

Our transformation work

Changing consumer behaviour and technological innovation will continue to transform how and when people shop. We are building a business with the flexibility to respond to this constant evolution. The H&M group is taking advantage of the opportunities created by the digitalisation of our industry to meet customers' new expectations. We are integrating the physical stores with the online stores, and we are exploring the strength of our global brand in combination with local relevance and more personalised communication.

Read more about our strategic focus areas on pages 6-8.

Our sustainability strategy

The H&M group wants to lead the change towards a circular, fair and equal fashion industry. We are using our size to drive transparency throughout the value chain. With a long-term approach we can promote innovations for a circular economy. One of our goals is to be climate positive across the value chain by 2040.

Read more about our sustainability work on pages 42-45 and at sustainability.hm.com.

Our brands

Our brands all have their own unique identity. Together they offer a wealth of styles and trends in fashion, beauty, accessories and homewares as well as cafés focusing on modern, healthy food. The H&M group includes the brands H&M, COS, Weekday, Cheap Monday, Monki, H&M Home, & Other Stories, ARKET and Afound.

See our brands on pages 10-15.

47
online markets
including 4 new
markets in 2018

Our markets

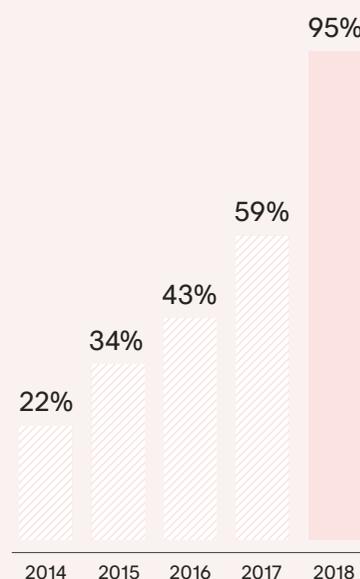
We are expanding online, through physical stores and digital marketplaces. The global roll-out of online continues, with the ambition to offer online in all our 71 markets and in other markets too.

See market overview on pages 16-17.

Cotton from sustainable sources

We aim for 100 percent sustainable cotton in our brands' own assortments by the year 2020. In 2018 we reached 95 percent, an increase from 59 percent in 2017. This is an important step towards our overall materials goal: to use only recycled or other sustainably sourced materials by 2030. In 2018 the share of sustainable materials increased to 57 percent from 35 percent in 2017.

Read more about our sustainable materials on page 43 and at sustainability.hm.com.



210
billion Swedish kronor
in net sales in 2018

Online sales **+21%**
in local currencies in 2018

1947

Erling Persson opens the womenswear store Hennes with the idea of making fashion available and affordable for everyone. This store in Västerås, Sweden, would soon be followed by more. Today the H&M group inspires people around the world to dress their personal style.

Continue the journey through our history at about.hm.com.