

*These questions relate to the period since the COVID-19 pandemic. Please provide YES, NO or numerical answers where requested. We also welcome additional information and context.*

### **Factory closures**

*BHRRC is collecting and publishing an aggregated list of closed factories in the supply chains of 50 global apparel brands.*

1.a. Are you keeping a list of factories that have closed in your supply chain since March 2020, (including those that you stopped sourcing from during the pandemic) Y/N

**YES**

b. Is your company willing to share a list of closed factories, including names and addresses? (Please share list here or as an attachment) ?

**We update the list on our website ( as part of public disclosure )**

<https://hmgroup.com/sustainability/leading-the-change/supplier-list.html>

c. Are you willing to provide BHRRC with updated lists in the future? Y/N

**We update the list on our website ( as part of public disclosure )**

### **Purchasing practices**

2. a. Have you implemented a policy specifying that your sourcing team must not ask for price reductions or discounts relative to comparable items from last season? Y/N

b. If yes, can you share this policy with BHRRC?

**There is no written policy but this is as part of purchasing practices of what is committed must be followed. Negotiations on price take place on a lot of factors , where Labour Cost remains non-negotiable. Price of similar products can reduce over season because of material prices going down or efficiency and a lot of other factors. We secure that Labour cost is something that is non negotiable and if that changes over season, then the higher prevails.**

c. If no, have you implemented any pandemic- related policy designed to ensure your sourcing staff do not pressure suppliers on price or production times and can you share this policy? Y/N

**We have had updates with our team and we monitor the results globally but nothing defined/updated with a new policy.**

### **Worker wage and severance payments**

3.a Have you received reports of non-payment of full salaries for workers in your supply chain?

**Yes, for very different reasons. In some cases, for instance, the Government had decided that - for a period of time - a lower level of minimum wage would have been applicable, so workers did receive wages that were below the regular minimum wage. In other cases, workers were working on the basis of rotation (as the full workforce was not allowed in the factory at the same time to avoid the spreading out of the virus) and were paid according to the legal provisions applicable to those circumstances.**

b. Is your company actively involved in resolving each of these payment disputes?

**Yes if the non full salary payment was caused by a unilateral decision of the supplier and was against the law. In some case, the lower salaries have instead been agreed by the factory management and the legal representatives of the workers and, as such, considered valid. Any bipartite negotiation supported by the legal requirements is something that is accepted.**

4.a. When garment workers lose their jobs, are you monitoring if they are receiving all outstanding wages and legally mandated severance payments?

**Yes**

b. Is your company actively involved in ensuring workers are paid outstanding wages, severance, and benefits?

**Yes, several cases have been brought to our attention through the NMC, national monitoring committees of the GFA we have signed with IndustriAll global union and Swedish union IF Metall, and we regularly follow up. During this year we have had cases both settled at the factory level, NMC and also at legal arbitration systems.**

#### **Discriminatory dismissals and human rights violations**

5.a Have you implemented a pandemic-related policy with your suppliers to ensure vulnerable demographics of workers are not being disproportionately targeted for layoffs (e.g. union members & leaders, pregnant women, migrant workers)?

**We do not have a specific policy for the pandemic. However we do monitor closely dismissals of union representatives, union members and other vulnerable groups, as a key indicator of the level of actual implementation of the freedom of association in practical instances. We have reminded our suppliers on our routines of recruitment and dismissal free of any discrimination.**

b. Are you tracking lay-offs and suspensions by demographic?

**No. Actually this is an interesting idea and we would like to pick up on this. At the moment we do not have in our systems the possibility to compare the full demographics of the factory against the specific demographics of the lay-offs or suspensions so it would be very difficult for us to check whether there are discrepancies that cannot be explained in between the two if not on the basis of discrimination.**

**The number of data we would need to collect for such an exercise is quite impressive so we would need to structure for it.**

c. If Y can you provide a list of the categories being monitored?

d. If N, what steps are you taking to ensure discriminatory dismissals are not being carried out?

**We have an open channel of communication with the Unions and the workers representatives so that they can reach out to us in case there is any doubt about discriminatory practices.**

6.a Are there one or more factories supplying your company where advocates have alleged workers have been criminally charged or imprisoned in violation of their human rights (freedom of expression, freedom of assembly & association, collective bargaining etc.)? **No**

b. In all such cases, have all workers been released from custody with all charges dropped? **Y/N**

**Questions included in previous questionnaire, please provide current responses:**

7. a. What were your payment times prior to the pandemic (in days)?
- b. Have you extended these payment times for the current pandemic period? Y/N
- c. What are the maximum number of days from invoice date within which you pay your suppliers currently (e.g. 30, 60, 90, 180 days)?

**Our payment terms have remained the same as 30 days.**

In fact we are in the process of reviewing our payment terms not because of COVID but overall which will enable our suppliers to get the payments even earlier and this part is being tested with some markets.

8. Have you committed to pay in full for all in-production and completed orders?  
H&M Group wants to be a fair and trusted business partner to suppliers irrespective of whether there is a pandemic or not. Therefore, we have also during these unprecedented times fully stood by our responsible purchasing practices and contractual agreements.

9. Have you requested a discount for any orders? No

10. Are you supporting suppliers with access to local finance with a letter of credit or through other means? Y/N

Yes, we are working within the ILO Global Call to Action to secure funding from donors, International Finance Institutions and Banks with the aim to support suppliers and their business continuity as well as payment of wages to workers mid-term.