

Errands to H & M Hennes & Mauritz Annual general meeting 2021

Other proposals

Item 8b

Shareholder proposal from Clean Clothes Campaign

Resolution under Agenda Item "Disposal of the company's earnings"

The Annual General Meeting calls on the Board of Directors to pay no dividend for this financial year. The company's earnings shall instead be used to ensure all workers in H&M's supply chain are paid income equal to or greater than what they received at the onset of the COVID-19 pandemic. In addition, workers who lost their jobs must be fully paid the severance they are entitled to. To that end, we ask H&M to sign the Severance Guarantee Fund.

Justification

As an immediate reaction to the closing of shops and malls due to the COVID-19 pandemic in spring 2020, H&M did not hesitate to cancel their orders with suppliers, and refused to pay for clothes that had already been produced. Only after pressure from the #PayUp campaign did H&M agree to pay for the orders retro-actively. However, most of this money did not reach the workers.

H&M continued to accumulate profits in 2020, while workers were not always able to feed themselves and their families. Most of H&M's production takes place in countries where there are no or very weakly enforced social security systems, which means they often do not have any income if they lose their jobs.

The UN Guiding Principles on Business and Human Rights affirm that corporations have a responsibility to respect human rights within company-owned operations and throughout their supply chain. To meet this responsibility, we are asking H&M to:

- Pay the workers who make their clothes their full wages for the duration of the pandemic;
- Make sure workers are never again left penniless if their factory goes bankrupt, by signing onto a negotiated severance guarantee fund; and
- Protect workers' right to organise and bargain collectively.

Item 17

Shareholder proposal from Fondazione Finanza Etica

Whereas: The increasing rate and number of climate-related disasters affecting society is causing alarms to be raised within the executive, legislative and judicial branches of government, making the corporate sector's contribution to climate mitigation a significant policy issue;

Shareholders are increasingly concerned about material climate risk to both their companies and their portfolios and seek clear and consistent disclosures from the companies in which they invest, including credible climate transition plans. BlackRock notes that investment flows into "sustainable" and climate aligned assets will drive long term outperformance;

In response to material climate risk, the steering committee of the Climate Action 100+ initiative, a coalition of more than 500 investors with over \$52 trillion in assets, issued a Net Zero Company Benchmark (Benchmark) outlining metrics that create climate accountability for companies and

transparency for shareholders on greenhouse gas (GHG) emissions, GHG targets, improved climate governance, and climate related financial disclosures;

Climate-related decisions by a company have portfolio-wide and economy-wide implications. Disclosing reduction targets, detailing strategies for embedding climate change throughout a company's business models and services, and providing progress therein to shareholders, is an important means of assuring shareholders that management is taking seriously the risks associated with climate change.

Shareholders believe that planning and reporting by H&M on its climate transition plans and strategies will benefit the company and its investors, as well as global climate change objectives.

Resolved: By investors to amend § 14 of the Bylaws by adding the following point:

Point 12. Annual Proxy Vote and Report on Climate Change. The annual corporate proxy statement shall include a proposal requesting an advisory vote by shareholders expressing non-binding advisory approval or disapproval of the Company's publicly available climate policies and strategies, in consideration of key climate benchmarks.

The Board of Directors is authorised to include in the Company's annual proxy statement, or publish elsewhere, a report that characterises the scale and pace of its responsive measures associated with climate change, including referring, at Board discretion, to the Company's alignment with climate-related benchmarks.

Nothing in this section shall be construed as constraining the discretion of the board or management in disclosing or managing issues related to a climate change transition.

Item 18

Shareholder proposal from Fondazione Finanza Etica

Whereas: as long-term shareholders, we believe that compensation metrics should incentivise the creation of sustainable, long term value. Furthermore, we believe that disclosing sustainability targets for the remuneration of senior executives would increase company responsiveness to shareholders who are seeking information about the company's response to the current social and environmental challenges in the apparel and footwear sector. Lastly, overall transparency of remuneration policies is crucial for a comprehensive evaluation of managers' performance by shareholders, in order to rein in excessive levels of executive compensation while encouraging boards to adopt compensation structures that tie executive pay more closely to performance.

Be it resolved: we request that H&M:

- fully discloses the sustainability targets that must be fulfilled by all members of the senior executive team to trigger variable remuneration and annually reports the performance of senior executives against those targets;
- discloses precisely the members of the executive management team and responsible for other group functions to which the above mentioned targets apply;
- discloses the ratios of fixed to variable pay for the group's CEO and Chairman as well as the average ratio of fixed to variable pay for the senior executive team;
- indicates which part of the criteria-related, variable remuneration is linked to a long-term incentive plan;
- indicates and, where applicable, explains whether comparable companies have been taken into account in order to establish the company's remuneration policy for the senior executive team;

- provides information on whether any external advisors took part in the definition of the remuneration policy and, if so, their identity.

Supporting statement: we recommend that the above mentioned sustainability targets and further details on H&M's remuneration policy:

- are disclosed in the board's proposals to the AGM for guidelines for remuneration of senior executives or, in alternative, in the H&M group sustainability report;

- include precise targets on the improvement of worker health, safety and wage practices along the group's supply chain with specific targets related to living wage.