

Human Rights Policy

Applies to:	All entities within the H&M Group
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Supersedes:	
Owner:	Central Sustainability Department
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Policy Statement

Our commitment to respecting human rights

H&M Group is a global family of brands and businesses with fashion and lifestyle at its heart. We believe we can make a difference by doing things that are good for people, the planet, our industry and our business. We are convinced that all these aspects are essential to operate our business successfully and sustainably. It's about what we do, and how we do it.

Respect for human rights is about treating everyone equally and with respect and dignity. For us it is also about leading with our values and empowering people to be who they want to be.

At the H&M Group we are committed to respecting fundamental human rights of all people across our value chain – in our own operations, across our supply chains and in the communities where we operate.

International human rights standards

H&M Group's commitment reflect those human rights defined in the *International Bill of Human Rights* and the *International Labour Organization's Declaration on Fundamental Principles and Rights at Work*. Additionally, we refer to children's and women's rights as outlined in the *United Nations Convention on the Rights of the Child* and the *United Nations Convention on the Elimination of Discrimination against Women*.

Our approach to human rights is based on the *UN Guiding Principles on Business and Human Rights* and informed by the *OECD Guidelines for Multinational Enterprises* and *The Children's Rights and Business Principles*. We conduct human rights due diligence to identify risks to people, work to prevent, mitigate and remediate them, and account for how we address these impacts.

We comply with national law and respect internationally recognised human rights wherever we operate. Where they are in conflict, we respect national law while seeking to honour the principles of internationally recognised human rights. We strongly believe that continuous engagement is the best way to contribute to lasting progress and we recognise that some human rights issues across our value chain are complex and require collaboration by different actors to be addressed.

Implementation

Our commitment to respecting human rights is reflected in the way we run and operate our business – in our policies and guidelines as well as goals and roadmaps. Examples

of operational level policies include our *Sustainability Commitment* for suppliers and business partners and our global social policies¹.

We provide basic and specific human rights training, tailoring the content for different functions, roles and business partners. We also work to integrate human rights management across our operations and business relationships through adequate steering and governance.

We conduct human rights due diligence across our value chain, including but not limited to, new markets, suppliers and materials. Our approach is adjusted to operational context and risk, business relationships and the nature of our involvement with an impact. Our process continuously develops as we incorporate learnings and input from stakeholders and experts.

Some human rights issues across our value chain can be systemic and require collaboration between, and actions by, different actors to be addressed. We encourage collective efforts.

As per the *UN Guiding Principles on Business and Human Rights*, states have a duty to protect human rights and companies have a responsibility to respect the same. Where aligned with our responsibility to respect human rights, we may engage for policy reform and effective implementation on national level and collaborate with various United Nations bodies, governments and non-governmental organisations.

We also recognise the importance of civic freedoms and human rights defenders to bring attention to issues across our value chain. Advocating for civic freedoms can be an important use of leverage to help protect human rights defenders and for topics of shared concern, such as labour rights or environmental rights, we may actively support the work of human rights defenders.

Priorities

Our efforts are focused on our salient human rights issues². These are the human rights at risk of the most severe negative impact on people across our value chain. We regularly review our salient human rights issues together with internal and external stakeholders to ensure their relevance and to define prioritised efforts and engagement.

Due to the nature of our business, we concentrate our efforts on our own operations and supply chains with a focus on labour rights. However, other human rights such as the right to the environment and water, right to privacy, non-discrimination and children's rights are also important to us as they speak to how we care for our customers, the communities where we operate, and future generations.

Our stakeholders

Colleagues

Respect for human rights guides us when actively working to create healthy, safe, fair and inclusive workplaces for our colleagues³.

All our activities should be characterised by respect for the individual and the equal value of all people. This applies to everything from wages, working hours and freedom of association to the opportunity to grow and develop, and the right to speak up. We have zero tolerance for discrimination, harassment or retaliation committed by or against leaders, colleagues, job applicants, customers, vendors or visitors.

We are committed to advance diversity and inclusion in all our teams at all levels of the company, because we believe this creates a workplace where our colleagues feel welcome and respected, where they can express their ideas and perspectives and be

¹ An overview of our policies and guidelines can be found on our website: <https://hmgroupp.com/sustainability/sustainability-reporting/standards-and-policies.html>

² Our salient human rights are posted on our website: <https://hmgroupp.com/sustainability/fair-and-equal/human-rights.html>

³ Employees with different kind of contracts, consultants, interns, trainees and agency workers within our workforce.

listened to, and where everyone has equal opportunities to grow and contribute to our business success. Our efforts in making this happen include implementing trainings on inclusion, diversity and unconscious bias for all colleagues.

Our human rights commitments for our colleagues are manifested and implemented through our global social policies and potential violations can be raised via various channels including our global grievance channel.

People across our supply chains

We continue our ongoing work to ensure respect for human rights throughout our supply chains.

Our supplier factories around the world employ millions of people, many more work throughout the supply chain, and our business partners who deliver services to our offices, stores and customers employ several thousands of people. We engage and collaborate with our suppliers and business partners to make every workplace provide safe, fair and equal working conditions and an atmosphere where people feel they can speak up and contribute. Environmental issues linked to our operations that may have severe impacts on people also fall within this scope of our work. Our requirements on our suppliers and business partners are defined in our *Sustainability Commitment*.

For our manufacturing supply chain, we have an assessment programme that follows-up on compliance with our requirements. Together with our suppliers we also invest in programs and capacity building to progress within areas that are more complex or require specific attention such as wages and gender equality, and to strengthen supplier responsibility for conditions in their upstream supply chains.

H&M Group has a Global Framework Agreement with *IndustriALL Global Union* and Swedish trade union *IF Metall*, that aims to establish common action plans to progress respect for labour rights and good industrial relations in key production markets. National Monitoring Committees, consisting of local unions and senior H&M Group representatives, have been put in place to facilitate collaboration and they also oversee grievances and access to remedy for issues that have been escalated.

We also engage in public affairs, where collaboration with UN bodies such as the ILO (*International Labour Organization*) are important to secure long-term and structural improvement through policy reforms and strengthening of national institutions such as labour inspections.

Customers and communities

Customers are the heart of our business. We are committed to respecting the human rights of the millions of customers we interact with and to serving the communities where we operate.

Our focus includes providing safe products and services, respecting the privacy of our customers, ensuring responsible advertising of children's concepts, combating discrimination and advancing inclusion.

Fashion is also about allowing people to express themselves. We aim for our marketing to be inspiring and to promote equality and diversity – conveying the values we believe in and respecting the views of others. Our guiding principle is to reflect the great diversity of our customers and communities and communicating a range of styles, shapes and perspectives rather than any specific ideal.

We look for ways for our brands to be impactful and build meaningful relationships by engaging customers and investing in communities to promote human rights both globally and locally. Customers are also key enablers for driving change through the choices they make. Our ambition is to make it easy for everyone to make a difference through their purchases and sustainable fashion an option for the many.

Reporting and communication

Our Board of Directors has adopted this *Human Rights Policy* on behalf of H&M Group. The responsibility for implementation is delegated to senior operational executives that report to our CEO, while Head of Sustainability and Head of Corporate Governance oversee the overall implementation and report on progress and impact to the Board of Directors and the leadership team on a regular basis.

The *Human Rights Policy* is made available to stakeholders internally and externally. Our performance and impact on human rights is communicated and reported transparently through various channels, including in our annual Sustainability Report. We also communicate on an ongoing basis with those that might be affected by our business and to organisations that work in proximity with affected stakeholders.

Leading with transparency

H&M Group's ambition is to lead the way to a more sustainable and responsible future for our industry. We want to drive progress for people and the planet, and we believe that impactful and meaningful growth is how we continue to stay relevant to our customers and colleagues and secure our long-term business success.

By being transparent with our ambitions and learnings we hope to inspire action and open up for collaboration. We still have a lot to learn, but we know we have the experience, curiosity and determination to make a difference.