

H&M Group

2019
GRI index

Disclosure number	Disclosure title	Pages in 2019 Sustainability Performance Report	External assurance	Notes
GRI 102: General disclosures				
102-1	Name of the organization	5		
102-2	Activities, brands, products, and services	5		See also our Annual Report page 12-17, 39.
102-3	Location of headquarters	See note		Stockholm.
102-4	Location of operations	5		See also our Annual Report page 19. See also our supplier list.
102-5	Ownership and legal form	5		
102-6	Markets served	See note		See our Annual Report page 18-19.
102-7	Scale of the organization	5		See also our Annual Report page 12, 18.
102-8	Information on employees and other workers	See note		See Annual Report page 30, 39-40, 68.
102-9	Supply chain	6		See also our supplier list.
102-10	Significant changes to the organization and its supply chain	See note		No significant changes in the supply chain.
102-11	Precautionary Principle or approach	See note		We apply the precautionary principle in our environmental work and have adopted a preventative approach with the substitution of hazardous chemicals, and by actively promoting the use of non-hazardous chemicals.

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102-12	External initiatives	17, 19, 20-22, 27-28, 29, 30-34, 35-36, 37, 38, 39, 41-43, 44, 45, 46-47, 48, 50, 60, 62, 66-71, 73-74, 78, 80, 81-82		See also our full list of collaborations .
102-13	Membership of associations	17, 20, 31, 32, 41, 44, 45, 46, 70		See also our full list of collaborations .
102-14	Statement from senior decisionmaker	4		
102-15	Key impacts, risks, and opportunities	7, 10-11, 17, 27-29, 37, 59, 61-62, 66, 72, 77		See also our Annual Report page 22, 31, 40-51, 64-65.
102-16	Values, principles, standards, and norms of behaviour	55, 64, 76, 77		See also our full list of standards, codes and policies .
102-17	Mechanisms for advice and concerns about ethics	65		See also our Global Grievance Policy .
102-18	Governance structure	14		See also our Corporate Governance report in the Annual Report , page 22-23.
102-22	Composition of the highest governance body and its committees	14		See also our Annual Report page 23, 30.
102-23	Chair of the highest governance body	See note		See our Annual Report page 23, 30.
102-24	Nominating and selecting the highest governance body	See note		See our Corporate Governance report in the Annual Report , page 22-23.
102-32	Highest governance body's role in sustainability reporting	See note		Reviewed by all the relevant members of the executive management team and CEO.

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102-40	List of stakeholder groups	13	Yes	See also our stakeholder engagement overview .
102-41	Collective bargaining agreements	63, 65-69		See also our approach to supplier compliance .
102-42	Identifying and selecting stakeholders	13	Yes	See also our stakeholder engagement overview .
102-43	Approach to stakeholder engagement	13	Yes	See also our stakeholder engagement overview and our material issues .
102-44	Key topics and concerns raised	13	Yes	See also our material issues .
102-45	Entities included in the consolidated financial statements	81		Entities concerned are stated in the Annual Report .
102-46	Defining report content and topic Boundaries	61-62, 81-82	Yes	See also how we report and our material issues .
102-47	List of material topics	61-62, 81-82	Yes	See our material issues and salient human rights issues .
102-48	Restatements of information	81		See also how we report .
102-49	Changes in reporting	3, 75, 81		See also how we report .
102-50	Reporting period	81		
102-51	Date of most recent report	See note		Our most recent sustainability report was published in April 2020.

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102-52	Reporting cycle	81		
102-53	Contact point for questions regarding the report	85		
102-54	Claims of reporting in accordance with the GRI Standards	81		
102-55	GRI content index	See note		See our GRI content index .
102-56	External assurance	See note	Yes	EY has assured specified information in our our Sustainability Report since 2011, and also assures our Annual Report .

Economic

GRI 201: Economic performance

Impact boundary: Inside and outside the organisation

103-1/2/3	Management approach, 201	See note		See our Annual Report page 18-19, 26-31.
Own indicator	Sales growth and profitability on an annual basis (in local currencies)	See note		See our Annual Report page 19-20.

GRI 205: Anti-corruption

Impact boundary: Inside and outside the organisation

103-1/2/3	Management approach, 205	See note		See our Annual Report page 51.
205-1	Operations assessed for risks related to corruption	See note		See our Annual Report page 51.

Disclosure number	Disclosure title	Pages in 2019 Sustainability Performance Report	External assurance	Notes
205-2	Communication and training about anti-corruption policies and procedures	See note		See our Annual Report page 51.
205-3	Confirmed incidents of corruption and actions taken	78	Yes	See our Annual Report page 51.

Environmental

GRI 301: Materials

Impact boundary: Inside and outside the organisation

103-1/2/3	Management approach, 301	39-43, 46		<p>We have a number of measurable goals for different material types, including cotton, wood-based materials and man-made cellulosic fibres, wool, and leather.</p> <p>Our packaging strategy outlines measurable goals. This year we collected baseline packaging data. We will follow up with progress data in future reports.</p>
301-1	Materials used by weight or volume	39, 41, 54-55	Yes (Assurance is limited to cotton.)	As requested by many of our stakeholders and for comparability reasons, we report our sourcing of more sustainable and/or recycled materials in percent and not by weight or volume.
301-2	Recycled input materials used	40, 54-55		As requested by many of our stakeholders and for comparability reasons, we report our sourcing of more sustainable and/or recycled materials in percent and not by weight or volume.
Own indicator	Tonnes of garment collected from customers	55	Yes	
Own indicator	Animal welfare	42-43, 55		

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GRI 302: Energy		Impact boundary: Inside and outside the organisation		
103-1/2/3	Management approach, 302	29-34		
302-1	Energy consumption within the organization	52	Yes	
302-3	Energy intensity	52	Yes	
302-4	Reduction of energy consumption	52		
GRI 303: Water		Impact boundary: Outside the organisation		
103-1/2/3	Management approach, 303	29, 35-36		
303-1	Interactions with water as a shared resource	26, 35-36		
303-2	Management of water discharge related impacts	26, 35-36, 54		
303-3	Water withdrawal	26, 35-36, 54		Our water strategy includes measurable goals. We report reduction in production water usage in l/kg, l/m and l/pc, but currently do not report the total water withdrawal in megalitres.

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GRI 303: Water				Impact boundary: Outside the organisation
303-4	Water discharge	26, 35-36, 54		We report against the priority substances of concern which are defined in the ZDHC wastewater quality requirements. Previously we have reported water quality against BSR Wastewater guideline. In 2018 we transitioned to the ZDHC wastewater quality requirements, which was based on broad consultation process and aligned with our work to achieve <u>zero discharge of hazardous chemicals</u> .
GRI 305: Emissions				Impact boundary: Inside and outside the organisation
103-1/2/3	Management approach, 305	29-34		Our climate positive strategy covers the entire value chain, while data is predominantly available for our own operations.
305-1	Direct (Scope 1) GHG emissions	26, 52-53	Yes	
305-2	Energy indirect (Scope 2) GHG emissions	26, 52-53	Yes	
305-3	Other indirect (Scope 3) GHG emissions	52-53	Yes (Assurance is limited to transportation.)	
305-4	GHG emissions intensity	26		
305-5	Reduction of GHG emissions	26, 52-53		

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GRI 306: Effluents and waste				Impact boundary: Inside and outside the organisation
103-1/2/3	Management approach, 306	35-36, 44, 49-51		
Own indicator	% of suppliers factories in full compliance with wastewater quality requirements (ZDHC)	54		Previously we have reported water quality against BSR Wastewater guideline. In 2018 we transitioned to the ZDHC wastewater quality requirements, which is based on broad consultation process and aligned with our work to achieve <u>zero discharge of hazardous chemicals</u> .
Own indicator	Recycling systems in stores	26, 55		
GRI 307: Environmental compliance				Impact boundary: Inside and outside the organisation
103-1/2/3	Management approach, 307	29-51, 77-78		
Own indicator	Recycling systems in stores	26, 55		
307-1	Non-compliance with environmental laws and regulations	81		Our supplier factories are measured against the Higg Facility Environmental Module (FEM). We are the first company to disclose the aggregated score for our supply chain.
GRI 308: Supplier environmental assessment				Impact boundary: Outside the organisation
103-1/2/3	Management approach, 308	77-78		
308-1	New suppliers that were screened using environmental criteria	77-78		

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Social				
GRI 401: Employment		Impact boundary: Inside and outside the organisation		
103-1/2/3	Management approach, 401, 402	59-74		
401-1	New employee hires and employee turnover	See note		See our Annual Report page 68.
GRI 403: Occupational health & safety		Impact boundary: Inside and outside the organisation		
103-1/2/3	Management approach, 403	64, 66		
Own indicator	Percentage of supplier factories that underwent additional fire and building safety inspections under the Accord	66		
GRI 404: Training & education		Impact boundary: Inside and outside the organisation		
103-1/2/3	Management approach, 404	64, 66-74		

Disclosure number	Disclosure title	Pages in 2019 Sustainability Performance Report	External assurance	Notes
404-3	Percentage of employees receiving regular performance and career development reviews	See note		<p>Our policy is that all employees should receive such reviews annually. We do no formal audit on this, but we give our employees the opportunity to feed back on a number of things that we know have a strong correlation with employee engagement, including performance and career opportunities. Results for relevant questions in 2019 were as follows:</p> <p>“My manager provides me with feedback that helps me improve my performance.” 72% of employees participating answered favourably (4 or 5 on a 5 grade scale) to this statement.</p> <p>“My career goals can be met at H&M Group.” 57% answered favourably.</p> <p>We saw no significant gender differences.</p>

GRI 405: Diversity & equal opportunity

Impact boundary: Inside and outside the organisation

103-1/2/3	Management approach, 405	72-74		
405-1	Diversity of governance bodies and employees	76		
405-2	Ratio of basic salary and remuneration of women to men	See note		<p>We report on this indicator for the UK market, which indicates gender pay gap of 8%, compared to the country average of 17.4%. The most recent data is available as a snapshot of April 5, 2017. Read our 2017 UK Gender Pay Gap Report.</p>

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GRI 406: Non-discrimination				Impact boundary: Inside and outside the organisation
103-1/2/3	Management approach, 406	72-74		
406-1	Incidents of discrimination and corrective actions taken	See note		Within our own operations local markets collect this data; however, we do not have aggregated data globally. Within our supply chain we collected data on an aggregated level in our supplier compliance list.
GRI 407: Freedom of association & collective bargaining				Impact boundary: Inside and outside the organisation
103-1/2/3	Management approach 407	64-65, 67-69		
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	64-65, 67-69		
GRI 408: Child labour				Impact boundary: Outside the organisation
103-1/2/3	Management approach, 408	61-62		
408-1	Operations and suppliers at significant risk for incidents of child labour	61-62, 78-79		
GRI 409: Forced or compulsory labour				Impact boundary: Outside the organisation
103-1/2/3	Management approach, 409	61-62		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	61-62, 78-79		

Disclosure number	Disclosure title	Pages in 2019 Sustainability Performance Report	External assurance	Notes
GRI 412: Human rights assessment				Impact boundary: Inside and outside the organisation
103-1/2/3	Management approach, 412	61-62		
412-1	Operations that have been subject to human rights reviews or impact assessments	61-62, 78-79		
412-3	Significant investment agreements and contracts	61-62, 78-79		
GRI 413: Local communities				Impact boundary: Inside and outside the organisation
103-1/2/3	Management approach 413	See note		We have a community development strategy with clear guidelines, applicable for all markets. We continuously support and provide guidance to the markets and central functions throughout implementation of the strategy. We follow up and report on activities annually. All our retail markets have community investment activities running, based on their local context and priorities. We have put the impact measurement of our community investment activities on hold, while we evaluate how to best measure the social impact of our business and sustainability programme overall. Total community investments are aimed at creating shared value and strengthening communities across our value chain, and passing on donations and contributions by H&M Group customers to various charitable causes.

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GRI 413: Local communities		Impact boundary: Inside and outside the organisation		
413-2	Operations with significant actual and potential negative impacts on local communities	See note		<p>Total community investments are aimed at creating shared value and strengthening communities across our value chain, and passing on donations and contributions by H&M Group customers to various charitable causes.</p> <p>Strategic investments Investments in strategic partnerships and donations aimed at creating shared value for us as a company, our customers and local communities.</p> <p>Customers Contributions by H&M Group customers to charitable causes through, for example, cash register round up or other donations.</p>
GRI 414: Supplier social assessment		Impact boundary: Outside the organisation		
103-1/2/3	Management approach, 414	77-78		Some of our suppliers have piloted the new Higg Index Facility Social and Labor Module (FSLM). We're working with industry peers to establish a score for the FSLM.
414-1	New suppliers that were screened using social criteria	77-78		See also supplier compliance .
414-2	Negative social impacts in the supply chain and actions taken	76, 77-80		See also supplier compliance .

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GRI 415: Public policy				Impact boundary: Outside the organisation
103-1/2/3	Management approach, 415	17		(Note, not a material topic.)
415-1	Political contributions	See note		H&M group does not provide direct financial contributions to individual politicians or political parties. (Note, not a material topic.)
GRI 416: Customer health & safety				Impact boundary: Outside the organisation
103-1/2/3	Management approach, 416	See note		All of our products are assessed for health and safety improvements, for example in regards to chemical safety.
416-1	Assessment of the health and safety impacts of product and service categories	See note		100% (see management approach above).
GRI 417: Marketing & labeling				Impact boundary: Inside the organisation
103-1/2/3	Management approach, 417	20, 49		All of our products are labelled with the legally required information about material composition. Additionally, we provide voluntary information about the country key origin, care instructions and through the Clevercare label aim to inspire to conscious garment care. (Note, not a material topic.)
417-1	Requirements for product and service information and labeling	See note		See management approach above. (Note, not a material topic.)

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GRI 417: Marketing & labeling				
417-2	Incidents of non-compliance concerning product and service information and labeling	See note		Although there have been no incidents of legal non-compliance concerning product and service information and labelling, we did have one labelling issue regarding the H&M Conscious Exclusive collection in Norway. We did not convey the sustainability credentials of Conscious Exclusive products clearly enough, and we worked with Norwegian authorities to improve relevant communications. We learned that we need to be consistent and proactive with our labelling of more sustainable products. Our Product Transparency Solution (see page 20 of our 2019 Sustainability Performance Report) is an important step forward in this regard. (Note, not a material topic.)
GRI 418: Customer privacy		Impact boundary: Outside the organisation		
103-1/2/3	Management approach, 418	See note		H&M Group is committed to protect our customers' and employees' privacy. We have a dedicated data privacy team in place and have mature systems to ensure compliance with the EU General Data Protection Regulation (GDPR). Read more here .
418 -1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	See note		We had 4 complaints from the regulatory authority in UK (the Information Commissioner's Office) regarding defects in our "unsubscribe newsletter" function. We have classified this issue as one of the top H&M Group privacy risks and we are currently working towards immediate resolution.. (Note, not a material topic.)
GRI 419: Socioeconomic compliance		Impact boundary: Outside the organisation		
103-1/2/3	Management approach, 419	77-78		(Note, not a material topic.)

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GRI 419: Socioeconomic compliance				Impact boundary: Outside the organisation
419-1	Non-compliance with laws and regulations in the social and economic area	See note		There have been no incidents of non-compliance registered. (Note, not a material topic.)
Apparel and footwear sector supplement				Impact boundary: Outside the organisation
AF1	Code of conduct content and coverage	76-77		Our Code of Conduct is named <u>Code of Ethics</u> . We have one for internal use and one for our business partners.
AF2	Parties and personnel engaged in code of conduct compliance function	14		
AF3	Compliance audit process	77-78		
AF4	Grievance mechanisms	65, 67-68		Please also see our <u>Global Grievance Policy</u> .
AF5	Capacity building	60, 68, 70, 74, 77-78		
AF6	Policies for supplier selection, management, and termination	77-78		
AF7	Number and location of workplaces covered by the code of conduct	77-78		
AF8	Number of audits conducted and percentage of workplaces audited	78-80		

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Apparel and footwear sector supplement			Impact boundary: Outside the organisation	
AF9	Incidents of non-compliance with legal requirements or collective bargaining agreements on wages	78-79		See also supplier compliance . Data last reported for 2015. Since then, we have transitioned our supply chain performance measurement system towards our new SIPP method, including the HIGG index, aiming to create more comparable data across the industry.
AF10	Incidents of non-compliance with overtime standards	78-79		See also supplier compliance . Data last reported for 2015. Since then, we have transitioned our supply chain performance measurement system towards our new SIPP method, including the HIGG index, aiming to create more comparable data across the industry.
AF11	Incidents of non-compliance with standards on pregnancy and maternity rights	See note		See supplier compliance . Data last reported for 2015. Since then, we have transitioned our supply chain performance measurement system towards our new SIPP method, including the HIGG index, aiming to create more comparable data across the industry.
AF12	Incidents of the use of child labor	61-62, 78-79		See also supplier compliance . Data last reported for 2015. Since then, we have transitioned our supply chain performance measurement system towards our new SIPP method, including the HIGG index, aiming to create more comparable data across the industry.
AF13	Incidents of non-compliance with standards on gender discrimination	See note		See supplier compliance . Data last reported for 2015. Since then, we have transitioned our supply chain performance measurement system towards our new SIPP method, including the HIGG index, aiming to create more comparable data across the industry.

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Apparel and footwear sector supplement		Impact boundary: Outside the organisation		
AF14	Incidents of non-compliance with Code of Conduct	See note		See our Annual Report page 51.
AF15	Identify and mitigate business practices that affect code compliance	77-78		
AF19	Practices to source safer alternative substances list, including description of associated management systems	45		
AF20	List of environmentally preferable materials used in apparel and footwear products	45		See also our chemical restrictions lists.
AF21	Amount of energy consumed and percentage of the energy that is from renewable sources	52	Yes	
AF26	Policy on working hours, including definition of overtime and actions to prevent excessive and forced overtime	67-69, 76-78		See also our Sustainability Commitment .
AF30	Percentage of workplace where in the absence of a trade union, there are worker management committees	67-69		
AF32	Actions to address gender discrimination and to provide opportunities for the advancement of women workers	72-74		