

Driving Our Strategy: Forward

We are happy to present our 2022 Inclusion & Diversity Impact report.

Our journey to I&D By Design, our strategic approach to embed Inclusion & Diversity at the center of every aspect of our business, began two years ago. While our company values have always had inclusion principles at heart, it became abundantly clear that a more intentional focus on I&D as an activator of H&M's meaningful growth was necessary.

In 2021, we formalized our approach by implementing an I&D strategy comprised of three key elements that would ensure the engagement of our colleagues, customers, collaborators and the communities in which we live and work. This strategy serves as our guide to helping us fulfill the I&D commitments first launched in 2018 and is the foundation of our future growth strategy.

Our journey requires us to continually adjust as we learn more. In 2020, we committed to doubling our representation of African American/Black colleagues in senior management roles. With the implementation of I&D data capabilities, we've been able to further dimensionalize the markers of our success and determine a more realistic timetable for achievement. We're still on the road to realizing this goal.

The Colleague Resource Groups, launched in 2022, are at the center of driving our culture of inclusion and one of the proudest moments of the year. The groups exceeded every expectation in terms of the level of colleague engagement and programming in an inaugural year. The US groups also caught the attention of the Global team and are now being touted as a companywide best practice for I&D.

We set a foundation for Supplier Diversity, an element of the community empowerment aspect of our strategy, in 2022. Several Functions are already working with and requesting diverse suppliers for their opportunities. We've been able to establish a Supplier Diversity baseline and set initial goals for 2023 and beyond.

To elevate our storytelling, ensure inclusion is conveyed in all our communication touchpoints and fulfill our commitment to transparent stakeholder communication, we added a dedicated communications specialist to complete our team of I&D thought leaders.

Our journey of transformation is ongoing. We've made great strides last year but recognize there is always more to accomplish. This report will not only share our progress against our I&D commitments in 2022 but will also serve to signal our intentions for the future.



Carlos
Duarte
Regional
Manager,
H&M, Americas



Donna
Dozier
Gordon
Head of Inclusion
& Diversity,
H&M. Americas

HEM

I&D Strategy

COLLEAGUES

COLLABORATORS

CUSTOMERS

COMMUNITY

Drive Culture of Inclusion

H&M colleagues are the first stakeholders who must feel the commitments are real.

Includes a focus on diverse representation, I&D learning, and colleague engagement + belonging initiatives.

Build Brand Through Storytelling

I&D must be communicated Internally and externally to fully leverage H&M's commitments.

Every communication touchpoint must convey a sense of welcome and that ALL are valued as colleagues, collaborators or customers.

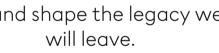
Empower our Communities

Community connections bring H&M's I&D commitments to life and shape the legacy we will leave.

We are focused on building stakeholder capacity and supporting BY&M for everyone our initiatives touch.

Stakeholder **Engagement**

We'll know we're successful by the degree of H&M's engagement with diverse colleagues, collaborators, customers and community partners.







To help to bring the strategy to life, we're building a team of passionate I&D leaders in North America











Donna Dozier Gordon

Head of Inclusion

& Diversity,

H&M, Americas

Rafael Pérez-Rivera Inclusion & Diversity Data & Insights Specialist, H&M, North America

Melanie Gunn
Supplier Diversity & Community
Engagement Specialist,
H&M. North America

Shantell Tompkins
Inclusion & Diversity
Communications Specialist,
H&M, North America

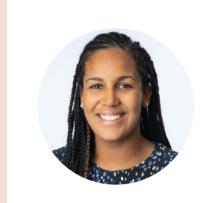
Joseph Peritore
Inclusion & Diversity Talent
Engagement Specialist,
H&M, North America

This work is made possible in collaboration with a team of cross-functional partners





Chris Mikulski Head of HR, H&M, Americas



Jenny Wills Sales HR Manager, H&M. North America



Jeremy Reese Learning & Development Manager, H&M, Americas



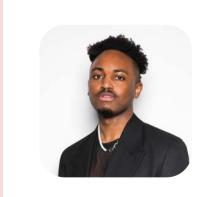
Alexis Bruington, Employer Branding Manager, H&M, North America



Lauren Riezman Head of Communications, H&M. Americas



Lisa Lee Internal Communications Manager, H&M. North America



Tevin Birch Internal Communications Specialist, H&M, North America



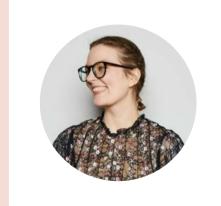
Joel Lee Internal Communications Specialist, H&M, North America



H&M, North America



Patrick Shaner Corporate Communications Manager, Corporate Communications Manager,



Abigail Kammerzell Sustainability Manager, H&M, North America



Emilia Galaev Sustainability Specialist, H&M, North America



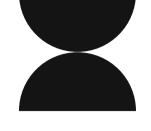
Randi Marshall Government Relations, & Public Affairs Manager, H&M, US







Our colleagues are the centerpiece of our work to drive a culture of inclusion and have been identified as the first stakeholder group that must feel our commitments are real.



In 2022, with the launch of our six Colleague Resource Groups, we were able to foster belonging, amplify colleague voices and create connections, build greater cultural awareness and provide opportunities for diverse talent development through a schedule of programs and events. The CRGs have been identified as an anchor of H&M's Modern Colleague Experience.

COLLEAGUE RESOURCE GROUPS

In the spirit of "We Are One Team,"

we are expanding the Colleague Resource Groups throughout our region which includes Canada, Mexico, Colombia and Ecuador.

With the momentum of the CRGs in the US, they are also on the radar of H&M's Global team as the model for I&D in driving colleague engagement.

CRG Impact

- Cultural Awareness
- Member Professional Development and Connections
- Community Engagement and Outreach



CRG Content Studio Council Amplifying Business Priorities

The CRG Content Studio Council, consisting of five CRG members across VIBE, APIC and UNIDOS, was created with the establishment of the LA Content Studio to ensure diverse perspectives in campaign imagery, reflecting the diversity of our customers and communities.



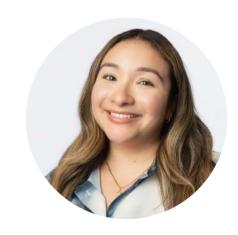
Ashley Lawton Area HR Manager, H&M, US



Christian Torres Store Designer, H&M, US



Catherine Liu Site Merchandiser, H&M, North America



Marilyn Alonzo **Talent Acquisition Specialist,**H&M. US



Sedrick King Store Manager, H&M, US







Fostering a Greater Sense of Belonging

Last year, we launched our first-ever I&D Self-Identification
Campaign to deepen H&M's understanding of the diversity
represented in our company to strengthen the foundation of our
culture of inclusion. Our strategy included a pathway for colleagues
to share their diversity dimensions anonymously and voluntarily.
Specifically, we aimed to deepen our insights around race/ethnicity,
gender and gender identity, sexual orientation, as well as disability
and veteran status.

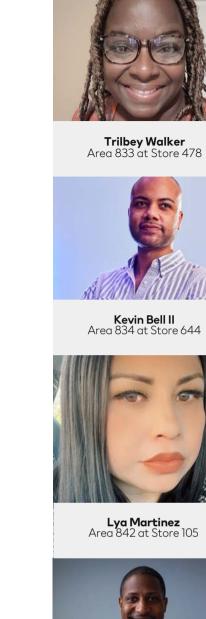
As a result of the responses from the survey, we identified the need to launch our new Disabilities CRG which has already been joined by over 100 colleagues.



Leadership Development

The second cohort of our Lead, Educate, Accelerate and Develop (LEAD) program was announced in 2022, to support the development of high-potential, underrepresented Store Managers. The program was enhanced by leveraging learnings from the first cohort in 2021 to include more mentor support and earlier career pathing tied to the participants' aspirations and strengths.

In 2023, LEAD will also be extended across our Region and further expanded to focus on roles and Functions that will be critical to H&M's future success.





Ahmad Orabi

Area 820 at Store 195





Hector Rodriguez Hernandez

Area 821 at Store PR01

Jason Lamoreaux

Area 848 at Store 239



Bena Bowen

Area 843 at Store 448

Cesar Arriaga Area 843 at Store 211













Joey Coffey Area 818 at Store 127

Julianne Vazquez Area 812 at Store 272

Ivan Garcia Ramos

Area 817 at Store 49

Jennifer Bastos Area 816 at Store 168









Edgar Mejia Area 830 at Store 356







Nasim Soorami

Mario Holley Area 819 at Store 319

Khisha Thomas Greiner

Kim Clark Area 842 at Store 440

Liz Elzie Area 834 at Store 510

Luis Mejia Area 810 at Store 370





Jopwell

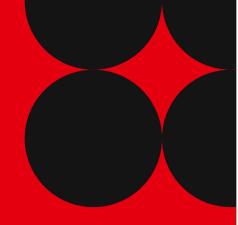
The H&M Employer Brand page was created to foster H&M awareness and showcase open H&M roles to Jopwell candidates.

In 2022, H&M embarked on its partnership with Jopwell – the first and leading technology platform focused on advancing career opportunities for Black, Latino/Hispanic and Native American students and professionals. The partnership will continue to grow in 2023.



The Graduate Consortium is a link for top-tier diverse students, MBA programs and corporate partners.

In 2022, H&M strengthened its partnership with The Consortium, reflecting our commitment to promote H&M as an employer of choice amongst diverse candidates. H&M established a presence at several Consortium events including a reception during the National Black MBA Association Conference to meet students and share career opportunities. We also hosted networking events, virtual career fairs and visits to the Support Office to elevate H&M's employer brand with attendees.



Campus Efforts

In 2022, H&M expanded its network of schools to source talent for the Leadership Training Program – and will continue to broaden its reach in 2023 to include HBCUs.

The LTP provides a pipeline for MBA-level talent to explore careers in growth areas of the business. Trainees take part in two rotations before being placed with a Function. Our rotations for 2022 and 2023 are in Merchandising and Customer Activation & Marketing as we continue our digital journey to be more customer-centric.







The impact of our partnerships

In keeping with the Community Empowerment element of the I&D strategy, our aim is to amplify the work of organizations and individuals who are already doing great work in the community through the establishment of long-term partnerships.

HaM



Buy From A Black Woman (BFABW) is a non-profit organization that ensures that Black woman-owned businesses have the tools and resources they need to succeed.

Through educational programs, an online directory and funding, BFABW is a leader in supporting Black Women in business. In 2022, our second year of partnership, H&M deepened its relationship with the organization. Not only does the BFABW partnership exemplify the model for community connections, but it also aligns with H&M's commitment to Supplier Diversity.

To kick-off year two, vendors from Buy From A Black Woman convened in Philadelphia for a weekend of festivities themed "Black Women Deserve Celebration," that coincided with the lead up to International Women's Day.

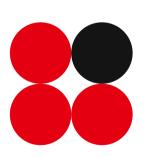


PHILADELPHIA VIDEO



Bigger, Better, & Bolder

To build on the success of year one of the BFABW partnership, in 2022, we joined forces with celebrity brand ambassadors Tracee Ellis Ross and Brandy to amplify BFABW's mission and bring it to a wider audience.





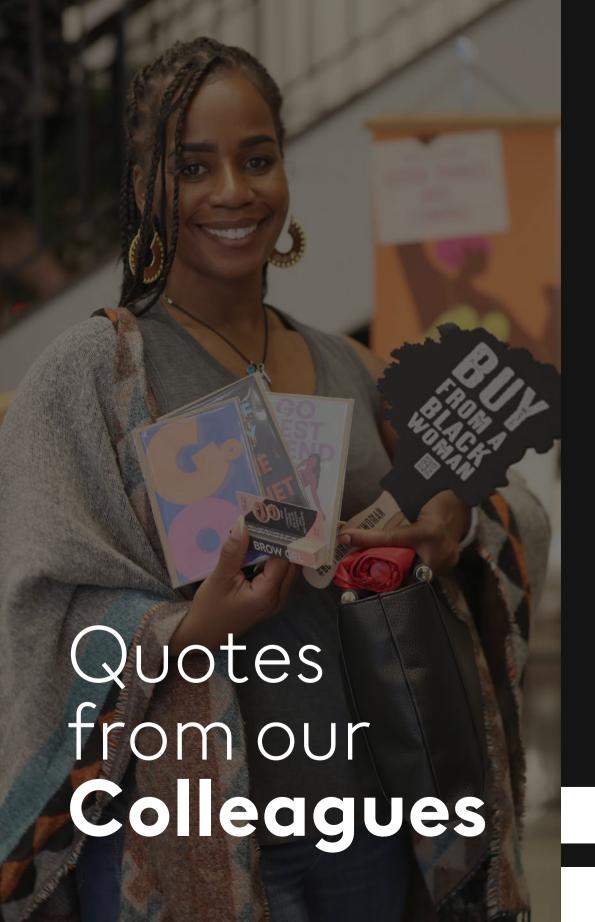
Inspire Tour Kickoff in New Orleans

The Inspire Tour, a multi-city tour featuring BFABW vendors including H&M in-store events, began in New Orleans during Essence Fest weekend with the premiere of the BFABW documentary, The Story Behind A Black Woman. The screening was followed by a traditional New Orleans second line and celebratory dinner. In keeping with the message of celebrating Black woman-owned businesses, the kick-off provided an opportunity to engage 28 local New Orleans entrepreneurs.

This year, we expanded the impact of the BFABW Holiday Market by bringing the event to the west coast. In addition, we piloted local store BFABW popup markets during the holidays in Chicago and Miami. These in-store activations were conceived from the overwhelming requests by our Sales Market teams to host their own events, aligning with our focus on enabling colleagues to witness and support the work of I&D up close. In 2023, our ambition is to continue to the amplify the BFABW partnership through local store activations.







"We are so excited to host the BFABW holiday market tour at USO106!!!!! This platform helps black women business owners get the tools to help flourish their passions and ideas."

Carlos Rubio, Store Manager

"It meant so much to not only witness, but to be a part of the event. As a Black woman, mother, and professional, BFABW's focus on racial and gender equity gives me hope."

Ashley Lawton, Area HR Manager



THE LOWER EASTSIDE GIRLS CLUB

The Lower Eastside Girls Club (LESGC) supports young women and gender-expansive youth of color throughout New York City in leveraging their inner power to shape a better future for themselves, their community, and the world.

H&M recommitted its partnership with the LESGC in 2022 to support the opening of its Center for Wellbeing & Happiness which offers after-school, weekend and summer programming in STEM, Arts, Digital Media, Sound, Wellness, Civic Engagement and Leadership. Additionally, UNIDOS, our Latino Hispanic Colleague Resource Group hosted an in-person mentoring chat for the girls of the Center with Nikki Porcher, Founder of BFABW.



TREVOR PROJECT

H&M has supported the Trevor Project's Pride campaign, Stories of Pride, which celebrates all the stories of strength, resilience, and connection of LGBTQ youth to help them live their best lives.

The Trevor initiative coincided with H&M's "My Chosen Family" Pride campaign that uplifted LGBTQ stories of redefined families, establishing community and more. This meaningful partnership created learning opportunities and additional resources for our colleagues and amplified Trevor's match campaign leveraging H&M's channels to generate customer support and awareness.







The Marsha P. Johnson Institute (MPJI) protects and defends the human rights of Black transgender people by organizing, advocating, creating an intentional community to heal, developing transformative leadership, and promoting the power of the community.

2022 was the second year of H&M's partnership with the Marsha P. Johnson Institute (MPJI). The partnership is centered on providing gender affirming care for Trans and gender nonconforming youth. Since 2021, we've hosted "Fresh and Fabulous" shopping events that celebrated the beauty inherent within varied gender identities. H&M's support has enabled the distribution of necessary resources to more than a dozen organizations within the MPJI network, including but not limited to Girls Scouts of Ohio, Gays and Lesbians Living in a Transgender Society (GLITS), Pride Center and the Ali Forney Center.





Driving Progress

Community partnerships are a key element of our I&D strategy and how we build our brand. In 2022, we continued to strengthen our relationships with several organizations that are making a difference in diverse communities. These partnerships are integral for our forward progress, lending resources and expertise to positively inform our efforts.









































Supplier Diversity

In 2022, we formalized our Supplier Diversity initiative in the US. We started with an awareness campaign for internal stakeholders about Supplier Diversity and why it's a critical component of H&M's I&D strategy. The Expansion team's track record of embracing Supplier Diversity as a business practice served as inspiration for what is possible for other Functions. We also sourced diverse suppliers for inclusion in purchasing opportunities and created a mechanism for tracking our Supplier Diversity spend.

We engaged TechSoft, a minority owned company, to determine H&M's existing diverse supplier relationships which enabled us to identify \$4.5 million in diverse supplier spend by year's end. Our long-term goal is to achieve 10% of our total purchasing spend with diverse suppliers across all Functions.

To get there, we will continue to facilitate supplier introductions, deepen the knowledge of purchasing opportunities, contract lifecycles by Function and include Supplier Diversity guidelines in our contracts and requests for proposals or information.

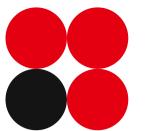
Public Policy

As a values-driven organization, it is our responsibility to show our support amidst social justice issues, taking a stance and speaking up against legislation that puts our colleagues, customers and the communities in which we operate at risk. This is the embodiment of what it means to be committed to Inclusion & Diversity.



HEM





Human Rights

This year, we've doubled down on our position by re-signing as a continued supporter of the Human Rights Campaign Business Statement on Anti-LGBTQ State Legislation. In close partnership with the Human Rights Campaign, we continue to support the Respect for Marriage Act, which advocates for the federal defense of same-sex and interracial marriage.

In addition, we re-signed with "Don't Ban Equality" affirming our support since 2019 of free and equitable reproductive health care and access to abortion as part of our partnership with the ACLU.

H&M is also a proud supporter of the Pregnant Workers Fairness Act which was signed into law in late 2022. This act was designed to prevent discrimination, provide for reasonable accommodation for pregnant people and to prevent them having to make the choice between a healthy pregnancy and a paycheck.

OPEN TO ALL

Along with thirty leading US retailers, H&M is a proud signatory of the Mitigate Racial Bias in Retail Charter, initiated by the non-profit organization Open to All with support from Sephora following its study, "Racial Bias in Retail." The charter seeks to address and reduce racially biased interactions from the shopping experience through the development of resources, education and training for employees in the US retail sector.

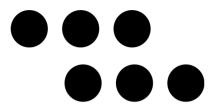
READ MORE IN WWD





"H&M USA is proud to be a signatory of this very important charter," said Katja Ahola, Sales Manager of H&M North America in a statement. "We know as an industry there is still so much work to be done, but this very important step, and the collective work of the signatories will bring us closer to the goal of a more welcoming, safe and inclusive retail experience for all our customers."

Katja Ahola, Sales Manager, H&M North America



Voting Rights

Voting is an essential activator in creating a democracy that is representative of all. In response to heightened voter suppression over the years, we've signed onto the Youth Voting Rights Act in partnership with Civic Alliance that calls for the review of the 26th Amendment, expands voter registration services at public colleges and universities, allows young people in every state to preregister to vote before 18, and more. We've also partnered with I Am A Voter which supports and advocates for voting accessibility through resources and awareness. Additionally, this year, we supported Rock the Vote, an initiative driven through social media and other outlets that support the Youth Voting Rights Act.











By continuing to analyze I&D performance indicators, we've strengthened our ability to showcase our work internally and externally, and gain insights to guide the road forward.

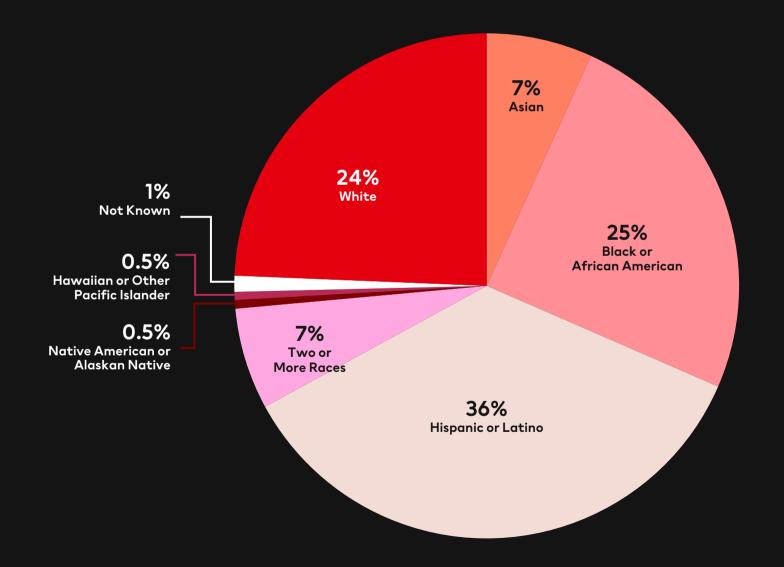


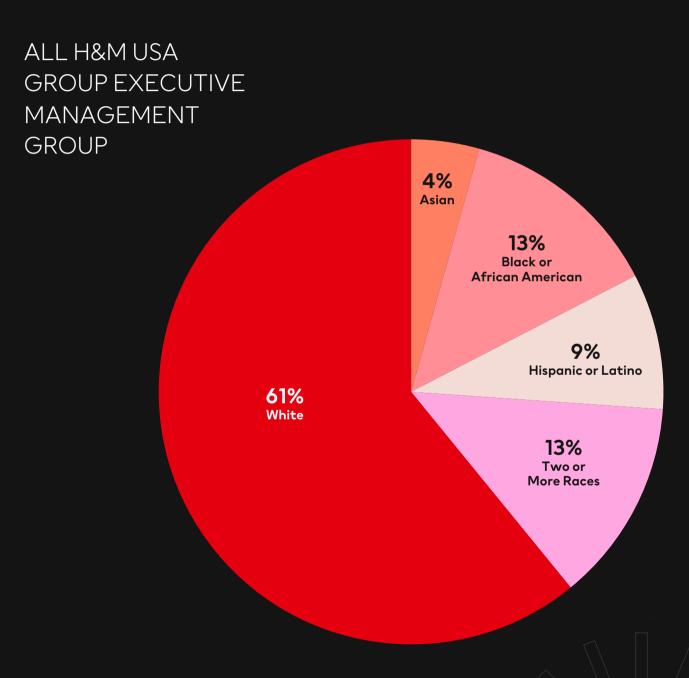


Representation: Overall

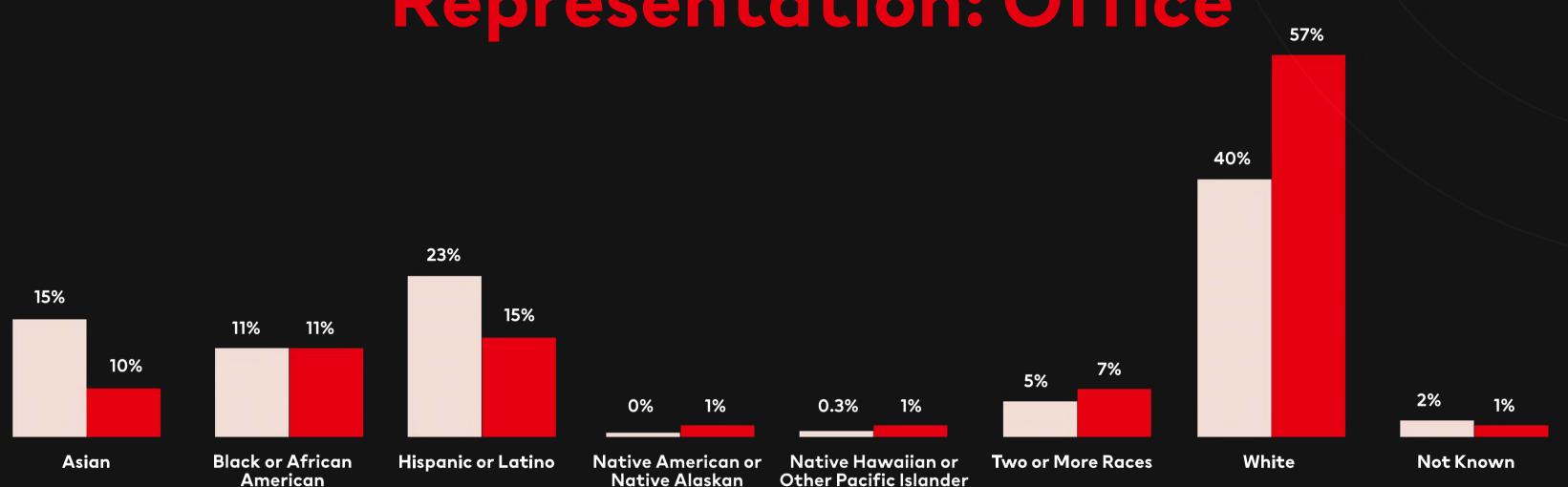








Representation: Office

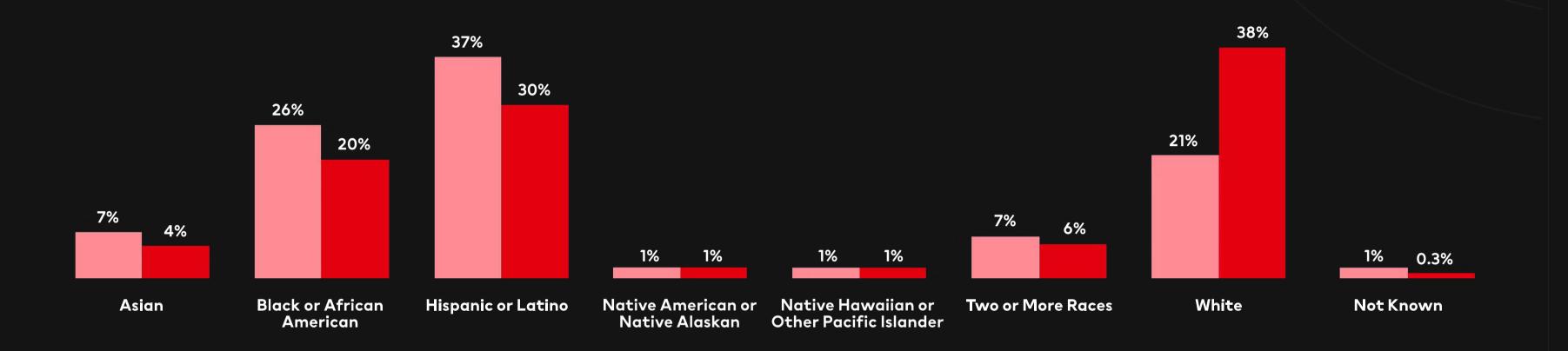


ALL H&M USA GROUP OFFICE ROLES (OFFICE) ALL H&M USA GROUP OFFICE ROLES (MANAGEMENT)

*Management is defined as Manager level employees including those with direct reports



Representation: Retail



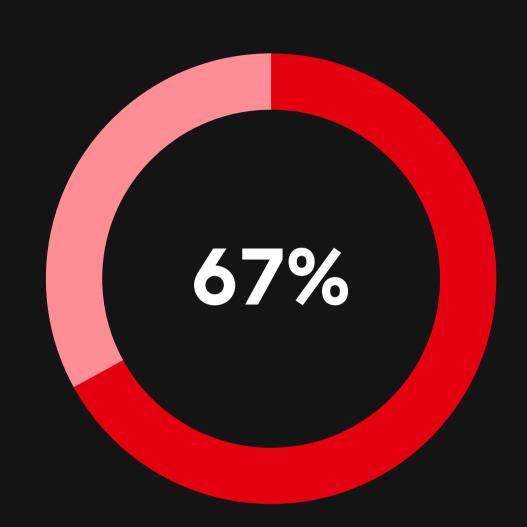
ALL H&M USA GROUP RETAIL EMPLOYEES (RETAIL)

ALL H&M USA GROUP RETAIL EMPLOYEES (MANAGEMENT)

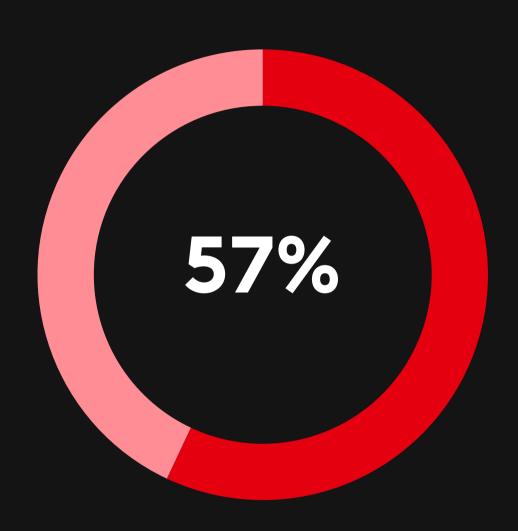
*Management is defined as Manager level employees including those with direct reports

HaM

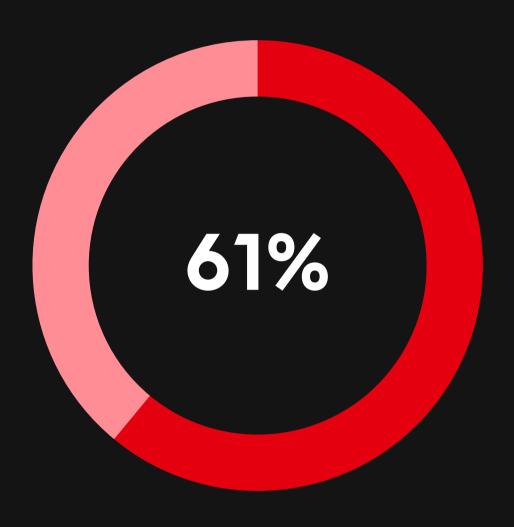
Representation: Gender



% OF US EMPLOYEES WHO IDENTIFY AS WOMEN



% OF EXECUTIVE MANAGER POSITIONS IN THE US THAT ARE FILLED BY WOMEN



% OF MANAGEMENT POSITIONS IN THE US THAT ARE FILLED BY WOMEN

Buy From A Black Woman Impact

MAP DATA POINTS:



New Orleans - 10 vendors

Dallas - 5 vendors

Oakland - 5 vendors

Detroit - 5 vendors

Milwaukee - 5 vendors

Memphis - 5 vendors



Los Angeles - 9 vendors

Chicago – 1 vendor (Pop-up Location) *traditional vending setup

New York City - 24 vendors

Miami - 5 vendors showcased products from BFABW businesses sent directly to the store (set up by store team)



Total 27 vendors

20 returning vendors





Impressions for **BFABW** by quarter

Q2

BFABW 124 Articles

Q1

BFABW 243 Articles

Reach: **116,614,903** VALUE: \$1,078,687

Reach: **534,684,703**

VALUE: \$4,945,834

Q3

Reach:

180,815,226

VALUE: \$1,672,541

BFABW 299 Articles

Q4

BFABW 309 Articles

Reach: **606,425,332** VALUE: \$5,609,434

Total Highlights

VALUE: \$13,306,496

Total of 975+ Press Hits

Reach

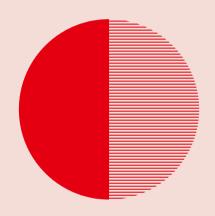
1,438,540,164

3 broadcast segments

HEM

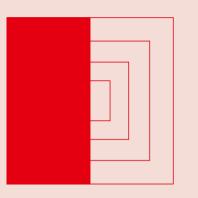


Highlights



H&M's \$150,000 matching gift helped to drive an additional \$187,168 in donations to support The Trevor Project's life-saving work.

- The Trevor Project Stories of Pride landing page, featuring campaign sponsors, including H&M, served nearly 24,000 impressions
- The Trevor Project's Match Donation form, featuring H&M, served 7,148 impressions
- H&M helped to raise \$14.5 million for Pride 2022



H&M supported the Trevor Project's EOY campaign, Every Single One

- Trevor raised a total of \$515,202 in online revenue during Cyber Monday and Giving Tuesday with an additional \$200K of matching funds from their match partners H&M and Dr. Martens
- This year's Giving Tuesday fundraising total surpassed last year's record by 22%!



