

Answers to BHRRC regarding the petition filed by International Labour Rights Forum

H&M believe that well-functioning industrial relations and collective bargaining are the ultimate keys to achieving fair living wages and good working conditions in our supply chain. They also help to create stable sourcing markets and sustainable economic growth in these countries. Our Sustainability Commitment (previously our Code of Conduct) requires that all of our suppliers respect the right to freedom of association.

To further push the development forward when it comes to social dialogue and industrial relations, we signed a Global Framework Agreement, GFA, with the global trade union IndustriALL and the Swedish Trade Union IF Metall in November 2015. The GFA was converted into a permanent collaboration in September 2016.

The collaboration promotes freedom of association where workers' representatives have a voice and where trade unions can negotiate and bargain collectively. The goal is to create a well-functioning dialogue between employer and employees at the factories so that conflicts are solved peacefully and primarily at the factory level where they arise. We have also launched projects in several countries, including in Bangladesh, aiming at improving social dialogue and industrial relations through awareness raising and capacity building.

For more information on how we work on improving industrial relations see our Sustainability Report 2016:

http://sustainability.hm.com/content/dam/hm/about/documents/en/CSR/2015%20Sustainability%20report/HM_SustainabilityReport_2015_final_FullReport_en.pdf

Please find our answers to your questions here:

1. Whether H&M has required the factories in their supply chain to withdraw all criminal complaints related to the protests in Ashulia?

Together with 20 other brands H&M group sent a joint letter to the Prime Minister of Bangladesh. In the letter we expressed our shared concern over the detention of individuals with union affiliation and workers' rights advocates. We requested the government to take steps to ensure the protection of the workers' rights, with special attention to the representatives of the workers arrested. We stressed that labour rights related to freedom of association must be fully respected, and that the root cause of the unrest must be addressed through improved industrial relations.

We remain in continuous dialogue with relevant global and local stakeholders, such as trade unions, the industry association BGMEA, other brands, as well as with involved suppliers. We are currently considering which further appropriate actions are to be taken.

2. Whether H&M has required their supply chains to reinstate all factory workers suspended or fired related to the Ashulia protests?

We closely followed the negotiations between factory management, trade union representatives and the industry association Bangladesh Garment Manufacturers and Exporters Association (BGMEA) regarding the terms for the dismissed workers. Agreements on compensation to the

workers are mostly in place, and our colleagues in Dhaka continue to monitor the situation closely. We remain in close contact with our suppliers, BGMEA, trade unions and other buyers.