RESPONSIBLE WATER USE FOR SUSTAINABLE FASHION

We have set our sight on becoming the fashion industry's leading water steward. To achieve this, we have set a strategy to improve responsible water use throughout our supply chain. We want to pinpoint where we could have the biggest, most positive impact on water, minimize operational risk and ensure communities have access to fresh water. This goes well in hand with H&M's commitment to use natural resources responsibly.

We have teamed up with conservation organization WWF. In 2013, the wheels were put in motion and together we formed a three-year partnership to implement the water strategy, entailing over 30 water-connected activities.

A GAME CHANGER

Our water strategy is a game changer in the fashion industry as it goes beyond the factory walls and takes the whole supply chain into account. This is the first time a fashion company has applied such a comprehensive water model across the entire business, making us what WWF calls "a global industry leader".

BEYOND FACTORY GATES

Our water strategy has a holistic approach to deliver real change. The days are over when companies' responsibility ends at the factory gates. This is why companies need to look beyond this and into the local water situation where the product is made in order to really understand the water risks they face and how to address water obstacles to efficient water use.

To reduce your water risks, it is not enough to be a clean fish in a dirty pond. Measuring your water footprint is a valuable tool, but what's most important is what we and other companies do to ensure that water is used responsibly throughout the whole supply chain – and to adopt a collaborative approach.

COLLABORATION IS KEY

Reducing negative water impacts is not something a single company or organization can do alone, but with a collective approach we can achieve a lot. It can promote better practices not just in our own supply chain, but also throughout the whole industry. If we want to have a successful business in the future, we need to change practices in our value chain today. With our water strategy, we hope to inspire others to take the same approach and be part of the solution.

Together with WWF, we are engaging with public policy makers, NGOs, water institutions and companies to support better management of river basins in China and Bangladesh. We aim to improve our own water efficiency, minimize supplier's impact on water, train our staff on water issues and inspire customers to a more responsible water use. We are also supporting WWF water conservation work in the Yangtze River basin, securing the habitat of the endangered Yangtze finless porpoise.

WATER IS IMPORTANT TO H&M

H&M and WWF have a clear common goal: to reduce consumption of natural resources. Water is an important resource in textile production and also essential for biodiversity which is at the heart of WWF's mission. The future of communities, nature and business depend on responsible water management. About two thirds of the 500+ supplier factories that make clothes for H&M, using wet processes, are located in areas experiencing significant water scarcity. And the water scarcity is projected to increase. This is why a responsible water use is of huge importance to us. We believe strongly that through working to improve water management practices in the industry, we are transforming the textile industry and driving for sustainable change.

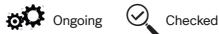
Please visit hm.com/water to learn more about our water engagement.



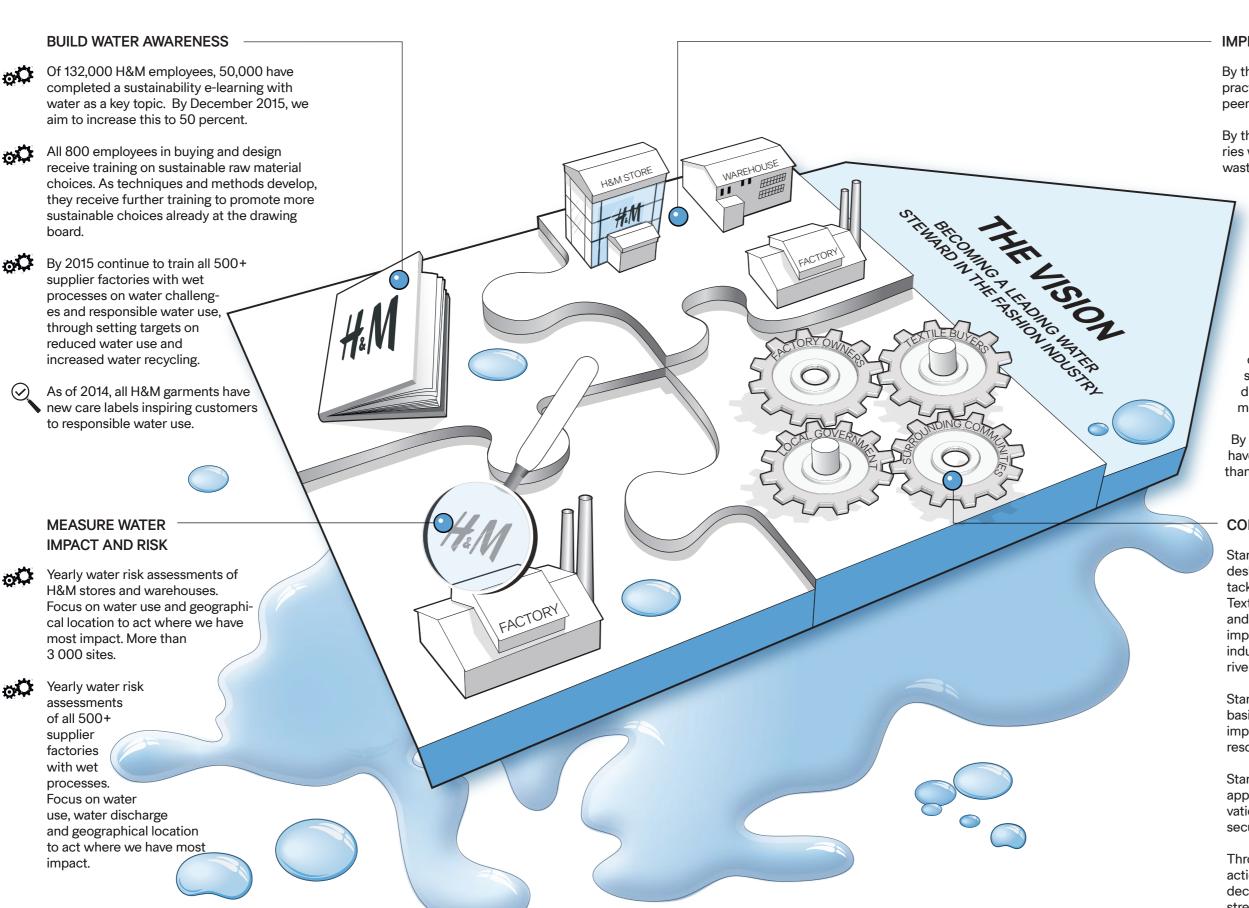


H&M WATER STRATEGY

After a couple of years in partnership with conservation organisation WWF, we are well on our way to realizing our vision of becoming the fashion industry's leading water steward. H&Ms water strategy is a game changer in the fashion industry, as it takes the whole supply chain into account and goes far beyond the factory lines. To learn more go to www.hm.com/water







IMPROVE THE USE OF WATER

By the end of 2015, H&M water stewardship practices ranked highest among industry

By the end of 2015, all 500+ supplier factories with wet processes have appropriate waste water treatment.

> By the end of 2015, all 500+ supplier factories with wet processes have improved water management such as annual water targets, improved water use measurements. improved chemical use, reduced water use and increased water recycling rate.

In addition to H&M's goal that all our cotton shall come from more sustainable sources by 2020 at the latest, we will during 2015 add more sustainable material goals.

By 2020, all H&M-stores and ware houses have water efficient equipment. More than 3 000 sites.

COLLECTIVE ACTION

Starting 2013, H&M is engaged in The Bangladesh Water Partnership for Cleaner Textile to tackle the country's water challenge. Textile buyers, factory owners, local government and surrounding communities collaborate to improve wet processing practices in the textile industry and water resource management in the river basins.

Starting 2014, H&M implemented a Yangtze basin engagement plan with WWF China, to improve water quality and allocation of water resources.

Starting 2013, as part of a wider stewardship approach, H&M supports WWF's water conservation project on the Yangtze River basin to secure the habitat of the finless porpoise.

Through best practise cases from collective **O** action we will continuously engage with decision makers in China and Bangladesh on strengthening water management policy in prioritised river basins.

MILESTONES IN H&M CONSCIOUS WORK WITH WATER

