

## **Proposals for the 2024 annual general meeting**

### **Other proposed motions etc.**

#### **Item 17**

Shareholder proposal from Andreas Nilsson, Karin Sandén, Stina Sköld, Susanne Halling and My Ericson:

#### **Proposal: That the annual general meeting adopt zero tolerance of clothes as waste in 2025**

By 2025 H&M shall stop contributing to fully functional clothing becoming waste, irrespective of whether this is unsold clothing from stores or clothes purchased by the company's customers.

#### **Supporting statement**

As one of the world's biggest fashion companies, H&M has both an opportunity and a responsibility to contribute to a necessary transition of the textiles industry. Globally the industry accounts for 10 percent of greenhouse gas emissions – as much as all air traffic and shipping. H&M and the industry as a whole are thus contributing significantly to the ongoing climate crisis that is already claiming lives and threatening the conditions for life on the planet. Research by the UN Panel on Climate Change, among others, makes it clear that action to reduce our emissions over the coming decade will decide the future of humanity.

H&M has ambitious environmental goals, but at the same time the company has a goal to double its production. This equation does not add up, either for the climate and the earth's resources or for H&M as a responsible member of society. Like the rest of the fashion industry, H&M is today driving the push for increased consumption through advertising and the ever more frequent launch of new fashion trends, which is based on producing large amounts of new clothing and short lifecycles for garments that have already been made.

The fact that fully functional clothing is being thrown away, as happens today, and becoming waste is reprehensible both in terms of resource economics and morally.

An estimated 100 billion garments are produced in the world annually, half of which are discarded within a year. In Sweden the net inflow of new textiles per person has increased by more than 40 percent since the year 2000. On average, a garment is used just seven or eight times before being discarded. The garments that have already been produced globally are enough to satisfy the clothing needs of six generations to come.

This proposal is timely. In June 2023 the European Parliament voted to approve a textiles strategy that includes 16 points for a more sustainable fashion industry. As part of this, in December 2023 the European Parliament and the European Commission agreed to ban big fashion companies from destroying unsold clothing and footwear in order to reduce the environmental impact of the industry and to promote more sustainable consumption. The new rules on waste are expected to take effect in two years' time for H&M and other large companies.

#### **Summary**

A resolution on zero tolerance of clothes becoming waste is necessary and possible. A radical transition needs to take place, and by being at its forefront H&M can show that the company takes sustainability in all its dimensions seriously.

## **Item 18**

Shareholder proposal from Janitha Pallin represented by Sara Britt;

### **RESOLVED**

Given the immense cruelty to birds exploited and killed for down as well as documented violations of industry standards, national laws, and globally recognized best practices that are endemic to the industry, the Board is strongly encouraged to prepare a report examining any costs to H&M's reputation and any losses to projected sales incurred by our company's continued production and sale of apparel using down and the humane washing associated with it.

### **SUPPORTING STATEMENT**

The global ethical fashion market—which includes fair-trade, eco-friendly, and cruelty-free apparel—is anticipated to grow from \$7.57 billion in 2022 to \$11.12 billion in 2027. Cruelty-free apparel comprised the largest segment of the ethical fashion market in 2022, accounting for nearly half the total.

Despite this demand, H&M continues to sell garments made from down. The use of this cruel, environmentally threatening, and outdated material not only violates our company's commitment to supporting the use of innovative, planet-friendly materials but may also discourage current and future consumers of ethical fashion from shopping at H&M.

PETA entities have released nine exposés of the down industry, and all confirm that intense suffering, inadequate veterinary care, and violent slaughter are the norm, not the exception, and that industry standards and supplier assurances fail to ensure animal welfare.

Investigations into purportedly “responsible” farms and slaughterhouses—some of which were associated with H&M's own supply chain—have uncovered workers repeatedly hacking at the necks of shrieking geese and stabbing conscious ducks in the neck before slicing off their legs as they struggled.

No standard or law can change the fact that birds in the down industry typically spend their entire lives confined on filthy farms, only to be trucked to slaughterhouses, where improper stunning can leave them conscious and able to feel immense pain and terror as their throats are cut and they're plunged into the scalding-hot water of the defeathering tank.

Consumers want materials that don't harm animals or negatively impact the environment. They readily turn their backs on companies they believe aren't making progress quickly enough—especially when companies are being called out in the news and on social media for humane washing, i.e., inflating or misrepresenting their values and ethics.

H&M states that “all animals deserve just treatment and shouldn't be subjected to suffering” and claims to seek “more sustainable alternatives” to animal-derived materials. It is reasonable for shareholders to request an analysis of the potential risks to our company's reputation, sales, and share value by continuing to source down.

Accordingly, we call on all shareholders to support this financially and ethically responsible resolution.

## **Item 9b**

Shareholder proposal from Sune Gunnarsson:

### **Motion to the 2024 general meeting of shareholders in Hennes & Mauritz.**

The dividend for the year 2022 was split into two instalments, one in May and one in November. This means that seven months passes from the first payment until the full approved dividend is paid. This means that the company “withholds” 50% of an approved dividend for seven months.

It has become popular to split the dividend into multiple payments, but in this case the board has missed how a split dividend is intended to work. This is that during the current financial year, an interim dividend is paid that represents a small portion of profit earned up to that point. Subsequently, after the end of the financial year, a decision is made on the dividend to be paid for the year and this is then paid out, minus the interim dividend already paid previously. (Examples: AstraZeneca and Resurs Holding). It is not intended to be an interest-free loan from the shareholders!

If the company’s finances are so bad that it needs to “borrow” these funds in order to do business, then the dividend should be reduced instead, openly showing the poor state of the company’s finances. In which case, all bonus and incentive programmes should also be suspended until the company’s finances are in good order again. You should not reward someone who is not doing a good job.

### **Proposal:**

That the meeting resolve, if the board proposes a dividend to the annual general meeting, that the whole of the dividend decided by the annual general meeting is paid on one occasion with a record date of 7 May.