Award from the global procurement association, Procurement Leaders, for this program, which was named the best supply chain initiative.

Additionally, there is special focus on supporting suppliers' sustainability progress in China. A two-day training in Environmental, Health and Safety was held with 16 selected suppliers.

During 2014, sustainability audits were conducted at 10 selected suppliers in China.

Human rights in the supply chain

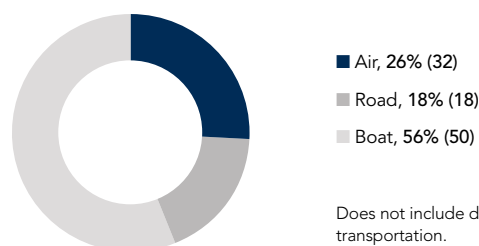
Husqvarna Group is a signatory of the UN Global Compact and supports its principles in the areas of human rights, labor, environment and anti-corruption. The same standards for the environment, labor and human rights should be met by Husqvarna Group and suppliers, sub-contractors and other business partners. The Group neither tolerates underage labor nor allows illegal or forced labor in its own operations or in the operations of any supplier or other party with whom the Group cooperates. The minimum employment age is 15 years or the legal working age in the country in question.

No incidents involving underage, illegal or forced labor were brought to the attention of Group Management during 2014.

Manufacturing

The most significant environmental aspects of Husqvarna Group's manufacturing include the use of raw materials, water and chemicals, energy consumption, emissions in air and water, and waste recycling and disposal.

Carbon dioxide emissions from transportation Percent CO₂ emissions per mode, 2014





ENVIRONMENTAL IMPROVEMENTS IN HUSKVARNA

At the die casting plant in Huskvarna, Sweden, a project was run to improve environmental performance significantly.

Waste

Guidelines were introduced to improve waste handling. They describe all of the parts used and how each part should be sorted and labeled. As a result:

- Easier sorting of all kinds of waste fractions for the staff, which means cleaner and more appealing waste disposal areas.
- Sludge from the cylinder treatment plant and honing contains a small amount of nickel. Now, all parts containing nickel are being sent for recycling.
- By recycling plastics from packaging, unsorted material has been reduced by 16 tons/year.

Zero water emissions

- Investments in a new evaporator for handling wastewater have reduced chemical use by approximately 80 tons/year. This has led to a decrease in purchasing of chemicals.
- A closed-loop system ensures that the water used in the plating process is reused, resulting in zero emissions. The installation of the new evaporator has indirectly reduced CO₂ emissions from the transportation of chemicals to the plant.

Phasing out hazardous chemicals

- The tumbling process, pretreatment containing hexavalent chromium (CR(VI)) and the powder painting system were replaced with new blasting equipment and a spray-on pretreatment was connected to the painting area for a more efficient process. The new equipment, which has a closed-loop system, has reduced the total amount of CR(VI) to zero.

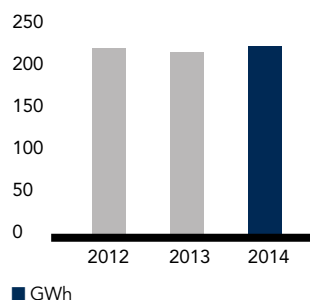
In 2014, the Group's 33 (33) production facilities were based in 14 (14) countries with a majority in Europe and the U.S. We also have four facilities in China, one in Japan and one in Brazil. Production facilities are located in both industrial and rural areas and most require environmental operating permits depending on the jurisdiction.

As a general internal requirement, all production facilities with more than 100 employees must maintain an environmental management system certified according to ISO 14001. In 2014, 92% of facilities with more than 100 employees and 85% of all facilities were ISO 14001 certified.

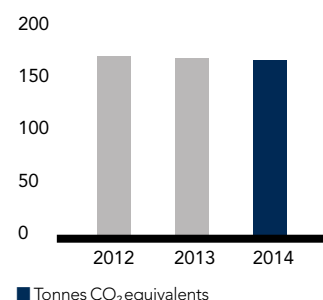
Each production site works to improve environmental performance focusing on water and energy consumption. The majority of water consumption is from municipal water plants. Some sites are using surface water for cooling and ground water for production. Several locations are taking a systemic approach to energy reduction and the production site in Aycliffe, U.K, became the first ISO 50001 (energy) certified site. Despite a production increase, the Group managed to reduce energy use and carbon dioxide emissions.

The Carbon Disclosure Project (CDP) is an independent non-profit organization that gathers carbon data from companies and organizations. Its purpose is to drive transparency and promote prevention of climate change. Husqvarna Group has been reporting

Electricity purchased

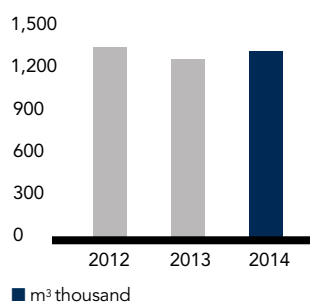


Emissions of green house gases (tonnes, CO₂ equivalents)¹

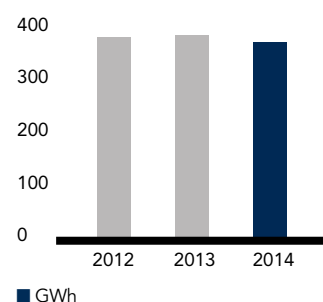


¹ Including direct and indirect GHG emissions from manufacturing sites and larger warehouses.

Water consumption



Energy use¹



¹ Stationary fuel for heating, district heating and purchased electricity.

to the CDP since 2008. Reporting of emissions of greenhouse gases complies with CDP recommendations and conversion factors taken from the Greenhouse Gas Protocol are applied. Husqvarna Group scored 88 B in 2014, compared with 79 C in 2013.

Sales

The Group's products are sold to consumers and professional end-customers via dealers and retailers in more than 100 countries. Products are marketed responsibly on the basis of quality, price and other legitimate attributes.

Product safety

Husqvarna Group's power products should never be used when other people or animals are close by. Since children often are attracted to these machines, the operator is requested to keep children under supervision at all times. Warnings are published on websites and in user manuals. Children are never present in our marketing material promoting our power products.

Customers are provided with easy-to-use manuals in several languages.

Ensuring safety and quality involves preparing control plans with suppliers and performing quality reviews and revalidation audits of existing products. The Group applies a tool for identifying possible risks of failures, evaluating their consequences and ranking proposed measures to avoid failures.

In 2014, Husqvarna Group's Committee on Product Safety convened 19 times, treating 17 different cases related to potential product safety matters. Five of these resulted in preventative reworking of these products in warehouses, and two resulted in product recalls from the market.

Recycling and disposal

Product analyses conducted on chainsaws show that components could be recycled and used as raw materials where there is a well-functioning system for recycling products.

The Group participates in take-back schemes for recycling packaging, electrical products (WEEE) and batteries in countries where these exist, such as the European Recycling Platform.



ENVIRONMENTAL PIONEER

Husqvarna Group was a pioneer when launching solar-powered robotic mowers in 1995. Robotic mowers are energy-efficient and produce almost no emissions during use. With a mindset of continually making improvements, the electricity consumption for maintaining a 1,000m² lawn has been reduced by approximately 70 percent between the 2nd and the 3rd generations of robotic mowers.

Recycling and disposal of waste (tonnes)	2014	2013	2012	2011
Non-hazardous recycled waste	21,664	20,895	23,190	19,602
Hazardous waste, non-recycled	2,639	761	748	672
Hazardous waste, recycled	585	406	579	1,735
Non-hazardous non-recycled waste	5,244	4,844	5,525	7,248

The amount of hazardous waste increased after installing closed-loop systems in some of our production facilities.

Key environmental ratios	2014	2013	2012	2011 ¹
Carbon dioxide emissions, tonnes	166,592	168,617	170,295	180,608
Employees' air travel CO ₂ emissions, thousand tonnes	7.8	6.8	5.8	1.62 ⁴
CO ₂ emissions (kg) per added value (kSEK)	36	41	39 ¹	37.9
Energy consumption (kWh) per added value (kSEK) ²	84	96	87	92
Number of serious environmental incidents	2	3	2	1
Plants with Environmental Management System ³ , %	92	92 ³	89 ³	89

¹ Environmental data is restated due to improved data quality.

² Construction is not included.

³ Production facilities with more than 100 employees.

⁴ Personal air transport not completed due to a change of travel agents.

1 tonnes equals to 1,000 kg. Also referred to as metric ton.

Continuous improvements on environmental aspects

Husqvarna Group strives to improve the environmental impact of its products and processes in every phase of the product life cycle, from raw material sourcing, manufacturing and distribution to use-of-products and recycling of materials and disposal.

1 Product development

Ergonomics, ease-of-use, energy efficiency and high quality are important features when designing products. Product improvements are continually made to reduce our products' environmental footprint.

7 Recycling

Agreements with external parties regarding producer responsibility and recycling have been developed further.

2 Sourcing

Close connections have been established with the 150 largest suppliers covering about 65 percent of the Group's purchasing spend.

The Supplier Code of Business Ethics has been updated. It clarifies what Husqvarna Group expects from suppliers in relation to fairness in business relations, human rights and workplace practice, the environment, health and safety and fire prevention.

3 Manufacturing

Manufacturing is located close to end-customers mainly in North America and in Europe but also in Asia. Each production facility works on continually improving its environmental performance, for example, by reducing water and energy consumption through modernizing heating, ventilation and air conditioning systems and changing to high-efficiency compressed air systems, as well as installing lighting systems with motion sensors.

To improve skills and expertise in the environmental management system ISO 14001, a training course for environmental managers was carried out in the U.S.

4 Logistics

Carbon emissions from transportation (air, ocean and outbound truck) have been tracked for a number of years.

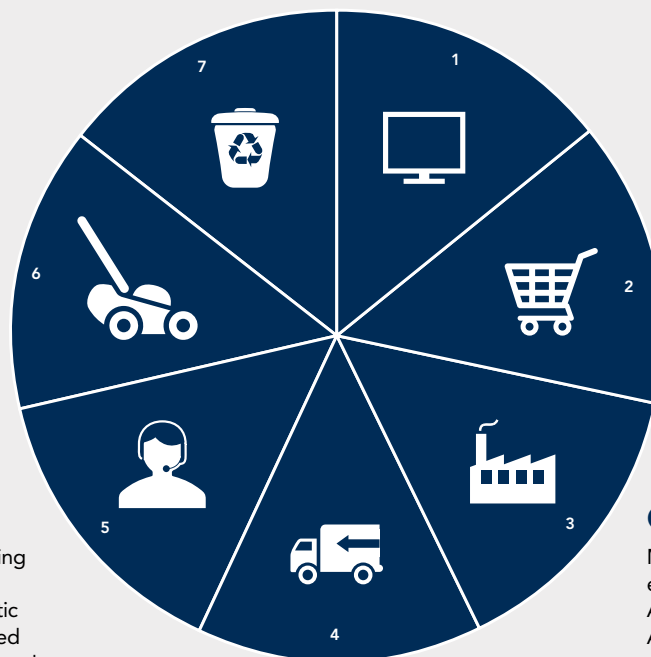
5 Sales

Husqvarna Group is increasing its efforts to sell more battery products, such as robotic mowers and battery-powered chainsaws, hedge trimmers and trimmers.

These products have a considerably lower carbon dioxide impact compared to petrol-powered products.

6 Use

The largest part of a product's environmental impact is determined at the design stage. Approximately 70 percent of the carbon dioxide impact of a petrol-powered product is estimated to come from when the product is being used.





HUSQVARNA'S HIPERFLOOR® BOOSTED HEATING

New student housing was needed at the Pacific Northwest College of Art (PNCA) in Portland, Oregon. Daylight was the central architectural feature designers wanted to capture to awaken creativity, supply comfort and stoke interest in a sustainable, low-energy-use facility.

Husqvarna HiPERFLOOR, one of the world's greenest, cleanest, most durable floors, was specifically selected to satisfy green building requirements. The diamond-polished concrete was used to reflect daylight from windows to reduce electricity use in the facility and maximize a prized resource.

The HiPERFLOOR concrete finish process transforms new or existing concrete into an extremely wear-resistant floor. It uses low VOC chemicals that react with natural calcium in the slab to create crystals that harden the floor and reflect light. The surface is then polished using Husqvarna's patented Dual-Driven Technology™. The result: a brilliant finish!

The floor retains the original thermal mass needed to create a comfortable environment. At ArtHouse, thanks to HiPERFLOOR's light-reflecting qualities, traditional heating and cooling systems were not required, drastically reducing the building's energy needs.

Even the stone was chosen with sustainability in mind and locally sourced in Portland.

"One of the things I love about these types of floors is that they use aggregate from the surrounding areas," says architect Thomas Robinson.

The building has received LEED® Silver certification. LEED (Leadership in Energy & Environmental Design) is a globally recognized certification that verifies best-in-class building practices. For ArtHouse, Husqvarna's glossy concrete floors were an important part in achieving this milestone.



Committed employees

It is through our people that we can make a difference. Our core values are Customers first, Professionalism, Personal leadership & Team spirit.

A strong corporate culture

As part of the strategy process, the Group's culture was investigated through interviews with individuals and focus groups at various locations. These interviews confirmed that we have a strong common culture, take great pride in our long history, and have passion for products and innovation. Our people are dedicated and have a strong work ethic, and the communication climate is open. All of this forms a strong foundation for the Group.

During the interviews, employees asked for a higher degree of customer focus, strengthened collaboration and a winner attitude. Restructuring the Group was a way to focus more on end-customer needs as well as to speed up the decision-making process.

Our workforce

The Group has employees in 43 countries. During 2014, the average number of employees was 14,337 (14,156) and 14,554 (15,076) at year-end. The voluntary staff turnover for the Group was 7.1 percent (6.5).

Providing products mainly for maintaining parks, gardens and forests involves seasonal variations in sales, which affects the number of seasonal employees in our production facilities. The Group's workforce starts growing at the end of the year and is generally higher during the first quarter and at the beginning of the second quarter when manufacturing of garden products is highest, before it is reduced mid-year. In a typical year, the average proportion of temporary to permanent employees is slightly higher than 20 percent.

Attract, develop and retain

At Husqvarna Group, we want to continue being a world leader, and we know that our future growth is closely related to how we succeed in being a good employer that is, how good we are in attracting, developing, and keeping qualified and motivated people.

Husqvarna Group has several structured programs to increase employee attraction and build a pool of future talents. We have a five-year partnership with the student organization AIESEC. Through this organization, more than 70 talented young professionals have worked for the Group. Currently, 10 AIESEC interns are working in Canada, China, Germany and Sweden.

In 2014, the second group with six trainees from Sweden, China, the U.S. and Ukraine joined the Global Trainee Program. The program runs for two years and includes six rotations as well as a number of courses designed to give participants a broad picture of the Group.

The People Process is designed to support managers in selection and recruitment, performance evaluation, career development and remuneration. The professional development needs of employees



are identified through a variety of talent management processes such as the annual performance planning and review process and the talent review and succession planning. Together with their managers, employees prioritize and plan their professional development activities.

The management development program is being revised to include two new programs piloted in 2014. The Practical Leadership program provides managers entering a people-management role or those wishing to refresh their skills and gain a more solid platform for their leadership. The Global Leader program targets middle managers in, or preparing for, senior roles in an international context. Two additional programs are planned for 2015, including an Early Career Talent program and a Future Executives program.

Workshops covering various lean manufacturing topics are held regularly at production facilities and warehouses. To encourage and motivate employees to increase their involvement in lean manufacturing activities, the Group launched a certification program to recognize individual performance. The program is composed of five levels through which an employee can advance based on knowledge and achievement. Depending on the level of certification pursued, employees have the opportunity to complete a series of activities such as attending workshops, leading projects and workshops, driving improvements and delivering cost savings. As of December 2014, 231 employees had achieved the first level of certification, 16 the second and one the third.

The large number of seasonal employees means that a significant number of new employees are trained at the beginning of each new season.

Health and safety

The Group's global approach to health and safety continued with further development of internal standards, global networking and reporting, as well as the implementation of a new injury rate KPI for safety to establish a baseline for less severe/more frequent injuries. In addition, the global EHS team met for the first time in October for a three-day summit to identify key strategic areas to synergize, focus on, and improve over the next three to five years.

Currently, three locations have a certified occupational safety and health management system with more expected as ISO 45001 becomes the global health and safety system standard.

The Group aims to reduce workplace accidents towards zero at all facilities. In 2014, there were 0 (0) fatalities and the lost workday accident rate per million hours worked was 3.8 (4.5), which includes a 15 percent reduction year-on-year. Current figures includes all employees working in production facilities and most employees in supporting operations.

Safety milestone achievements continue to be reached:

- Six manufacturing facilities without any injuries in 2014.
- Seven manufacturing facilities without any lost workday injuries in 2014.
 - Nashville has worked 12 years without a lost workday injury.
 - Kawagoe has worked 6 years without a lost workday injury.
 - Xiamen has worked 2.5 years without a lost workday injury.
- 67% of manufacturing facilities met their lost workday incident rate goals for 2014.

Employer-employee relations

All employees are free to exercise the right to form, join or refrain from joining unions or similar organizations, as well as to bargain collectively or individually. The Group estimates that four out of ten employees are covered by collective bargaining agreements. The coverage differs from country to country. In Sweden, all employees except Group management are covered by collective agreements.

In accordance with Swedish law, two employee representatives and two deputies are members of the Board, providing employee input to the Board's decision-making.

In countries where no independent labor unions exist, several forums for employer-employee relations have been established, such as consultations and environment and safety committees.

Diversity and equality

Employees and managers are recruited mainly from within the local communities. About 99 percent of the total workforce and 93 percent of managers are employed locally reflecting several nationalities and religions. A diverse workforce is strong, competitive, innovative and resilient and the Group focuses on diversity from several perspectives. A particular effort has been made over the past few years to increase female representation in leadership roles. When recruiting, the Group aims to present both female and male candidates for positions. The number of female employees reached 36 percent (36) and the proportion of female managers is 12 percent (15).

As stated in the Code, discrimination on the basis of individual characteristics such as gender, age, disability, sexual orientation or ethnic origin, and physical, psychological, religious, sexual or verbal harassment is not accepted.

Wages and benefits

As a principle, employment terms and wages shall be fair and reasonable in line with industry standards to attract and retain highly skilled employees. The Group complies with applicable laws and industry standards on working hours.

Each operational unit is responsible for providing its employees with all mandatory benefits (i.e. pensions, medical and social insurance). In some countries or at some production facilities, the benefits offered are in excess of the mandatory provisions. For temporary employees, benefits provided are in line with local laws and regulations.

In 2014, wages totaled SEK 3,577m (3,758) while social security costs and pension plans amounted to SEK 888m (917).

Employee surveys

Husqvarna Group conducts annual employee satisfaction surveys to improve working conditions and Group efficiency. In 2014, approximately 10,854 (11,332) employees were invited to take part in the survey, which was translated into 14 languages. The response rate of 90 percent (89) together with input from our employees is proof that we have a process that is credible and worthwhile when teams are analyzing, formulating and executing actions based on the previous year's feedback. On an aggregated Group level, the results show:

- Significant increase in knowledge about and belief in the Group strategy. The perception of how the Group is managed also improved.
- All questions related to communication improved, especially timely information from managers.
- Working climate improved.
- Areas that need further attention are the perception of respect from one's manager and having a working group free from conflict.

Performance review

The performance review covers the previous year's work, defines new objectives and creates action plans for the employee's development. A follow-up meeting six months later checks the progress of the plan.

The goal is for 80 percent of all employees to undergo a performance review each year. In 2014, 69 percent (64) of all employees had a performance review, of which 87 percent (85) of white-collar employees and 54 percent (47) of blue-collar employees participated.

Performance reviews correlate with higher satisfaction levels as measured in the employee survey follow-up.

Internal implementation of the Code

All employees are obliged to observe and comply with Husqvarna Group's Code of Conduct, available on the corporate website in English and in 13 languages on the intranet. Sub-guidelines explaining some parts of the Code in detail are also available internally.

The objective is that 100 percent of managers in tier 1-3 with additional key roles, for instance within purchasing and sales, should attend the web-based training in Husqvarna Group's Code of Conduct. The web-based training was rolled out to all managers in tier 1-4, with 82 percent of these having completed the training.

The Group has a global whistleblowing function called the AlertLine where potential violations of law and internal policies can be reported anonymously by employees and other people via email or telephone in local languages internally and/or externally and to a third party. In 2014, 115 (101) cases were reported to the AlertLine. Of these, 15 (12) incidents involving discrimination or harassment were reported to Husqvarna Group's Management. Following investigations, one case was substantiated, six partly substantiated, and eight cases were unsubstantiated.

325 CELEBRATIONS ALL OVER THE WORLD



Influencing several local communities

Husqvarna Group's most important contribution to the communities where it operates is to perform basic business activities as effectively as possible following the Code of Conduct.

Distribution of economic value

With more than 14,000 employees in more than 40 countries, as well as products sold through major retailer chains and 25,000 servicing dealers and directly to construction companies in more than 100 countries, the Group influences the economic and social development of many communities.

The economic value that the Group creates by selling products and services benefits a number of stakeholders. These include employees and their families in the form of wages and other benefits, suppliers in the form of payments for delivered goods and services, trade partners and end-customers in the form of high-quality products and services, society (state and municipalities) in the form of tax payments, and shareholders in the form of dividends and share appreciation. Husqvarna Group's total added value in 2014 amounted to SEK 8,231m (7,391). In 2014, the Group paid SEK 231m (394) to governments in taxes globally.

When setting up a facility, the Group creates benefits such as new jobs, technology and knowledge transfer, as well as improved social and environmental standards in local communities. When relocating or closing operations, the Group strives to handle such organizational changes responsibly.

The providers of capital, that is shareholders and credit institutions, provide funds to finance the asset base used to create economic value. In turn, these stakeholders receive annual dividends and interest. Some 64 percent (72) of the capital is held by Swedish shareholders. Husqvarna Group does not receive governmental financial assistance on the Group level. However, the Swedish government and other governments are present via shareholder representation of state-owned pension funds.

Costs for the provision of capital including dividends amounted to SEK 1,184m (1,287).

Corruption and fraud

Husqvarna Group has a long and prestigious history characterized by honesty and fairness in dealings with business partners and stakeholders. The Group is determined to keep it that way and is accordingly committed to supporting fair competition by prohibiting discussions or agreements with competitors concerning pricing or market sharing. There have been no legal actions for anti-competitive behavior in 2014.

Corruption and bribery exist in markets where the Group conducts business, however, the majority of production and sales operations are located in countries with a lower risk for corruption, as defined by Transparency International. Corruption and bribery are not tolerated in any form. To strengthen the Group's anti-corruption measures, the Group has close interaction with its suppliers, strengthened training in the Code in general but also where deemed necessary, the Group has translated the Code into applicable local languages, established a whistleblower function, appointed a Compliance Officer and is provid-

ing regular training for local management, employees and suppliers in countries where the risk is deemed to be higher.

The Group observes strict neutrality with regard to political parties and candidates and, consequently, does not provide monetary or other contributions or resources to any political parties or institutions.

Community engagement

Community engagement projects are mainly delivered through local units and the Group has a long tradition of community engagement. Support can be in the form of time, products or money. Some of the initiatives are described below.

Transfer knowledge

The most common way of showing our engagement is by transferring knowledge and equipment to universities, forestry schools, end-customers and NGOs, such as the University of British Columbia (Canada), University of Lund (Sweden), technical equipment to local mechanical schools (U.K.), Oregon State University, Hocking College and University of Wisconsin (U.S.). Chainsaws and supplies were also donated to the National Park Service's Arborist Incident Response (AIR) Program, Blue Ridge Parkway in Asheville, N.C. (U.S.).

Disaster relief

Given the Group's product offering and operations, it is also relevant to help others preserve local environments and to support people in connection with natural disasters. This support is short-term and often in the form of providing products.

A Group-common initiative was to donate 500 chainsaws via UNHCR to help people clear the ground and build houses after the huge earthquake that hit the Philippines at the end of 2013.

In Germany, employees donated blood to the Red Cross during working time. They also made a product donation of 40 dirt water pumps to help manage flooding in Bosnia and donated 60 chainsaws to the disaster response organization @fire international.

In the United States, Husqvarna participated in the restoration of the school-yard of a local school in Charlotte, SC, together with the Hornets (NBA basketball team).

Other

In Australia, a customer's vehicle in a charity rally was sponsored to raise money for Variety Children's Charity, and donations were made to a local football team. China held winter classes for employees' kids. Swedish employee's Christmas gifts were donated to the organizations "Save the Children" and "Min Stora Dag".

Heritage

Passionate about innovation

Ever since our start in 1689, our passion for innovation, development and precision has led to a long line of successful products and solutions in very different areas – from weapons, sewing machines and motorcycles to market-leading outdoor power products for customers around the globe.

Today, our commitment to increasing usability to fulfill end-customer needs, together with our respect for nature and caring for people, is guiding us to produce more ergonomic products with lower emissions and better energy efficiency than ever before.



1959 Chainsaws

Husqvarna's expertise in engines leads to production of chainsaws.

1968 Power cutters

Husqvarna's first power cutter is a redesigned chainsaw.



1903–1987 Motorcycles

Lightweight yet powerful engines give Husqvarna a worldwide reputation in motorcycles.

1896–1962 Bicycles

Husqvarna bicycles become very popular.

1872–1997 Sewing machines

The machinery for producing rifles turns out to be well suited for manufacturing sewing machines.



1689–1989

Rifle factory

Swedish weapons production takes off and a plant is built in Huskvarna, Sweden.



1874–1978 Kitchen equipment

Production expands to kitchen equipment in cast iron such as meat mincers, stoves and ovens.

1918 Lawn mowers

When Norrahammars Ironworks in Sweden is acquired, the product range expands.

1947 Powered lawn mowers

Husqvarna's first motorized lawn mower for commercial use.

1969 Anti-vibration

Launch of the world's first chainsaw with an integrated anti-vibration system. Ergonomics has been important ever since.

1973 Automatic chain brake

The first automatic chain brake followed by the Trio Brake™ (1999) decreases the risk of injury for forestry workers.

**1978****Power products in focus**

Husqvarna is acquired by Electrolux and the outdoor product operations continue to expand through acquisitions.

1980's**Strengthened positions in the U.S.**

Organic growth and acquisitions expand Husqvarna's operations in the U.S.

2002**Diamond tools**

The construction business doubles in size through acquisition.

2005**X-Torq®**

New standard for two-stroke engines increases gear ratio, while reducing fuel consumption and emissions.

2006**On its own feet**

Husqvarna is listed on Nasdaq Stockholm.

2008**Expanded presence in China**

Expand production in China through acquisition and a new production facility.

2009**Demolition robot**

Husqvarna's first remote-controlled demolition robot is launched.

2009**AutoTune™**

Automatic optimization of fuel flow.

1995**Robotic lawn mower**

World's first commercialized solar-powered robotic mower.

2007**Watering equipment and expansion in Japan**

Acquisitions of Gardena, Zenoah and Klippo bring strong brands, complementary products and geographic expansion.

2012**Battery-powered range**

The same performance as that of petrol-powered machines, but without the noise and direct emissions.

2013**All-wheel-drive lawnmower**

The world's first AWD lawn mower is launched.

2014**Saw chain production**

A new production facility for manufacturing chain-saw chains in Huskvarna, Sweden.



Sustainability performance

Summary

GRI indicator ¹	Economic, SEKm	2014	2013	2012	2011	2010
EC1	Group net sales	32,838	30,307	30,834	30,357	32,240
EC1	Operating costs (materials and services)	24,607	22,916	22,830	22,498	23,226
EC1	Employee salaries	4,157	3,758	4,016	3,904	4,080
EC1	Social security costs and pension plans	957	917	968	1,029	1,108
EC1	Payments to state and municipality (taxes)	231	394	431	413	503
EC1	Credit institutions (interest)	325	428	500	404	394
EC1	Shareholders (dividends)	859	859	859	859	574
EC1	Total economic value	8,231	7,391	8,004	7,859	9,014
EC1	Economic value retained	1,702	1,035	1,230	1,250	2,355
GRI indicator ¹	Environmental	2014	2013	2012	2011	2010
	Production facilities with installed environmental management systems ISO 14001, % ²	92	92	89	88	81
	Serious environmental incidents, absolute number	2	3	2	1	1
EN1	Raw material ³ , steel, tonnes	104,613	101,081	108,100	103,139	104,561
EN1	Raw material ³ , plastic, tonnes	18,284	16,133 ⁴	15,337 ⁴	15,833	15,506
EN1	Raw material ³ , aluminum, tonnes	773	570 ⁴	609 ⁴	692	651
EN1	Raw material ³ , magnesium, tonnes	1,146	842	1,220	1,160	832
EN3	Direct energy use ⁵ , MWh	122,271	122,378 ⁴	124,586	145,992	128,645
EN4	Indirect energy use, MWh	246,277	259,165 ⁴	254,705 ⁴	271,889	260,808
EN3+EN4	Energy use, MWh	368,548	381,543 ⁴	379,291 ⁴	417,882	389,453
EN8	Water consumed, m ³	1,318,148	1,262,018 ⁴	1,346,433	1,384,789	1,498,576
EN16	CO ₂ emissions, tonnes (total energy)	166,592	168,617 ⁴	170,295 ⁴	180,459	168,995
	– direct energy, tonnes	40,825	38,162 ⁴	44,141	43,033	40,411
	– indirect energy, tonnes	125,767	130,455 ⁴	126,154 ⁴	137,426	128,584
EN17	CO ₂ emissions (personal air transport), thousand tonnes	7.8	6.8 ⁴	5.8 ⁴	1.62 ⁶	5.85
EN22	Waste, tonnes	30,131	26,931 ⁴	30,042	29,258	35,289
GRI indicator ¹	Social	2014	2013	2012	2011	2010
LA1	Workforce (average number of employees)	14,337	14,156	15,429	15,698	14,954
LA7	Accidents per million hours worked	3.8	4.5	5.1	11.2 ⁷	–
LA7	Fatalities at production facilities, absolute number	0	0	0	0	0
LA12	Performance reviews, %	69	64	67	66	–
	– white collar, %	87	85	84	82	–
	– blue collar, %	54	47	53	52	–
LA13	Proportion of women, % of employees	36	36	37	35	35
LA13	Proportion of women in management positions, tier 1–3, % managers	12	15	13	11	12
LA13	Proportion of women on the Board of Directors ⁸ , %	33	38 ⁹	33	33	33

¹ According to GRI guidelines, www.globalreporting.org.

² Production facilities with more than 100 employees.

³ Raw material used in own production.

⁴ Adjusted due to better tracking.

⁵ Consists almost entirely of natural gas.


⁶ In 2011, personal air transport was not completely covered due to a change of travel agency.

⁷ Enhanced reporting procedures in 2012 revealed that this figure for 2011 is overstated.

⁸ Employee representatives excluded. With employee representatives included, the figure for 2014 reaches 54%.

⁹ As of July 2013.

1 tonnes equals to 1,000 kg. Also referred to as metric ton.



ABOUT THIS REPORT

This is Husqvarna Group's fifth Sustainability Report. The report summarizes the Group's 2014 sustainability initiatives and performance.

The Sustainability Report has been prepared using the Global Reporting Initiative's (GRI) Sustainability Reporting Guidelines, version G3.0. This is a level C report. It has been approved by Group Management; however, it has not been subject to assurance by an external party.

Husqvarna Group's previous Sustainability Report covered the calendar year 2013 and was published in March 2014 in conjunction with the Annual Report.

Husqvarna Group's next Sustainability Report will be published at husqvarnagroup.com in Spring 2016.

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