

H&M FOUNDATION



**A
CATALYST
FOR
CHANGE
2018**



The H&M Foundation is a non-profit global foundation, privately funded by the Stefan Persson family – founders and main owners of the H&M group.

Working within the four focus areas of Education, Water, Equality, and Planet, our aim is to improve the living conditions for people around the world. In addition to this, we can also provide emergency relief.

Through partnerships with experienced organizations, the H&M Foundation operates globally for systemic change with transformative programs, and in country specific projects to directly address human needs. We strive to be a catalyst for positive change on the global, national, and local level.

The long-term vision for the H&M Foundation is to contribute to reaching the ambitious Sustainable Development Goals for 2030, set by the United Nations and adopted by world leaders and stakeholders in 2015.

Since the start in 2013, the H&M Foundation has reached millions of people across the world with quality education, economic empowerment, clean water, and sanitation while successfully pushing these issues to the global agenda.

Our strategy is based on three guiding principles:

INNOVATION – we approach challenges in new ways.

INVOLVEMENT – we involve and engage people in making a difference.

IMPACT – we seek to achieve real change.

The H&M Foundation is an independent legal entity, operating beyond H&M’s value chain with its own team, strategy, and board. Since 2013, the Stefan Persson family has donated 1.5 billion Swedish krona (\$200 million) to the H&M Foundation. This report covers the work of the H&M Foundation from January 1 to December 31, 2018.

Learn more at hmfoundation.com.

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The currencies in this report are calculated based on the exchange rate on November 30, 2018.



EVERYONE ON BOARD

Photo: Maritas Edvall

In the five years since we set sail in 2013, the H&M Foundation has committed to a wide variety of projects, with many different partners in a great number of countries. It has been an incredible learning experience, helping us to realize where we can do the greatest good. We have seen the advantage of being a small team with only one donor, making us swift and flexible.

Springing from the entrepreneurial sphere is also a great advantage for taking an innovative approach. Our heritage allows us to be bold when needed, realizing that well-calculated risks are sometimes necessary for breaking new ground.

Another lesson has been the importance of communication, which has proven to be key in involving people, spreading awareness, and challenging stereotypes. We always include funds for communication in our donations so that the brilliant work isn't just done on a grassroots level – we need to share facts and learnings to get more dedicated people on board. With one foot in the entrepreneurial sphere and the other one in the non-profit sector, we have the possibility to reach a wide audience.

During the past year, gender equality has been a major focus globally, and we now have

the momentum to take that to the next level. Reaching the UN Sustainable Development Goals for 2030 is already a challenge, but if we exclude the female population in that pursuit, it will be altogether impossible.

This holds true not only for women, but for all marginalized groups in the world. Seeing them as a resource, and not a burden, runs through all areas of the H&M Foundation's work.

While continuing to catalyze systemic change, we will not forget the impact of working on the ground. When the challenges that our world is facing feel overwhelming, we need to look at what all of us can do here and now to contribute, remembering that, so far, all of humanity's achievements have started with one great idea.

Diana Amini
Global Manager, H&M Foundation

A VISION OF POSITIVE CHANGE



Karl-Johan Persson
Board member, H&M Foundation, CEO of H & M Hennes & Mauritz AB.

You're on the board of the non-profit H&M Foundation, but you're also the CEO of the H&M group. How do the two organizations differ and complement each other?

"The H&M Foundation is a commitment from my family, which complements the ambitious sustainability program of the H&M group. It operates outside of the business of the H&M group, with a vision to drive positive change for people, communities, and the planet. Being a privately funded non-profit gives the Foundation a unique opportunity to spearhead positive change, since it operates in close contact with the non-profit world as well as with a clear link to the entrepreneurial sphere."

What do you want to highlight from the Foundation's work in 2018?

"H&M Foundation has a partnership with The Hong Kong Research Institute of Textiles and Apparel (HKRITA) with the goal of finding a commercial method to recycle blend textiles. In 2017, such a method was presented and, in September 2018, HKRITA and the H&M Foundation opened a first of its kind recycling facility in Hong Kong. I attended the opening which really made an impact on me, including personally. This is a breakthrough that will be available for the whole fashion industry in the future. By being able to upcycle used textiles into new high value textiles, we no longer need to solely rely on virgin materials to dress a growing world population."

What do you want the H&M Foundation to focus on during 2019?

"For 2019, I'd like the H&M Foundation to keep up their innovative way of thinking so that, together with its partners, they can accelerate real change and find new solutions to the challenges of today. I want the H&M Foundation to continue achieving a great impact and also engage people in making a difference. By doing so, we want them to feel that change is possible and that all of us can be part of the solution."

JOINING AN AMBITIOUS AGENDA

The work of the H&M Foundation resonates with several of the United Nations 17 Sustainable Development Goals.

In 2015, the 193 countries of the UN General Assembly adopted the 2030 Development Agenda. 17 Sustainable Development Goals were agreed upon, with all countries and stakeholders resolving to act in collaborative partnership to heal the human race from poverty and protect the planet, leaving no one behind. The agreement took years to reach, and it is the first ever of this magnitude. The H&M Foundation's work is closely connected to several of the UN Sustainable Development Goals, and we are committed to this united call for a world that is prosperous, fair, and environmentally sustainable.

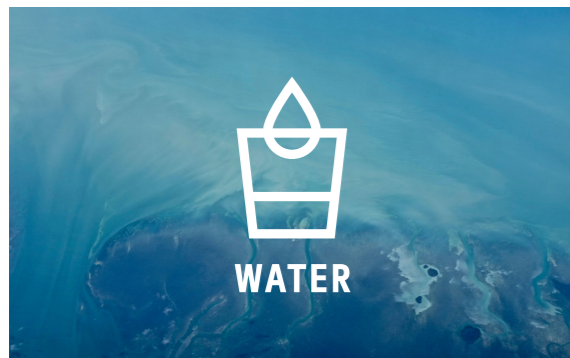


OUR WORK AROUND THE WORLD

During 2018, the H&M Foundation has been running 28 projects within our four focus areas across the globe.



- Global Program for Education, with UNICEF
- Supporting children in slums in Bangladesh, with UNICEF
- Supporting children with disabilities in Uganda, Peru, and Bulgaria, with UNICEF
- Peace building for youth in Colombia, with War Child
- School inclusion for children with disabilities in China, with Save the Children
- Quality education in Indonesia, with Save the Children
- School access in Myanmar, with UNICEF
- School inclusion in Romania, with Save the Children
- Overcoming health barriers for education in the US, with the Children's Health Fund



- Global Program for Water, with WaterAid
- Clean water and sanitation in Bangladesh, with WaterAid
- Safe drinking water, sanitation and hygiene in Bangladesh, with WaterAid
- Clean water, sanitation and hygiene in Cambodia, with PLAN International
- Innovative water supply in slums in India, with Practical Action
- Building water supply systems in India, with FRANK Water



- Global Program for Equality, with CARE
- School supplies for refugee children in Africa, Middle East, and Asia, with UNHCR
- Empowering women in Ethiopia, with CARE
- Supporting unaccompanied refugee children in Europe, with Missing Children Europe
- Access to education for refugees in Germany, with Kiron Open Higher Education
- Integrating young refugees in Norway, with the Norwegian Red Cross
- Community Network Building in East Africa, with REFUNITE
- Strengthening youth employment opportunities in South Africa, with the Desmond and Leah Tutu Legacy Foundation
- Integrating refugee children in Sweden, with the Swedish Red Cross
- Employment and education for young homeless people in the UK, with five charities



- Annual innovation challenge Global Change Award, with Accenture and the KTH Royal Institute of Technology in Stockholm
- Finding new ways to recycle clothes, with The Hong Kong Research Institute of Textile and Apparel
- Supporting an online resource for innovators to accelerate circular materials development, with Fashion Positive

GLOBAL IMPACT 2018

2,276,151

people have been reached by H&M Foundation initiatives within the focus areas of education, water, and equality in 2018. Since 2013, our work around the world has reached 6 million people.

6,640

innovators from 182 countries entered the H&M Foundation's annual innovation challenge Global Change Award in 2018 to help reinvent the fashion industry and protect the planet. Since the first edition of the challenge in 2015, we have received a total of nearly 15,000 entries from 182 countries.

28

projects for quality education, clean water, and equality were run with support from the H&M Foundation in 2018.

SEK 200 MILLION

(\$22 million) was donated to the H&M Foundation by the Stefan Persson family in 2018. Since 2013, the Persson family has donated a total of SEK 765 million (\$89.6 million) to the H&M Foundation.

SEK 4.3 MILLION

(\$500,000) was donated for Emergency relief by the H&M Foundation in 2018. Since 2013, the H&M Foundation has donated a total of SEK 22.7 million (\$2.7 million) for emergency relief.

25

partners worked together with the H&M Foundation in 2018.

€1 MILLION

is granted the winners of Global Change Award every year.

46

countries were reached by the work of the H&M Foundation in 2018.

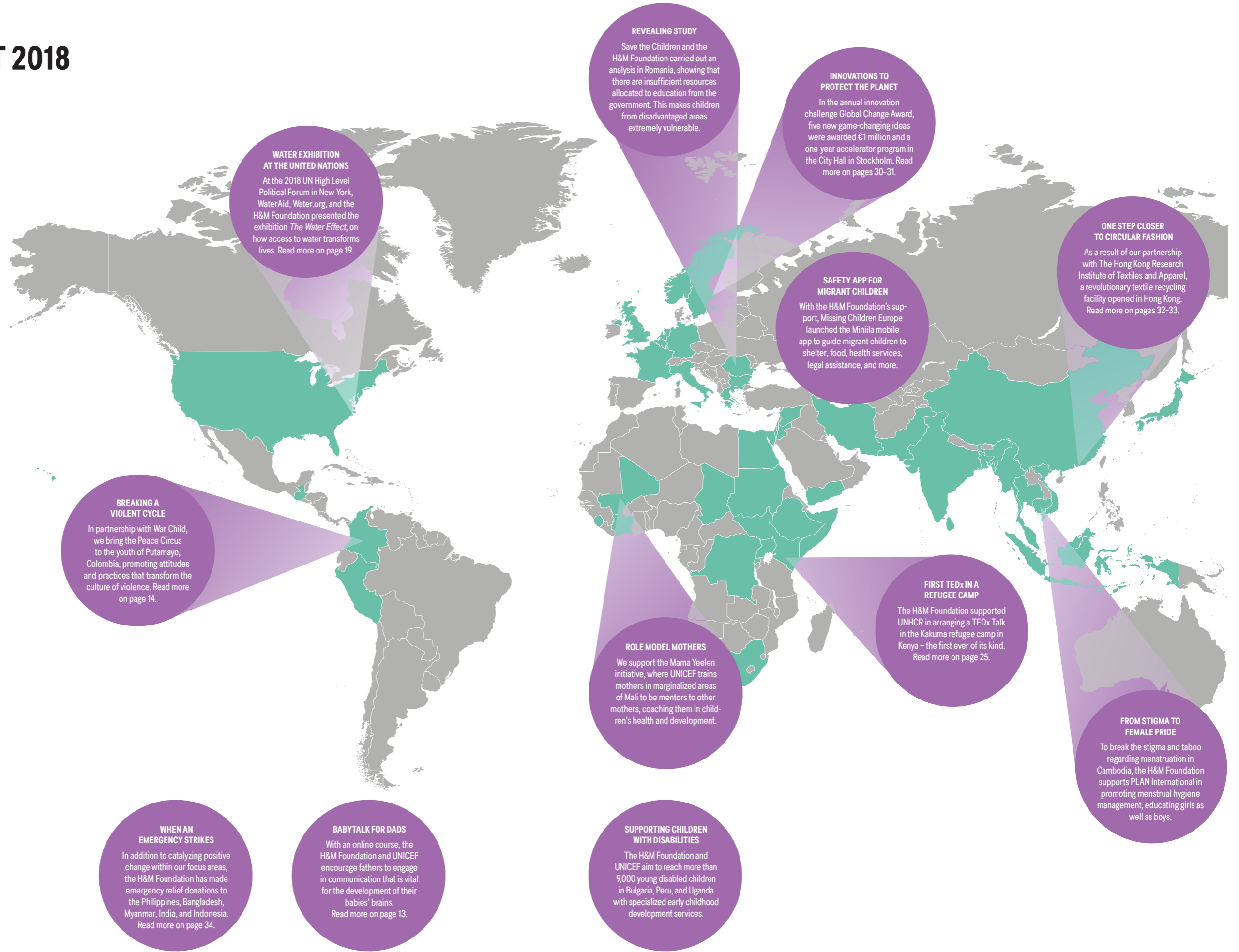
SEK 162 MILLION

(\$17.9 million) was invested in initiatives for education, water, equality, and planet by the H&M Foundation in 2018. Since 2013, the H&M Foundation has invested a total of SEK 684.6 million (\$80.4 million).

GLOBAL IMPACT 2018

The countries where the H&M Foundation have projects to improve Education, Water, Equality, and the Planet, and some highlights from the year:

- Bangladesh
- Belgium
- Bulgaria
- Cambodia
- Chad
- China
- Colombia
- DR Congo
- Egypt
- Ethiopia
- France
- Germany
- Greece
- Guatemala
- India
- Indonesia
- Iran
- Israel
- Italy
- Ivory Coast
- Japan
- Jordan
- Kenya
- Malaysia
- Mali
- Myanmar
- Netherlands
- Norway
- Pakistan
- Peru
- Romania
- Rwanda
- Sierra Leone
- Somalia
- South Africa
- South Sudan
- Sri Lanka
- Sudan
- Sweden
- Syria
- Timor-Leste
- Uganda
- United Kingdom
- United States
- Vietnam
- Yemen



WATER EXHIBITION AT THE UNITED NATIONS
 At the 2018 UN High Level Political Forum in New York, WaterAid, Water.org, and the H&M Foundation presented the exhibition *The Water Effect*, on how access to water transforms lives. Read more on page 19.

REVEALING STUDY
 Save the Children and the H&M Foundation carried out an analysis in Romania, showing that there are insufficient resources allocated to education from the government. This makes children from disadvantaged areas extremely vulnerable.

INNOVATIONS TO PROTECT THE PLANET
 In the annual innovation challenge Global Change Award, five new game-changing ideas were awarded €1 million and a one-year accelerator program in the City Hall in Stockholm. Read more on pages 30-31.

ONE STEP CLOSER TO CIRCULAR FASHION
 As a result of our partnership with The Hong Kong Research Institute of Textiles and Apparel, a revolutionary textile recycling facility opened in Hong Kong. Read more on pages 32-33.

SAFETY APP FOR MIGRANT CHILDREN
 With the H&M Foundation's support, Missing Children Europe launched the Miniila mobile app to guide migrant children to shelter, food, health services, legal assistance, and more.

BREAKING A VIOLENT CYCLE
 In partnership with War Child, we bring the Peace Circus to the youth of Putamayo, Colombia, promoting attitudes and practices that transform the culture of violence. Read more on page 14.

ROLE MODEL MOTHERS
 We support the Mama Yeelen initiative, where UNICEF trains mothers in marginalized areas of Mali to be mentors to other mothers, coaching them in children's health and development.

FIRST TEDx IN A REFUGEE CAMP
 The H&M Foundation supported UNHCR in arranging a TEDx Talk in the Kakuma refugee camp in Kenya – the first ever of its kind. Read more on page 25.

FROM STIGMA TO FEMALE PRIDE
 To break the stigma and taboo regarding menstruation in Cambodia, the H&M Foundation supports PLAN International in promoting menstrual hygiene management, educating girls as well as boys.

WHEN AN EMERGENCY STRIKES
 In addition to catalyzing positive change within our focus areas, the H&M Foundation has made emergency relief donations to the Philippines, Bangladesh, Myanmar, India, and Indonesia. Read more on page 34.

BABYTALK FOR DADS
 With an online course, the H&M Foundation and UNICEF encourage fathers to engage in communication that is vital for the development of their babies' brains. Read more on page 13.

SUPPORTING CHILDREN WITH DISABILITIES
 The H&M Foundation and UNICEF aim to reach more than 9,000 young disabled children in Bulgaria, Peru, and Uganda with specialized early childhood development services.



EDUCATION

We advocate quality education for all children.

Quality education is key to achieve many of the United Nations Sustainable Development Goals, such as breaking the cycle of poverty, reducing inequalities, and building more peaceful societies. It also empowers people to make choices that help them live healthier, more sustainable lives, and find innovative solutions to the world's greatest problems. In many ways, education is where we have to start if we want to build a better world.

2018 IMPACT ON EDUCATION

237,000 children, teachers, parents, government officials, and other influencers were reached by initiatives funded by the H&M Foundation, bringing quality education and care to children globally.

4 partners worked with the H&M Foundation's efforts toward quality education for all children.

9 projects within education were supported by the H&M Foundation in 2018.

14 countries were reached by H&M Foundation funded projects aimed at increasing the quality of education for children.

SEK 55.1 million (\$6 million) was donated in total in 2018 by the H&M Foundation to support quality education worldwide. Since 2013, the H&M Foundation has donated SEK 240 million (\$26.5 million) to education around the world.



CHAMPIONS OF TOMORROW

Learning doesn't start in school, but from the very second we are born. Working with various partners, the H&M Foundation invests in the futures of hundreds of thousands of children across the world.

In the past decade, access to education at all levels has increased, and basic literacy levels have improved – big steps toward the United Nations Sustainable Development Goal number 4 of quality education for all. However, more than half of the children and adolescents of primary and secondary school age worldwide are not achieving minimum proficiency in reading and mathematics.

In our global program for education, we have partnered with UNICEF to invest in a better future for the most vulnerable children through early childhood education and care. The program is transformative and aimed for systemic change.

We also support local projects for education to create direct impact in several countries.

"It is widely known that early childhood care and education forms the foundation of a high-quality basic education and ultimately lifetime opportunities. Still, too few children attend preschool, especially among the poor. That's why the H&M Foundation's initiatives build environments that enable early childhood development," says Charlotte Brunnström, Program Manager at the H&M Foundation.

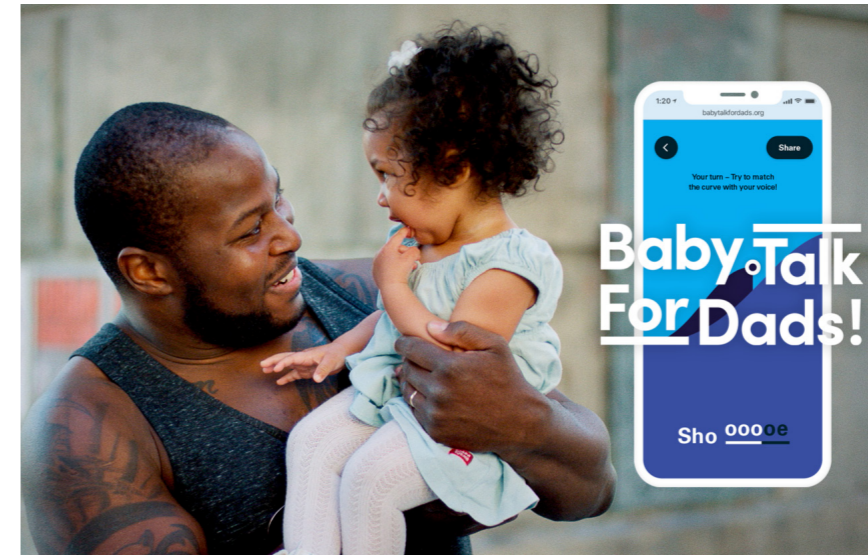
"Illustrating the link between early childhood development and peacebuilding requires evi-

dence. Thanks to the H&M Foundation, UNICEF and its partners are now on track to develop and pilot-test a Social Cohesion Measurement Framework that can be used by country offices to show how social services transform relationships", says Mr. Friedrich Affolter, Program Coordinator, Education Section, UNICEF.

GOALS 2017-2020 GLOBAL PROGRAM FOR EDUCATION WITH UNICEF

- Reach 145,000 children, parents, teachers, government officials, and other influencers with Early Childhood Development programs, so that every child can have the best start in life.
- Facilitate collaboration within national ministries in Mali, Timor-Leste, Vietnam, and Egypt to enable the implementation of Early Childhood Development services.
- Develop a tool to highlight the relevance of Early Childhood Development efforts for tolerance, cooperation, and respect to prevent conflicts and bring communities together.

Photo: UNICEF



"In our research, we've seen marked differences in the early development of babies who have experienced responsive baby talk with their caregivers, to those that haven't."

- Dr. Marina Kalashnikova, researcher at The Basque Center on Cognition, Brain, and Language. Her expertise was used in the development of the Babytalk for Dads interactive course, created by UNICEF in partnership with the H&M Foundation.

BABYTALK FOR DADS

During the first years of a baby's life, their brain forms new connections at the amazing rate of 1,000 per second.

Evidence suggests that when babies hear slow, melodic, and exaggerated sounds it helps them develop fast cognitively. Some studies have revealed that when babies are spoken to in high-pitched baby talk from their caregivers they can speak earlier and have a larger vocabulary than babies who have not been interacted with in the same way. However, research has also shown that many fathers don't interact with their babies in the same way as mothers do – neither when it comes to how they talk to them or how often they do it.

That's why the H&M Foundation partnered with UNICEF to create the online course Babytalk for Dads (babytalkfordads.org), encouraging parents to get more involved in their children's brain development.

The course consists of playful voice exercises, developed with the expertise of researcher Dr. Marina Kalashnikova from The Basque Center on Cognition, Brain, and Language.

EDUCATION STORIES OF CHANGE

Some highlights from our partnerships:

VIETNAM: BREAKTHROUGH FOR EARLY CHILDHOOD DEVELOPMENT

Since 2014, the H&M Foundation has worked globally with UNICEF to provide early childhood education and care. In November 2018, a milestone was reached when the Vietnamese government signed a National Strategic Plan on Integrated Early Childhood Development, encompassing all of the country's 64 provinces.

"The effect is enormous. Millions of children between the ages of 0 and 8, including children with disabilities and their caregivers, will be benefitted," says Friday Nwaigwe, Chief of Child Survival and Development at UNICEF Vietnam.

"Integrated Early Childhood Development as implemented in Vietnam will reduce malnutrition and reduce preventable maternal deaths. It will catalyze the acquisition of knowledge and capacity of caregivers to bring up their children. Furthermore, it ensures the protection of children and supports equity among communities and population groups that previously had very high disparities in health outcomes. The success of this program will be a model for the world and a centerpiece for best practice globally."

Photo: UNICEF



"The Vietnam experience is local but of global significance. The success of this program will be a centerpiece for best practice."

-Friday Nwaigwe, Chief of Child Survival and Development at UNICEF, on the National Strategic Plan on Integrated Early Childhood Development signed by the Vietnamese government – a groundbreaking result from the work of UNICEF supported by the H&M Foundation.

EDUCATION STORIES OF CHANGE

NEW YORK, UNITED STATES: TWO BROTHERS, TWICE THE ACHIEVEMENT

16 million children in the United States live in poverty, and these children are the most vulnerable when it comes to school attendance.

Brothers Tyreek and Christian, at the elementary school PS 36 in Harlem, New York, had each missed more than 39 school days and were thereby risking their academic futures. Luckily, their school is part of the Healthy and Ready to Learn initiative – an innovative school-based program run by Children’s Health Fund in partnership with the H&M Foundation.

By meeting daily with the brothers and building the trust of their parents, Site Manager Ginelle Wynter was able to turn the negative trend. When the boys recently asked “Miss Wynter, how many days have I gone to school in a row?” Ginelle was able to tell them they had accomplished something huge: one brother had perfect attendance for the past two months and the other for three.



Thanks to the Healthy and Ready to Learn initiative, run by Children’s Health Fund and supported by the H&M Foundation, brothers Tyreek and Christian in Harlem, New York, are on their way to having perfect attendance.

Photo: Children’s Health Fund.

“In the Peace Circus, you learn to stay focused on your future and not allow your dreams to be ruined.”

– Yuliana (pictured below, second from left) takes part in the Peace Circus, an H&M Foundation funded project building peaceful attitudes among the youth of Colombia.



PUTUMAYO, COLOMBIA: A PEACEFUL FUTURE IN SIGHT

Yuliana is in 8th grade at the Almirante Padilla Education Institution in Alto Putumayo – one of the regions most affected by the Colombian civil war. Even though the war is officially over, the risk of abuse, recruitment to armed groups as well as other violations of their rights remain imminent for many children.

“Sometimes you have everything in your life, but it does not change the fact that you are exposed to bad things,” says Yuliana.

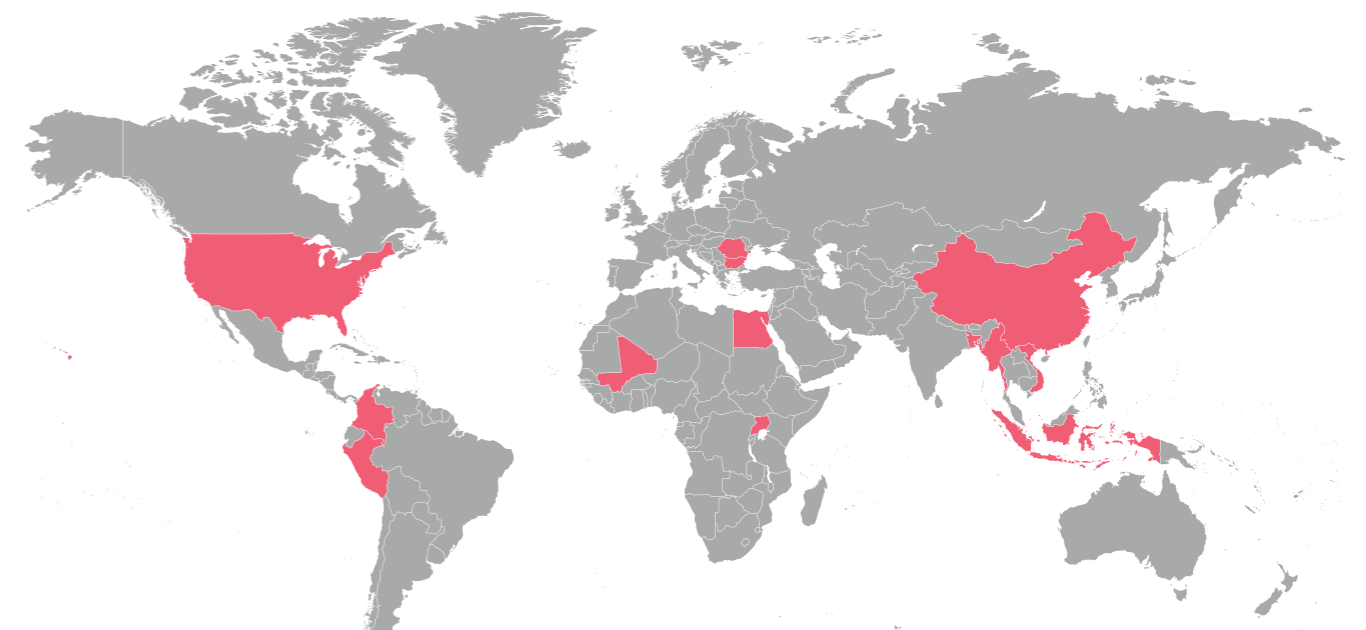
To support children like Yuliana, the H&M Foundation partnered with the organization War Child in bringing a Peace Circus to ten villages in Putumayo. Working in close collaboration with schools, the project invites children and teachers to embrace art for peace through play, theatre techniques, visual arts, music, games, and more, to ultimately break the culture of violence.

Through these activities, Yuliana is now learning how to believe in herself and others, and how to overcome her shyness on her journey to fulfilling her biggest dream: becoming a pediatrician.

“In the Peace Circus, you learn how to stay focused on your future and not allow your dreams to be ruined,” says Yuliana.

Photo: War Child

EDUCATION IMPACT



14 COUNTRIES WERE REACHED BY THE H&M FOUNDATION'S INITIATIVES WITHIN EDUCATION:

- Bangladesh
- Bulgaria
- China
- Colombia
- East Timor
- Egypt
- Indonesia
- Mali
- Myanmar
- Peru
- Romania
- Uganda
- United States
- Vietnam

881,176 PEOPLE

have been reached by the H&M Foundation's initiatives within Education since 2013.

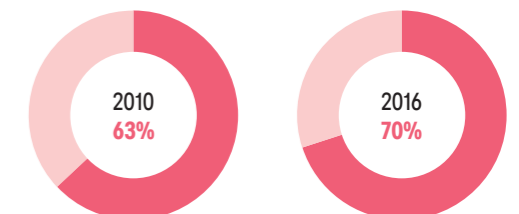
“Our partnership with the H&M Foundation gave us the ability to get children into school, equipped with the right resources – meeting refugee children’s right to an education and our mission to make sure that happens.”
– Shirin Pakfar, Chief of Section, Private Partnerships and Philanthropy, UNHCR

IT'S GETTING BETTER

At the global level, the participation rate in early childhood and primary education has increased:

65,593 CHILDREN

in Bangladesh have been given quality early learning and primary education through a three-year project run by UNICEF and supported by the H&M Foundation, with a total investment of SEK 45.8 million (\$5.5 million). Hopefully, these children will proceed to higher education.



SEK 240 MILLION

(\$26 million) have been invested in education by the H&M Foundation since 2013.

SOURCE: United Nations



WATER

We support worldwide access to clean water and sanitation.

Water is crucial to all life, and access to clean water and sanitation is one of our most fundamental human rights. Even though there is sufficient fresh water in the world to fulfill this universal right, billions are still faced with daily challenges in accessing clean drinking water and toilets or latrines. By working toward increased access to water and sanitation, we also achieve better health and gender equality as well as economic growth for a more sustainable future.

2018 IMPACT ON WATER

1.7 million people were reached by the H&M Foundation's initiatives for clean water, sanitation, and hygiene.

4 partners worked with the H&M Foundation to increase access to clean water, sanitation, and hygiene practices.

6 projects for clean water and sanitation were supported by the H&M Foundation.

6 countries were reached by H&M Foundation supported initiatives for clean water.

SEK 30.4 million (\$3.4 million) were donated in total in 2018 by the H&M Foundation to support worldwide access to clean water and sanitation. Since 2013, the H&M Foundation has donated SEK 175 million (\$19.3 million) to projects for water, hygiene, and sanitation around the world.



SAVING THE SOURCE OF LIFE

With an ambitious global program and several local projects with different partners, the H&M Foundation works for increased awareness and global access to water, sanitation, and hygiene services.

Proper water and sanitation is one of the United Nations' Sustainable Development Goals for 2030. There has been great progress in this area during the past decade, and currently over 90 percent of the world population has access to improved sources of drinking water.

However, there is still a lot of work to be done. More than 2 billion people are living with the risk of reduced access to freshwater resources, and nearly 1,000 children die every day due to preventable water and sanitation-related diseases.

Within the focus area Water, the H&M Foundation works with WaterAid in a transformative program to create systemic change on a global scale. In addition to this, we support local projects that have a direct impact on the sanitation and health of people around the world.

"The importance of water, sanitation, and hygiene in schools has been brought to the agenda at both local, provincial, and national levels in the countries where we work. Decision makers now understand how this affects school children's – especially girls' – ability to go to as well as perform in school," says Maria Bystedt, Program Manager at the H&M Foundation.

Cecilia Martinsen-Chatterjee, Chief Executive of WaterAid Sweden, says that the collaboration between WaterAid and the H&M Foundation is leading the way by focusing on national and local ownership and an integrated approach.

"The program will in itself reach over 150,000 people directly, but even more important is its impact. It contributes to sustainable services and systems that will be able to reach millions more people over time," she says.

GOALS 2017-2020 GLOBAL PROGRAM FOR WATER WITH WATERAID

- Provide 150,000 people with access to water and/or sanitation services.
- Improve policies for delivering sustainable access to water, sanitation, and hygiene services in Uganda, Ethiopia, Pakistan, and Cambodia.
- Launch a global, evidence-based report on learnings and best practices for promoting a sustainable service of safe water, sanitation, and hygiene.

Photo: WaterAid/Asad Zaidi.



Photo: WaterAid.

NEW YORK, UNITED STATES: SPREADING THE WATER EFFECT

In July, world leaders gathered at the 2018 United Nations High Level Political Forum in New York to review the progress toward the Sustainable Development Goal of ensuring clean water and sanitation for all.

During the forum, the H&M Foundation co-sponsored the exhibition *The Water Effect* together with WaterAid, Water.org and the Permanent Mission of Sweden to the United Nations.

Diana Amini, Global Manager of the H&M Foundation, spoke at the well-attended reception for the exhibition, that demonstrated how affordable access to water, sanitation, and hygiene can transform lives and reduce inequalities.

"No one is going to solve this by themselves. We need to collaborate and co-create to be able to find the solutions."

- Diana Amini, Global Manager of H&M Foundation, at the 2018 United Nations High Level Political Forum in New York.

WATER STORIES OF CHANGE

Some highlights from our partnerships:

TELANGANA, INDIA: WELL FOR GOOD

40-year old Ratna lives in the Gopalapuram Patha Gumpu village in Telangana, India with her husband, two daughters, and parents-in-law in a small house with two rooms and no bathroom.

Until last year, the village had no safe supply of drinking water, so Ratna and her neighbors had to walk to a borewell far from the village to collect water for drinking, cooking, washing clothes, and bathing herself and her children. Every other day, Ratna had to skip work completely – losing that day's salary to spend the whole day filling up 20 or 30 containers of water.

To make things worse, the water was often contaminated when the yearly rains came, making her children sick.

Last year, with funding from the H&M Foundation, the organization FRANK Water installed a borewell and handpump in Ratna's village. The partnership has the aim of providing clean water for up to 10,000 people in Telangana.

Today, Ratna can manage all her chores quickly and easily, and her family has taken the next step in applying for funding from the Indian government to build their own toilet.

Ratna says that her daughters are the first generation to have access to safe water.

"They will have new and different opportunities because of it – and they will have good health."



Photo: FRANK Water.

"My daughters will have new opportunities."

Thanks to the new borewell built in the Gopalapuram Patha Gumpu village in India by FRANK Water in partnership with the H&M Foundation, Ratna and her daughters no longer have to spend every other day collecting water for the household.

WATER STORIES OF CHANGE

DHAKA, BANGLADESH: TOILET REVOLUTION

Bangladesh is one of the world's poorest and most densely populated countries, and the capital Dhaka is one of the fastest growing cities on the planet.

Since 2013, the H&M Foundation has been working with WaterAid to renovate and build public toilets in Dhaka, to make life easier for the city's low-income earners, many of who lack access to a proper toilet at home or at work. So far, the 25 toilets that have been built in Dhaka have been used more than 5 million times.

MD Yunus, who is disabled and cannot walk without crutches, has been working for many years as a street seller. He uses the toilets every day. "I've never seen such a well-kept toilet before - or a special toilet for disabled people either," says Yunus.

The project has sparked a revolution in Dhaka. Mayors of both Dhaka North and South City Corporations are now able to run the work championed by the project on their own, and the government of Bangladesh has decided to allocate funds to build 145 more public toilets.



MD Yunus, street seller in Dhaka and daily user of the public toilets built by WaterAid in a project with the H&M Foundation.

BAPRO JAKHRO, PAKISTAN: ADVOCATING HYGIENE AWARENESS

Zahida Jakhro is a 38-year-old teacher who lives in Bapro Jakhro village in the Thatta District, Pakistan. In this district, one in three has no toilet to use whatsoever and the access to clean water is very low.

Being a literate woman with a strong personality, Zahida has chosen to become a Community Resource Person. With training from WaterAid, funded by the H&M Foundation, she's teaching the people in her community about the importance of good hygiene practices.

"I conduct hygiene sessions every month in the village," says Zahida. "If people don't attend, I go to their homes to call for them. I convince people by talking about the benefits of good sanitation and that this is the right way to stay healthy. If the village will be clean, then there will be fewer germs and we will stay healthier."

Zahida has already brought change to the lives of a couple of families, and she is confident that she will achieve much more in the coming months.

"There were no washrooms in our village before, and now three washrooms have been built."

"I convince people by talking about the benefits of good sanitation for staying healthy."

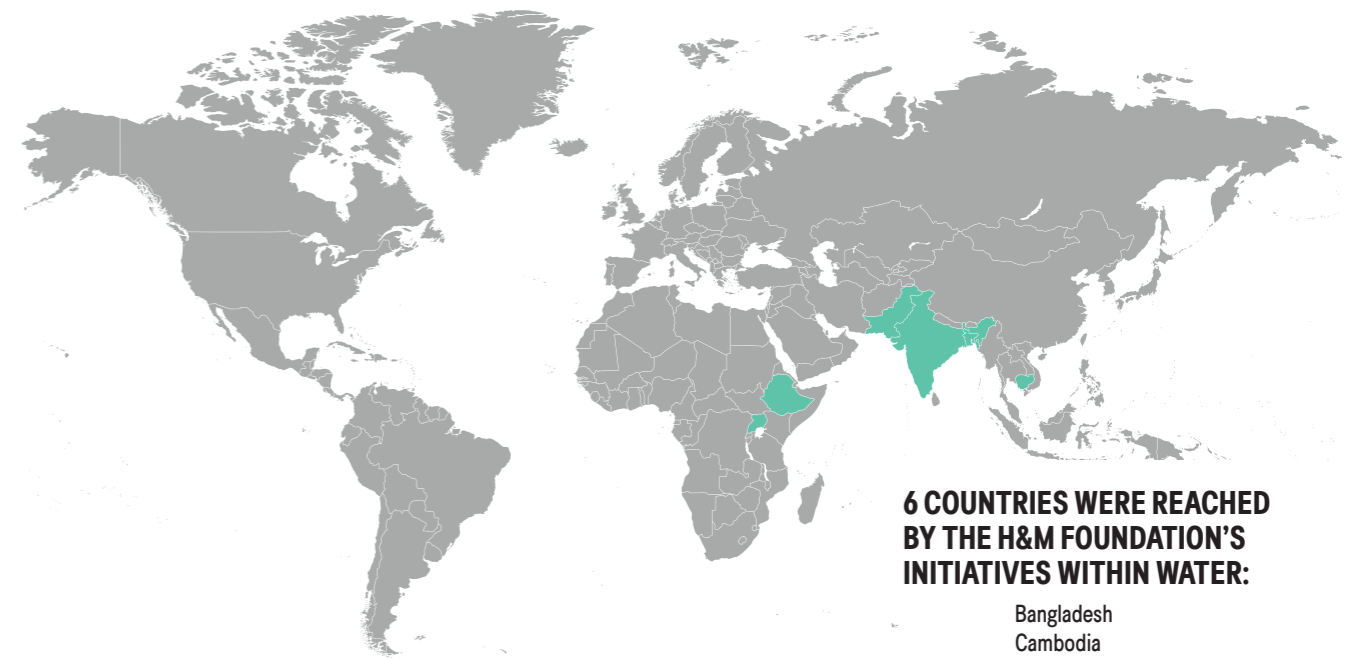
- Zahida Jakhro in the Bapro Jakhro village, Pakistan, has been trained by WaterAid, in partnership with the H&M Foundation, to educate her local community about sanitation. After having no washrooms in the village, three have now been built.



Photo: Habibul Haque/Drik.

Photo: WaterAid.

WATER IMPACT



6 COUNTRIES WERE REACHED BY THE H&M FOUNDATION'S INITIATIVES WITHIN WATER:

- Bangladesh
- Cambodia
- Ethiopia
- India
- Pakistan
- Uganda

"The H&M Foundation and WaterAid's global program for water will reach 150,000 people directly over three years. But even more important is its impact and contribution in supporting sustainable services and systems that will be able to reach millions more people over time."

- Cecilia Chatterjee-Martinsen, Chief Executive WaterAid Sweden

SEK 175 MILLION

(\$19.3 million) have been invested in Water by the H&M Foundation since 2013.

"Working with tribal communities in India means working with some of the hardest to reach, most marginalized people in the world - something we simply could not have done without the support of a flexible and forward-thinking partner like the H&M Foundation."

- Jon Shepherd, Program Manager, FRANK Water

4,196,648 PEOPLE

have been reached by the H&M Foundation's initiatives within Water since 2013.

5 MILLION

- the number of times that the toilets built through Project Sunrise in Dhaka city, Bangladesh, have been used. The project, run by WaterAid and supported by the H&M Foundation, also generated the launch of a mobile app that helps people find public toilets in Dhaka and rate them.



EQUALITY

We promote equal opportunities
for people globally.

Striving toward equal societies and breaking cycles of exclusion means providing marginalized groups with the tools to unlock their full potential. As a bonus, equality also fuels sustainable economies and benefits societies and humanity at large. If we are to reach the United Nations Sustainable Development Goals for 2030 and solve the world's biggest challenges, no one can be left behind.

2018 IMPACT ON EQUALITY

331,000 marginalized people were empowered in the struggle toward equal societies.

13 partners worked with the H&M Foundation in our efforts for equal opportunities.

10 projects for equality were supported by the H&M Foundation in 2018.

30 countries were reached by the H&M Foundation's initiatives within equality.

SEK 55.2 million (\$6.1 million) were donated in total in 2018 by the H&M Foundation to promote equal opportunities globally. Since 2013, the H&M Foundation has donated SEK 194 million (\$21.4 million) to equality work around the world.



ALL INCLUSIVE

From strengthening female entrepreneurship to supporting refugees – the aim to empower and include marginalized groups runs through all of the H&M Foundation’s work.

During the past decade, the world has seen a growing awareness and urgency regarding inequalities. There have been improvements in women’s rights to own property, in addressing sexual harassment in the workplace, and an increase in women in politics.

However, more still needs to be done. Together with humanitarian organization CARE, the H&M Foundation runs a transformative program focusing on systemic change and investing in women’s economic empowerment.

“Working with the H&M Foundation is a pleasure. They give us the freedom and support to truly innovate, which means we can find new and exciting ways to support women entrepreneurs around the globe. Together, we have reached and supported thousands of women worldwide, enabling them to become economically independent by starting their own enterprises,” says Reintje van Haeringen, CEO of CARE in the Netherlands.

In addition to this global program, the H&M Foundation has launched several local projects for a direct impact on the integration and inclusion of marginalized groups across the world.

“The number of refugees is currently the highest since the Second World War, and more

than half of the people displaced are children. The H&M Foundation is proud to support several projects with the focus on finding new and innovative ways of supporting young refugees in Europe,” says Ebba Heselius, Program Manager at the H&M Foundation.

GOALS 2017-2020 GLOBAL PROGRAM FOR EQUALITY IN PARTNERSHIP WITH CARE

- 100,000 women from low-income communities in seven countries worldwide have adequate conditions to become successful and empowered as entrepreneurs.
- Successful and proven enterprise models with female entrepreneurs are developed and showcased in seven countries, and mechanisms to take success to scale are applied.
- The value proposition for enterprise development with women from low-income communities is proven and presented in a Global Report.

Photo: CARE

KAKUMA CAMP, KENYA: A DIFFERENT KIND OF TEDx

We’ve all seen them – inspiring TED Talks with big names like Ingrid Betancourt, Pope Francis, Sheryl Sandberg, Elon Musk, and Bill Gates. In June 2018, the H&M Foundation supported UNHCR in arranging a TEDx Talk that made history.

Held at the Kakuma Refugee Camp in the Kenyan northern county of Turkana, TEDxKakumaCamp was the first ever TEDx Talk to take place in a refugee camp.

The aim was to offer a different lens into the reality of life as a refugee, away from the images of devastation and suffering, toward stories of resilience, contribution, and creativity.

Present in the tent was an audience of 350 Kakuma residents as well as tens of thousands watching the live stream.

Speakers included current and former Kakuma Camp refugees such as Pur Biel, who grew up in Kakuma Camp and in 2016 competed at the Summer Olympics as a member of the first-ever Refugee Olympic Team. Supermodel Halima Aden was also a speaker, born and raised in Kakuma Refugee Camp and today the first supermodel to wear a hijab.

“Some of these talks have been viewed up to a million times. We wanted to highlight perspectives from people with their own experience of being on the run. This is crucial to counter prejudice and contribute to important knowledge, which is needed now more than ever,” said Diana Amini, Global Manager at the H&M Foundation.

Photo: TEDxKakumaCamp/Tobin Jones.



“We hope this event will strengthen our belief that empowered refugees can thrive, not just survive.”

– Melissa Fleming, Head of Communications and Chief Spokesperson at UNHCR, that organized TEDxKakumaCamp with support from the H&M Foundation.

EQUALITY STORIES OF CHANGE

Some highlights from our partnerships:

ADDIS ABABA, ETHIOPIA: BREADWINNER SUCCESS

Focusing on women living in the slums of Addis Ababa in Ethiopia, our recently ended Women for Women project with CARE aimed to show that women could significantly improve their lives by becoming entrepreneurs. Through the project, 5,000 women have been reached with basic business training, 665 women-led enterprises received advanced business development support and 50 social businesses were established. CARE also supported these women to set up and run their own savings and loans associations. By the project end the women have increased their income by 500 percent. About 70 percent of the target groups did not have any savings in the beginning of the project, a number which had been reduced to 3.6 percent in 2018.

Seida Adem, 42, who lives in the Kirkos sub-city of Addis Ababa, is one of these women. Since enrolling in the Women for Women project, she has almost doubled her income in one year, and she is finding new ways to improve her baking business. Her growing income has provided her three daughters and her nephew with good education.

“Now I have big plans. In the future, I want to have a bakery with my name: ‘Seida’s Bakery’.”



“Now I have big plans for the future and I want to have my own bakery.”

42-year-old Seida Adem in Addis Ababa, Ethiopia, developed her bread baking business through the Women for Women project, run by CARE and the H&M Foundation. Her growing income has enabled her daughters to attend higher education.

Photo: CARE

EQUALITY STORIES OF CHANGE

GUGULETHU, SOUTH AFRICA: LEAP TO THE FUTURE

21-year-old Amanda was born in the township of Gugulethu in Cape Town, South Africa, where the youth unemployment rate is one of the highest in the world. When her job applications were turned down one after the other, she panicked. A friend told her about the Youth@Work program, run by the Desmond and Leah Tutu Legacy Foundation in partnership with the H&M Foundation. The aim of the program is to increase marginalized young people's employment opportunities by providing them with educational and work experience.

"Getting the call to say that I'd been accepted to the program started a whole new chapter of my life," says Amanda, who quickly gained skills such as budgeting, computer literacy, how to draft and prepare her CV, and public speaking. "My dream is to become a qualified international teacher or a social worker. Both careers deal with social issues and people. I've come to realize that I enjoy being around people, and that I also love working with and helping them."



"My circumstances do not define my destination."

The youth employment program, run by the Desmond and Leah Tutu Legacy Foundation in partnership with the H&M Foundation in the Cape Town area, changed the mindset and self-esteem of 21-year-old Amanda Simbulele Maka.

Photo: Sumaya Hisham.

"I feel proud of what I've achieved, and I know whatever comes my way, I can handle it."

Marian in Northern Sierra Leone was able to overcome challenges to her retailing company thanks to financial and business training, provided by CARE with support from the H&M Foundation.



BOMBALI, SIERRA LEONE: ENTREPRENEUR AGAINST ALL ODDS

47-year-old Marian is from Bombali in Northern Sierra Leone. She had been running a retail business for a number of years before she heard about the Women in Enterprise project, run by CARE and funded by the H&M Foundation. "I was finding it difficult to manage my business until CARE offered me free training in Financial Education and Business Management Training," she recounts.

With her new skills, she was able to evolve her business and make it resilient enough to survive the restrictions following the Ebola outbreak.

Marian's business now supports her children's education. Together with her husband, she has managed to build a house and now owns land in her own name.

By offering other young women in her region mentoring, coaching and goods on credit, she wants them to become independent and serve as role models in her country.

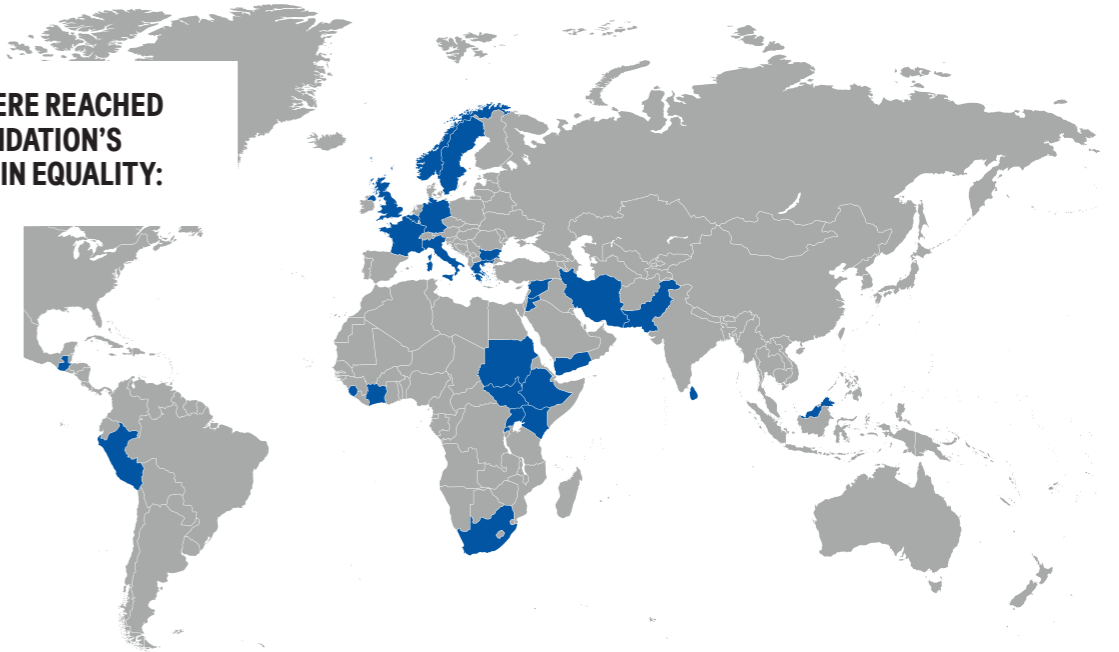
"Women are expected to work hard, but they're not allowed to succeed," she says. "But I was born an entrepreneur and now I am one of the most successful retailers in my region."

Photo: CARE

EQUALITY IMPACT

30 COUNTRIES WERE REACHED BY THE H&M FOUNDATION'S INITIATIVES WITHIN EQUALITY:

- Belgium
- Bulgaria
- Chad
- DR Congo
- Ethiopia
- France
- Germany
- Greece
- Guatemala
- Iran
- Italy
- Ivory Coast
- Jordan
- Kenya
- Malaysia
- Norway
- Pakistan
- Peru
- Rwanda
- Sierra Leone
- Somalia
- South Africa
- South Sudan
- Sudan
- Sri Lanka
- Sweden
- Syria
- Uganda
- United Kingdom
- Yemen



SEK 194 MILLION

(\$21.4 million) have been donated for Equality by the H&M Foundation since 2013.

"Through our cooperation with the H&M Foundation, Kiron is able to support our students on their pathway to university. We are proud to work on exciting digital education initiatives and on projects specifically designed for our female refugee students."

- Laura Marwede, Chief Partnerships Officer, Kiron Open Higher Education.

500 %

- the degree to which the participants increased their incomes through our Women for Women project with CARE in Ethiopia. The recently ended project, focused on female entrepreneurship in the slums of Addis Ababa, has shown great results. At the start of the project in 2015, 70 percent of the 5,000 women reached had no savings. In 2018, that number had been reduced to 3.6 percent.

862,732 PEOPLE

have been reached by the H&M Foundation's initiatives within Equality since 2013.

500,000 REFUGEE CHILDREN

in Africa, Asia, and the Middle East have so far been reached with school supplies in a project run by UNHCR and supported by the H&M Foundation.



PLANET

We work to ensure living conditions
by protecting the planet.

As the world population is growing and more people globally are expected to join the middle class, the demand for already constrained natural resources will increase. All of us need to innovate and co-create to ensure more sustainable production and consumption patterns, to ultimately safeguard the planet for current and future generations. The H&M Foundation calls for game-changing ideas to reinvent the fashion industry.

2018 IMPACT ON PLANET

6,640 entries for making the fashion industry circular and waste-free were submitted to the 2019 edition of the annual innovation challenge Global Change Award, initiated by the H&M Foundation.

182 countries participated in the 2019 Global Change Award.

€1 million (SEK 10.3 million/\$1.2 million) was granted to the five winning innovations, who were also given a one-year accelerator program with the H&M Foundation, Accenture and the KTH Royal Institute of Technology in Stockholm.

A first of its kind recycling facility was opened in Hong Kong, using the award-winning hydrothermal fabric recycling technology that was discovered within an innovative partnership between the H&M Foundation and The Hong Kong Research Institute of Textiles and Apparel.

GLOBAL CHANGE AWARD

With nearly 15,000 entries from 182 countries since 2015, Global Change Award is the go-to competition for circular innovation and has been named the Nobel Prize of fashion.

It is possible to reuse or recycle about 90 percent of the clothing being thrown away today. However, only 15 percent is currently donated or recycled.

Protecting the planet requires a fundamental transformation of the fashion industry, from a linear 'take, make, waste' business model to a circular one, where clothes and resources can be reused and recycled.

To speed up this major shift, the H&M Foundation initiated the annual innovation challenge Global Change Award in 2015, in collaboration with Accenture and the KTH Royal Institute of Technology in Stockholm.

Each year, an international expert panel selects five Global Change Award winners, that share a grant of €1 million and access to a one-year accelerator program to maximize the potential of their innovations.

Previous winners show an incredible range of innovation possibilities, unlocking solutions to some of our biggest challenges. They have invented sustainable textiles from such diverse sources as crop harvests, algae, mushroom roots, citrus waste, and cow manure. They have found new techniques for recycling cotton and polyesters,

and developed digital threads that facilitate the recycling of clothes.

"Winning the Global Change Award opens a lot of significant doors and provides a powerful boost through funding, coaching, access, and validation that you probably can't find elsewhere. If you want to reinvent one of the largest industries in the world, this is the place to go," says Clara Alderin, Project Manager for Global Change Award.

WHO APPLIED IN 2018?

- In 2018, we received 6,640 entries from 182 countries for the fourth annual Global Change Award. The winners are crowned on April 3, 2019.
- Global Change Award attracted a mix of applicants from all over the world that have game-changing ideas on how to shift the fashion industry from its linear approach to a circular one, to protect the planet and our living conditions.
- The top ten countries that the Global Change Award received entries from were India, Nigeria, Pakistan, US, Ghana, Bangladesh, Kenya, UK, Indonesia, and South Africa.



Photo: anders@anderslinden.com.

SAN FRANCISCO, UNITED STATES: A NEW SPIN ON SHOPPING

Imagine walking into a fitting room and having a new pair of jeans spun for your exact body shape. Beth Esponnette, Kevin Martin and Walden Lam at the universities of Stanford and Colorado are closing in on realizing that dream. Not only does their machine spin 3D-measured clothing on-demand, eliminating manufacturing and stock waste, but the process can also be reversed – old garments made with the technology can be put into the machine and converted back to a reusable spool of yarn.

In the second annual Global Change Award, the Unspun team were awarded the Early Bird prize as they were among the first to apply.

What has being an Early Bird winner of the Global Change Award meant to you?

"Winning the Early Bird Award opened up partnership opportunities for us," says Walden. "Forward-thinking brands and manufacturers look among GCA winners for innovative solutions to pilot and implement."

What has been your focus since winning?

"Since the accelerator program last year, we have been working tirelessly on improving our product, supply chain, and customer experience now that we have the technology down. We have been prototyping experience in the form of pop-ups and just recently opened our first permanent store in San Francisco, which doubles as our office."



"We want to showcase what the sustainable future of fashion retail looks like and hopefully inspire others to do the same," says Walden Lam of Unspun – an innovative 3D-spinning technology that won the Early Bird prize in the second annual Global Change Award.

"Innovation and collaboration lead fashion's shift to circularity and a more sustainable future. The Global Change Award's support not only helps to accelerate the success of each individual awardee, but also impacts the progress of the global fashion industry."

– Steven Kolb, President and CEO of The Council of Fashion Designers of America (CFDA) and member of the Global Change Award 2019 Expert Panel.



The dissolvable thread invented by Cédric Vanhoeck and Vanessa COUNAERT makes both repairing and recycling clothes a breeze. In 2018, Cédric and Vanessa were awarded €150,000 and access to a one-year accelerator program in the Global Change Award.

GENT, BELGIUM: SMART STITCH

Zippers and buttons make garment recycling complicated, costly, and time consuming. Cédric Vanhoeck and Vanessa COUNAERT from Belgium found a solution to this problem, by supplying a thread that simply dissolves at a high temperature. When used for regular seams, the whole piece of clothing can easily be disassembled so that the fabric can be used over and over in new ways, cutting the need to produce fabric from scratch.

In 2018, the innovation was awarded €150,000 in the H&M Foundation's Global Change Award.

"The recognition has given us wings to accelerate the development. Being part of the Global Change Award community was a major opportunity to expand our network globally and tend to a maximum impact. Thanks to this award, we also obtained additional means to evolve our first working prototype and test this enhanced version in real context," says Cédric Vanhoeck."

Photo: anders@anderslinden.com.



RECYCLING REVOLUTION

In 2017, a groundbreaking recycling process was discovered in the partnership between the H&M Foundation and The Hong Kong Research Institute of Textiles and Apparel. A year later, the innovation was put into practice, inviting the industry and stakeholders worldwide to use it.

When the H&M Foundation joined forces with the The Hong Kong Research Institute of Textiles and Apparel (HKRITA) in 2016 to accelerate research on textile recycling, no one dared to believe that a breakthrough would be reached just one year ahead. However, in September 2017, HKRITA presented a revolutionary hydrothermal method for recycling cotton and polyester blends – one of the most common, yet unrecyclable, textile blends in the world.

One year later, a new pre-industrial size facility that scales this technology was opened in Hong Kong, inviting fashion brands and stakeholders worldwide to see and test the technology within their own operations. As a non-profit the H&M Foundation works to drive change for the global fashion industry, which is why HKRITA will license

the results widely to make it available to all, which enables a bigger impact.

“This is a significant step toward a new fashion industry that operates within the planetary boundaries. As we scale up and make this technology freely available to the industry, we will reduce the dependence on limited natural resources to dress a growing global population,” says Erik Bang, Innovation Lead at the H&M Foundation.

In addition, a miniaturized Garment-To-Garment Recycling System and recycled garment shop opened, where customers can bring their unwanted clothes and watch the container-sized system recycle their garments to make new fashion finds.

“Seeing is believing, and when customers see with their own eyes what a valuable resource garments at end of life can be, they can also

believe in recycling and recognize the difference their actions can make,” says Erik Bang.

The H&M Foundation is projected to invest 5.8 million euro with HKRITA over four years. The investment is made possible by the surplus from the H&M group’s in-store garment collecting programs, which is donated to the H&M Foundation. The H&M Foundation allocates 50 percent of the total surplus to research on textile recycling, and the other 50 percent to projects focusing on equality and inclusion of marginalized groups.

“After successfully developing revolutionary recycling technologies, we have devoted sustained effort to put them into practice. They not only revitalize a decades-old major industry, but also do it most sustainably for the benefit of our community and as a responsible global citizen,” says Edwin Keh, Chief Executive Officer of HKRITA.

Photo: HKRITA



“This is a breakthrough for the whole fashion industry. These very encouraging findings on the separation and recycling of textile blends has the potential to change the game.”

– Karl-Johan Persson, board member of the H&M Foundation and CEO of H & M Hennes & Mauritz AB.

Photos: HKRITA and H&M





EMERGENCY RELIEF

JANUARY 2018: TROPICAL STORM IN THE PHILIPPINES

After the tropical storm Tembin struck the island of Mindanao in the Philippines, 20 million people were left without a home. Tembin left a trail of destruction, displacing tens of thousands and damaging houses and livelihoods. The affected communities are among the poorest and most marginalized in the Philippines, and many people lost everything. In response to this, the H&M Foundation donated \$100,000 to the Philippines' Red Cross. The donation contributed to meeting the immediate humanitarian needs of 20,000 people by ensuring immediate access to essential items and services. These included water, sanitation, shelter, health care, psychosocial support, and protection.

MAY 2018: REFUGEE CRISIS IN BANGLADESH AND MYANMAR

The situation in Myanmar and Bangladesh is a humanitarian disaster of historic proportion. Hundreds of thousands have fled the Rakhine state in Myanmar to the refugee camp in Cox's Bazar, Bangladesh. The H&M Foundation supported the refugee crisis in Bangladesh and Myanmar in September 2017 and, in response to the continually urgent situation, made a second donation in 2018 of \$100,000 to the Red Cross in Bangladesh and \$100,000 to the Red Cross in Myanmar, reaching a total of 223,700 people. The funds are primarily focused on hygiene, sanitation, and access to clean water, but are also used for training volunteers in first aid and setting up safe spaces for children.

AUGUST 2018: FLOODS IN INDIA

In August, the southern Indian state of Kerala was affected by one of the worst natural disasters in nearly a century. Heavy monsoon rains left the state devastated, with landslides and flash floods killing nearly 500 people. Over 21 million people were affected by the floods, including 7 million children, and 1 million people were displaced from their homes. In response to this, the H&M Foundation donated \$100,000 to Save the Children, focusing on both immediate relief and long-term rehabilitation. The initial goal is to rebuild the lives of 8,000 families, and to safeguard the access to education for 2,500 children.

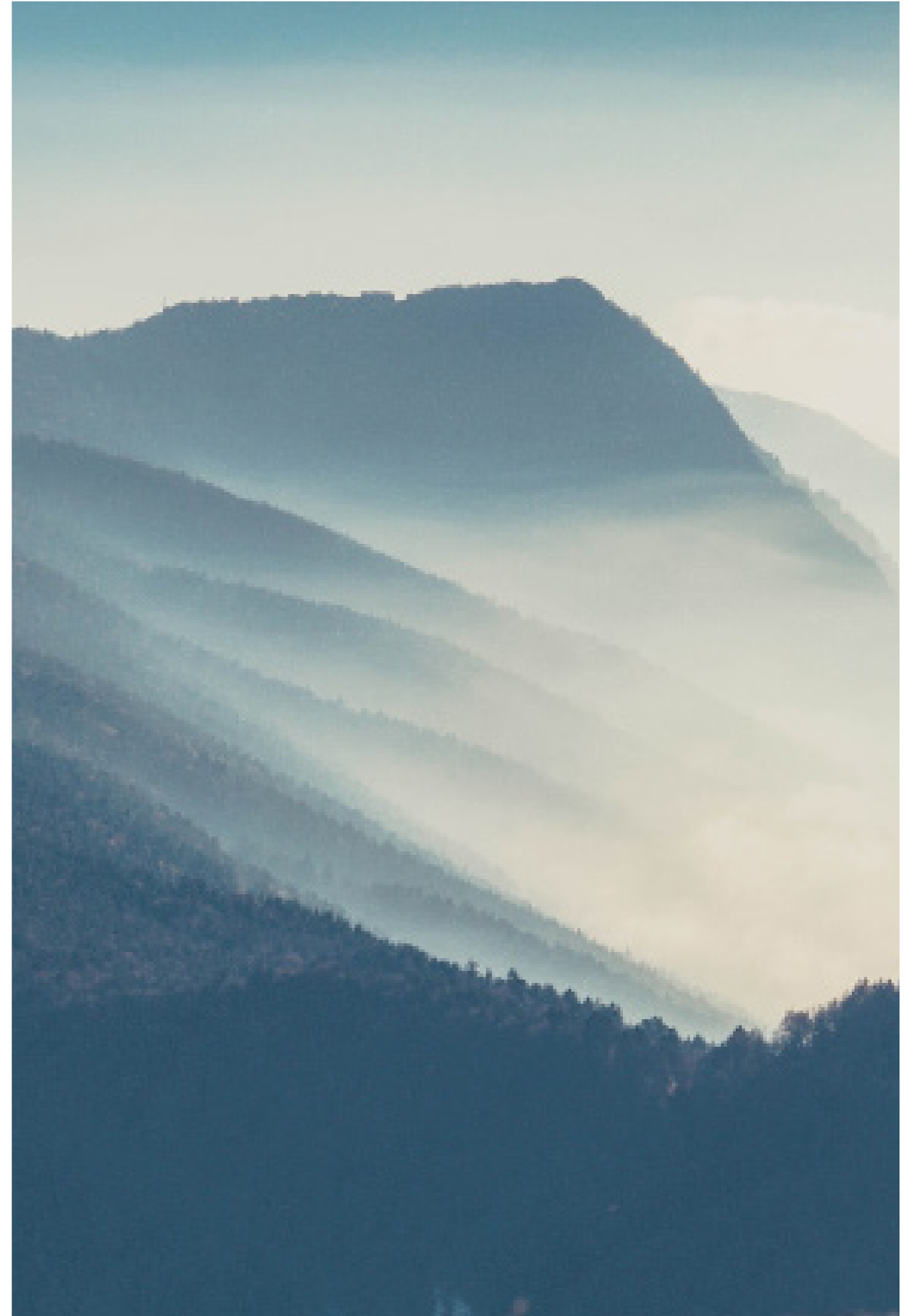
SEPTEMBER 2018: TSUNAMI IN INDONESIA

In September, a major earthquake struck Sulawesi Island, Indonesia, generating a tsunami that hit coastal areas. As a result, more than 1,400 people were killed, 2,500 were injured, and more than 70,000 were displaced. Thousands of homes as well as commercial centers, public buildings, roads, and bridges were damaged and, in some areas, flattened. In response to this, the H&M Foundation donated \$100,000 to the Red Cross. The donation contributes to providing 80,000 women, men, and children with immediate access to shelter as well as repairing damaged houses, providing food, safe water, and sanitation, protecting vulnerable populations as well as disaster risk reduction and community resilience building.

In addition to catalyzing positive change within our focus areas, the H&M Foundation provides support to affected people in large scale disasters. Since 2013, the H&M Foundation has donated \$2.7 million in emergency relief (SEK 22.2 million/€2.2 million).

All emergency relief donations are made in US dollars.

Photo: Antony Belmain/Australian Red Cross.



H&M FOUNDATION

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