

H&M Group Remuneration report 2024

This report describes how the annual general meeting's guidelines for remuneration in the H&M group, as adopted by the 2021 annual general meeting (AGM), were applied in the 2024 financial year. It also describes the H&M group's remuneration to the CEO and fees to the board other than the board fees approved by the AGM.

The report has been prepared in accordance with the Swedish Companies Act and the Swedish Corporate Governance Board's Rules on Remuneration of the Board and Executive Management and on Incentive Programmes.

The required disclosures relating to remuneration of senior executives under the Swedish Annual Accounts Act can be found in note 8 on page 138-139 in the company's annual and sustainability report for 2024 ('annual and sustainability report 2024').

Key developments in 2024

Information about the H&M group's overall performance in 2024 can be found in the CEO letter on pages 10–12 of the annual and sustainability report 2024.

Share-based remuneration

The H&M group does not have a share-based or share options-based programme for the remuneration of the CEO¹ or any other senior executive.

Compliance with the remuneration guidelines and application of performance criteria

The remuneration guidelines adopted by the 2021 AGM can be found on pages 114–116 of the annual and sustainability report 2024. During 2024 the H&M group has not deviated from the remuneration guidelines adopted by the 2021 AGM. No deviations or derogations have been made from the decision-making process that, according to the guidelines, is to be applied to determine the remuneration.

The auditor's statement regarding the company's compliance with the guidelines can be found on the company's website with the documents for the 2025 annual general meeting: hmgroupp.com/agm/.

A prerequisite for the successful implementation of the H&M group's business plan and safeguarding of its long-term interests, including its sustainability, is the ability to attract, recruit and retain qualified personnel. The H&M group's remuneration guidelines enable the offering of a competitive remuneration to the CEO. The total remuneration to the CEO in 2024 complied with the H&M group's remuneration guidelines.

On 31 January 2024 Helena Helmersson decided to leave the role of CEO and the H&M group. Daniel Ervér took over as CEO of the H&M group on 31 January 2024. Helena Helmersson had a 12-month notice period. No severance pay was paid to Helena Helmersson, nor was she entitled to the long-term variable remuneration as she left before the long-term variable remuneration programme was completed.

Board fees and consulting fees

Board fees are not covered by this report. Such fees are decided each year by the annual general meeting. See note 8 on pages 138–139 of the annual and sustainability report 2024.

In 2024 Patriksson Group AB, where board member Lena Patriksson Keller is the majority shareholder, performed consulting work for the H&M group for a total sum of SEK 27 m (6.9). Outstanding balances as at 30 November 2024 totalled SEK 3.4 m (0.6). The increase compared to the previous year is mainly attributable to influencer fees for all of the Nordic markets in 2024, as well as production costs related to marketing activities associated with the H&M brand in the autumn of 2024. Around SEK 14 m has been charged to partners via the performance marketing agency Inc Media. Patriksson Group is one of Scandinavia's foremost fashion communications agencies and the aim of the services provided by Patriksson Group was to strengthen brand communication for some of the H&M group's brands, namely H&M, COS, & Other Stories, and ARKET. The consulting fees are not affected by the remuneration guidelines passed by the AGM since the work was not performed by Lena Patriksson Keller, and Patriksson Group is moreover not wholly owned by Lena Patriksson Keller. Nonetheless, the board wishes to specifically disclose in the remuneration report that the fees were paid. Procurement of the services in question, for which payment was made at market levels, was deemed to be appropriate and of benefit to H&M and took place without the involvement of Lena Patriksson Keller.

1. Daniel Ervér holds 450,000 call options issued by Ramsbury Invest AB where each option provides the right to buy one class B share in H&M during the 12-month period that follows a three-year period from the agreement date of 15 February 2024. The options issued have no dilution effect for H&M shareholders and no cost to the H&M group since they are issued against Ramsbury Invest AB's existing shareholding.

Total remuneration of the CEO regarding 2024 (SEK)

Name of executive, position	Financial year	Fixed remuneration		Variable remuneration			Pension expense ²⁾	Total remuneration	Proportion of fixed and variable remuneration
		Base salary	Other benefits ¹⁾	One-year variable	Multi-year variable	Extraordinary items			
Daniel Erver, CEO	31 Jan 2024–30 Nov 2024	12,542,000	76,628	5,016,800	163,481 ⁴⁾		3 810,338	21,609,247	76% fixed 24% variable
Helena Helmersson, CEO	1 Dec 2023–31 Jan 2024	2,508,400	16,643	0	0	0	741,677	3,266,720	
Helena Helmersson ³⁾	1 Feb 2024–30 Nov 2024	12,542,000	82,689	0	0	0	3 741,340	16,366,029	

1. Other benefits such as medical insurance and a company car. Daniel Ervér has not received any kind of remuneration from other companies in the H&M group.
2. With respect to pension benefits, Daniel Ervér is covered by the collectively agreed ITP plan as well as additional defined-contribution pension arrangements. The total pension provision amounts to 30 percent of fixed cash salary. The contractual retirement age is 65 years.
3. Refers to Helena Helmersson's salary during the notice period in the past financial year. Two monthly salaries totalling SEK 2,508,400 were paid in December 2024 and January 2025.
4. Refers to matching amounts in accordance with the long-term remuneration described in the remuneration guidelines adopted by the 2021 AGM. This relates only to the part of the matching amount attributable to Daniel Ervér's time as CEO.

Performance of the CEO regarding 2024

Name	Description of performance criteria/key performance indicators (KPIs)	Relative weighting of performance Criteria/KPIs	Measured performance for the year	Actual award outcome
Daniel Ervér, CEO	The H&M group's total sales	25%	Criteria have been selected with a view to achieving the company's goals and encouraging behaviour that is in the company's long-term interest. The selection of criteria/KPIs took into account targets as well as short-term and long-term business priorities for 2024. The non-financial short-term criteria/KPIs also contribute to efforts within sustainability, leadership and the company's values. With regard to the short-term variable remuneration, the board has made both quantitative and qualitative assessments, which the board considers necessary to achieve appropriate implementation of the remuneration guidelines. The board's overall assessment of Daniel Ervér's performance in 2024 was that it was in line with established targets for 2024 and resulted in variable remuneration at the level of four monthly salaries, i.e. fixed cash CEO base salary. The variable remuneration was paid in the first quarter of 2025.	5 016 800
	The H&M group's total operating profit ¹⁾	25%		
	Fulfilment of the objectives in the various areas of the business plan in total, which includes sustainability ²⁾	25%		
	Assessment of leadership and compliance with values	25%		

1. Regardless of how well the targets for the other three criteria have been met, the threshold value for total operating profit must be reached if any variable remuneration is to be paid.
2. The sustainability targets can be found in the table on page 7 of the annual and sustainability report 2024.

Changes in remuneration and company performance over the last five reported financial years

Annual change ¹⁾	2024 vs 2023	2023 vs 2022	2022 vs 2021	2021 vs 2020	2020 vs 2019
Daniel Ervér, CEO ²⁾	21,609,247	0	0	0	0
Helena Helmersson, CEO ³⁾	3,266,720 (+7%)	23,350,177 (+23%)	19,003,021 (-25,8%)	25,599,799 (+78,5%)	14,342,791 (-)
Karl-Johan Persson, CEO ⁴⁾	0	0	0	0	1 997 709 (-88,9%)
Net sales	234,478 (-1%)	236,035 (+6%)	223,553 (+12,4%)	198,967 (+6,4%)	187,031 (-19,6%)
Operating profit	17 306 (+19%)	14 537 (+103%)	7 169 (-53%)	15 255 (+392%)	3 099 (-82,1%)
Average remuneration, employees of the group ⁵⁾	367,054 (+6.1%)	345,940 (+11%)	311,694 (+10.1%)	283,185 (+4.9%)	269,848 (0.0%)

1. The remuneration includes salary, salary benefits and pension benefits.
2. Daniel Ervér took over as CEO of the H&M group on 31 January 2024 when Helena Helmersson communicated her decision to leave the role of CEO and the H&M group. Before taking up the position of CEO, Daniel Ervér was responsible for the H&M brand. The amounts stated for Daniel Ervér cover the remuneration he received in his role as CEO from and including 31 January 2024.
3. In the 2020 financial year Helena Helmersson was CEO from 30 January 2020 until 30 November 2020 inclusive. The remuneration reported for Helena Helmersson does not include remuneration paid in respect of her position as Chief Operating Officer (COO) between 1 December 2019 and 30 January 2020. The amount for the financial year 2024 refers to Helena Helmersson's remuneration as CEO during the period 1 December 2023–31 January 2024.
4. In the 2020 financial year Karl-Johan Persson was CEO from 1 December 2019 until 30 January 2020 inclusive.
5. Average remuneration including severance pay on a full-time equivalent basis for employees of all subsidiaries excluding the executive management team.