

H&M GROUP MODERN SLAVERY STATEMENT 2024

1. Introduction

H&M Group has a worldwide commitment to human rights and takes a global approach to tackling modern slavery risk. This statement reflects our efforts across our value chain and has been prepared in joint consultation with representatives from the subsidiaries identified below.

Modern slavery is a comprehensive term that covers forced and compulsory labour, indentured child labour, exploitation of others for personal or commercial gain, human trafficking and similar abuse. These are violations of human rights as defined in both international and national legislation. According to experts and available data, forced labour unfortunately occurs in all sectors and industries, in all types of economic activities, and in many countries around the world.

This statement is made on behalf of H & M Hennes & Mauritz AB and all companies in the H&M group ("H&M Group"), pursuant to the UK Modern Slavery Act, the Australian Modern Slavery Act 2018, the Californian Transparency in Supply Chains Act, the German Supply Chain Act, the Norwegian Transparency Act, and the Canadian Supply Chains Act. It applies to and sets out the steps H&M Group has taken during the financial year 2023–2024 to address modern slavery within its supply chain and its own business operations.

H & M Hennes & Mauritz AB provides this joint statement for itself and on behalf of certain foreign subsidiaries that are directly covered by a disclosure obligation in their respective jurisdictions. Currently this includes H & M Hennes & Mauritz UK Ltd, H&M Hennes & Mauritz UK Services Ltd and H & M Hennes & Mauritz GBC AB, and H & M Hennes & Mauritz Pvt Ltd.

2. Our business

H&M Group

H&M Group is one of the world's leading fashion retailers. Our brands are H&M – which includes H&M HOME, H&M Move and H&M Beauty – and the portfolio brands consisting of COS, Weekday, Cheap Monday, Monki, & Other Stories, ARKET, and The Singular Society. The group also consists of New Growth & Ventures, which includes Creator Studio, majority-owned Sellpy, and our investment portfolio.

H&M Group brings together over 138,000 employees across the world. We have around 4,200 stores in 79 markets, with online services in 60 markets, and our brands engage with stakeholders via various digital marketplaces and external platforms. Our tier 1 and 2 production supply chains contribute to the employment of more than 1.4 million people, spread across more than 1,600 manufacturing and

final product processing units (collectively called supplier factories) in 47 countries.

Since 2013, we have published our [supplier list](#). For more information about H&M Group, its organisational structure and group relationships, see [our website](#) and our [annual and sustainability report](#).

Our value chain

When we talk about our value chain, we mean the full range of activities required for us to bring our products to market: from the design idea and choice and sourcing of material, through to processing, manufacturing, distribution, sales, and consumption – including disposal, recycling, reuse and resell. In other words, our value chain covers our multiple supply chains, our own operations, and the use and reuse of our products.

3. Our policies

H&M Group publicly commits to respecting human rights as stated in the UN Guiding Principles on Business and Human Rights (UNGP), and we recognise our responsibility in supporting these rights across our value chain through our [human rights policy](#). The policy manifests our commitment to combat forced labour, with reference to the Universal Declaration of Human Rights and ILO Core Conventions.

We have specific requirements of all our business partners and they are required to sign and implement our [sustainability commitment](#). The commitment states: forced, bonded, prison and illegal labour are not accepted. It includes requirements related to written policies and routines, freedom of movement, and employers' obligation to pay recruitment fees and voluntary overtime, as well as special consideration

for vulnerable categories of workers such as migrants. Our sustainability commitment also requires our suppliers and business partners to ensure grievance mechanisms are in place in their operations and to actively engage in remediation processes.

Our [guideline on responsible recruitment of migrant workers](#) further details and clarifies our requirements and expectations of our business partners in relation to the recruitment of foreign and migrant workers, including the use of labour agencies and management of recruitment fees.

Our sustainability commitment also states that child labour is not accepted. To underline the importance of this requirement, we have specific [child labour case handling guidelines](#) stating our standards and remedial action if the use of child labour is discovered.

4. Risk assessment and due diligence

Our company's [salient human rights issues](#), including the risk of forced labour and child labour, form the basis for our ongoing analysis of human rights risk across our operations and supply chains. See more information about H&M Group's salient human rights risk assessment on 'Our commitment to human rights'.

Forced labour is the focus of our work on modern slavery. The risks of forced labour¹ in our production supply chain are most prominent upstream in the activities linked to specific raw materials – often those associated with agriculture or farming. Manufacturing, warehouse operations, transportation, construction and facility management are also recognised as high-risk industries. This risk increases when local legislation or governance is weaker, and where more vulnerable groups are present.

As actual cases of forced labour can be hard to identify, we report both on confirmed cases and on indicators of heightened modern slavery risks – see the KPI table on page 6. Indicators of forced labour² include unreasonable fees leading to debt bondage, deception, restriction of movement, isolation, abuse of vulnerability, physical and sexual violence, intimidation and threats, abusive living and working conditions, wage withholding, excessive overtime, and retention of personal documents.

Responsible business conduct

Our [responsible business conduct \(RBC\) Policy](#) aims to ensure that we operate our business in a respectful and responsible manner regarding governance, human rights and the environment. These areas are regulated by law, international conventions, and voluntary frameworks. Key guidance on how to conduct responsible business is found in:

- Local legislation
- [UN Guiding Principles on Business and Human Rights](#)
- [OECD guidelines for multinational enterprises](#)

The RBC process is part of our human rights due diligence process and involves the following functions:

- Sustainability
- Supply chain – production
- Supply chain – logistics
- Supply chain – external brands
- Sales
- HM Group Ventures
- Own operations – office, stores and warehouses

Selected representatives within each function identify, report and manage risks throughout the organisation. Read more about the RBC process in our [RBC policy](#).

Due diligence processes

Materials risk assessment

We continuously strengthen our risk assessment of materials used in our products to integrate human rights risks more comprehensively. This assessment is conducted for all materials. We engage with key external stakeholders to inform evolving standards, with a focus on both environmental and social considerations.

Due diligence on potential business partners

All business partners must sign our sustainability commitment and our code of ethics. When evaluating a new supplier, we communicate these requirements early in the process to create a common understanding and shared ambition. These requirements span issues such as corruption, non-transparency, Fundamental Principles of ILO at work (child labour, forced labour, freedom of association, discrimination and safe and healthy work environment), working conditions including wages, environmental practices. We also review public to check if any disputes have been registered.

Supply chain mapping and traceability

Supply chain mapping is a pre-requisite for meaningful due diligence. Since 2013, we have published our [supplier list](#), which today includes both manufacturing and material production suppliers. For upstream suppliers of raw materials, we have oversight of the countries of origin, enabling us continuously identify risk hotspots. We also collaborate with others to establish approaches to prevent, mitigate and remedy risk (see page 4).

Supply chain management and monitoring

We strive for strong long-term relationships that are based on trust, transparency and a joint commitment to due diligence.

We must know where our products are manufactured to ensure that our standards and sustainability requirements are met. Therefore, the use of unauthorised subcontracting to units not audited and approved by H&M Group is strictly forbidden.

For our suppliers of commercial and non-commercial goods, we use a system of risk-based audits and our [sustainable impact partnership programme \(SIPP\)](#) to monitor compliance and performance. Through SIPP we ensure all suppliers meet our minimum requirements, and we support our tier 1 and 2 suppliers to progress on our sustainability goals. SIPP includes: a minimum requirements assessment, a self-assessment – using the Cascale Higg Facility Environmental Module (FEM) and Higg Facility Social and Labor Module (FSLM), and verified by a third party – capacity building, grievance mechanisms, and incident management. Facilities outside of the Higg Index scope are covered by annual minimum requirement assessments, performed either by our internal team or by a certified third party.

Read more about SIPP and our supply chain management programme in our [annual and sustainability report](#).

- Our suppliers of non-commercial goods (NCG), services and logistics are also regularly monitored to confirm compliance with our sustainability commitment. NCG suppliers are enrolled in our assessment method called SIPP. All warehouses and logistics operations also have regular assessments based on the country risks. These assessments are tailored for warehouses based on the risks including child labour and forced labour together with [Fundamental Principles and Rights at Work](#) of ILO. Business functions drive these assessments and oversee the assessments and actions taken by the partners.

1. Global Estimates of Modern Slavery 2022, [report](#) by ILO, IOM and Walk Free.

2. [ILO Indicators of Forced Labour](#).

5. Addressing risks

Acting on identified risks & impacts

We engage in programmes, projects, partnerships, industry initiatives and activities to address identified risks and impacts. In some cases, we focus on prevention and mitigation; in others we take remedial measures.

Modern slavery, forced labour and child labour are systemic issues that require comprehensive responses by multiple actors. Potential risks and impacts might be identified in our upstream or downstream supply chain operations, where our leverage and influence is very limited. For these reasons, we place a strong emphasis on collaborations and partnerships to reduce risk and drive progress. We also collaborate with experts to help inform our strategies. See an overview of key collaborations and partnerships relating to the topic of modern slavery on page 5.

We partner with Responsible Trucking platform in Europe where the objective is to strive to improve the working conditions of road transport workers and compliance with legislation. Carriers and shippers work together to prepare for future policy developments and actively manage the social risks present in the sector.

Responsible recruitment of migrant workers

Vulnerable groups that run a higher risk of being exploited include migrant workers, agency workers, temporary workers, and self-employed people. In the context of increased global migration, we signed a memorandum of understanding with the [International Organization for Migration](#) (IOM) in 2019 to further strengthen our work to address the risk of migration-linked forced labour. This includes a goal to eliminate recruitment fees in our supply chain by 2025 We have been working towards this goal since the time of commitment. However, the issue of recruitment fees is also hard to identify and it is a higher risk in lower tiers. That is why, we can only work with the known issues currently and make efforts to have better ways to identify the risks and issues throughout the value chain.

Preventive actions to address heightened risk

All our direct suppliers are trained on and sign our sustainability commitment, which details our due diligence expectations of upstream suppliers.

The table on the right shows some examples of modern slavery, forced labour and child labour risks identified in the value chain as well as ongoing efforts to address these. Further detail on specific processes is provided throughout this document.

Value chain steps	Risks & impacts	Ongoing efforts
Raw materials	Risk of forced labour and child labour connected to specific raw materials and high-risk contexts, for example agriculture.	- Ban on cotton from Turkmenistan and Syria. Cotton used for manufacturing of our products is either organic, recycled or cotton licensed by Better Cotton. We work with certification bodies and Textile Exchange to incorporate human rights into the assessments. - Risk assessments for new and existing raw materials. - We are participating in multi-stakeholder collaborative project 'Harvesting the Future – Cotton in India,' to improve working and living conditions of cotton farmers and workers in two regional districts.
Material production – fabric & yarn production and processing	Risk of exploitative labour practices in various countries and sectors of tier 2 and 3 suppliers. Risk of forced and bonded labour in the spinning mill industry.	- Ongoing and expanded mapping of tier 2 and 3 suppliers (processing units, fabric and yarn suppliers-to-our-suppliers). See our supplier list. - Sustainable Impact Partnership Programme (SIPP). - Engagement with suppliers and brands in countries with ongoing cases, to resolve the issues of recruitment fees and other indicators of forced labour.
Product manufacturing	Risk of involuntary overtime and undeclared production units. Vulnerable groups, such as migrants, at risk of bonded labour through recruitment practices. Risk of forced labour in the textile supply chain.	- We know where our manufacturing of products takes place, and to enforce our prohibition of the use of undeclared production units – those units that have not been approved for our production. This work covers all product manufacturing and processing units. - Sustainable impact partnership programme (SIPP). - Due diligence on potential business partners. - Responsible purchasing practices – a core pillar of our engagement in the Action Collaboration Transformation (ACT) initiative.
Logistics – transport, non-commercial goods & service supply chains	Vulnerable groups, such as migrants, agency workers, interstate workers and self-employed people face a heightened risk. Risk of involuntary overtime. Risk of forced labour and human trafficking is higher in certain markets, linked to governance and socioeconomic factors.	- Due diligence on potential business partners. - Annual country and function level risk assessments. - Annual risk-based audits of our outsourced warehouse operations, following up on our sustainability commitment requirements. - Member of the Responsible Trucking platform, collaborating on standards and monitoring. - Risk-based follow-ups with construction and facility management partners, and with non-commercial goods suppliers. - Risk based visits at construction sites.
Own operations – office, stores and warehouses	Vulnerable groups, such as migrants, agency workers, outsourced staff and self-employed people face a heightened risk.	- Due diligence on potential business partners. - Annual country and function level risk assessments. - Annual risk-based audits of our own warehouse operations, following up on our sustainability commitment requirements. - Tailormade trainings on forced labour for colleagues working in sustainability and facility management.

6. Training and capacity building

Trainings for our employees

H&M Group employees are continuously trained in our company values and policies, including those related to human rights. Specific e-learning courses on sustainability-related themes are also available to our employees and include modules developed by the Mekong Club on forced labour.

We have provided our colleagues trainings and workshops to refresh their knowledge on our policies and guidelines on forced labour and child labour and to build their capacity on these topics further. These colleagues are social sustainability developers in charge of ensuring compliance with our sustainability requirements and social sustainability programme specialists leading programmes to improve social conditions in our supply chains. These programmes include global initiatives promoting workplace dialogue and wage management systems as well as locally developed and led programmes such as those focusing on

women's career and development in Türkiye, or health and wellbeing in Indonesia.

We also started training employees in 2024, using our new learning platform to deliver the trainings and provide regular updates.

Trainings for suppliers

Our business partners are regularly trained or informed about our commitments and policies. All new suppliers must sign our sustainability commitment that sets out our expectations and are trained on the content as part of the onboarding process.

We are regularly training our tier 1 suppliers on guideline to responsible recruitment of migrant workers. This guideline is available on our supplier portal so that business partners can regularly refer to them, especially when they start working with the H&M Group or when they are onboarding new workers.

7. Engagement with stakeholders

Combatting modern slavery and forced labour is a systemic challenge that requires sustained action by multiple stakeholders and collaboration is often necessary to drive progress. For this reason, we place a strong emphasis on collaboration and partnerships with different organisations. We engage with stakeholders working on this topic to learn from their experience and practices and we continually exchange information on recruitment fees to help address this risk.

We engage in several collaborations and partnerships relevant to the topic of modern slavery, forced labour and child labour. Among others, some of the organisations we consult with are [International Organization for Migration \(IOM\)](#), [Mekong Club](#), [Shift](#) and [The Centre for Child Rights and Business](#).

Visit our website to read more about our collaborations and partnerships.

Within the year of 2024, we have participated in several online meetings arranged by Mekong Club, on working hours and overtime, responsible recruitment, remediation and grievance mechanisms. We have been in regular communication with IOM and have also run a session together, to help increase our internal sustainability teams' capacity on the topic. We have also participated in the quarterly meetings organised by The Centre's Child Rights in Business.

We participated in the consultations by the International Organization of Employers (IOE) for their joint handbook with International Labour Organization (ILO) "ILO-IOE handbook for employers on combatting forced labour".



8. Progress

Progress and key performance indicators

Target or KPI	2024	2023	2022	2021
Targets and progress				
2025: No recruitment fees in our supply chain by 2025, measured by number of production units that reported cases of recruitment fees (and share of total scope) ^{1,2,3}	8 (0,65%)	17 (1%)	39 (3%)	Baseline year
Ongoing: Increase number of priority colleagues who received training on forced labour and responsible recruitment	Sustainability experts: 37	Sustainability experts: 61	Growth team: 10 Production team: 1 Logistics team: 98	Sustainability experts: 6 Production team: 41 Materials team: 15
Key performance indicators (KPIs)				
Number of forced labour cases confirmed ³	4 (3 in tier 1 and 1 in tier 2)	3 (3 in tier 1)	1 (1 in tier 1)	0
Number of forced labour cases successfully remediated ³	4 (3 in tier 1 and 1 in tier 2)	3 (3 in tier 1)	1 (1 in tier 1)	Not applicable
Number of child labour cases confirmed in tier 1	0	0	0	0
Number of production units that reported non-conformities ⁴ related to excessive overtime ³	18 (6 tier 1 and 12 in tier 2)	34 (26 tier 1 and 8 in tier 2)	44	50
Number of production units that reported non-conformities related to improper contracts ^{2,3}	132 (110 tier 1 and 22 in tier 2)	75 (56 tier 1 and 19 in tier 2)	112	25
Number of production units that reported non-conformities related to restriction of movement ^{2,3}	1 (0 tier 1 and 1 in tier 2)	14	11	3
Number of production units that reported non-conformities related to monetary deposit ^{2,3}	0	0	3	69
Number of production units that reported non-conformities related to wage practices ²	73 (53 tier 1 and 20 in tier 2)	64 (40 tier 1 and 24 in tier 2)	261 ⁵	–
Number of grievances related to forced labour in our production supply chain	2	0	0	1

1. Refers to cases when workers have paid all or part of any fee connected to recruitment and where the worker did not immediately get reimbursed.

2. Scope: factories participating in Higg FSLM. Please see our [sustainable impact partnership program](#) for more information.

3. Data from tier 1 and 2 suppliers.

4. Per requirements in our sustainability commitment.

5. In 2022 we collected only tier 1 data. They include a combination of nonconformities related to correct legal payment for normal and overtime hours, received in a timely and regular manner. The total figure for 2022 represents individual findings rather than the number of production units, as a single production unit may have several findings.

Remediating cases of forced labour

Through our own minimum requirement assessments and worker grievance mechanism, we found four cases of forced labour in 2024: Three are related to forced overtime work and one is a case of monetary deposit for worker uniforms with a precondition to work for minimum of one year. We worked with the relevant suppliers to take immediate actions and address this systematically.

The actions included:

- Awareness raising for management and for workers, on the policy that overtime hours have to be voluntary and workers have the right to refuse overtime. ensuring no monetary deposits are required of workers.
- Actions to keep overtime work within legal limits and ensuring workers do not work on weekly rest days.
- Putting in place a system to get individual consent from each worker for overtime work beyond legal hour.
- Ensuring functional grievance systems are available in the factories.
- Repayment of the deposit fee for uniform to affected workers and improvement of the factory's recruitment policy.

Although the issues were resolved, we are regularly following up with these factories to ensure that the systems are working to prevent it from happening again.

9.Looking ahead

Our focus for 2025 includes:

- Increasing the number of priority colleagues and functions participating in training on forced labour and responsible recruitment.
- Increasing the number of business partners in high-risk countries and functions participating in training on forced labour and migrant workers.
- Growing our engagement with external stakeholders active on this topic, to better understand and identify potential issues of forced labour and recruitment fees.
- Continuing our efforts to map upstream supply chains and increase traceability.
- We are working on revisiting our overtime strategy developed with the purpose to mitigate and gradually limit risks of excessive overtime in our supply chain.

Approval

This statement has been unanimously approved and signed by the board of directors of H & M Hennes & Mauritz AB on behalf of H&M Group on 26th March 2025. This statement has also been approved by the board of directors of H&M Hennes & Mauritz UK Ltd, H&M Hennes & Mauritz UK Services Ltd and H & M Hennes & Mauritz GBC AB which are subject to the UK Modern Slavery Act and signed by a director of each entity.

H&M Hennes & Mauritz Pty Ltd (H&M Australia) is a reporting entity under the Australian Modern Slavery Act 2018. H&M Australia is a subsidiary to H & M Hennes & Mauritz AB and has its headquarters in Sydney. It distributes, sells and markets apparel from brands within H&M Group. H&M Australia has approximately 1,450 employ-

ees engaged in administrative functions and retail sales through approximately 40 stores across Australia. It does not engage in manufacturing. H & M Hennes & Mauritz Inc (H&M Canada) is a reporting entity under the Canadian Fighting Against Forced Labour and Child Labour in Supply Chains Act. H&M Canada is a subsidiary to H & M Hennes & Mauritz AB and has its headquarters in Toronto. It distributes, sells and markets apparel from brands within H&M Group. H&M Canada has approximately 4,400 employees engaged in administrative functions and retail sales through approximately 94 stores across Canada. It does not engage in manufacturing. This statement has been approved and signed by the board of directors of H & M Hennes & Mauritz AB.