



H&M

CONSCIOUS
ACTIONS

Highlights 2012

Welcome to H&M's
CONSCIOUS
ACTIONS
Highlights 2012

At H&M, we think of sustainability as a word of action. It's an ongoing journey full of heart, drive and passion with sincere direction, constantly pushing the boundaries. We take a long-term view of our business. Looking beyond short-term profits and investing in sustainability makes good business sense – and is quite simply the right thing to do. ”



Karl-Johan Persson, CEO
H & M Hennes & Mauritz AB
Stockholm 2013

About H&M Conscious

We want to make more sustainable fashion choices available, affordable and attractive to as many people as possible. Together with our partners and millions of customers we can bring about massive change. This is why we have created H&M Conscious. With our seven ambitious commitments at its heart,

this is what we call everything we do for a more sustainable fashion future. Hundreds of Conscious Actions – big and small, short and long term – that are dedicated to putting these commitments into practice. You can read about some of the highlights of these actions on the following pages.

Challenges in the life of a garment

CHALLENGES IN THE LIFE OF A T-SHIRT

...AND WAYS TO TACKLE THEM

10% of all pesticides in the world are used in cotton production.

Conventional cotton used in a T-shirt needs as many as 15 bathtubs of water to grow.

4 m² of agricultural land has been used. The space required to produce 100 T-shirts is enough to grow 700 kg of potatoes.

36% of its climate impact occurs when it is washed and tumble-dried at home.

5% of all waste in US landfills is textiles. Enough to fill 32,750 Boeing 747s.

Choosing organic cotton means zero pesticides.

H&M's current organic and Better Cotton usage means over 140,000 kg fewer pesticides being used in 2012 alone.

Better Cotton requires 20% less water.

Switching from 60 to 40 degrees when washing saves 41% of the energy used. With an average of 3 wash loads per week, German households could save more than 440 million euros each year.

95% of all textiles can be recycled.



COMMITMENT ONE

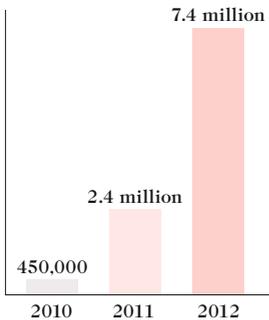
Provide fashion for conscious customers

To us, quality is so much more than the fabric you can feel between your fingers. It's also about the environment and the people around us. And it's about making our customers the very best offer we can. Fashion and sustainability, not just one or the other.

HIGHLIGHTS FROM 2012

- number 1 user of organic cotton in the world – again!
- 11.4% of all cotton used is more sustainable (7.8% organic and 3.6% Better Cotton). Goal: 100% by 2020.
- H&M dresses made from conscious materials appeared on red carpets around the world and in H&M stores this spring.

PAIRS OF SHOES MADE USING WATER-BASED ADHESIVES



27%

of our leather shoes made from leather certified by the Leather Working Group (LWG).

About 2,200 hours of training in sustainability given to our designers and buyers.





COMMITMENT TWO

Choose and reward responsible partners

We set high standards for our suppliers and regularly monitor how well they live up to them.

We also need to be a good partner ourselves. We strive for long-term partnerships, providing training and support. And we reward good sustainability performance with better business.

HIGHLIGHTS FROM 2012

– 2,646 supplier factory audits conducted; an average of 3.6 sustainability activities per factory, including training and other support.

– support for higher wages and regular wage adjustments for garment workers discussed during a personal meeting between the Prime Minister of Bangladesh, Sheikh Hasina, and our CEO, Karl-Johan Persson.

– social dialogue project initiated in Cambodia in partnership with the Swedish trade union IF Metall.

– 570,821 workers in Bangladesh have been educated about their rights since 2008.

9,815

interviews with workers at our supplier factories.

Additional training in fire safety for more than 100,000 workers and middle managers in Bangladesh.

COMMITMENT THREE

Be ethical

Whether you are a customer, colleague or business partner, we believe that mutual respect is fundamental to our business. Our ethical approach is based on our commitment to human rights and we take a clear stand against corruption. This is firmly rooted in our corporate values.



HIGHLIGHTS FROM 2012

- launch of a group-wide human rights policy based on the UN Guiding Principles on Business and Human Rights.
- 60% of our colleagues covered by collective bargaining agreements.
- new global learning management system launched.

*5 years average length
of employment of our full-time
colleagues.*





COMMITMENT FOUR

Be climate smart

We want to play our part in tackling climate change. We strive to be as energy-efficient as possible and only use renewable energy. Our goal is to reduce our total emissions, despite our continued growth. We are promoting more and more action on climate change throughout our value chain.

HIGHLIGHTS FROM 2012

– CO₂ emissions reduced by 5% relative to sales.

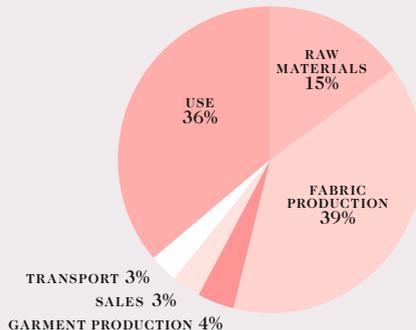
– new target set to reduce absolute emissions by 2015, despite continued growth.

– 784,200 kwh of solar energy generated through our own solar photovoltaic panels – enough to supply about 145 average European households with energy for one year.

100%

of our electricity to ultimately be sourced from renewables.

CLIMATE IMPACT THROUGHOUT THE VALUE CHAIN



COMMITMENT FIVE

Reduce, reuse, recycle

We want to reduce, reuse or recycle wherever possible. Our vision? Send exactly zero waste to landfills. We are also helping our customers and business partners to reduce their waste.

HIGHLIGHTS FROM 2012

– customers can now return old clothes to our stores around the world and give them a new life, instead of letting them go to waste.

Our use of recycled polyester is equivalent to 7.9 million PET bottles.



95%

of the waste handled in our warehouses targeted to be recycled by the end of 2013.

100%

of the paper used in the H&M catalogue bears the EU flower ecolabel.

COMMITMENT SIX

Use natural resources responsibly

Using resources efficiently makes business sense and will increasingly provide competitive advantages. More than that though, we need to consider future generations. This is why we are committed to conserving water, soil, air and species throughout our value chain.

HIGHLIGHTS FROM 2012

- unique global water partnership with WWF launched, a pioneering step in water stewardship for our industry.
- perfluorinated compounds (PFCs) banned from all products from 2013.
- work towards zero discharge of hazardous chemicals continues with several more fashion brands now joining us in this challenge.

450 million litres

of water saved in the production of denim and other water-intense products.



COMMITMENT SEVEN

Strengthen communities

The way we do business, our values and our growth impact community development and affect millions of jobs. This is why we invest in social and environmental projects that strengthen communities throughout our value chain, while addressing issues that are important to our business.

HIGHLIGHTS FROM 2012

– 7,402 additional jobs created (net full-time equivalent).

– approximately SEK 42 million (approximately USD 6.3 million) invested in communities by H&M and the H&M Conscious Foundation.

– more than 430,000 people throughout our value chain empowered by education.

*More than **6 million** people along our value chain have been helped to **better health** conditions.*

Around
150,000

cotton farmers trained in better farming techniques through the Better Cotton Initiative.

*More than **3.2 million** garments donated to charitable causes.*



GAME-CHANGING WATER PARTNERSHIP WITH WWF

Over the next three years we will be working with WWF in a first-of-its-kind partnership to implement a holistic water stewardship strategy aimed at setting new standards for our industry and beyond. We will work in collaboration with public policy-makers, NGOs, water institutions and companies to support the better management of particular river basins in China and Bangladesh, improve H&M's internal water efficiency, minimise the impact of H&M suppliers on water, train all our colleagues in water issues and inspire customers to use water responsibly.



WORLD'S NUMBER 1 FOR ORGANIC COTTON

We are proud to be the world's number 1 user of organic cotton for the second year in a row, according to Textile Exchange's latest Global Sustainable Textiles Market Report. As well as making major investments in Better Cotton, we plan to increase our use of organic cotton and gradually increase our use of recycled cotton. We are currently on track to meet our target of only using sustainable cotton, with 11.4% of our cotton now coming from these sources.

DON'T LET FASHION GO TO WASTE!

Too many clothes end up in landfills; in fact 95% of these clothes could be recycled. This is why we became the first fashion company to offer our customers around the world the opportunity to return old clothes, from any brand and in any condition, to selected H&M stores. In return, they will collect a little reward as thanks. This reduces the amount of fashion that ends up in landfills and gives these clothes a new future. In the long run we want to make new clothes out of them and close the textile loop.



*H&M plays a leadership role
by showing other brands in
the same space that it is possible
to create fashion collections
that are more environmentally
responsible.”*

Allanna McAspurn,
CEO of Made By.

Made By is a not-for-profit organisation, whose mission
is to improve environmental and social conditions
in the fashion industry (made-by.org)

ACKNOWLEDGEMENTS

Here are some of the rankings,
indexes and awards that have
assessed and recognised our work.

*Dow Jones Sustainability Index
FTSE4Good
Global 100 List
Oekom Prime
Source Award finalist*

GET THE WHOLE PICTURE

This is an overview of just some of the
many highlights from H&M's Conscious
Actions from 2012.

*Read more at
hm.com/conscious
or download the full report from
hm.com/consciousactions2012*

THANK YOU

We would like to take this opportunity to thank everyone who contributes to our continued sustainability journey: our hundreds of passionate colleagues who work hard every day to further integrate sustainability into our business, our customers, our partners and the many other stakeholders who help us become better every day.

