

H&M GROUP RESPONSIBLE BUSINESS CONDUCT POLICY

Document type:	Policy
Applies to:	H&M Group
Effective from:	7 th of February 2023
Last reviewed/updated:	-
Approver:	Policy Approval Forum
Approved date:	7 th of February 2023
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Version:	1
Supersedes:	This is the first version.

Background

Respecting human rights is essential for H&M Group to operate sustainably and successfully. This means we treat everyone equally, with respect and dignity, wherever or whoever they are.

H&M Group aims to lead the change towards achieving a circular fashion industry with net zero climate impact, while being a fair and equal company. This means, among other things ensure respect for human rights across our value chain.

Our ambition is to enable more people to choose a sustainable lifestyle as well as to create a positive correlation between profitable growth and a greater positive impact on customers, colleagues, business partners, employees and other stakeholders, while respecting planetary boundaries.

This policy defines how we within H&M Group conduct business in a responsible way with respect to the areas of governance, human rights, and environment. These areas are regulated by law, international conventions, and voluntary frameworks. The key guidance for how to conduct responsible business are found in:

- Local legislation
- UN Guiding principles on business and human rights
- OECD guidelines for multinational enterprises

The H&M Group sources products and services from many countries and business partners. Our supply chain provides products and services to our customers around the world.

To lead the change, we need to ensure compliance with applicable legislation and frameworks we have committed to follow. This policy, with its related policy documents, describes the way of working to which we must adhere while conducting business in a responsible and legally compliant way.

Policy statement

Introduction

This policy provides the frame for how we conduct business responsibly within H&M Group, while complying with legislative¹, international and voluntary requirements.

Where required by local law this Policy is adjusted and approved locally.²

This policy is applicable to;

- Our daily operations in our offices, warehouses and stores.
- The day-to-day work in countries we operate in including direct and indirect business partners.

To enable our colleagues to conduct business in a responsible, efficient, and aligned way we have developed a number of steering documents and tools. Each of these, to which this policy refers, sets out processes and way of working. Please see the listed policy documents in Appendix 1, relevant for your field of working for more guidance.

There are no exemptions from conducting business in a responsible way, which is why we always need to adhere with the internal and external requirements wherever and whenever they are applicable.

If you have questions about this Policy or the referred policy documents in Appendix 1, please reach out to the respective policy/guideline/instruction responsible to ask for more guidance.

Speak up!

If you would like to raise a concern or you are aware of a suspected breach of H&M Group policies, you should report it immediately to the H&M Group [Speak Up!](https://speakup.hmgroup.com/) channel which is available at <https://speakup.hmgroup.com/> or according to the local websites.

¹ Local legislation is in place in Germany, United Kingdom, France, Australia, Norway and other countries. This policy intends to set the basis for compliance with the upcoming EU legislation on Corporate Sustainability Due Diligence Directive.

² A local version of the RBC policy is published in Germany in order to comply with local legislation. The Form and format differs from this policy but the content is the same.

Appendix 1

Referencing steering documents

The below listed steering documents sets the basis for how we work within the following areas:

Governance

- **H&M Group Corporate Governance Policy** sets out the frame for how we work with governance within H&M Group in relation to risk management, internal controls, internal audits, and policy management.
- **H&M Group Risk Management Guideline** sets out the basic principles of working with risk management within H&M Group.

Social and ethical topics

- **H&M Group Human Rights Policy** sets out our commitment to respect fundamental human rights across our value chain and is a sub-set of our RBC Policy with a focus on H&M Group's salient human rights.
- **Social Policies** incl. **Health and Safety Policy** - Our social policies act as complements to our company values and clarify the rights and obligations of all colleagues in matters such as mutual respect, equal rights, discrimination and harassment.
- **H&M Group Code of Ethics (CoE)** is a global policy, a business code, based on our business values – honesty, integrity, transparency, and fair play.

Due Diligence in our own operations and supply chain

- **Sustainability commitment** is a key document and a code of conduct that sets out our requirements on our business partners to secure operations in-line with laws, international standards, and our sustainability goals.
- **Due diligence Guideline** sets out the basic requirements for due diligence when engaging with business partners.
- **Responsible Business Conduct Due Diligence Guideline (RBC DD)** is the core of the RBC and a deep-dive due diligence on areas where we have high risk exposure in relation to human rights and environmental topics. The process ensures that due diligence is conducted at least on a yearly basis but also on ad-hoc basis when required.
- **Guideline for sensitive cross market subjects (H&M Group Red lines)** is an internal guideline provided to certain management teams. This guideline gives guidance on how to act and reason in decision making for certain sensitive cross market subjects. This guideline is only for a limited group of employees and is not distributed to all employees.
- **Restricted country list** is an instruction mainly for our colleagues working with production, assortment and expansion. It provides detailed guidance in decision making.

Other Policies

We comply with all relevant laws and regulations in the respective market where we operate. In order to ensure compliance, we also have local steering documents that may only be applicable for certain business areas, countries or business partners. Such other policies and guidelines concern Product safety, Taxation, Consumer interests, Data and AI, Innovation, Data Privacy and many other areas which are part of how we conduct business responsibly. The respective documents can be found in our Policy manager or locally in the respective country.