

GRUNDSATZERKLÄRUNG / H&M GROUP RESPONSIBLE BUSINESS CONDUCT POLICY – GERMANY

Document type:	Policy for Germany
Applies to:	H&M Hennes & Mauritz B.V. & Co. KG
Effective from:	January 1 st , 2023
Last reviewed/updated:	May 2, 2025
Approver:	Regional Manager, Region Central Europe
Approved date:	December 30 th , 2023
Owner:	Regional Manager, Region Central Europe
Contact:	Responsible person for Due Diligence in Germany
Version:	3
Supersedes:	This is the third version and it will be revised yearly

Introduction

At H&M Group our purpose is to liberate fashion for the many, making its positive power accessible for everyone, showing that there is no compromise between exceptional design, affordable price and sustainable solutions.

The H&M Group sources products and services from many countries and business partners. The H&M Group companies are ultimately all subsidiaries of H&M Hennes & Mauritz AB, which is registered in Sweden. Our supply chain provides products and services to our customers around the world. H&M Hennes & Mauritz B.V. & Co. KG (hereinafter “H&M KG”) is a part of H&M Group. H&M Group consist of multiple legal entities, whereas H&M KG is the legal entity in Germany through which the main business operation on the German market is conducted.

Respecting human rights is essential for H&M Group to operate sustainably and successfully. This means we treat everyone equally, with respect and dignity, wherever or whoever they are. We recognize that we have a responsibility to uphold human rights. This means doing everything we can to avoid harming the human rights of people and communities, as well as creating a positive impact in our operations, throughout our supply chains and in the communities, we are part of.

This H&M Group RBC Policy for Germany provides the frames for and guidance on how we conduct business responsibly within H&M Group, while complying with legislative¹, international² and voluntary³ requirements. It is applicable to our operations in our offices, warehouses and stores as well as the work in countries we operate in including direct and indirect business partners. This policy will be revised yearly based on learnings to ensure legal requirements, human rights and environmental impact are respected.

¹ Currently local legislation in Germany (Lieferkettensorgfaltspflichtengesetz).

² Conventions listed under the German Supply Chain Act Annex I.

³ OECD Guidelines for Multinational Enterprises and OECD Responsible Business Conduct Guidelines and UN Guiding Principles on business and human rights.

Overarching Policies

This “Responsible Business Conduct Policy – Germany” describes our commitment, way of working and gives an overview of our most significant risks within the area of human rights and environment. It is based on the policies described more in detail below. There are no exemptions from conducting business in a responsible way, which is why we always need to adhere with the internal and external requirements wherever and whenever they are applicable.

H&M Group’ Responsible Business Conduct Due Diligence Policy

[H&M Responsible Business Conduct Due Diligence Policy](#) defines how H&M Group conducts business in a responsible way with respect to areas of governance, human rights and environment.

H&M Group’s social policies

[H&M Group’s social policies](#) includes Grievance Policy, Equality, Inclusion and Diversity, No Discrimination Policy, Health and Safety Policy, No Harassment and No Violence Policy and is valid for all employees.

The Grievance Policy aims to ensure that all employees within H&M Group have a channel for putting forward grievances as well as access to an efficient procedure for the handling of potential violations or grievances related to our policies. This includes providing a supportive and open atmosphere where employees feel comfortable bringing up issues directly with their managers or peers, as well as providing a company-level channel where colleagues can escalate issues. In addition to the global policies, we do also have a local Grievance policy in Germany called the Green Frame, which is available to the local colleagues.

Human Rights Policy

Our [Human Rights Policy](#) outlines our commitment to respect the fundamental human rights of all people across our value chain – in our own operations, supply chain and in the communities where we operate.

Due to the nature of our business, we concentrate our efforts on our own operations and supply chains with a focus on labour rights. However, other human rights such as the right to the environment and water, right to privacy, non-discrimination, land rights, rights of indigenous peoples and child rights .and children’s rights are also important to us as they speak to how we care for our customers, the communities where we operate, and future generations.

Our commitment to respecting human rights is reflected in the way we run and operate our business, through our policies and procedures as well as goals and roadmaps. Examples of how we operationalize such commitments are found in our Sustainability Commitment for suppliers and business partners and our Social Policies for colleagues.

We conduct human rights due diligence across our value chain, including but not limited to, new markets, suppliers and materials. Our approach is adjusted to operational context and risk, business relationships and the nature of our involvement with an impact. Our process continuously develops as we incorporate learnings and input from stakeholders and experts.

Our ambition is to make it easy for everyone to make a difference through their purchases and sustainable fashion an option for the many.

In our Human Right's policy, we 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.

We provide basic and specific human rights training, tailoring the content for different functions, roles and business partners. We also work to integrate human rights management across our operations and business relationships through adequate steering and governance

Environmental Policy

In our *Environmental policy*, we commit to managing all business in a way that meets local, national and international regulations and good practice to prevent, mitigate and remediate negative impacts on the environment. We adopt a value chain approach informed by the best available science and careful consideration of social aspects and human rights implications in all environmental policies and strategies.

Sustainability Commitment and Code of Ethics

As part of our contractual agreement, we require all business partners to sign our *Sustainability Commitment as* well as our *Code of Ethics*. The *Sustainability commitment* is the key document and a code of conduct setting our requirements to secure operations in line with laws, international standards and our sustainability goals. *Code of Ethics* for business partners is a global policy, a business code, based on our business values – honesty, integrity, transparency, and fair play.

H&M Group Corporate Governance Policy

The frames for governance within H&M Group is described in detail in the internal H&M Group Corporate Governance Policy in relation to risk management, internal controls, internal audits, and policy management. Read more about our related work on our website: <https://hmgroup.com/about-us/corporate-governance/about-corporate-governance/>

Other Policies

We comply with all relevant laws and regulations in the respective market where we operate. In order to ensure this, we have local steering documents that may only be applicable for certain business areas, countries or business partners. Such other policies and guidelines concern Product safety, Taxation, Consumer interests, Data and AI, Innovation, Data Privacy and many other areas which are part of how we conduct business responsibly. The respective documents can be found in our Policy manager or locally in the respective country.

Risk and Impact management

H&M Group performs due diligence to identify and assess risks and impacts within its own business and with its business partners in relation to relevant external and internal requirements, based on need and as required within the company's business processes. We take a systematic approach to Human Rights and Environmental Due Diligence (HREDD) by continuously identifying, assessing, mitigating and remedying any potential and actual negative impacts on people or the planet, while leveraging opportunities to advance the rights of affected stakeholders. H&M Group's HREDD is also integrated into our corporate governance and risk management process to ensure that business decisions are made while considering the impact on affected stakeholders. The H&M group [H&M Responsible Business Conduct Due Diligence Policy](#) sets out the additional steps required for conducting an HREDD. This applies to our operations, value chain and the communities where we operate. H&M Group's HREDD process is based on OECDs Guidelines for Multinational Enterprises and the UN Guiding Principles and other relevant legislation, where applicable

H&M Group Risk Management Procedure sets out the basic principles, processes, and tools within risk management all of which apply to H&M KG.

The Standard Due diligence guideline describes the way of working with all business partners. It includes, general, financial, legal and sustainability related questions to identify risk and make sure that we assess how our business partners work with for example, human rights and environmental risks. This process is conducted before a supplier is engaged in a contractual relationship and during the business relationship.

The **Responsible Business Conduct Due Diligence Policy and the Responsible Business Conduct due diligence procedure** ensures identification, assessment and mitigation of human rights and environmental risks in our supply chain where the risk exposure is high and significant. The business functions and countries where there is a high-risk exposure are expected to conduct the process at least yearly but also on ad-hoc basis when required.

Internally we provide our colleagues the possibility to raise a concern, or bring up a suspected breach by immediately raising the complaint in accordance with the local Grievance channel "Green frame".

External concerns or complaints can also be raised to the H&M Group [Speak Up!](#) channel which is available at <https://speakup.hmgroup.com/>.

Reporting on risks and outcomes is done both to inform decision-making and to evaluate and adjust our approach for effectiveness. As a part of the Annual and Sustainability report we publish the [H&M Group Salient human rights](#) which is the most significant risks for H&M Group. Human-rights reporting is one aspect of our corporate governance, where we work to establish meaningful reporting that drives positive outcomes for people and connects with business value. Our commitments and goals related to human rights and the environment are communicated on a yearly basis as part of our [Annual and Sustainability Report](#), which can be found on our corporate website. As described in our Annual and Sustainability Report we have a Sustainability Impact Partnership Program (SIPP) which monitors compliance with our standards and supports suppliers' due diligence procedures. From a group perspective the most significant risks are listed in countries with higher risk exposure. Germany is not among the countries where we see the highest risk exposure. We do however conduct regular due diligence on the business operations in Germany to identify any significant risks on a yearly basis. The most significant human rights risks identified in Germany for the past period are risks connected to labor rights and data privacy.

Follow up and Internal control

Based on H&M Group Corporate Governance Policy, policy compliance is followed up with internal controls. There are several internal controls conducted on various levels for the policies and processes within H&M Group. You can read more about our internal controls in our [Corporate Governance Report](#).

The aggregated results of the different internal control mechanism are reported to the policy/risk owners, the CEO and CFO of H&M Group and the audit committee of the H&M Group Board of Directors twice a year in order to improve the processes and way of working. The responsibility for reporting lies with Corporate Governance.

Links

[H&M Group About Us](#)

[H&M Responsible Business Conduct Due Diligence Policy](#)

<https://speakup.hmgroupp.com/>

<https://hmgroupp.com/sustainability/standards-and-policies/>

<https://hmgroupp.com/sustainability/standards-and-policies/sustainability-commitment/>

[H&M Group Human Rights Policy](#)

[H&M Group Environmental Policy](#)

[HM-Group-Salient-Human-Rights-Issues-2024.pdf \(hmgroupp.com\)](#)

[Annual and Sustainability Report 2024 - H&M Group \(hmgroupp.com\)](#)

[Corporate governance report - H&M Group \(hmgroupp.com\)](#)