

H&M GROUP

PRESS RELEASE

27 March 2025

Notice of annual general meeting

Shareholders in H & M Hennes & Mauritz AB (publ) (556042-7220) are hereby invited to the annual general meeting (AGM) to be held at 15.00 CEST on Wednesday, 7 May 2025 in the Erling Persson Hall, Aula Medica, Karolinska Institutet, Nobels väg 6 in Solna. Check-in for the AGM will open at 14.00 CEST.

Due to the general security situation Karolinska Institutet has stated that bags will not be allowed to be taken into the meeting hall, with the exception of small handbags. Please bring ID.

The board of directors has decided to allow shareholders to exercise their voting rights by post prior to the general meeting in accordance with the company's articles of association.

Right to participate and notification of attendance

Participation at the meeting venue

Shareholders who wish to attend the AGM at the meeting venue in person or by proxy must:

both be entered in the company's register of shareholders kept by Euroclear Sweden AB in their own name, as recorded on Monday, 28 April 2025,
and notify their intention to attend the annual general meeting no later than Wednesday, 30 April 2025, either in writing to the address H & M Hennes & Mauritz AB, c/o Euroclear Sweden AB, Box 191, 101 23 Stockholm (mark the envelope "AGM 2025") or by telephone to +46 (0)8 402 9048 between 09.00–16.00 CEST Monday to Friday, stating that it concerns notice of attendance at the AGM, by email to GeneralMeetingService@euroclear.com or on the company's website at hmgroup.com/agm.
The attendance of any assistants (maximum two) is to be notified to the same addresses etc. by the same date.

Shareholders must state in the notification their name, personal identity number or corporate identity number and their telephone number (daytime), as well as the number of shares held and number of assistants attending, if any. Confirmation by text message from the sender "H&M" will be sent out starting from 2 May 2025 (this replaces passes for the meeting).

Participation via postal voting

Shareholders who wish to participate in the AGM through postal voting must:

both be entered in the company's register of shareholders kept by Euroclear Sweden AB in their own name, as recorded on Monday, 28 April 2025,
and register their participation no later than Wednesday, 30 April 2025 by submitting a completed and signed postal voting form by post to H & M Hennes & Mauritz AB, c/o Euroclear Sweden AB, Box 191, 101 23 Stockholm (mark the envelope "AGM 2025") or by email to GeneralMeetingService@euroclear.com, so that the postal vote is received by Euroclear Sweden AB no later than that day. Shareholders may also cast their postal votes electronically, using BankID verification, on Euroclear Sweden AB's website <https://anmalan.vpc.se/EuroclearProxy/>. Such electronic votes must be cast no later than 30 April 2025.

A special form is to be used for postal voting. The form is available on the company's website at hmgroup.com/agm. Shareholders that are participating only through postal voting are not required to register for the meeting separately.

Shareholders who wish to attend the meeting at the venue, either in person or by proxy, must notify this in accordance with the instructions given above under the heading Right to participate and notification of attendance – Participation at the meeting venue. This means that notification solely via postal voting is not sufficient for those who wish to participate in the meeting at the venue.

A proxy form must be enclosed with the postal voting form if the shareholder is voting via a proxy. A proxy form will be provided by the company on request and is also available on the company's website at hmgroup.com/agm. If the shareholder is a legal entity, the form must also be accompanied by a registration certificate or other authorisation document indicating the authorised signatory.

Shareholders must not add any special instructions or conditions to their postal votes. If they do, the postal votes (i.e. the postal voting in its entirety) will be invalid. Further instructions and conditions can be found in the postal voting form and at <https://anmalan.vpc.se/EuroclearProxy>.

Nominee-registered shares

Shareholders whose shares are registered in the name of a nominee must have their shares re-registered in their own name in order to be entitled to participate in the AGM. Such registration may be temporary (known as voting right registration). Voting right registration that has been completed by 30 April 2025 will be taken into account when preparing the register of shareholders.

Proxies

As usual, it will be possible to be represented at the meeting by a proxy. Proxy forms are available on the company's website at hmgroup.com/agm.

Information at the AGM

H&M is aware that many shareholders would like to ask questions about the company, and H&M welcomes such questions and encourages those who wish to raise general questions about the company to contact H&M; see contact details below.

Shareholders are entitled to certain information at the AGM. The board of directors and the CEO shall, if any shareholder so requests and the board of directors believes that it can be done without material harm to the company, provide information on circumstances that may affect the assessment of an item on the agenda, on circumstances that may affect the assessment of the financial situation of the company or its subsidiaries, and on the company's relations with another company within the group.

Anyone wishing to submit questions in advance may do so as follows:

by post:

H & M Hennes & Mauritz AB
c/o Euroclear Sweden AB,
Box 191, 101 23 Stockholm (mark the envelope "Questions AGM 2025")

or

by email:

Hm7may@hm.com

Privacy policy for processing of personal data in conjunction with general meeting

For information on how your personal data is processed, see:

<https://euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf>

If you have any questions regarding our personal data processing, you can contact us by email at dataprotection.se@hm.com. H & M Hennes & Mauritz AB (publ) has corporate identity number 556042-7220 and the board of directors is domiciled in Stockholm.

Proposed agenda

1. Opening of the AGM.
2. Election of a chair for the AGM.
3. Establishment and approval of voting list.
4. Approval of the agenda.
5. Election of people to check the minutes.
6. Examination of whether the meeting was duly convened.
7. Presentation of the annual and sustainability report and the auditor's report, as well as the consolidated accounts and consolidated auditor's report, and auditor's statement on whether the guidelines for remuneration of senior executives applicable since the last AGM have been followed.
8. Comments by auditor, chair of the board and CEO, and questions from shareholders to the company's board and management.
9. Resolutions
 - a. Adoption of the income statement and balance sheet as well as the consolidated income statement and consolidated balance sheet.
 - b. Distribution of the company's earnings in accordance with the adopted balance sheet, and record date.
 - c. Discharge of the members of the board and CEO from liability to the company.
10. Establishment of the number of board members and auditors.
11. Establishment of fees to the board and auditors.
12. Election of board members and chair of the board.

The nomination committee proposes:

 - 12.1 Anders Dahlvig
 - 12.2 Danica Kragic Jensfelt
 - 12.3 Lena Patriksson Keller
 - 12.4 Karl-Johan Persson
 - 12.5 Helena Saxon
 - 12.6 Christian Sievert
 - 12.7 Christina Synnergren
 - 12.8 Klas Balkow
 - 12.9 Chair of the board: Karl-Johan Persson
13. Election of auditor.
14. Presentation of the board's remuneration report for approval.
15. Resolution to reduce the share capital through the cancellation of treasury shares and to increase the share capital through a bonus issue.
16. Resolution authorising the board to make decisions concerning purchase of own shares.
17. Resolution on guidelines for remuneration of senior executives.
18. Resolution on the adoption of a long-term incentive program in the form of performance share awards for employees in the H&M group in accordance with item 18(a) and associated hedging measures in accordance with item 18(b) or item 18(c).
19. Resolution on amendment of the articles of association.
20. Shareholder proposal from My Ericson et al. on a move to a fully circular business model and that H&M stops producing new clothes in 2026.
21. Closing of the AGM.

Nomination committee

The current nomination committee comprises Karl-Johan Persson, chair of the board; Stefan Persson (Ramsbury Invest), chair of the nomination committee; Lottie Tham; Joachim Spetz (Swedbank Robur fonder); and Anders Oscarsson (AMF Tjänstepension & AMF Fonder).

Resolutions proposed by the nomination committee

Item 2 – The nomination committee proposes that lawyer Andreas Steen be elected as chair of the meeting.

Item 10 – The nomination committee proposes eight board members with no deputies. The nomination committee proposes that one auditor be elected.

Item 11 – The nomination committee proposes that the board fees for each member elected by the general meeting are distributed as follows: chair of the board SEK 1,960,000; members SEK 850,000. It is proposed that the fees for work in the audit committee are SEK 330,000 for the chair and SEK 220,000 for each of the other members.

If the meeting approves the nomination committee's proposal for the composition of the board, and if the number of members of the audit committee remains as previously, the total fees will be SEK 8,680,000, an increase of 3 percent.

It is proposed that the auditor's fees be paid based on approved invoices.

Item 12 – The nomination committee proposes the following board of directors:
Re-election of the following current board members: Anders Dahlvig, Danica Kragic Jensfelt, Lena Patriksson Keller, Karl-Johan Persson, Helena Saxon, Christian Sievert, Christina Synnergren. Election of Klas Balkow as a new board member.

Stina Bergfors has declined to stand for re-election.

Chair of the board: re-election of Karl-Johan Persson.

Klas Balkow, born 1965, former CEO of Axfood, Clas Ohlson and Aximage. Klas has also held senior positions at Procter & Gamble in the Nordic region and the USA, as well as at Bredbandsbolaget. Education: Diploma in Engineering (Upper Secondary Level), SSE Executive Education. Board assignments: Member of the board at Axel Johnson AB and of the Swedish Armed Forces' oversight council. His own shareholding in H&M amounts to 4,000 shares and related parties' holdings in H&M to 0 shares.

More information on the proposed board members can be found at hmgroup.com

Item 13 – The nomination committee proposes, in accordance with the recommendation by the audit committee, that registered accounting firm Deloitte AB be elected as auditor of the company until the conclusion of the 2026 annual general meeting. Deloitte AB has notified that if the AGM approves the proposal, authorised public accountant Didrik Roos will be the auditor-in-charge.

Resolutions proposed by the board

VOTING LIST, item 3

The voting list proposed for approval is the voting list established by Euroclear Sweden AB on behalf of the company, based on the register of shareholders for general meetings, shareholders who have notified their attendance at the meeting venue and postal votes received.

DIVIDEND AND RECORD DATE, item 9(b)

The board proposes that the 2025 annual general meeting approves a dividend to the shareholders of SEK 6.80 per share. The board proposes that the dividend is paid in two instalments during the year, one in May and one in November. The proposed record date for the first dividend payment of SEK 3.40 per share is 9 May 2025. If the resolution is passed by the annual general meeting, the first dividend payment is expected to be made by Euroclear Sweden AB on 14 May 2025. The proposed record date for the second dividend payment of SEK 3.40 per share is 7 November 2025. If the resolution is passed by the annual general meeting, the second dividend payment is expected to be made by Euroclear Sweden AB on 12 November 2025.

PROPOSAL BY THE BOARD THAT THE MEETING RESOLVE TO REDUCE THE SHARE CAPITAL THROUGH THE CANCELLATION OF TREASURY SHARES AND TO INCREASE THE SHARE CAPITAL THROUGH A BONUS ISSUE, item 15

The board proposes that the annual general meeting resolves to decrease the share capital, for allocation to non-restricted equity, by cancelling the 6,050,850 series B treasury shares repurchased as part of H&M's buyback programme, through which the share capital decreases by SEK 777,267.988.

To restore the share capital following the decrease in the share capital, the board proposes that the annual general meeting at the same time resolves to increase the share capital by SEK 777,267.988 through a bonus issue without issuing new shares, whereby the decrease amount is to be transferred from non-restricted equity.

Statement pursuant to Chapter 20 § 13 of the Swedish Companies Act: The effect of the board's proposal to decrease the share capital is that the share capital and restricted equity decrease by SEK 777,267.988. The effect of the board's proposal to increase the share capital through a bonus issue is that the share capital and restricted equity increase by SEK 777,267.988. Overall, therefore, there is no decrease in the share capital or restricted equity.

RESOLUTION AUTHORISING THE BOARD TO MAKE DECISIONS CONCERNING PURCHASE OF OWN SHARES, item 16

As part of creating further flexibility with regard to the group's capital structure, and to enable purchases of shares to be used within the framework of the company's share incentive programme, the board proposes that the annual general meeting resolve to authorise the board of directors to decide on purchases of the company's own series B shares as follows: The board is authorised to make purchases of the company's series B shares on as many occasions as it deems appropriate in the period up to and including the 2026 annual general meeting; the number of shares purchased must at no time result in the company's holding exceeding 10 percent of all the shares in the company. The purchases are to be made on Nasdaq Stockholm at a price per share within the price interval applicable at the time of acquisition. The purpose of the authorisation is to enable the board to adjust the company's capital structure and to enable purchases of shares to be used within the framework of the company's share incentive programme. Among other things, the authorisation will be one of the tools that the board can choose to use if surplus liquidity is identified.

THE BOARD OF DIRECTORS' PROPOSAL TO THE ANNUAL GENERAL MEETING 2025 FOR GUIDELINES FOR REMUNERATION OF SENIOR EXECUTIVES, item 17

These guidelines cover remuneration to the CEO and other senior executives (the group management) as well as remuneration to board members aside from board fees.

The guidelines shall apply to agreed remuneration, and to changes made to already agreed remuneration, after the guidelines have been adopted by the annual general meeting 2025.

How the guidelines contribute to the company's business plan, long-term interests and sustainability

The H&M group's business plan aims to deliver long-term, sustainable and profitable growth. The business plan is illustrated by a number of objectives to which the company's sustainability efforts and digital transformation contribute. For more information about the company's business plan, business idea and objectives, refer to www.hmgroupp.com.

To work successfully according to the company's business plan and safeguard the company's long-term interests the company needs to be able to recruit, motivate and retain talented, committed employees. The board of directors considers it important that senior executives are paid competitive remuneration at a market level, as regards both fixed and variable compensation, based on responsibilities and performance. These guidelines enable the company to offer this to its senior executives.

Types of remuneration etc.

Senior executives shall be compensated at what are considered by the company to be competitive market rates, including in relation to industry comparisons. Levels of compensation shall also reflect the

individual's competence, experience and performance. The total remuneration may consist of fixed basic cash salary, short-term variable remuneration, pension benefits and other benefits.

The general meeting may also decide upon, for example, long-term variable remuneration in the form of share and share price related programmes. Remuneration decided by the general meeting is not covered by these guidelines.

Fixed basic cash salary

Senior executives shall have a fixed basic cash salary that is at a market level based on each position's significance for the company as a whole. The fixed basic cash salary shall reflect the individual's area of responsibility, competencies and experience and requires the individual to work in a committed manner at a high professional level.

Short-term variable remuneration

Short-term variable remuneration shall be determined annually by the board of directors and shall aim to promote the H&M group's development in both the short and the long term.

Fulfilment of short-term variable remuneration targets shall be measured over a period of one year. The targets shall be based mainly on financial results, such as total sales and total operating profit. Financial performance may be the performance of the group or the business area for which the executive is responsible. Objectives may also be linked to non-financial measures, such as strategic, operational or individual targets to meet the various areas of the business plan, including sustainability, leadership and adherence to values. Each year the board of directors will set target levels for each of the performance parameters for the coming year. There shall always be a threshold for the achievement of financial performance targets, with the implication that if this threshold is not reached, no short-term variable remuneration will be paid regardless of the achievement of other targets.

The board of directors is responsible for this assessment in the case of short-term variable remuneration to the CEO. Regarding the assessment of short-term variable remuneration to other senior executives, the chair of the board is responsible in consultation with the CEO.

The short-term variable remuneration, which at individual level shall be based on the importance of the person's duties and position in terms of influencing the overall performance of the group, may vary but shall not exceed 80 per cent of the fixed basic cash salary.

Extraordinary arrangements

In specific cases, the company may offer one-time compensation, provided that such compensation is only given on an individual basis for the purpose of recruiting or retaining senior executives and does not exceed an amount equivalent to 100 percent of the individual's annual fixed basic cash salary, and is not paid more than once per year per individual. Decisions on such remuneration shall be taken by the board of directors.

Pension benefits

In the case of the CEO, pension benefits, including sickness insurance, are to be on a defined contribution basis. Variable cash remuneration shall not be pensionable, unless otherwise provided by law or mandatory provisions of collective bargaining agreements. The pension premiums for the year may not exceed 30 percent of the CEO's annual fixed basic cash salary.

In the case of other senior executives, pension benefits, including sickness insurance, are to be on a defined contribution basis unless the executive is covered by a defined benefit pension plan under the mandatory provisions of collective bargaining agreements. The pension premiums for the year may not exceed 40 percent of the senior executive's annual fixed basic cash salary.

The retirement age for the CEO shall be 65. The retirement age for other senior executives may vary between 62 and 65 years.

Other benefits

Senior executives may receive other benefits such as wellness subsidies, car allowances and medical insurance. The total annual costs associated with other benefits may not exceed 20 percent of the individual's annual fixed basic cash salary.

For members of the group management stationed in a country other than their home country, additional remuneration and other benefits may be paid considering the specific circumstances of such expatriation in accordance with local practice and the group's *International Assignments Policy*.

Termination of employment

Upon termination of employment, the notice period may not exceed 12 months for the CEO and 6 months for other senior executives.

If the company terminate a senior executive's employment, a maximum of one year's fixed basic cash salary may also be paid as severance pay. Severance pay shall not constitute a basis for vacation pay, pension or other benefits unless otherwise provided by law or mandatory collective bargaining agreements.

Salary and employment terms for other employees of the company

When preparing the board of directors' proposed guidelines for remuneration to senior executives consideration was given to the salary and employment terms of the company's other employees by using information concerning the employees' total remuneration, the components of the remuneration and the increase in and rate of increase in the remuneration over time as part of the basis on which the board of directors assessed whether the guidelines, and the resulting limitations, are reasonable.

Consultancy fees

If a board member performs work for the company (including through a wholly owned company) in addition to their board work, a separate fee may be paid for this (consultancy fee). Such fee shall not exceed the board fee paid to the member concerned. The fee is to be based on the current market rate and be proportionate to the benefit for the company and the extent to which such work contributes to the good financial and sustainable development of the H&M group.

Decision process for establishment, review and implementation of the guidelines

The company has no remuneration committee, since the board of directors deems it more appropriate for the entire board of directors to carry out the tasks of a remuneration committee. The board of directors prepares proposed guidelines for remuneration to senior executives and these proposals are presented at the annual general meetings. The board of directors is to prepare a proposal for new guidelines at least every four years and submit the proposal for decision by the annual general meeting. The guidelines shall apply until new guidelines have been adopted by the annual general meeting. The board of directors shall also monitor and evaluate programmes for variable remuneration to the company's management and the application of the guidelines for remuneration to senior executives, as well as current remuneration structures and levels in the company. The board of directors shall further decide on the CEO's salary in accordance with the guidelines in effect and shall continually evaluate the work of the CEO. Once a year this matter is to be discussed separately in conjunction with the setting of the CEO's remuneration for the coming year. For other senior executives, the CEO is responsible for proposing remuneration, which is then approved by the chairman of the board. To avoid conflicts of interest, no member of the company's management is to be present when the board of directors discusses remuneration matters, with the exception of the presence of the CEO when discussing the remuneration of other senior executives, which should be done in accordance with these guidelines.

Deviations from the guidelines

The board of directors may decide to temporarily deviate from the guidelines adopted by the annual general meeting, in full or in part, if there is particular reason to do so in an individual case and this is necessary in order to provide for the company's long-term interests, including its sustainability, or to ensure the financial viability of the company. As stated above, the board of directors' duties include preparing decisions on remuneration issues, including decisions on deviations from the guidelines.

Other

There are currently two outstanding incentive programmes in which certain senior executives participate. One of the outstanding incentive programmes is the so-called LTI programme, which was implemented in 2021 and expires 30 November 2025. Under this programme, long-term variable cash remuneration may be paid out upon the achievement of predetermined long-term targets. Senior executives who wish to participate in the new LTI 2025 programme proposed by the board of directors to the annual general meeting 2025 are required to accept that their participation in the LTI 2021 programme will be shortened so that it ends already 30 November 2024, with reduced costs for the company as a result. The other ongoing incentive programme is the profit-sharing programme known as the H&M Incentive Program, which is for all employees of the H&M group. The programme was adopted by a previous annual general meeting and is not covered by these guidelines.

Regarding employment terms falling under rules other than Swedish rules, in the case of pension benefits and other benefits the guidelines are to be adapted as appropriate to comply with any such rules or established local practice, while fulfilling the general aim of the guidelines as far as possible.

Description of significant changes to the guidelines and how the shareholders' views have been taken into account

The proposed guidelines represent an update and streamlining compared with the guidelines previously in force and are adapted to H&M's long-term interests. The provisions on long-term variable remuneration have been deleted as the board of directors intends to propose this as a separate resolution to the general meeting instead. The provisions on short-term variable remuneration have been shortened and streamlined, with fewer provisions and detailed restrictions. Some additions have been made to provide some flexibility for extraordinary arrangements and to allow for adjustments for expatriate executives. The provision on termination of employment has been updated. The changes mainly coincide with the views expressed by shareholders. Some shareholders have also expressed a desire for greater transparency regarding the performance requirements for variable remuneration. These views have been considered in the drafting of the board of directors' proposal, but also in the board of directors' considerations regarding the format of the disclosures in future remuneration reports.

THE BOARD OF DIRECTORS' PROPOSAL FOR A LONG-TERM INCENTIVE PROGRAM IN THE FORM OF PERFORMANCE SHARE AWARDS FOR EMPLOYEES IN THE H&M GROUP, item 18

The board of directors proposes that the annual general meeting resolves to adopt a long-term incentive program in the form of performance share awards for the CEO, the group management and other senior key employees in the H&M group ("LTIP 2025"). The resolution to adopt LTIP 2025 in accordance with item 18(a) shall be conditional upon the general meeting resolving on hedging measures in accordance with item 18(b) or, if the required majority for a resolution under item 18(b) cannot be achieved, in accordance with item 18(c) below.

Proposal for a resolution on the adoption of LTIP 2025 (item 18(a))

Background and motives for the proposal

The purpose of LTIP 2025 is to create prerequisites to attract, motivate, and retain competent employees within the H&M group, as well as to align the interests of employees, shareholders, and the company and to promote common interests in achieving and exceeding the company's financial and non-financial targets.

By offering share awards that are allocated subject to the achievement of targets related to the company's share price development, operating profit and sustainability efforts, participants are rewarded and incentivised to contribute to increased shareholder value. LTIP 2025 also rewards employees' continued loyalty, thereby supporting the long-term value growth of H&M. Furthermore, the board of directors believes that LTIP 2025 will have a positive impact on the future development of the H&M group, which will consequently be beneficial for both the company and its shareholders.

Program design

LTIP 2025 is proposed to include the CEO, the group management and other senior key employees within the H&M group, comprising a total of approximately 65 participants.

Awards under LTIP 2025 (“**performance share awards**”) will be granted free of charge entitling the participant, to receive a number of B shares in H&M (“**performance shares**”), free of charge, following a three-year vesting period (the “**vesting period**”) provided that, *inter alia*, certain performance criteria set out below are met.

Allocation of performance shares pursuant to performance share awards will be subject to the achievement of performance criteria, as set out below, and will generally require that participants retain his or her employment over the vesting period. To be granted performance share awards under LTIP 2025, participants who are part of the incentive program implemented in 2021, which expires on 30 November 2025, are required to accept that their participation in the LTI 2021 programme will be shortened so that it ends already 30 November 2024.

Allocation of performance share awards

Allocation of performance share awards to participants will take place as soon as practically possible following the annual general meeting 2025 and no later than 30 June 2025.

For LTIP 2025, the value of the underlying shares in respect of the performance share awards allocated to the CEO will amount to 80 percent of the annual fixed basic cash salary, for other members of the group management the value will amount to a maximum of 80 percent of the annual fixed basic cash salary depending on responsibility and role when the performance share awards are allocated and for other senior key employees, the value will amount to a maximum of 50 percent of the annual fixed basic cash salary, depending on responsibility and role when the performance share awards are allocated. In exceptional cases, such as to recruit or retain key competences, performance share awards corresponding to a maximum of 120 percent of the annual fixed basic cash salary may be allocated subject to the approval of the board of directors. The allocation of performance share awards will be based on the annual fixed basic cash salary for each participant as of 1 January 2025 for current employees of H&M or starting salary for participants employed after 1 January 2025.

The share price used to calculate the number of performance share awards corresponding to the allocation value for each participant shall be the volume-weighted average price (“**VWAP**”) of H&M’s B share on Nasdaq Stockholm during 90 trading days starting on 1 December 2024.

Terms and conditions

A performance share award may be exercised, provided that the participant, with certain exceptions, remains employed within the H&M group from the start of LTIP 2025 for the respective participant, up to and including the day that falls three years thereafter (the “**vesting period**”). The last day for allocating performance share awards under LTIP 2025 shall be 30 June 2025.

In addition to the requirement of continued employment within the H&M group, the exercise of performance share awards also requires that participants who are part of H&M’s group management and selected key employees, before 30 November 2025, have invested an amount equivalent to two gross monthly salaries in H&M shares and retain these during the vesting period (the “**investment shares**”). Shares already held by participants may be allocated to LTIP 2025. The board of directors may, on a case-by-case basis, decide to grant exceptions to the investment/holding requirement.

Furthermore, the outcome of the performance share awards is subject to the satisfaction of performance criteria related to three-year performance criteria linked to the development of the group’s operating profit¹, total shareholders return on the H&M share (“**absolute TSR**”²) and environmental,

¹ Operating profit defined as profit calculated based on a constant exchange rate (SEK/local currency) over the performance period, and before interest and taxes.

² Absolute Total Shareholder Return, i.e. share price development including dividends.

social and governance (“**ESG**”), which will determine the extent (if any) to which performance share awards grant participants the right to receive performance shares at the end of the vesting period. Information on the outcome of the performance criteria will be provided no later than in the remuneration report for the financial year 2027.

Performance criterion for the group’s operating profit

45 percent of the performance share awards allocated to a participant will be conditional on the fulfilment of a performance condition relating to the development of the group’s operating results during the period 1 December 2024 – 30 November 2027 (the “**performance period**”). The performance criterion set by the board of directors for the development of the group’s operating profit during the performance period will stipulate a minimum level and a maximum level. The target for the development of the group’s operating profit during the performance period is not disclosed due to capital market and competition considerations. The board of directors will determine the outcome of the performance share awards related to the performance criterion for the development of the group’s operating profit during the performance period when the audited financial statement for the financial year 2027 is available.

If the maximum performance level set by the board of directors is reached or exceeded, the vesting will amount to (and will not exceed) the maximum level of 100 percent of the performance share awards related to the performance criterion of the group’s operating profit during the performance period. If performance is below the maximum level set by the board of directors but exceeds the minimum level, a linear pro-rata vesting of shares will occur. No vesting for the performance criterion will occur if performance amounts to or is below the minimum level.

Performance criterion related to absolute TSR development

45 percent of the performance share awards allocated to a participant will be subject to fulfilment of an absolute TSR development. The volume-weighted average closing price of H&M shares on Nasdaq Stockholm during the 90-day period from 1 December 2024 to 1 December 2027 shall be used to measure the start and end point for the annual absolute TSR. The measurement shall include estimated dividends during the period from the start to the end point. If the absolute TSR development during the performance period reaches or exceeds an average annual growth rate of 14 percent, the maximum vesting of 100 percent of the performance share awards related to the absolute TSR will occur. If the absolute TSR development corresponds to an annual growth rate (per annum compounded) of 6 percent or lower, no vesting will occur with respect to the performance share awards related to absolute TSR. If the company’s absolute TSR development corresponds to an annual growth rate (per annum compounded) between 6 and 14 percent, the vesting of the performance share awards related to absolute TSR will be determined linearly pro-rata between 0 and 100 percent.

ESG – Reducing greenhouse gas emissions

10 percent of the performance share awards allocated to a participant will be conditional upon the company reducing its absolute CO₂e emissions within scope 1 and 2³ by 55 to 60 percent and scope 3³ by 35 to 40 percent compared to the 2019 level by 30 November 2027. These targets are part of achieving H&M’s communicated climate targets for 2030. If the performance outcome is below the maximum level set by the board of directors but exceeds the minimum level for both scope 1 and 2 as well as scope 3, shares will be allocated on a linear pro rata basis with a weighting of 10 percent for scope 1 and 2 and 90 percent for scope 3. No allocation for the performance criterion will be made if the outcome for both scope 1 and 2 as well as scope 3 is at or below the minimum level.

Allocation of shares

Provided that the performance criteria above have been met and that the participant has retained his or her employment and, if applicable, retained allocated investment shares (unless the board of directors has decided otherwise in specific cases) during the vesting period, allocation of vested shares will take place as soon as practicably possible following the expiration of the vesting period.

³ For definitions see the annual and sustainability report.

When determining the final vesting level of performance share awards, the board of directors shall examine whether the vesting level is reasonable considering the company's financial results and position, conditions on the market and other circumstances, such as environmental, social ethics and compliance factors, and if not, as determined by the board of directors, reduce the vesting level to the lower level deemed appropriate by the board of directors.

In the event delivery of shares to participants cannot take place under applicable law, at reasonable cost or with reasonable administrative measures, the board of directors will be entitled to decide that participants may, instead, be offered a cash settlement.

The board of directors shall be responsible for the details of the agreements and conditions with participants, as well as the management of LTIP 2025. The company is entitled to, prior to delivering vested shares to the participant, retain and sell the number of shares required to cover the cost for withholding and paying tax and social security liabilities on behalf of the participants in relation to the performance share awards for remittance to tax authorities. In such case, vested shares will be delivered net to the participants after the vested performance share awards are reduced by the number of shares retained by the company for such purposes.

Financing

The board of directors has considered different financing methods for transfer of shares under LTIP 2025, such as transfer of treasury shares and an equity swap agreement with a third party. The board of directors considers that the acquisition and transfer of treasury shares is the most cost efficient and flexible method to transfer shares under LTIP 2025.

The board of director's proposal for authorisation to repurchase treasury shares on the stock exchange (item 16 above) therefore includes the possibility to repurchase treasury shares also for the purpose of using the shares within the framework of the company's share incentive program. The board of directors further proposes that the annual general meeting resolves to transfer treasury shares to participants in LTIP 2025 in accordance with item 18(b).

Since the costs for the company in connection with an equity swap agreement will be significantly higher than the costs in connection with transfer of treasury shares, the equity swap agreement with a third party (item 18(c)) is only proposed as an alternative if the required majority in accordance with item 18(b) is not achieved.

Costs

The total effect on the income statement of LTIP 2025, assuming that all performance share awards are allocated, is estimated to amount to approximately SEK 153 million, distributed over the years 2025–2027. The cost includes an assumption of 21 percent of social security contributions, maximum outcome for all performance criteria, maximum allocation of performance share awards and a share price at the time of allocation of SEK 145 and a share price after three years at the time of exercise of SEK 214.⁴ The costs will be reported in accordance with IFRS2 and will depend on the future development of the price of H&M B share.

Dilution

Since the proposal does not involve the issuance of new shares, LTIP 2025 will not result in any dilution of existing shareholders' votes or share capital. The effect on important key figures is only marginal.

Proposal for resolution on transfer of treasury shares to employees (item 18(b))

⁴ The cost of social security contributions has been calculated based on the average percentage of social security contributions given the intended allocation by geography (21 percent). The calculation assumes that all performance shares are allocated and that the share price at the time of exercise is SEK 214.

To ensure delivery of performance shares in accordance with the terms and conditions of LTIP 2025, the board of directors proposes that the annual general meeting resolves to transfer a maximum of 1,100,000 B shares under the following terms:

- The right to acquire shares shall be granted to such persons within the H&M group covered by the terms and conditions pursuant to LTIP 2025. Furthermore, subsidiaries within the H&M Group shall have the right to acquire shares, free of charge, and such subsidiaries shall be obligated to immediately transfer, free of charge, shares to employees covered by the terms and conditions of LTIP 2025.
- The employee shall have the right to receive shares during the period when the employee is entitled to receive shares pursuant to the terms and conditions of LTIP 2025.
- Employees covered by the terms and conditions of LTIP 2025 shall receive B shares in the company free of charge.
- The number of B shares in the company that may be transferred under LTIP 2025 may be subject to recalculation in the event of bonus issues, splits, share issues and/or similar measures, under the terms and conditions of LTIP 2025.

Proposal for a resolution on equity swap agreement with third party in relation to LTIP 2025 (item 18(c))

If the required majority is not obtained under item 18(b) above, the financial exposure of LTIP 2025 may be hedged by the company entering into an equity swap agreement with a third party, whereby the third party, in its own name, will be able to acquire and transfer shares in the company to employees covered by LTIP 2025.

BOARD OF DIRECTORS' PROPOSAL ON AMENDMENT OF THE ARTICLES OF ASSOCIATION, item 19

Due to the auditor's expanded duties under the EU's new Corporate Sustainability Reporting Directive (CSRD), the board of directors proposes that the articles of association be amended as follows.

Current wording	Proposed wording
<p>§ 14 (6)</p> <p>Presentation of the annual accounts and auditor's report as well as the consolidated accounts and consolidated auditor's report;</p>	<p>§ 14 (6)</p> <p>Presentation of the annual accounts and auditor's report, the consolidated accounts and consolidated auditor's report, and of the limited assurance report regarding the sustainability report for the group;</p>

Required majority

For the resolutions in items 15, 16 and 19 to be passed the proposal must be supported by shareholders representing at least two thirds of both the votes cast and the shares represented at the meeting. For the resolution in item 18(b) to be passed the proposal must be supported by shareholders representing at least nine tenths of both the votes cast and the shares represented at the meeting.

Other proposed resolutions etc.

Item 20

Proposal from shareholders My Ericson, Susanne Halling, Karin Cecilia Lundberg, Astrid Kihlén, Andreas Nilsson, Karin Sandén and Stina Sköld:

“That the annual general meeting resolve to move to a fully circular business model and that H&M stops producing new clothes in 2026.”

Number of shares and votes

There are 194,400,000 series A shares in the company with 10 votes per share and 1,416,142,225 series B shares with one vote per share, with the result that the total number of shares in H&M is 1,610,542,225 and the total number of votes is 3,360,142,225. At the time the notice of the annual general meeting was issued H&M itself held 6,050,850 series B shares, corresponding to 6,050,850 votes, which cannot be represented at the meeting.

The annual and sustainability report for 2024 was published on the company's website at hmgroup.com/agm on 27 March 2025.

The annual and sustainability report is available at H&M's head office, Mäster Samuelsgatan 46A, 106 38 Stockholm and on the company's website, and will be sent out to shareholders submitting such a request and stating their postal address. It will also be available at the meeting, as will the auditor's report and auditor's statement, the board's remuneration report and other documents that are to be made available to the shareholders according to the Swedish Companies Act.

Stockholm, March 2025
H & M Hennes & Mauritz AB (publ)
The Board of Directors

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Press images and background information for editorial use can be downloaded from hmgroup.com/media

The notice of the annual general meeting is being published on 27 March 2025 on the company's website hmgroup.com/agm.

On 4 April 2025 the notice will be published in Post- och Inrikes Tidningar (the Swedish Official Gazette). On the same date an advertisement will appear in Dagens Nyheter and Svenska Dagbladet stating that the meeting has been convened.



H & M HENNES & MAURITZ AB (PUBL) was founded in Sweden in 1947 and is listed 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, Cheap Monday, Weekday, Monki, H&M HOME, & Other Stories, ARKET, Singular Society and Sellpy. The group also includes several ventures. For further information, visit hmgroup.com.