



Corporate governance

Corporate governance report

H & M Hennes & Mauritz AB (H&M Group or H&M) is a Swedish public limited company. The company's class B shares are listed on Nasdaq Stockholm. This corporate governance report relates to the financial year from 1 December 2024 to 30 November 2025 (the 2025 financial year) and is prepared by the board of directors in accordance with the Swedish Corporate Governance Code (the Code) and the Swedish Annual Accounts Act. The report has been examined by the company's auditors.

Good and effective corporate governance is crucial to ensuring that H&M Group operates in a way that is sustainable, responsible and value-creating for the shareholders. Corporate governance within H&M Group is based on compliance with external regulations, combined with internal governance tools such as the company's values, global policies and guidelines.

H&M Group operates in a large number of markets with varying legislation, environmental requirements and social conditions. This complexity underlines the importance of uniform action, guided by a strong ethical compass. Acting transparently, ethically and with responsibility in all parts of the business – from supplier to customer – is central to H&M Group's work.

The company has a long tradition of transparent reporting on both the operations and the supply chain, and of supporting its customers in making more informed choices. H&M Group works continually to improve the quality and comparability of data, systems and calculations, in close collaboration with partners and relevant stakeholders. The company's commitment to transparency and sustainability management is described in more detail in the sustainability report on page 63 in the annual and sustainability report 2025.

Corporate governance in Sweden

H&M Group has applied the Code since 2005. The Code is based on the principle of 'comply or explain', which means that companies applying the Code may deviate from individual rules, as long as they explain how they have deviated, provide the reasons for the deviation and describe the alternative approach they have adopted. The full Code is available at corporategovernanceboard.se. During the 2025 financial year H&M Group did not deviate from the Code.

Listed companies in Sweden must be aware of the following aspects of corporate governance:

- The nomination committee plays a key role. Unlike the Anglo-American system, members of the nomination committee are appointed by the company's largest shareholders. The nomination committee proposes the size of the board of directors and who should be elected to the board of directors at the annual general meeting (AGM). Members of the board of directors are elected by all shareholders eligible to vote at the AGM. This means the nomination committee has a decisive influence over who is elected to the board of directors. The nomination committee also recommends the appropriate level of board of directors' fees, as well as fees to the company's auditor. The process for appointing members to the nomination committee is decided by the AGM.
- Swedish law states that members of the board of directors are appointed to represent the interests of all shareholders. If a large shareholder proposes a new member via the nomination committee, that member of the board of directors is required to represent the interests of all shareholders and not just those of the shareholder(s) that nominated them.
- For many decades, Swedish enterprise in general has viewed it as positive for the CEO and other members of the board of directors elected by the general meeting to own shares in the company they operate in. This is regarded as a guarantee that the interests of the board of directors are aligned with the interests of all shareholders to maintain and increase the share price, manage the company's risks and maximise opportunities.
- Neither the Code nor the Swedish Companies Act impose any restriction on the age or length of service of members of the board of directors. There is also no time limit beyond which an independent member of the board of directors is no longer considered independent of the company or its principal owners.
- The Code stipulates that at least one of the company's auditors is to attend the AGM. It is also common practice in Sweden for the company's chief auditor to attend the AGM. The auditors are deemed to act as the control body for the board of directors on behalf of all shareholders. As a result, shareholders can pose questions to the auditors at the AGM irrespective of the size of their shareholding.
- The option of having different share classes has been present in the Swedish Companies Act for a long time and is common practice. These different share classes – usually referred to as class A/B/C shares – often have different voting rights and sometimes have different rights with respect to dividends.
- By law, employees have the right to appoint employee representatives to the board of directors of large companies. All members of the board of directors receive the same information, are invited to the same meetings, and have the same voting rights. Board fees are paid only to members elected at the AGM.

External and internal governance

H&M Group's corporate governance is performed in accordance with external regulations, international frameworks and internal policy documents. It is founded on the company's values and a corporate culture that emphasises simple, straightforward, cost-conscious, entrepreneurial business practices, teamwork, a belief in people and a drive for constant improvement. Sustainability is part of H&M Group's business idea and is integrated into all parts of the business.

Examples of external regulations and frameworks include:

- Accounting legislation, including the Swedish Bookkeeping Act and Annual Accounts Act
- EU Market Abuse Regulation (MAR)
- Nasdaq Stockholm Rules for Issuers
- General Data Protection Regulation (GDPR)
- Swedish Companies Act
- Corporate Sustainability Reporting Directive (CSRD)
- Swedish Corporate Governance Code (the Code)
- UN Guiding Principles on Business and Human Rights
- COSO framework for internal control and risk management

Within the area of sustainability H&M Group reports in line with existing legislation, including policies developed by the European Union, Germany (Supply Chain Due Diligence Act), Norway and the UK. More information can be found in the sustainability report on page 63 in the annual and sustainability report 2025 and at hmgroup.com/sustainability.

Examples of internal control documents include the company's:

- Articles of association
- Rules of procedure for the board of directors, including instructions for the CEO and the audit committee
- Corporate governance policy, including the internal control framework
- Ethics policy
- Communications policy

- Data privacy policy
- Environmental policy
- Financial policy
- Human rights policy
- Insider policy
- 'Our way' document, which details H&M Group's values, policies and guidelines
- Responsible business conduct policy
- Social policies
- Sustainability commitment
- Tax policy
- Whistleblowing policy

H&M Group's governance structure

H&M Group's corporate governance structure encompasses the shareholders, the board of directors, the audit and nomination committees, the company's auditors, the CEO and executive management, the individual business areas organised by brand, employees and employee organisations.

The shareholders have overall responsibility for the company's direction. They appoint the board of directors and the chair of the board of directors at the AGM based on proposals from the nomination committee. Proposals for the composition of the board of directors, board fees and the election of auditors are prepared in advance by the nomination committee.

The board of directors includes three employee representatives. Each also has a deputy. The representatives and their deputies are all chosen by their respective employee organisations.

The board of directors selects individual members to serve on an audit committee. The committee oversees financial reporting, including compliance with legal requirements on statutory sustainability reporting, and the effectiveness of the company's risk management and internal control, ensuring impacts, risks and opportunities are appropriately managed. The committee is the main channel of communication between the board of directors and the auditors.

The board of directors is also responsible for appointing the CEO to oversee day-to-day management and administration of the company. The CEO appoints the members of the executive management. Accountability for implementation and performance relative to the company's strategies, policies and goals in all areas is the responsibility of the respective group functions and brands, and forms part of their performance review with the CEO.

Shareholders and annual general meeting

The shareholders have the final decision on the company's governance. Shareholders vote at the general meeting to adopt the articles of association, which determine what the business will focus on, and to appoint the board of directors and its chair, whose task is to administer the company's affairs on behalf of the shareholders. The shareholders at the general meeting also elect auditors and decide on the instructions for the nomination committee.

The general meeting is the company's highest decision-making body and is the forum in which shareholders exercise their right to decide on the company's affairs. H&M's annual general meeting (AGM) is held once a year, in late April or early May. The date and venue are announced in conjunction with H&M's nine-month report, as well as at hmgroup.com. The notice of the meeting is published in full four to six weeks before the meeting as a press release and in the newspaper Post- och Inrikes Tidningar and at hmgroup.com. Publication of the notice is announced by an advertisement placed in the newspapers Dagens Nyheter and Svenska Dagbladet. Shareholders registered directly in the register of shareholders who have given notice of their attendance on time are entitled to participate in the meeting and vote in accordance with the total numbers of shares that they hold. Shareholders who cannot be present in person may be represented by proxy.

Shareholders wishing to have a particular matter considered by the AGM may submit a written request to the board of directors at least seven weeks before the meeting. An email address for H&M is also provided in the press release for the notice of the meeting, for shareholders who wish to submit their questions in advance. All the material related to the meeting, including the minutes of the meeting, is available on the company's website in both Swedish and English. An extraordinary general meeting can be held when there is a particular need to do so.

Shareholders' decision-making powers

Among other things, the general meeting makes decisions concerning:

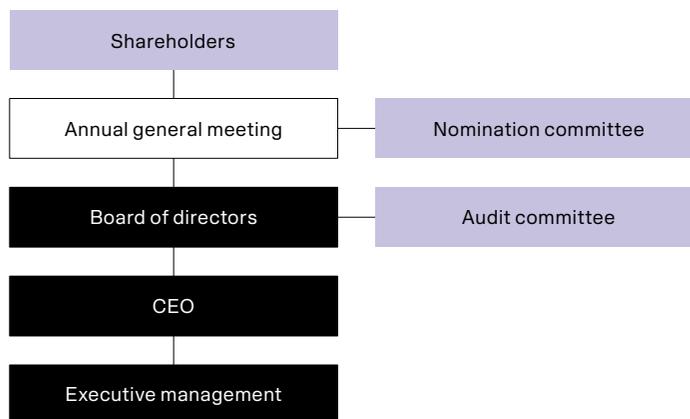
- The election of members and the chair of the board of directors
- Board fees, including the compensation paid to members for work on the audit committee
- Discharging members of the board of directors and the CEO from liability
- Amendments to the articles of association
- The election of the auditors
- The adoption of the income statement and balance sheet
- The distribution of earnings for the past financial year
- The instructions for the nomination committee
- Remuneration report
- Guidelines for remuneration of senior executives
- Long-term incentive programmes
- Authorisation for the board of directors to carry out share buyback programmes

Articles of association

According to H&M's articles of association, H&M's board of directors is to consist of at least three and no more than 12 members elected by the general meeting and no more than the same number of deputies.

The AGM decides the exact number of members of the board of directors and which individuals are to be elected to the board of directors. Members of the board of directors are elected for the period until the close of the next AGM. The general meeting also decides on amendments to the articles of association.

H&M Group's governance structure



Annual General Meeting 2025

H&M's 2025 AGM was held on 7 May in the Erling Persson Hall, Aula Medica in Solna. The option of postal voting was also provided.

A total of 1,129 shareholders were represented at the meeting, representing 91.1 percent of the votes and 81.1 percent of the capital.

The main resolutions passed were as follows.

- The lawyer Andreas Steen was elected as chair of the meeting.
- Balance sheets and income statements were adopted for H&M and for the group.
- The dividend would be paid to shareholders in two instalments, the record date for the first payment being 9 May 2025 (SEK 3.40 per share) and for the second payment 7 November 2025 (SEK 3.40 per share). The remainder of the company's earnings would be carried forward.
- The members of the board of directors and the CEO were discharged from liability for the 2024 financial year.
- The number of members of the board of directors elected by the meeting to serve until the close of the next AGM was set at eight, with no deputies.
- The following ordinary members of the board of directors were re-elected: Anders Dahlvig, Danica Kragic Jensfelt, Lena Patriksson Keller, Karl-Johan Persson, Helena Saxon, Christian Sievert and Christina Synnergren. Election of Klas Balkow as a new member.
- Karl-Johan Persson was re-elected as the chair of the board of directors.
- The board fees proposed by the nomination committee were approved as follows: chair of the board of directors SEK 1,960,000; members of the board of directors elected by the AGM SEK 850,000; members of the audit committee an additional SEK 220,000; and the chair of the audit committee an additional SEK 330,000.
- Deloitte AB was appointed as the auditors until the close of the 2026 AGM. Auditors' fees are to be paid based on approved invoices.
- The board of directors' remuneration report was approved.
- A reduction in the share capital, for allocation to non-restricted equity, was approved through the cancellation of the 6,050,850 class B treasury shares repurchased within the framework of H&M's buyback programme, resulting in a reduction in the share capital of SEK 777,267,988. To restore the share capital, the AGM simultaneously resolved to increase the share capital by SEK 777,267,988 through a bonus issue without issuing new shares, with the amount of the reduction being transferred from non-restricted equity.
- The board of directors was authorised to make decisions concerning the purchase of own class B shares on as many occasions as it deems appropriate in the period up to the 2026 AGM. The company's acquisition and holding of treasury shares may not exceed 10 percent of all the shares in the company. 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-based incentive programme.

Votes and capital represented at H&M Group's annual general meeting

Year	% of votes	% of capital
2020	86.7	72.7
2021	87.8	74.9
2022	87.8	75.0
2023	89.5	76.9
2024	90.6	79.4
2025	91.1	81.1

Number of shareholders and ownership structure

At the end of the financial year, H&M had 199,997 shareholders. The total number of shares in H&M is 1,604,491,375, of which 194,400,000 are class A shares with 10 votes per share and 1,410,091,375 are class B shares with one vote per share. As at 30 November 2025 a total of 1,100,000 class B shares in H&M had been repurchased as part of the share buyback programme initiated by the board of directors to secure delivery of class B shares to the company's long-term incentive programme (LTIP). In addition to this, H&M had also

repurchased 953,000 class B shares within the framework of the share buy-back programme initiated on 21 November 2025 for the purpose of distributing surplus liquidity and thereby adjusting the company's capital structure.

H&M's largest shareholder is Stefan Persson and family, who via Ramsbury Invest AB hold all the class A shares, which represent 58.0 percent of the votes, as well as 823,913,243 (764,799,715) class B shares, representing 24.6 (22.8) percent of the votes. In addition, the family privately owns 36,400,289 class B shares. This means that as at 30 November 2025, Stefan Persson and family privately and via Ramsbury Invest AB represented 83.7 (81.9) percent of the votes, excluding treasury shares, and 65.7 (61.8) percent of the total number of shares. Ramsbury Invest AB is owned by Stefan Persson and family, and primarily by Stefan Persson. Karl-Johan Persson is also a shareholder in Ramsbury Invest AB.

A class A share has greater voting power at the company's general meetings. All the shares have the same dividend entitlement and share in the company's assets. Since the company was first listed on the stock exchange in 1974, all the class A shares in H&M have belonged to the founding Persson family. This is common when family-owned businesses are floated on the stock exchange since it allows the founding family to have a controlling interest. The division into class A and class B shares is set out in H&M's articles of association, providing transparency to those considering buying shares in H&M.

Annual General Meeting 2026

H&M's AGM in 2026 will be held on 5 May 2026. To register to attend the 2026 AGM, see the notice of the meeting at hmgroup.com/agm.

Auditors

The auditors are independent and appointed by the shareholders at the AGM. They are responsible for:

- Auditing and examining H&M Group's annual and sustainability report, consolidated financial statements and accounts, ensuring these have been prepared in accordance with current laws and recommendations.
- Reviewing the management of H&M Group by the board of directors and the CEO.
- Ensuring compliance with the guidelines on remuneration to senior executives adopted by the AGM.

The accounting firm Deloitte AB (Deloitte) was elected as auditor of H&M Group at the 2025 AGM. The firm was appointed for a one-year term ending at the 2026 AGM. Authorised public accountant Didrik Roos from Deloitte has overall responsibility for the audit.

As in previous years, the 2025 AGM resolved that the auditors' fees should be paid based on invoices submitted and approved. The fees invoiced by the auditors over the past two financial years are reported in note 11 on page 160 in the annual and sustainability report 2025.

Deloitte is a member of a global network used by most H&M Group companies for auditing purposes and meets H&M Group's requirements with respect to competence and geographic coverage. The auditors' independent status is guaranteed by legislation and professional ethics, the accounting firm's internal guidelines, and the fact that non-auditing assignments must be approved in advance by the audit committee. Didrik Roos also acts as auditor to Axfood AB, Loomis AB and New Wave Group AB.

The auditors attend all meetings of the audit committee. Didrik Roos also attended the January and March 2025 board meetings to notify the board of directors of the scope and focus of the 2025 financial year audit, as well as any significant considerations arising from the audit.

In addition to this involvement, the auditors regularly meet with the chair of the board of directors, the audit committee's chair and other members, executive management and other key individuals. The auditors also take part in the AGM, reporting to all shareholders on the outcome of the audit.

Alongside its mandate as elected auditor Deloitte has provided other services, such as consulting work, primarily in respect of tax. Deloitte has internal processes to ensure its independence before embarking on these assignments.

The audit committee also has a process for approving non-auditing services before commencement. The audit committee evaluates the auditors annually to confirm the auditors' objectivity and independence.

Board of directors

The board of directors' role is to manage H&M's affairs in the interests of the company and all its shareholders, and to safeguard and encourage

a good corporate culture. This means that the board of directors has the overall responsibility for the company's administration, taking a long-term and sustainable approach to the customer offering and growth.

In addition to legislation and recommendations, the work of the board of directors is regulated by the board of directors' rules of procedure which contain rules on the distribution of work between the board of directors, its committees and the CEO as well as on financial reporting and sustainability reporting, investments and financing. The rules of procedure, which also include the procedure for the audit committee, are updated as needed but are established at least once a year.

Composition of H&M Group's board of directors and independence of its members

The members of the board of directors are elected by the shareholders at the AGM and for the period up to and including the next AGM. Since the 2025 AGM the board of directors has consisted of eight ordinary members elected by the general meeting, with no deputies, as well as three employee representatives and three deputies for these positions. Only the employee representatives and their deputies are employed by the company. Since the 2025 AGM the board of directors has consisted of the following members elected by the general meeting: Karl-Johan Persson (chair), Klas Balkow, Anders Dahlvig, Danica Kragic Jensfelt, Lena Patriksson Keller, Helena Saxon, Christian Sievert and Christina Synnergren. Keith Barker, Tim Gahnström and Agneta Gustafsson are the regular employee representatives, with Therese Nordström, Sofia Albrandt and Hans Lundamo as their deputies. Since the 2025 AGM the members of the board of directors elected by the general meeting comprise four women and four men (previously five women and three men), as Klas Balkow was elected as a new member and Stina Bergfors had declined re-election. The trade union representatives continued to comprise three women and three men. For more information about members of H&M's board of directors, see pages 6–8.

Members of the board of directors are required to devote the time and attention that their position on the board of directors demands. New members receive introductory training that includes meetings with the heads of the various brands and functions.

The composition of the board of directors during the year met the independence requirements set out in sections 4.4 and 4.5 of the Code. This means that a majority of members of the board of directors elected by the general meeting are independent of the company and its management. Most members of the board of directors are also independent of the company's major shareholders.

Employee organisations

Under Swedish law, the employees have the right – via employee organisations – to appoint employee representatives with deputies to the company's board of directors. The employee organisations appoint three board members and three deputies to H&M's board of directors.

Number of board meetings

H&M normally holds six regular board meetings during the financial year, one of which is the statutory board meeting. Extraordinary board meetings are held when the need arises. The CEO attends all board meetings, except when the CEO's terms of remuneration are being discussed. The CEO reports to the board of directors on the operational work within the group and ensures that ahead of each board meeting the board of directors is given relevant and objective information on which to base its decisions. The CFO also attends the board meetings to provide financial information. The board of directors is assisted by a secretary who is not a member of the board of directors.

Members of the board of directors and 2025 meetings

The board of directors has eight members elected at the AGM – four women and four men – and three employee representatives supported by three deputies appointed by employee organisations in accordance with Swedish law. In total, the board of directors has 14 members – seven women and seven men.

The composition of the board of directors exhibits breadth and diversity and ensures significant complementarity between the members of the board of directors' different areas of expertise. Their experience in areas such as retail, entrepreneurship, fashion, digitalisation, finance, AI, advanced analytics and automation, sustainability and communication forms a strong basis for effective and highly productive discussions with the CEO and executive management.

Of the seven board meetings held in 2025, one was a constituent meeting in connection with the annual general meeting. Attendance at the board

meetings was very high; see the attendance for each member of the board of directors in the table on page 5.

Generally, one or more departments or brands are invited to each meeting to give a status report concerning the work of their function or brand. These presentations act as a complement to the CEO's status reports, providing an opportunity for more in-depth discussions concerning specific areas of operation. Each board meeting also includes a summary of the matters addressed by the audit committee at its most recent meeting within areas such as accounting, audit, security, tax, internal control and risk, as well as various new regulations and items of legislation.

Work of the board of directors in 2025

H&M's board meetings are generally structured as shown below. This is supplemented by one or more business presentations.

The following are usually reviewed at each board meeting:

- Minutes of the previous meeting
- The CEO's status report and report by the CFO
- Strategic matters
- Feedback from the latest audit committee meeting
- Financial reporting such as the interim report, full-year report, and the annual and sustainability report
- Any other business

Sales, costs and efficiency within the organisation are discussed continually at the board meetings. During the year the geopolitical and macroeconomic situation remained challenging, and the effects of this on H&M Group's operations formed a key part of the board of directors' work. This includes how H&M Group has been navigating inflation, current interest rates, the competitive landscape, digitalisation, security and climate matters across areas (such as customer offering and pricing), the supply chain (for example, within production and transport), the store portfolio and omni-channel business, sustainability, technology and AI, as well as communication and marketing.

During the year the board of directors continued to address topics such as store format development and online commerce and the ongoing integration of physical and digital channels (omni), brand-building activities, the supply chain, technology, sustainability, organisational changes, capital allocation etc. Developments within the group's brands and business areas are continuously monitored at the meetings, for example by various representatives from the company presenting the work of their respective areas to the board of directors. During the year the board of directors also held two strategy days during which it reviewed and set next year's business plan.

An account of what has been reviewed at the latest audit committee meeting is provided. This has primarily concerned accounting, audit, tax, tariffs, internal control, risk and various new regulations, laws and directives, including the EU's new Corporate Sustainability Reporting Directive (CSRD). During the year the chief sustainability officer provided information on the status and plan for satisfying the new disclosure requirements. The significant risks discussed at the audit committee meetings were also discussed at the subsequent board meetings. The board of directors goes through interim financial reports before they are published at four meetings in the year. At the January meeting the board of directors discusses the annual and sustainability report, and the auditor's report on the year's audit. During the year the board of directors also met with the company's auditors without the CEO or other representatives of executive management being present.

As every year, in 2025 the board of directors took various decisions including approving a share buyback programme for use within the company's long-term incentive programme based on authorisation from the AGM, a proposed dividend of SEK 6.80 per share to be paid in two instalments, a proposal to the annual general meeting for updated guidelines for remuneration of senior executives, the remuneration report and decisions concerning the financial statements, as well as deciding on an investment plan, financing, a growth plan and targets.

In 2025 the board of directors resolved to implement an internal audit function for 2026. An internal auditor role has been appointed for the purpose of conducting independent internal audits. The role reports functionally to the audit committee.

Ahead of the 2026 AGM, the board of directors is presenting a remuneration report for 2025 in accordance with the Swedish Companies Act and the Remuneration Rules issued by the Swedish Corporate Governance Board. The remuneration report describes how the guidelines for remuneration

within H&M adopted at the 2025 AGM were applied in the 2025 financial year. The remuneration report for 2025 is available at hmgroupp.com/about-us/corporate-governance/remuneration.

H&M does not have a 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, which is entirely in accordance with requirement 7.4 of the Code. The board of directors prepares the proposed guidelines for remuneration to senior executives that are presented at the AGM, and it is the board of directors that decides on the CEO's salary in accordance with the latest guidelines adopted at the AGM. The board of directors continually assesses the CEO's work and once a year discusses this matter alongside setting of the CEO's remuneration for the coming year. No member of executive management is present when this is discussed.

The board of directors continually evaluates its work, and the chair of the board of directors is in regular contact with members of the board of directors between meetings as part of the board of directors' work and its evaluation process. The evaluation covers working methods, the working climate, wishes and the main focus of the board of directors' work. As a complement to this, a board evaluation in the form of a questionnaire was also carried out in 2025.

In addition to contributing to continuous improvement, the evaluation also aims to identify access to and the need for specialist expertise within the board. The evaluation is used as a tool for how the board of directors is to operate and additionally forms a basis for the work of the nomination committee.

Nomination committee

The nomination committee prepares information for decisions at the general meeting concerning the election of the board of directors, the chair of the board of directors, the auditors and the chair of the annual general meeting, fees to the board of directors and auditors, and instructions for the nomination committee. The nomination committee's proposal for the composition of the board of directors considers diversity and breadth with regard to expertise, experience, background and gender balance. It also takes into consideration the company's stage of development and future focus.

Before each AGM the nomination committee's report is available to read as a separate document at hmgroupp.com/corporategovernance. The composition of the nomination committee is based on the instructions for and proposed composition of the nomination committee adopted at the 2022 AGM, which apply until a general meeting of shareholders resolves otherwise. The nomination committee is to consist of the chair of the board of directors plus four others nominated by the four largest shareholders in terms of voting rights, as set out in the register of shareholders on the last banking day of August.

In autumn 2025 the nomination committee thus consisted of:

- Karl-Johan Persson, chair of the board of directors
- Stefan Persson, Ramsbury Invest AB
- Lottie Tham
- Anders Hansson, AMF Tjänstepension and AMF Fonder
- Karin Eliasson, Handelsbankens fonder

Composition of the board of directors and attendance at meetings in the 2025 financial year

Name	Year elected	Independent ¹	Independent ²	Fees (SEK) ³	Board meetings ⁴	Audit committee ²	Shareholdings ⁵	Shares held by related parties
Karl-Johan Persson, chair	2020	Yes	No	1,900,000	7/7		12,136,289	Shareholder in Ramsbury Invest AB ⁶
Stina Bergfors ⁷	2016	Yes	Yes	825,000	2/3		9,000	6,000 ⁷
Anders Dahlvig	2010	Yes	Yes	1,035,000	7/7	2/2	17,510	
Danica Kragic Jensfelt	2019	Yes	Yes	825,000	7/7		2,500	120
Lena Patriksson Keller	2014	Yes	Yes	825,000	7/7			1,200 and 9,450 ⁸
Helena Saxon	2024	Yes	Yes	1,035,000	6/7	5/5	5,000	
Christian Sievert	2010	Yes	No ⁹	1,140,000	7/7	5/5	106,000	2,400 ¹⁰
Christina Synnergren	2023	Yes	Yes	825,000	7/7	3/3	34,475	
Klas Balkow ¹¹	2025	Yes	Yes		4/4		4,000	
Keith Barker, employee rep.	2024				7/7			
Tim Gahnström, employee rep.	2021				5/7			
Agneta Gustafsson, employee rep.	2022				7/7			
Sofia Almbrandt, deputy employee rep.	2024				2/7			
Hans Lundamo, deputy employee rep.	2024				4/7			
Therese Nordström, deputy employee rep.	2024				1/7		380	

1. Independent of the company and company management in accordance with the Swedish Corporate Governance Code.

2. Independent of major shareholders in the company in accordance with the Swedish Corporate Governance Code.

3. Fees as resolved at the 2024 AGM. This means that the fees related to the period until the next AGM, i.e. for the period 3 May 2024 to 7 May 2025. The amounts were paid out after the 2025 AGM.

4. Attendance via technology is equated with attendance in person.

5. There are no outstanding share- or share price-related incentive programmes for the board of directors.

6. Ramsbury Invest AB owned 194,400,000 class A shares and 823,913,243 class B shares as of 30 November 2025.

7. Stina Bergfors was a member of the board of directors up to and including the annual general meeting held on 7 May 2025, when she left the board. The table shows Stina Bergfors's holdings as of 7 May 2025, when 6,000 shares were held by her spouse.

8. 1,200 shares owned through Lena Patriksson Keller's private company Verdani Holding AB. 9,450 shares are held by spouse and children.

9. Christian Sievert is considered dependent in relation to Ramsbury Invest AB since Ramsbury Invest AB is a major shareholder in a company of which Christian Sievert is CEO.

10. Shares held by related parties: 2,400 shares held by spouse and children. Supplementary disclosure: in addition to Christian Sievert's shareholding shown above, Christian Sievert holds 9,000 H&M shares via a pension plan.

11. Klas Balkow was elected as a new board member at the annual general meeting on 7 May 2025.

12. Following the 2025 AGM, the audit committee consists of Helena Saxon, Christian Sievert and Christina Synnergren. Until the 2025 AGM, Anders Dahlvig was a member of the audit committee.

Board of directors



KARL-JOHAN PERSSON

Chair of the board
Born 1975

Primary occupation
Chair of the board of directors of H&M Group.

Other significant board assignments
Member of the board of directors of Ramsbury Invest AB, the GoodCause Foundation and the H&M Foundation.

Education
BA in business administration from the European Business School, London.

Professional experience
2001–2004 CEO of European Network.
2005–2009 Operational executive roles within H&M Group, including within expansion, business development and new business.
2009–2020 CEO of H&M Group.
2020– Chair of the board of H&M Group.



KLAS BALKOW

Board member
Born 1965

Primary occupation
Board assignments.

Other significant board assignments
Member of the board at Axel Johnson AB and of the Swedish Armed Forces' oversight council.

Education
Diploma in Engineering (Upper Secondary Level), SSE Executive Education.

Professional experience
Former CEO of Axfood, Clas Ohlson and Aximage. Has also held senior positions at Procter & Gamble in the Nordic region and the USA, as well as at Bredbandsbolaget.



ANDERS DAHLVIG

Board member
Born 1957

Primary occupation
Board assignments.

Other significant board assignments
Chair of Inter IKEA Holding BV and member of the board of directors of Oriflame SA.

Education
MSc in business administration, Lund University, and MA from the University of California, Santa Barbara.

Professional experience
1983–1993 Various roles within IKEA in Sweden, Germany, Switzerland and Belgium.
1993–1997 Managing director of IKEA UK.
1997–1999 Vice president of IKEA Europe.
1999–2009 President and CEO of IKEA.



LENA PATRIKSSON KELLER

Board member
Born 1969

Primary occupation
Executive chair at branding and communications agency Patriksson Group AB.

Other significant board assignments
Member of the boards of directors of Elite Hotels, Wanås Art Foundation, Jeanerica AB and Maria Nilsson AB. Lena is also involved in the Prince Daniel Fellowship at the Royal Swedish Academy of Engineering Sciences (IVA).

Education
Design and marketing at Parsons School of Design in New York and at the American University in London.

Professional experience
1993–1996 Buying & product development at H&M.
1996–1998 Global communications manager, J.Lindeberg.
1999– CEO and later executive chair, Patriksson Group AB.



CHRISTIAN SIEVERT

Board member and member of the audit committee
Born 1969

Primary occupation
CEO of AB Max Sievert.

Other significant board assignments
Member of the board of directors of AB Max Sievert and of the boards of portfolio companies of AB Max Sievert; also, member of the board of directors of AB Anders Löfberg.

Education
MSc in Economics and Business Administration, Stockholm School of Economics.

Professional experience
1994–1997 Bain & Company, Stockholm, and San Francisco, USA.
1997–2003 Investment manager and partner at Segulah.
2003–2013 CEO/managing partner at Segulah.
2013–2014 Partner, Segulah.
2014– CEO of AB Max Sievert.



CHRISTINA SYNNERGREN

Board member and member of the audit committee
Born 1978

Primary occupation
Board assignments.

Other significant board assignments
No other significant board assignments.

Education
MSc in Economics and Business Administration, Stockholm School of Economics.

Professional experience
Christina has 20 years of experience from management consulting firm BCG (Boston Consulting Group), most recently as managing director and senior partner. She has also held several other leadership positions within BCG, including roles in the global Fashion & Luxury and Retail leadership teams, as well as being a member of BCG’s Executive Committee – the decision-making body responsible for managing the entire firm globally. Christina left BCG before H&M’s 2023 annual general meeting at which she was elected to the board of directors.



HELENA SAXON

Board member and chair of the audit committee
Born 1970

Primary occupation
Board assignments.

Other significant board assignments
Vice chair of the board at Stockholm School of Economics. Helena is also board member at AB Max Sievert.

Education
MSc in Economics and Business Administration, Stockholm School of Economics. Certificate in Corporate Governance from International Directors Program at INSEAD, France.

Professional experience
After her studies Helena began working as a financial analyst at Goldman Sachs in London. She subsequently moved to Investor AB, where she has worked for most of her career, including as CFO and member of Investor’s executive management team 2015–2024, and has also worked as investment manager within tech and health.



DANICA KRAGIC JENSFELT

Board member
Born 1971

Primary occupation
Professor of computer science at KTH Royal Institute of Technology conducting research in the fields of computer vision and robotics. The aim of the research is to use sensors to build future systems that interact with people and their environment in a natural way.

Other significant board assignments
Board member at FAM, SAAB and the Institute for Future Studies; member of the Royal Swedish Academy of Sciences and the Royal Swedish Academy of Engineering Sciences (IVA).

Education
MSc in mechanical engineering from the Technical University of Rijeka, Croatia. Danica was awarded a PhD in robotics by KTH Royal Institute of Technology, Stockholm, in 2001. Honorary doctorate from Lappeenranta University of Technology in Finland.

Professional experience
2008– Professor of computer science, conducting research in the fields of computer vision and robotics, at KTH Royal Institute of Technology in Stockholm.



KEITH BARKER

Employee representative,
on H&M Group board since 2024.
Born 1961
Joined H&M in 2007

Current position
IT architect



TIM GAHNSTRÖM

Employee representative,
on H&M Group board since 2021.
Born 1979
Joined H&M in 2015

Current position
Solution Architect
(Business Tech), H&M



AGNETA GUSTAFSSON

Employee representative,
on H&M Group board since 2024.
Deputy employee representative
on the board 2022–2024
Born 1969
Joined H&M in 1988

Current position
Sales advisor, H&M Jönköping



SOFIA ALBRANDT

Deputy employee representative,
on H&M Group board since 2024.
Born 1979
Joined H&M in 2008

Current position
Data engineer



HANS LUNDAMO

Deputy employee representative,
on H&M Group board since 2024.
Born 1965
Joined H&M in 1987

Current position
Sales advisor, H&M Hudiksvall



THERESE NORDSTRÖM

Deputy employee representative,
on H&M Group board since 2024.
Born 1988
Joined H&M in 2011

Current position
Pattern maker

The nomination committee meets the requirements of the Code regarding the independence of members. Stefan Persson chairs the committee, in accordance with the rules in the nomination committee's instructions which state that the chair of the nomination committee shall be the member representing the largest shareholder unless the nomination committee appoints another person. The nomination committee unanimously decided that in view of H&M's ownership structure, Stefan Persson in his capacity as principal shareholder is the natural choice to chair H&M's nomination committee.

Work of the nomination committee in preparation for the 2025 AGM, including description of diversity policy for the board of directors

Before the 2025 AGM the nomination committee held two meetings at which minutes were taken. The committee was also in contact at other times. As a basis for its work to analyse the composition of the board of directors ahead of the 2025 AGM, the nomination committee studied the report by the chair of the board of directors on the work of the board of directors. The board of directors' work has functioned well over the course of the year, with great commitment from the individual members. The report by the chair of the board of directors, along with interviews conducted with members of the board of directors elected by the general meeting, also informed the nomination committee's proposal to the 2025 AGM regarding the composition of the board of directors.

The different competencies of board of directors' members are complementary, which contributes to a good whole. There has been a high level of attendance at board meetings and the members show great commitment, both at and between the meetings. The nomination committee endeavours to ensure that the board of directors consists of individuals with a high level of expertise and integrity, while at the same time ensuring that the board of directors has a good and appropriate mix of experience and expertise in order to meet H&M Group's present and future opportunities and challenges.

The nomination committee's proposal to the 2025 AGM was to re-elect the following members of the board of directors: Anders Dahlvig, Danica Kragic Jensfelt, Lena Patriksson Keller, Karl-Johan Persson, Helena Saxon, Christian Sievert and Christina Synnergren; and to elect Klas Balkow as a new member of the board of directors, as his expertise and background are seen as contributing valuable input to the work of the board of directors. Stina Bergström had declined re-election. The nomination committee also proposed the re-election of Karl-Johan Persson as chair of the board of directors.

The nomination committee judged that the proposed board of directors complied well with section 4.1 of the Code, which the nomination committee uses as the standard in relation to diversity policy. The policy aims to ensure that the proposed board of directors exhibits the required diversity and breadth of qualifications, experience and background, as well as gender balance. The nomination committee has continued to stress the importance of gender balance, and H&M's board of directors has had a good gender balance for many years. The members of the board of directors proposed for election by the general meeting were four women and four men.

The proposed board composition was considered to more than satisfy the requirements in terms of expertise and experience, taking into account the company's operations and future development. The proposal was considered to meet the applicable requirements regarding the independence of members of the board of directors, their stock market experience and their expertise in accounting and auditing.

The nomination committee has also discussed the members of the board of directors' independence and assessed that the proposed board composition satisfies the requirements that apply in respect of the members' independence, stock market experience, and accounting and auditing expertise.

To decide whether a member is independent, an overall assessment is made of all circumstances that might call into question the member's independence of the company and its management. Rule 4.4 of the Code states at least seven different circumstances that are to be considered here. At least two of the members of the board of directors who are independent of the company and its management must also be independent of the company's major shareholders. To decide whether a member of the board of directors is independent, the extent of the member's direct and indirect relationships with the major shareholder are to be considered in the assessment. A member of the board of directors who is employed by or is a member of the board of directors at a company that is a major shareholder is not to be considered independent.

Regarding the composition of the audit committee, section 7.2 of the Code states that the majority of the committee's members are to be independent of the company and its management. At least one of the members of the board of directors who is independent of the company and its management must

also be independent of the company's major shareholders. The chair of H&M's audit committee is independent of the company and its management, as are the other two members of the committee. Two of the three members, including the chair of the audit committee, are also independent of the company's major shareholders. Between the 2025 AGM and the end of 2025, the nomination committee held one meeting at which minutes were taken. The committee was also in contact at other times.

In autumn 2025 the nomination committee began its review, starting with information from the chair of the board of directors concerning the functioning of the board of directors during the year. It was established that the board of directors and its work have functioned well. In the period up until the proposals to the 2026 AGM are presented, the nomination committee will discuss the size and composition of the board of directors based on such factors as expertise, experience and the outlook for the company, the election of a chair of the board of directors and a chair of the general meeting, fees for members of the board of directors, the instructions for the nomination committee and the election of auditors. The nomination committee's work in preparation for the AGM in May 2026 is not yet complete; more information will be presented before and at the 2026 AGM.

Audit Committee

The audit committee oversees H&M Group's financial reporting and sustainability reporting, and the effectiveness of the company's risk management and internal control, ensuring impacts, risks and opportunities are appropriately managed. The committee oversees all auditing topics and the publication of the company's financial reports and sustainability report.

The audit committee also assists the nomination committee with any proposals to the AGM concerning the election of auditors. The audit committee reviews and monitors the impartiality and independence of the auditors and determines which assignments the accounting firm may conduct for H&M Group in addition to the audit. The auditors provide an annual written statement to the audit committee providing assurance of the auditors' independence and outlining which additional services the accounting firm has provided to H&M Group during the financial year. The audit committee comprises three members of the board of directors with expertise in accounting or auditing. The audit committee is appointed annually by the board of directors at the statutory board meeting held in conjunction with the AGM.

Since the 2025 statutory meeting, Helena Saxon has served as chair of the audit committee with Christian Sievert and Christina Synnergren as members. All three are independent of the company and its management. Helena Saxon and Christina Synnergren are independent of the company's major shareholders. Christian Sievert is not considered independent of the company's major shareholder, Ramsbury Invest AB, since Ramsbury Invest AB is a major shareholder in a company of which Christian Sievert is CEO.

The committee held five minutes meetings during the 2025 financial year. The company's auditors attended all meetings of the audit committee and provided a report to the committee on their review of H&M Group's annual report and financial statements, including the consolidated financial statements, as well as the group's sustainability reporting. The meetings were also attended by, among others, the CFO, the chief accountant, the head of investor relations and the head of corporate governance. Minutes from the committee's meetings were distributed to all members of the board of directors.

During the year the audit committee addressed the following matters, among others:

- The company's financial reporting, including interim reports, and the corporate governance report as part of the annual and sustainability report.
- Compliance and effectiveness of H&M Group's internal control and risk management processes and review of its enterprise risks.
- Information provided by the following functions and departments on their work: security, law, controlling, sales, expansion, finance and tax, as well as business tech, including specific cybersecurity issues.
- Financial planning, tax matters and issues concerning tariffs that affect the business.
- The yearly report on data privacy.
- Follow-up on H&M Group policies.
- Review of the company's annual reporting cycle including close follow-up of the work on reporting under the Corporate Sustainability Reporting Directive, information from Deloitte on the audit plan, the scope of the audit and the results of the review.
- Review of the auditors' independence and impartiality.

Executive management¹



DANIEL ERV R

CEO since 2024
 Years at H&M 2006–present
 Born 1981
 Shareholding: 85,896²

Daniel was appointed CEO of H&M Group on 31 January 2024. Prior to this, he led the H&M brand for four years, a responsibility he continues to hold today. Daniel has worked in several key positions, including Country Manager for Sweden, Head of Merchandising in the US and Sales Controller in Germany, and has been responsible for both H&M Womenswear and Menswear. Daniel studied at the University of Gothenburg and ESSEC Business School in Paris, and holds a master’s degree in business administration.



ADAM KARLSSON

CFO since 2020
 Years at H&M 2003–present
 Born 1976
 Shareholding: 45,050³

Adam joined H&M as Business Controller in 2003 and has since held several senior roles within finance and controlling. His experience includes leading controlling teams at the H&M brand, as well as Global Production and Global Expansion. He has worked in Sweden and China. Adam holds a master’s degree in economics and business from the Stockholm School of Economics.



 SA AGEB CK

Chief Human Resources Officer since 2024
 Years at H&M 2018–2021, 2023–present
 Born 1981
 Shareholding: 2,000

 sa first joined H&M in 2018. Throughout her career she has held various roles within human resources, including leadership positions at EQT, Nordea and Ericsson. Today, she leads the People Organisation at H&M Group. Her previous positions at the company include Head of HR at Global Marketing.  sa holds a master’s degree in human resource management from Stockholm University.



LEYLA ERTUR GENC

Chief Sustainability Officer since 2021
 Years at H&M 2000–present
 Born 1974
 Shareholding: 2,330

Leyla joined H&M in 2000 and has held numerous leadership roles across production, supply chain and sustainability, working in Bangladesh, China and T rkiye. Since 2021 she has led H&M Group’s global sustainability efforts. Leyla is also co-chair of The Fashion Pact’s Operations Committee. She holds a bachelor’s degree in business administration from Bilkent University in T rkiye.



KRISTINA FELIXON

Chief Product Officer since 2025
 Years at H&M 1993–present
 Born 1971
 Shareholding: 9,000

Kristina joined H&M in 1993 and brings over 30 years of experience from across the company to her current role leading the teams in the Product Organisation. She has worked closely with all our customer groups. Kristina has held several senior positions at H&M, including recent roles as Managing Director of Womenswear, Head of Assortment for Womenswear and Head of Assortment for Childrenswear.



HENRIK KROON

Chief Commercial Development Officer since 2025
 Joined H&M in 2010
 Born 1982
 Shareholding: 5,002

Henrik joined H&M in 2010 and leads the Commercial Development and Growth teams. He has held various leadership roles across the company, including General Manager of H&M MOVE, Country Controller for H&M Canada, Head of Customer Experience at Weekday and several others within our Expansion team. Henrik holds a bachelor’s degree in business administration from the University of Gothenburg.



MEHMET ARISOY

Chief Sales Officer since 2024
 Years at H&M 2005–present
 Born 1984
 Shareholding: 6,350

Mehmet has been with H&M for more than two decades, starting his career as a sales advisor in store in Switzerland. More recently, he has held various leadership roles across Europe, including Regional Manager and Country Manager. He now leads our regional sales teams. Mehmet holds qualifications in retail and sales.



ANNA ATTEMARK

CEO of Portfolio Brands since 2018
 Years at H&M 1994–2011, 2018–present
 Born 1968
 Shareholding: 14,105

Anna first joined H&M in 1994 och has held several leadership roles, such as Head of Business Development in the Buying Office. She also served as CEO at Odd Molly and has held board positions at XXL Sport & Vildmark and Karl Hedin. In 2018 she started her current role leading the portfolio brands at H&M Group. Anna holds a master’s degree in economics and business from the Stockholm School of Economics.



JOHN EHRNST

Chief Marketing Officer (acting) since 2025
 Years at H&M 2006–2018, 2025–present
 Born 1979
 Shareholding: 5,150⁴

John first joined H&M in 2006 and has worked in a range of roles, including Regional Sales Director, Country Manager and Head of Brand Strategy in the US, as well as Sales Manager in South Korea and Japan. In 2025 he took up his current role, leading our marketing teams. He has also run his own branding agency and was CEO Americas at Daniel Wellington. John served on the board of Filippa K from 2020 until 2025 and holds a master’s degree in economics and business from the Stockholm School of Economics.



JOHAN LUNDGREN

Chief Strategy & Innovation Officer since 2024
 Years at H&M 2008–2021, 2024–present
 Born 1983
 Shareholding: 15,000

Johan first joined H&M in 2008 and started his current role in 2024, leading strategy and innovation. Prior to this he was Chief Operating Officer at Fortnox. Before that, he spent over a decade at H&M, working across sales, business development and operations in both global and local teams. Johan holds a master’s degree in industrial and financial management from the University of Gothenburg.



ELLEN SVANSTRÖM

Chief Digital Information Officer since 2023
 Years at H&M 2016–present
 Born 1973
 Shareholding: 2,280

Ellen joined H&M in 2016 and has a long background in tech. During her time at the company she has held several positions including Head of Business Ventures and Head of Group Strategy. Her previous experience includes CEO of Extenda and several global leadership positions at IBM. Ellen holds a master’s degree in business administration from Skema Business School in France.

1. As at 30 November 2025. The latest available information about the executive management can be found on hmgroupp.com/about-us/corporate-governance/company-management.
2. Daniel Ervér also holds 450,000 call options issued by Ramsbury Invest AB, with each option providing the right to buy one class B share in H&M during the 12-month period following the expiry of a three-year agreement dated 15 February 2024.
3. Adam Karlsson also holds 340,000 call options issued by Ramsbury Invest AB, with each option providing the right to buy one class B share in H&M during the 12-month period following the expiry of a three-year agreement dated 15 February 2024.
4. John Ehrnst holds shares via 25,000 American Depository Receipts (ADR), equal to 5,000 class B shares in H&M.

The audit committee has an established procedure for approval of any non-auditing services provided by the auditors. The procedure is applied before any such service can be delivered. The audit committee agreed it was clear which assignments Deloitte had taken on in addition to auditing and found no reason to question the accounting firm's impartiality. H&M Group also uses consulting services from other accounting firms and tax advisors.

CEO

The CEO is appointed by the board of directors and reports on H&M Group's development to the board of directors. The CEO is responsible for the daily management of the company as directed by the board of directors. This includes:

- Recruitment of senior executives
- Buying, production and logistics matters
- Customer offerings
- Pricing strategy
- Sales and profitability
- Sustainability
- Marketing
- Company growth and expansion
- Digital development
- Development and further integration of the store and online channels

The CEO is required to make the necessary preparations to enable all commercial decisions, including on investment and company expansion. The role of CEO includes contact with financial markets and investors, the media and regulatory authorities.

Daniel Erv r, born 1981, has been CEO of H&M Group since 31 January 2024. Daniel Erv r has worked within H&M Group for 19 years in various roles in different parts of the company, most recently as head of H&M, which is the largest brand within H&M Group. Since Daniel Erv r was appointed as CEO, he continues to be operationally responsible for H&M.

Daniel Erv r holds 85,896 shares in H&M. He also holds 450,000 call options issued by Ramsbury Invest AB, with each option providing the right to buy one class B share in H&M during the 12-month period following the expiry of a three-year agreement dated 15 February 2024.

Organisation and management

H&M Group is a matrix organisation with a diverse portfolio of brands that includes H&M – with H&M HOME, H&M MOVE and H&M Beauty – as well as portfolio brands comprising COS, Weekday – inclusive of Cheap Monday and Monki – & Other Stories, ARKET and Singular Society. The group also includes several ventures such as Sellpy, Looper Textile Co. and smartex.ai.

The matrix organisation provides a combination of group and local perspectives on leadership and entrepreneurship. The regional sales organisations are responsible for daily operations in their market and region.

The CEO is responsible for day-to-day management of H&M Group and appoints the members of executive management. Executive management is responsible for the company's strategic direction and decisions on key matters. The members work across disciplines along with their teams in order to drive results and follow up on performance in line with H&M Group's direction and long-term targets. The executive management is appointed by and reports directly to the CEO. As at 30 November 2025 there were 11 members of executive management, including the CEO, made up of six men and five women. Executive management comprises the CEO, CFO, chief human resources officer, chief sales officer, ceo of portfolio brands, chief marketing officer, chief sustainability officer, chief product officer, chief commercial development officer, chief strategy & innovation officer and chief digital information officer. The individuals responsible for other group functions – if they are not part of the executive management team – are appointed by the CEO or CFO.

Read more

Read more about H&M Group's corporate governance at hmgroupp.com/about-us/corporate-governance, which contains the following information among other things:

- Articles of association
- Information and material from previous AGMs and extraordinary general meetings
- Information about standards and policies

- Information about the board of directors, CEO, executive management, auditors and audit committee
- Information on the nomination committee
- Previous corporate governance reports

Internal control

Internal control is critical to safeguard the company's assets and thereby the shareholders' investment. Internal control and risk management are part of the board of directors' and the executive management's responsibility to manage the business in the most appropriate and effective manner possible, ensuring reliable financial reporting and compliance with applicable laws and regulations. The audit committee monitors the effectiveness of internal control and risk management, reporting regularly to the board of directors on the status of these processes.

H&M Group's internal control framework is based on the internationally recognised COSO framework. The company's internal control framework and control environment are based on the five components of the framework – control environment, risk assessment, control activities, information and communication, and monitoring – which are further described below.

Control environment

The control environment forms the basis of internal control within H&M Group. It consists primarily of the company's ethical values and integrity, expertise, management philosophy, organisational structure, responsibility and authority, policies and related guidelines and instructions, as well as routines. It is underpinned by the culture that the board of directors and management create and communicate.

Steering documents, such as internal policies, guidelines and manuals, are particularly important, giving employees solid guidance on the way the company operates. The 'Our way' document summarises the company's values, policies and guidelines and how they shape H&M Group's way of doing business, to ensure that the operations are run in a way that is ethical, transparent, responsible and sustainable. 'Our way' is intended for all employees within all brands and functions of H&M Group, as well as external stakeholders. Read more about 'Our way' at hmgroupp.com/about-us and in the sustainability report on page 118 in the annual and sustainability report 2025.

H&M Group's internal control structure is based on:

- The division of responsibilities between the board of directors, the audit committee and the CEO, which is clearly described in the board of directors' formal rules of procedure
- Regular reports from executive management and the audit committee to the board of directors, according to established routines
- The company's organisational structure
- The company's values, guidelines, policies and manuals
- Control activities, checks and balances, analysis and reporting

H&M Group is a matrix organisation, which means that those responsible for group functions are also responsible for the efficiency and effectiveness of the work of their function within each brand.

Internal control is monitored regularly and evaluated annually by the relevant group function, which checks that the corresponding functions in each country are operating in accordance with the prescribed group and local policies and guidelines. Store operations are checked in turn by internal store auditors.

All subsidiaries within H&M Group have the same structure and accounting system and the same chart of accounts. This simplifies the creation of appropriate routines and control systems and facilitates internal control and comparisons between the various companies.

There are policies, guidelines and manuals in place across the group, including detailed instructions for store staff that govern daily work in the stores and ensure uniformity. In most cases these are drawn up by the group functions at head office in Stockholm and then communicated to the respective departments in regional and country offices. Each group function regularly reviews its guidelines and manuals to keep them up to date, adding new guidelines whenever necessary.

Control activities

There are several control activities built into the business processes to support business efficiency and accurate financial and sustainability

reporting. These control activities are designed to prevent, find and correct inaccuracies and non-compliance. Control activities can exist at all levels and in all parts of the organisation. Within H&M Group, control activities include effective control and analysis of sales statistics, account reconciliation, monthly accounts, financial and sustainability reports as well as systems relating to financial and sustainability reporting. In 2025 the company worked to establish and implement a framework for internal control over sustainability reporting in accordance with the Corporate Sustainability Reporting Directive (CSRD). Read more about internal control over sustainability reporting on page 65 in the annual and sustainability report 2025.

Monitoring

H&M Group's execution of internal control is firmly established within the company, providing a means for group functions to ensure that their respective function operates in line with company guidelines in all sales markets and regions.

The assessment of internal control also allows for interaction across the group to identify potential areas for improvement, with each sales country and region providing valuable and constructive feedback to the group function concerned and the group function delivering feedback to regional and country management.

Within the production organisation there is also a sound, regular control and monitoring process for internal routines, which helps to ensure the company does business in an ethical and transparent way. Most of the activities are monitored monthly at a regional level and every other month at a global level. Internal store auditors perform annual checks at a subset of stores to identify strengths, weaknesses and corrective actions.

As a complement to the internal control work performed, additional reviews of specific areas have been conducted by external audit firms. Overall, the results have been satisfactory and where findings have been identified corrective actions have been put in place. The board of directors and the audit committee continually evaluate information provided by the executive management team on company operations, including information on the efficiency of internal control procedures and activities. This work includes, among other things, ensuring that necessary actions are taken in action plans regarding observations in reviews. This monitoring work maintains awareness of the importance of effective internal control and supports continuous improvement within the group.

In 2025, the company's group functions assessed internal control within their respective area for each sales country. The work covered both general issues and department-specific issues. This internal control assessment resulted in a plan of action for each group function, defining areas for improvement to strengthen internal control at both country and group level. The group functions also followed up on assessments made in the previous year to ensure recommendations had been implemented.

During the year, work on internal control over sustainability reporting was also developed. Read more about this work on page 65 in the annual and sustainability report 2025.

Information & communication

Policies and guidelines are of particular importance for accurate accounting, reporting and provision of information, and define the control activities to be carried out.

H&M Group has a communications policy providing guidelines for communication with external parties. The purpose is to ensure that all disclosure obligations are met, and that the information provided is accurate and complete.

Financial communication is provided via:

- The annual and sustainability report
- Interim reports, the full-year report and quarterly reports
- Press releases on events and circumstances that may impact the share price
- H&M Group's website [hmgroup.com](https://www.hmgroup.com)

More information on specific policies can be found in the sustainability report on page 120 in the annual and sustainability report 2025.

Risks and uncertainties

Operational, financial and sustainability risks are continuously analysed by all brands and group functions in a coordinated and integrated process. The risk management process and way of working is set by the corporate governance function and established through the company. This process of risk review and assessment identifies the systems, methods and controls required to minimise any impact from identified risks. For the most significant issues, the corporate governance function manages a quarterly review of risk level and ensures that associated mitigation plans are generated.

A summary of the group's enterprise risks is presented to the CEO, CFO and audit committee twice a year and to the board of directors annually.

Risk management process

H&M Group has an entrepreneurial approach to business development. Launching new initiatives and ventures makes it necessary to accept a degree of business risk, while presenting many opportunities. H&M Group carries out regular risk assessments for both operational and financial risks.

Financial risk is related to the use of economic funds and financial resources and includes foreign currency fluctuations, taxes and various regulations and ordinances. Operational risk mainly comprises internal business risk and external events which may affect the group. It includes sustainability risk, which is identified through a systematic approach to human rights and environmental due diligence. This is an ongoing process to identify, prevent, mitigate and remedy potential and actual negative impacts on people, while leveraging opportunities to advance their rights. Read more about risk and risk management on page 41 in the annual and sustainability report 2025.

During 2025 a number of external risks and uncertainties were identified and handled within the company's risk management processes. In 2025 most risks were related to external events, such as geopolitical uncertainty, increased regulatory demands, and macroeconomic factors affecting the company's costs, rather than to internal operational risk. Given the nature of the business, exposure to external risks is still high and will remain high as geopolitical and global events represent a risk to the global supply chain and retail setup.

Internal audit

In November 2025 the board of directors of H&M Group decided to introduce an internal audit function for the group. The purpose is to continue to strengthen the company's work on internal control, risk management and corporate governance. Internal audit is an independent and objective review and advisory function that contributes to creating value and improving the business.

The internal auditor will start with a risk-based audit plan adopted annually by the board's audit committee.

The results of internal audits carried out are reported to the audit committee and shared with executive management to ensure that the necessary actions are taken. The internal auditor has a functional reporting line to the audit committee and an administrative reporting line to the head of corporate governance.

Stockholm, 19 March 2026

The Board of Directors