61 markets
More than 4,000 stores
Over 148,000 employees
Sales including VAT SEK 210 billion
Profit after tax SEK 20.9 billion
ABOUT H&M

FASHION and QUALITY at the best price in a SUSTAINABLE way.
Our seven commitments

1. Provide fashion for conscious customers.
2. Choose and reward responsible partners.
3. Be ethical.
4. Be climate smart.
5. Reduce, reuse, recycle.
6. Use natural resources responsibly.
7. Strengthen communities.
VALUE CHAIN APPROACH TO DRIVE CHANGE & RESULTS

<table>
<thead>
<tr>
<th>Design</th>
<th>Raw Materials</th>
<th>Fabric Production</th>
<th>Garment Production</th>
<th>Transport</th>
<th>Sales</th>
<th>Use</th>
</tr>
</thead>
<tbody>
<tr>
<td><img src="image1.png" alt="Image" /></td>
<td><img src="image2.png" alt="Image" /></td>
<td><img src="image3.png" alt="Image" /></td>
<td><img src="image4.png" alt="Image" /></td>
<td><img src="image5.png" alt="Image" /></td>
<td><img src="image6.png" alt="Image" /></td>
<td><img src="image7.png" alt="Image" /></td>
</tr>
</tbody>
</table>

Sustainability
Key performance 2015

<table>
<thead>
<tr>
<th>SHARE OF SUSTAINABLY SOURCED MATERIALS</th>
<th>SUSTAINABLE COTTON* IN % OF TOTAL COTTON USE</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>20%</td>
</tr>
<tr>
<td>2014</td>
<td>14%</td>
</tr>
<tr>
<td>2013</td>
<td>11%</td>
</tr>
<tr>
<td>2012</td>
<td>9%</td>
</tr>
</tbody>
</table>

Included are all materials classified as sustainably sourced materials, such as certified organic or recycled fabrics, as well as Better Cotton (BCI).

Organic, recycled and Better Cotton now represent 31% of our total cotton use. Our goal is 100% by 2020.
Choose & reward responsible partners

We set high standards for our suppliers.

Good sustainability performance is rewarded with better business and long-term partnerships.
Fair Living Wage Roadmap

GOVERNMENTS
Continue to engage governments on wages and freedom of association.

H&M
Continuously make sure that the prices we pay our suppliers enable them to pay fair living wages to their workers. By 2015, develop additional tools to systematically ensure this also when wages increase in the future.

FACTORY EMPLOYEES
By 2013, launch Industrial Relation project in Cambodia. By 2014, expand Social Dialogue project in Bangladesh to 15% of H&M suppliers, aiming for 100% by 2018.

FACTORY OWNERS
By 2014, implement Fair Wage Method in 3 model factories and evaluate outcome. By 2018, all of H&M’s strategic suppliers should have improved pay structures for fair living wages in place. By then, this will reach around 850,000 workers.
WATER

Responsible water use

PIONEERING PARTNERSHIP WITH WWF
H&M Commits to contributing to the responsible use of water resources throughout the entire life cycle of the garment.

“H&M is one of the companies that are honestly trying to make a difference.”
(Yolanda Kakabadse, President WWF International)
We are implementing a new methodology, E Cube, to prevent intentional use of hazardous chemicals in the manufacturing process.

Our chemical restrictions are among the strictest in the industry. In 2015, we conducted nearly 41,000 tests.
SUSTAINABILITY COMMITMENT

Promote Partnership
Clearly communicate our sustainability ambitions
Integrate sustainability in every business relationship
Focus on constant improvements
Give ownership
Ensure transparency