TEXTILE RAW MATERIALS - IMPACTS AND RISK OVERVIEW

RAW MATERIAL	KNOWN RISKS*THAT CAN POTENTIALLY BE LINKED TO THE INDUSTRY	OUR CURRENT MITIGATION ACTIVITES TO REDUCE NEGATIVE IMPACT AND RISK
COTTON	 Soil degradation Water scarcity Biodiversity loss Natural ecosystem impact Deforestation Child labour Forced labour Health and safety Pesticide exposure / pollution Land rights 	 100% of our cotton is sourced through any of the following programs: Better Cotton Organic Cotton Accelerator (OCA) Organic cotton (OCS, GOTS) Regenerative organic cotton (ROC) Recycled cotton (GRS, RCS) We are participating in the multi-stakeholder collaborative project 'Harvesting the Future - Cotton in India,' to improve working and living conditions of cotton farmers and workers in two regional districts. We support the scaling of regenerative agriculture practices within our existing cotton programs to build healthier soils and ecosystems and gain better climate resilience and improved farmer livelihoods. We are conducting traceability pilots and aim to scale them further to improve traceability in cotton supply chains. Cotton - H&M Group, Biodiversity - H&M Group
MAN-MADE CELLULOSICS (viscose, modal, lyocell)	 Deforestation Biodiversity loss Health and safety hazards Chemical emissions Hazardous waste Negative community impact Land rights Indigenous rights 	 100% of all virgin wood-based feedstock certified to: Forest Stewardship Council (FSC) Program for the Endorsement of Forest Certification (PEFC) 100% of our MMCF is sourced from fibre producers that earned the top rating, a green shirt, in the Canopy Hot Button report. We aim for all MMCF fibre producers used by us to be EU-BAT and ZDHC compliant by end of 2025. Man-made cellulosic fibres - H&M Group
SYNTHETICS (polyester, acrylic, elastane, polyamide)	GHG emissions Water pollution Biodiver sity loss Human rights violations Worker's health & safety	 Since January 2025, all polyester used by H&M Group is 100% recycled (GRS, RCS). We are working on scaling up textile to textile recycled polyester within our polyester basket. By 2030, all synthetics will be made from certified recycled feedstock or replaced with certified biobased feedstock options. Synthetics - H&M Group

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WOOL & ANIMAL HAIR (mohair, alpaca and cashmere)	Animal welfare Land degradation Climate change impact Water scarcity Biodiversity loss Natural ecosystem impact Health and safety hazards	 100% of our virgin wool and animal hair sourced from farms certified of the following programs: Responsible Wool Standard (RWS) RWS + Nativa™ Regenerative Responsible Mohair Standard (RMS) Responsible Alpaca Standard (RAS) Good Cashmere Standard (GCS) Or is sourced from certified recycled sources (GRS, RCS) Scaling regenerative agriculature practices within existing wool programmes to reduce negative impact, improve biodiversity and farmer livelihoods. Animal welfare - H&M Group
LEATHER	Animal welfare Deforestation Land conversion Biodiversity loss Pollution Hazardous waste Community impact Health and safety	 100% of our leather is sourced through Leather Working Group (LWG) certified tanneries (gold, silver or bronze) We aim for 100% of our leather products to be chrome free by end of 2025. H&M Group signed the <u>Deforestation-free call to Action for leather</u> initiated by WWF, Textile Exchange and Leather Working Group (<i>only applicable for bovine leather</i>). We are financially supporting the Leather impact Accelerator (LIA) to support better farming practices (cattle). Leather - H&M Group
DOWN	Animal welfare Soil contamination Water pollution Zoonotic-disease transmission Human rights violations	Since January 2025, 100% of our down comes from post-consumer recycled sources (GRS, RCS) Animal welfare - H&M Group
FLAX (linen)	Biodiversity loss GHG emissions Chemical Use Soil degradation Labour related issues	Organic linen (GOTS, OCS) EU Flax