

## Item 20

*Shareholder proposal from My Ericson, Susanne Halling, Karin Cecilia Lundberg, Astrid Kihlén, Andreas Nilsson, Karin Sandén and Stina Sköld to Hennes & Mauritz AB's annual general meeting 2025*

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

### Background

On H&M's own website it says: "The science is clear – global temperature rise must be kept to 1.5°C – and as a global fashion company we have to act."

We find ourselves at a crossroads where the rampant warming is terrifyingly clear to everyone. The average temperature in 2024 was 1.6°C above pre-industrial levels and thus above the level that H&M, in line with the Paris Agreement, states that we must stay below. In addition, the warming is now happening even faster than research can fully explain.

Like the rest of the fashion industry, H&M is driving the push for increased consumption through advertising and the ever more frequent launch of new fashion trends, which is based on producing large amounts of new clothing and short lifecycles for the garments. In addition to energy, this also consumes huge amounts of raw materials and fresh water. Resources that are currently consumed far faster than they are regenerated.

As much as 80 percent of our textiles' total climate impact occurs in the production phase. Producing one kilogram of new textiles results in greenhouse gas emissions of between 10 and 40 kg of carbon dioxide equivalent, consuming between 7,000 and 29,000 litres of water and between 1.5 and 6.9 kg of chemicals. How the textiles are produced determines the total environmental impact more than the choice of fibres or materials. Using recycled fibre reduces the climate impact by only 5–10 percent compared with new raw material.

H&M and the fashion industry as a whole are thus contributing significantly to the ongoing climate crisis that is already claiming lives and threatening the conditions for life on the planet. Research by the UN Panel on Climate Change, among others, makes it clear that the development of our emissions over the coming years will decide the future of humanity.

Many political leaders in our country and other countries have chosen to focus their efforts on creating confusion and delaying necessary climate action. As one of the world's biggest fashion companies and one of the most influential players in Swedish business, H&M has both an opportunity and a responsibility to lead a necessary transition of the textiles industry. We now note with dismay signs that H&M instead seems to be about to join those who choose denial and postponement as a strategy. Not a

single person with sustainability on their CV is allowed a place on the new management team, despite such knowledge being needed more than ever.

H&M has ambitious environmental goals on paper but at the same time wants to increase its production and double its sales. This equation does not add up, either for the climate and the earth's resources or for H&M as a responsible member of society.

In January 2024 the Swedish Environmental Protection Agency reported that an estimated 100 billion garments are produced in the world annually. Half of them are discarded within a year. From 1 January 2025 textile waste must be sorted and collected separately by our municipalities. Those who have not previously reflected on the fact that we throw away large amounts of clothes are now seeing this more clearly. The garments that have already been produced globally are enough to satisfy the clothing needs of six generations to come. Strictly speaking, therefore, we do not need more items of clothing.

The only sustainable option, from a perspective that considers the laws of nature and prioritises life, is a rapidly accelerated transition to fully circular flows with only reuse and recycling, not of fibres but of finished textiles, and ceasing all new production. The most important action for reducing the environmental impact of textile consumption is to extend the life of products that have already been manufactured. By doubling the life of a garment, climate impact and water use are reduced by almost 50 percent. Here H&M can make great use of its well-developed networks all over the world of actors that have a knowledge of textiles and textile management. Some examples of what H&M can develop in a fully circular model without new production:

- Collection and resale of old clothes and studios for redesign
- Repair and creativity centres where you can get help with repairing and sewing your garments
- Swap hubs where outgrown garments can be exchanged for others
- Marketing focused on second-hand and reuse

## Summary

If H&M is serious about its promise to act to keep the average temperature of the Earth down, we can only draw the following conclusion: the company needs to move to a fully circular business model and stop producing new clothes in 2026.

We are aware that our proposal may entail a short-term financial loss. This is negligible if we look at the opportunity cost. The benefit is the prospect that our children will be able to grow up on a planet with good living conditions – an opportunity that today is very seriously threatened.

Let H&M lead the fashion industry's solution to the crisis facing the climate and biodiversity – and

indeed, the planet's life-supporting systems as a whole.