

H&M Group’s Social Policies

Our commitments to colleagues in relation to human rights

Applies to:	H&M Group colleagues
Effective from:	17 January 2023
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Supersedes:	Global Compensation and Benefits Policy, Global Drug and Alcohol Policy, Global Grievance Policy, Global Health and Safety Policy, Global HIV and AIDS Policy, Global Labour Relations Principles, Global Non-Discrimination and Non-Harassment Policy, Global Policy on Diversity, Inclusiveness and Equality
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Introduction

Our business is characterised by a fundamental respect for the individual. Everyone has the right to be treated equally with respect and dignity, feel empowered to develop and grow, and be who they want to be. At H&M Group we are guided by our shared values. They define who we are, what we stand for and how we act, and support our efforts to be a fair and equal company. A solid foundation of fair labour standards and social policies further enables good working conditions in safe and healthy environments.

H&M Group's social policies are based on our overarching Human Rights Policy. They express our commitments to colleagues in relation to human rights* and are applicable in all our operations throughout the world. They cover the areas of grievance, equality, inclusion, diversity, non-discrimination, no violence, no harassment, health and safety and labour relations. To fulfil our commitments, we work proactively with information, training and awareness raising within all areas.

H&M Group complies with local laws and regulations in the countries where we operate and if our social policies differ from them, we aim for what gives the greatest protection for our colleagues to the extent possible.

In case of breaches of our social policies, all our workplaces have local grievance procedures based on our Grievance Policy. Colleagues can also turn to H&M Group's Speak Up channel, www.speakup.hmggroup.com, for whistleblowing, raising grievances or reporting breaches against our Code of Ethics.

*Refers to ILO Fundamental Principles and Rights at Work

Grievance Policy

This policy aims to ensure that all colleagues have access to a clear and effective procedure when it comes to handling issues around employment, treatment at work or breaches of our social policies.

At H&M Group we have an open-door practise granting everyone to openly discuss any work-related issues directly with their managers. We encourage everyone who, personally or amongst their colleagues, experiences breaches of our social policies or any other perceived misconduct, to immediately bring this to the attention of local management. If an issue can't be resolved through direct dialogue, there are local procedures in place for handling grievances. In addition, colleagues can always report grievances in H&M Group's Speak Up channel, www.speakup.hmggroup.com.

Our commitments

- Every breach of our social policies that has been reported, or in any other way has come to the attention of the company, is handled in a fair and impartial manner within a reasonable time.
- All workplaces within H&M Group have local grievance procedures that are based on this grievance policy and local legislation.
- Information about how to report a grievance is accessible in all workplaces.
- No retaliation against anyone who in good faith reports a grievance, or participates in the investigation of a grievance, is tolerated.
- We respect the integrity of everyone involved in a grievance process. All information, both verbal and written, is kept strictly confidential to the furthest extent possible. The information will not be stored longer than necessary to fulfil the purpose of the processing.
- H&M Group ensures fair, effective, and appropriate remedy in case of an established breach of the commitments in our social policies.

Equality, Inclusion, Diversity and Non-discrimination Policy

This policy aims to ensure that everyone receives equal treatment at work. Everything we do is based on the equal value of all people, and we expect all colleagues to actively participate in building an inclusive work environment free from discrimination, prejudice, and unconscious bias.

In this policy, discrimination includes distinction, exclusion or preference based on, but not limited to: Race, ethnicity, colour, sex, sexual orientation, pregnancy and marital status, family responsibilities, religion, political opinion, national extraction, social origin, gender identity and expression, age, disability, trade union membership and activities, health status or any form of medical discrimination, both mental and physical.

Our commitments

- We don't tolerate any form of discrimination committed by, or against, any colleague or anyone we interact with in our business.
- We promote an equitable work environment where everyone gets fair access to professional opportunities, development, and promotion.
- We don't discriminate in pay and benefits, and work actively to even out any known structural differences in compensation between genders.
- We perform salary reviews once a year.
- Our leaders strive to build diverse teams that reflect the communities where we operate.
- We don't tolerate different individual treatment based on nepotism, favouritism, or biases.

No Harassment and No Violence Policy

This policy aims to ensure a work environment free from harassment, violence or other improper conduct that could lead to physical or psychological harm.

Harassment, violence, or other improper conduct refer to a range of unacceptable behaviour and practices. This includes, but is not limited to:

Threatening or attacking someone physically, verbally or in writing, deliberately excluding or ignoring someone, withholding work related information, sabotaging someone's work, making sexual remarks, and initiating unwanted close contact.

Our commitment

- We don't tolerate any form of harassment, violence or other improper conduct committed by, or against, any colleague. This applies in our digital and physical workplaces, work-related communications, work-related events during or after working hours, or when travelling on behalf of the business.

Health and Safety Policy

This policy aims to create and maintain healthy, safe, and sustainable work environments that promote physical, mental, and social well-being throughout our operations. We strive to build a strong health and safety culture by taking preventive measures and constantly working to secure and improve the workplace conditions. All colleagues are encouraged to take responsibility in their daily work to protect themselves and others, and to report any incidents, accidents, or unsafe conditions.

With “health” we mean a state of complete physical, mental, and social well-being and not merely the absence of disease or ill health, while “safety” signifies freedom from unacceptable risks of harm.

Our commitments

- We meet physical safety demands by having routines for e.g., fire protection, emergency procedures, first aid training, use of personal protecting equipment and safety signs.
- All our workplaces have an emergency and crisis plan to handle situations that might occur in the best possible way.
- We prevent occupational illness and disease by working actively with mental health, social well-being, and physical workplace conditions.
- To protect everyone’s health and safety we have zero-tolerance against being under the influence of alcohol or illegal substances during working hours.
- We have clear routines for handling complaint investigations, incident/accident investigations and corrective actions.
- We analyse data from risk assessments and incident/accident reports to manage risks and mitigate potential health and safety hazards, and continuously adapt our way of working.

Labour Relations Policy

This policy aims to achieve a good relationship between employees, managers, employee representatives and relevant external stakeholders. We expect all parties to be fair, respectful, and constructive when engaging in social dialogue, and highly value everyone’s contribution when it comes to finding ways to continuously improve our workplace.

Our commitments

- We respect the freedom of association and the right to collective bargaining. Where local laws and regulations restrict these rights, we work to facilitate a meaningful dialogue at the workplace.
- We respect everyone’s right to establish and join, or decide not to join, legally recognized employee representative organisations of their own choice. We remain neutral and do not discriminate against anyone who exercises these rights.
- When employees are represented by legally recognized employee representative organisations, we strive to establish a constructive and collaborative dialogue. When applicable we negotiate in good faith to reach collective bargaining agreements.
- We respect everyone’s right to freedom of expression and opinion when exercising these rights.