# **H&M** Group

### Press release

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## Sustainability report shows strong progress towards the goal to only use sustainable materials

57% of all materials H&M Group uses to make its products are created using recycled or other sustainably sourced fibers, according to the company's Sustainability Report released today. It highlights the company's progress towards its vision to lead the change towards a circular and renewable fashion industry, while being a fair and equal company.

"From the beginning, our role has been to democratise fashion. Today, that means making it sustainable: it's the only way we'll keep making great fashion and design available today, tomorrow and for generations to come. We will continue our work to lead the change towards a sustainable fashion industry", says Anna Gedda, Head of Sustainability H&M Group.

#### 57% of all materials used by H&M Group are sustainable

The report covers the progress towards only using recycled and other sustainably sourced materials. In 2018, this was the case for 57% of all materials, which is an increase from 35% in one year. The equivalent figure for cotton was 95%, close to the company's goal to reach 100% next year.

"Recycled materials are truly a win-win: they stop waste material from going to landfill and reduce the use of virgin raw materials. However, for many types of textiles, viable recycling solutions either do not exist or are not commercially available on a large scale. We are therefore collaborating with scientists and innovators to tackle this change, but at the same time working to increase other sustainably sourced materials as quickly as possible", says Cecilia Brännsten, Environmental Sustainability Manager H&M Group.

#### Moving towards greater product transparency

The report also reveals that later in April, H&M and H&M Home will add more information to its products on hm.com, making it possible for customers to find out in which factory their favourites were produced, as well as further information on material composition and solutions for re-using and recycling products that are worn-out.

#### Building industry collaboration to promote fair living wages

Reaching the first milestone in the Fair Living Wage strategy, the company is now reflecting on the first five years of its work and deciding on future steps. H&M Group is witnessing progress when it comes to wage levels, and has disclosed specific wage data, but since further steps forward will require industry solutions, the company is also focusing on building industry collaborations. Therefore, 22 brands and IndustriALL, a global trade union representing the textile workers, have come together within the collaboration platform ACT aiming to create a ground-breaking system change and to transform the textile industry by promoting collective bargaining agreements, that are supported by brands' responsible purchasing practices. The brands within ACT have signed a Memorandum of Understanding which commits them to ensure that their purchasing practices facilitate the payment of a living wage.

"The fact that 22 global brands have come together to tackle the issue of wages in the textile industry makes ACT a really ground-breaking coalition. It's a true game-changer for the industry, paving the way for collective bargaining agreements and making it possible to find solutions at industry level which will stand the test of time. By ensuring that brands' purchasing practices are included in the equation, a crucial step in creating a solid foundation for fair living wages has been taken", says Jenny Fagerlin, Global Social Sustainability Manager H&M Group.

#### 10 highlights from 2018

- H&M Group reduced the CO2 emissions from its operations by a further 11%.
- To take this even further, new goals were set, for example to reduce the absolute GHGemissions in the company's own operations by another 40% by 2030. The new goals, which are part of the vision to become climate positive by 2040, were approved by the Science Based Targets Initiative.
- The Take Care concept went from an initial pilot to now having been launched in further four markets, offering customers guidance, repair services and products to care for their garments so they can live a longer life.
- H&M Group set a new goal that all packaging used should be made of 100% recycled or sustainably sourced materials by 2030, a goal which is part of a newly developed packaging strategy.
- H&M Group developed a new water roadmap, supported by WWF, including the goals to reduce water usage by 25% in production and to recycle 15% of wastewater back into production processes by 2022.
- In June, the company launched Afound; a brand with the mission of giving unsold products a new life.
- 95% of all cotton used by H&M Group came from recycled or sustainable sources.
- 57% of all the materials used by H&M Group came from recycled or sustainable sources.
- 655 factories and 930,000 garment workers were covered by one or both of H&M Group's key programmes for workplace dialogue and wage management systems (84% of the product volume).
- H&M Group accelerated its work with AI to make it easier to ensure a good match between production and demand, thus saving energy, transport and resources.

For more information see read the <u>executive summary</u> of the Sustainability Report or the <u>full</u> report.

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H & M Hennes & Mauritz AB (publ) was founded in Sweden in 1947 and is quoted on Nasdaq Stockholm. H&M's business idea is to offer fashion and quality at the best price in a sustainable way. In addition to H&M, the group includes the brands COS, Monki, Weekday, Cheap Monday, & Other Stories, H&M Home and ARKET as well as Afound. The H&M group has 47 online markets and more than 4,900 stores in 72 markets, including franchise markets. In 2018, net sales were SEK 210 billion. The number of employees amounts to more than 177,000. For further information, visit about.hm.com.