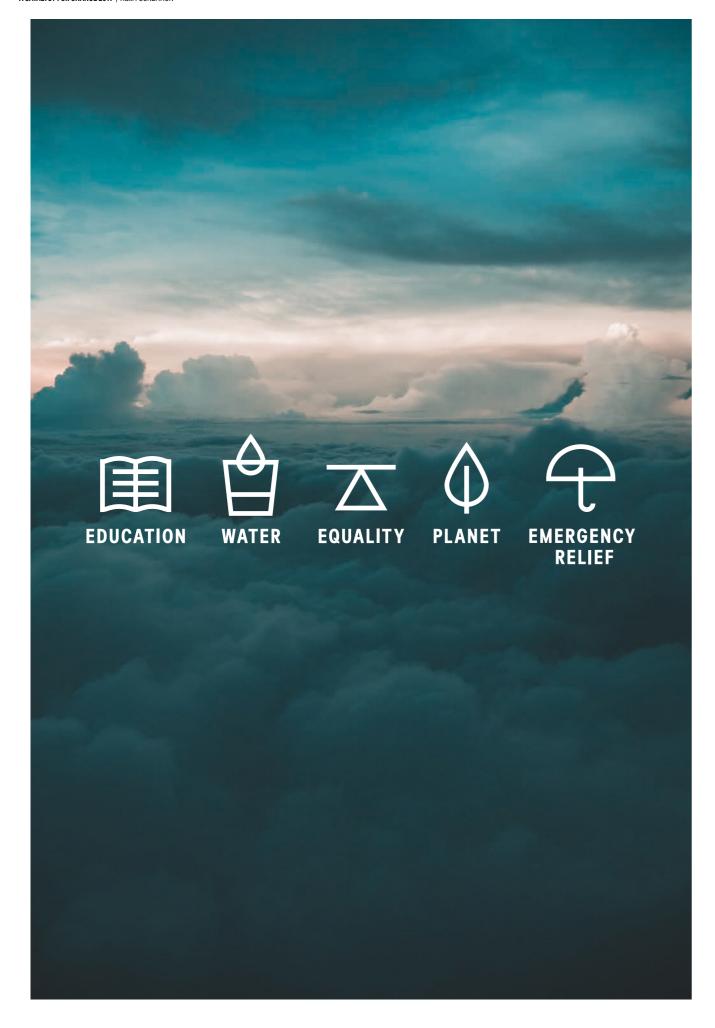
HM FOUNDATION

2019



The world is an incredible place. In many ways, it's getting better every day. However, it also has its challenges.

As a non-profit global foundation, we want to be a catalyst for positive change. We want to challenge the comfortable, and look outside the box to find new solutions. We challenge our partners to think innovatively, to be courageous, and try new methods to make a long-lasting impact.

The H&M Foundation is privately funded by the Stefan Persson family, founders and main owners of the H&M group. Since 2013, the Stefan Persson family has donated 1.5 billion Swedish krona (\$200 million) to the H&M Foundation.

Our reason for being is to improve the living conditions for people around the world. Our long-term vision is to accelerate the progress needed to reach the UN Sustainable Development Goals for 2030.

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. Our work is focused on Education, Water, Equality, and the Planet. In addition to this, we can also provide emergency relief.

Since starting in 2013, the H&M Foundation has reached millions of people across the world to create a better future. 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.

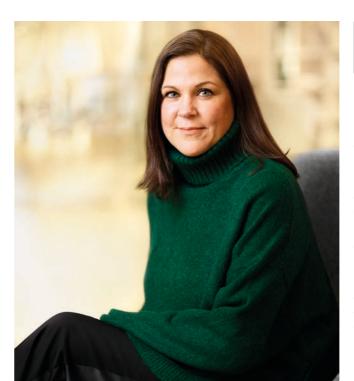
The H&M Foundation is an independent legal entity, operating beyond the H&M group's value chain with its own team, strategy, and board. This report covers the work of the H&M Foundation from January 1, 2019 to December 31, 2019.

Learn more at hmfoundation.com.

Follow us on LinkedIn, Facebook, and Instagram @hmfoundation

The currencies in this report are calculated based on the exchange rate on November 30, 2019.

2 H&M FOUNDATION | A CATALYST FOR CHANGE 2019 | H&M FOUNDATION 3



Global Manager, H&M Foundation

CO-CREATION IS KEY

n 2019, we have taken the time to reflect on what we have accomplished since the H&M Foundation was founded six years ago. Working with such a multitude of partners, countries, and projects has given us a deeper understanding of how positive change can be achieved. We have also taken an honest look in the mirror to reflect on our own role as a foundation.

Our conclusion is that, as a small and flexible foundation sprung from a core entrepreneurial spirit, we should now commit fully to the role as a catalyst, building ecosystems of different stakeholders and sectors around mutual

Going forward, we will raise the bar and work in more holistic partnerships. In our social programs, we are currently piloting a new method called the Collective Impact Approach. Each program will be centered around marginalized women. After conducting an initial assessment with them to identify needs, we will seek to engage cross-sectoral partners with different perspectives to co-create the program. These partners can be as diverse as universities, local governmental operators, social entrepreneurs, or other NGOs. Their individual strengths, experiences, and resources are then channeled into a mutual goal.

In our annual innovation challenge Global Change Award, we have already seen the power of creative ecosystems - bringing different operators, innovators, and partners together for a united vision of a circular fashion industry. As the climate crisis is becoming more evident every day, we are looking at how we can contribute to even greater positive change in our focus area Planet.

As always, we keep our strong belief in making everything we do, learn, and create available to all, since our goals reach far beyond owning programs,

Working in integrated eco-systems will not be an easy task. It will demand more risk-taking, more engagement, and more perseverance from us as a donor. However, as the deadline for the UN Sustainable Development Goals is quickly approaching, deepening and widening partnerships that combine different perspectives, sectors, and kinds of knowledge is crucial.

s a family, we have always felt that we have a responsibility, an opportunity, and a strong will to contribute to posi-Live change also beyond the company sphere. These are values that we both grew up with that were passed along from our father and grandfather Erling Persson. His strength was an entrepreneurial spirit with the courage to find new solutions and his ability to bring together the right people to achieve the goals. This is a core principle of the H&M Foundation as well, where challenges are constantly changing and, therefore, must be approached in new ways. By supporting innovation, we aim to speed up the change that needs to happen to reach the UN Sustainable Development Goals by 2030. Whether it's a new perspective, a new way of working, or a new type of technology, we're always looking for solutions that can be replicated or scaled.

The H&M Foundation drives positive change within the focus areas of Education, Water, Equality, and the Planet, and has a unique position and opportunity to find, validate, and strengthen early stage ideas and organizations that want to be part of the solution. But above all, it's about working in an agile and open-minded way and believing in people; their power and involvement is crucial for finding the best solutions and achieving a real impact. Collaborating across thoughts, borders, and sectors with skilled partners is the only way to build sustainable progress. Incredible things can happen when we work together and build eco-systems with different perspectives but with the same values and desire to reach the goals.

For six years, we have seen how the H&M Foundation and its partners around the world have catalyzed positive change for 7.7 million people. Thousands of women have received support in order to start their own enterprises and have been able to lift their families out of poverty, vulnerable children have gained access to the care and stimulation they need to grow and develop, and communities, schools and health centers

now have clean water and functioning toilets. We have also seen how tremendous innovations have been supported to create fashion within the planetary boundaries. All these programs have created real change in people's daily lives, but in addition to that also inspired and built a lot of pride and motivation among our employees.

This is a long-term commitment from our family and the H&M Foundation will continue to raise awareness and bring about action for people, communities, and the planet going forward. Always with the guiding principles in mind: Impact, Innovation, and Involvement.

Karl-Johan Persson Board member, H&M Foundation,

CEO. H & M Hennes & Mauritz AB.

Stefan Persson Chairman of H & M Hennes & Mauritz AB.

ONE WORLD, ONE MISSION

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 end 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 2019, the H&M Foundation has been supporting 27 initiatives in 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
- · 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
- · Clean water and sanitation in Bangladesh, with WaterAid



- · Global Program for Equality, 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
- Integrating refugee children in Sweden, with the Swedish Red Cross
- Employment and education for young homeless people in the UK, with five charities
- · Pilot for a new strategy of working in ecosystems, with organizations in India
- · Building communities and cupporting action on Agenda 2030, with UN Foundation



- Annual innovation challenge Global Change Award, with Accenture and the KTH Royal Institute of Technology
- Supporting past winners in Global Change Award Alumni
- Recycling Revolution, with The Hong Kong Research Institute of Textile and Apparel
- Raising awareness to empower a circular green economy, with Environmental Media Association



6 H&M FOUNDATION | A CATALYST FOR CHANGE 2019 | H&M FOUNDATION 7

HIGHLIGHTS FROM 2019

During 2019, the H&M Foundation has supported projects in 40 countries to improve Education, Water, Equality, and the Planet. These are some highlights from the year:



SUMMONING **GAME-CHANGERS FOR A**

At the end of May, our partner Environmental Media Association arranged the EMA IMPACT Summit in Los Angeles. The H&M Foundation was on stage together with H&M USA to inspire and encourage the shift toward a circular fashion industry through sustainable



innovations.

SPEAKING UP FOR CHILDREN

WITH DISABILITIES

At the United Nations General Assembly week in New York, the H&M Foundation's Global Manager Diana Amini advocated inclusive health for children with disabilities.



RECORD-BREAKING SCHOOL ATTENDANCE

A program to reduce children's health barriers so that they can focus on learning in Harlem, New York, has been a great success. Attendance at the school has reached record numbers, and the initiative can be replicated by other schools.



FROM IDEA TO REALITY

In April, H&M Conscious Exclusive launched a collection that featured the previous Global Change Award winner Orange Fiber - a sustainable, silk-like fabric made from citrus juice by-products.

MICROFINANCING IN PERU

Through the partnership with CARE, 3,500 women entrepreneurs in Peru received financial education, and five women from five associations have successfully accessed credit from the bank backed by a guarantee fund. CARE continues to introduce women entrepreneurs to a range of microfinance providers in Peru.



RAISING FUNDS FOR **HOMELESS YOUTH**

Our partner Centrepoint is part of the UK-wide movement End Youth Homelessness, raising funds to help homeless young people onto a path of independence. As part of the campaign, stunning posters and photos by artist Camille Walala were posted on buildings and billboards all over the United Kingdom in October

CELEBRATING IDEAS FOR CIRCULARITY

In April, the winners of our annual innovation challenge Global Change Award were crowned at the award ceremony in Stockholm. Furthermore, hundreds of international professionals in the field of circular fashion took part in the Global Change Award Summit, which focused on key trends, innovations, and challenges in the field.



FIGHTING **DISCRIMINATION IN CHINA**

The H&M Foundation and Save the Children arranged a learning group for the parents of children with disabilities in Wuhou, China. The parents recruited others, and the group will now continue with government funding.



MILESTONE TOWARD **CLEAN WATER**

Thanks to our global program for clean water with WaterAid, the Public Health and Engineering Department of Pakistan has committed to scaling up some of our methods throughout the district of Thatta.



The groundbreaking textile recycling method that was discovered in our partnership with HKRITA will be used in a full-scale facility with a strategic industrial partner. It will be up and running by summer 2020.



With support from the H&M Foundation, CARE has worked with Al Amal Bank to offer loans to women entrepreneurs in conflict-ridden Yemen. Other women will receive coaching on how to improve their business plans and product marketing.



SPRINGS TO LIFE

In the remote district of Gololcha in Ethiopia, WaterAid and the H&M Foundation has successfully brought water to the local community by connecting three additional springs to the existing network. Thanks to this, clean water will directly impact the health and livelihoods of a very vulnerable population.



COMBATING CHILD LABOR

The H&M Foundation supported a UNICEF pilot on child labor in Myanmar, which is now integrated into the National Action Plan on Elimination of Child Labor. An expected 250,000 children in seven states will benefit from the case management system.



Education is one of the most powerful tools we have to improve health and economic growth, and to unlock the potential to build a more sustainable society for us all. If we are to break the cycle of poverty, tackle climate change, and achieve gender equality, no one can be left without the opportunity to learn and grow.

2019 IMPACT ON EDUCATION

616,652 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 towards quality education for all children.

9 projects within education were supported by the H&M Foundation in 2019.

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

SEK 41 million (\$4.3 million) was donated in total in 2019 by the H&M Foundation to support quality education worldwide.

A CATALYST FOR CHANGE 2019 | H&M FOUNDATION | A CATALYST FOR CHANGE 2019

OURFUTURE

In recent years, remarkable progress has been made globally in school inclusion and early childhood development. The H&M Foundation continues to push new frontiers in the crucial area of education.

n January 24, the United Nations
General Assembly proclaimed the firstever International Day of Education to
celebrate the role of education for
peace and development. Addressing the UN
Sustainable Development Goal 4 of Quality
education, Stefania Giannini, Assistant-DirectorGeneral for Education at UNESCO said:

"How we implement the global education goal will determine the success or failure of the entire push to end poverty, generate inclusive growth, strengthen peace and protect the planet."

Since 2014, the H&M Foundation has worked with multiple partners across the globe to overcome barriers for education and support children in vulnerable settings.

In our Global Program for Education with UNICEF, we have contributed to putting early childhood development and care to the global agenda and supported successful programs in some of the world's poorest communities.

Neuroscientists know more today than ever before about how the brains of young children

develop, and the crucial importance of love and protection, nutritious food, interaction through play, and early learning for future development and growth.

"The H&M Foundation came into the field of early childhood development at a time when nobody was talking about it," says Pia Rebello Britto, Chief and Senior Advisor on Early Childhood Development at UNICEF. "But they were bold, they agreed to take a risk and they weren't looking to invest in a ready-made recipe. Now we are really seeing a political recognition of the importance of young children, what it means to build human capital and break these cycles of intergenerational poverty and inequalities."

Pia Rebello Britto says that this historical change is visible at local, national, and international levels. For example, for the first time in history, we now have a global metric that can be used at a population level to measure how children are doing cognitively at the age of five. This enables the global community to track the developments toward our common goals. ▶

Communication and awareness-raising has also been crucial to the developments made during the recent years. One successful communication example is the UNICEF campaign Early Moments Matter, that was funded by the H&M Foundation. The campaign started with a global report that was launched at the UN General Assembly in 2017, outlining the importance of early childhood development and care. Today, the campaign has reached 144 countries.

On a local level, Pia Rebello Britto highlights the Mama Yeleen initiative in Mali – a low-resource country with one of the highest newborn death rates in the world.

"Mali is plagued by malnutrition, climate change, food crises, violence and conflict," says Rebello Britto. "Through the support of the H&M Foundation, we were able to establish a program that puts female community leaders in the forefront of early childhood development. It's really amazing to see this program scaling up in communities, and to see how it's also addressing other issues such as female genital mutilation and child marriage. We work with many organizations, and I want to give full credit to the H&M Foundation for their boldness and willingness to explore promising programs and practices with us."

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 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.

SUSTAINABLE DEVELOPMENT THROUGH EDUCATION

United Nations Sustainable Development Goals that our work for Education contributes to:

















NEW YORK:

THE FORGOTTEN BILLION

Fifteen percent of the world's population live with disabilities, and many of these are children. In a three-year program, the H&M Foundation and UNICEF aim to scale up existing UNICEF early childhood development programs in Bulgaria, Peru, and Uganda to make them more accessible and tailored to the needs of children with disabilities and their families. The initiative will reach 9,000 young children with disabilities, as well as 20,000 family members and caregivers.

Diana Amini, Global Manager at the H&M Foundation, spoke about the program at the United Nations General Assembly week in New York in September, where representatives from public health departments, NGOs, academic institutions, the United Nations and Special Olympics were gathered.

"Children with disabilities are often marginalized and excluded when new efforts and structures are planned and implemented," she says. "Through the UNICEF programmes in Peru, Bulgaria, and Uganda, we chart these children's strengths and challenges, and how they can be supported by caretakers, schools and health facilities. We hope this initiative inspires the private sector to invest in children's early years – helping them reach their full health, happiness, wellbeing and learning ability."



"We have been working holistically to chart the strengths and challenges of children with disabilities, and how they can be supported."

- Diana Amini, Global Manager at the H&M Foundation, spoke at a UNICEF event during the United Nations General Assembly week in New York, highlighting the need for the inclusion of children with disabilities.

EDUCATION

STORIES OF CHANGE

IQUITOS. PERU:

DEVELOPMENT BEYOND DISABILITIES

In the remote city of Iquitos, deep in the Peruvian Amazon, lies the house of Rusbel Careajano and Linda Flores. One and a half years ago, they had their third child Valery, who was diagnosed with Down Syndrome at birth.

Having no experience or knowledge of Down syndrome, Rusbel and Linda started attending a centre supported by UNICEF and the H&M Foundation, that focuses on early childhood development for young children with disabilities.

"I have seen a lot of progress in my daughter. When we arrived there, she couldn't sit up," says Linda, and Rusbel fills in:

"Walking, clapping, shaking hands... listening to you, calling you, kissing you, all of that she learned at the center," he says.

The parents want to raise Valery so that she can live an independent life.

"That's what I want for Valery", says Linda. "That she can take part in society, with a desire for a full life, not only as a girl with Down syndrome."



1.5-year old Valery in Peru was diagnosed with Down Syndrome at birth. Thanks to the H&M Foundation-supported center for early childhood development, run by UNICEF, her parents now have great hopes for her future.

BUCHAREST. ROMANIA:

OPENING THE PATH TO LEARN

In Romania, poverty combined with the lack of literacy among parents hinder tens of thousands of children from ever going to school. In 2014, the H&M Foundation and Save the Children joined forces to improve the situation for marginalized children in Romania.

Brothers Mihai, 6, and Ionut, 5, live in one of the poorest neighborhoods in Bucharest. In the summer of 2019, the two boys were registered in the Summer Kindergarten program carried out by Save the Children with support from the H&M Foundation. The first days were extremely difficult, since the brothers had little previous social connections and didn't know how to communicate with other people except for their closest relatives.

Now, both brothers have made friends and they overcame the communication barrier that they faced at the beginning of the summer. Starting this fall, Mihai was registered in the preparatory class in a local school, while lonut attended the nearby kindergarten.

"We would stay at home all day and I would watch children going by with their backpacks," Mihai remembers. "I am happy to be in school now, and not at home."

EDUCATION IN NUMBERS

SEK 281 MILLION

(\$29 million) has been donated by the H&M Foundation since 2013 to projects for education.

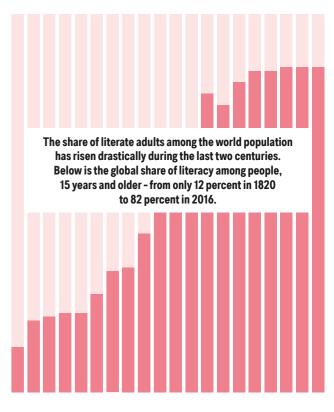
IN 2019, 14 COUNTRIES WERE **REACHED BY THE H&M FOUNDA-TION'S EDUCATION INITIATIVES:**



Bangladesh Myanmar Bulgaria Peru Romania Colombia Timor-Leste Uganda **United States** Indonesia Vietnam

China

Egypt



1,497,828 PEOPLE

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

"The H&M Foundation were bold, they agreed to take a risk and they weren't looking to invest in a ready-made recipe."

- Pia Rebello Britto, Chief and Senior Advisor on Early Childhood Development at UNICEF, who partnered with the H&M Foundation for six years in a Global Program for early childhood education and care.

1,365,000 PEOPLE

were engaged via UNICEF Bulgaria's channels during the parenting month in June 2019, with communications activities on parenting, family-friendly policies, and reducing the stigmas and social barriers regarding children with disabilities.

"I realized that not only do I need to support the development of my child, but also work on my own development as a parent and as a human."

- A mother who participated in the workshop for parents of children with disabilities, initiated by UNICEF in Bulgaria with support from the H&M Foundation.



According to the latest figures from the OECD, two out of every three children globally participate in organized learning one year before the official primary entry age. Such learning is linked to fostering children's readiness for school and their future learning experience.

"We used to stay home and watch children go by

from the H&M Foundation. Now, Mihai attends the local school and is supported with supplies and homework assistance

with their backpacks. I'm happy to be in school now."

- Mihai, aged 6 (far left below), and his brother were registered at the Summer Kindergarten run by Save the Children with support



Fresh water is essential for all aspects of life, and water resources are key to sustainable development in health, education, work, equality, and environmental protection. By managing water sustainability, we also contribute to economic growth. In the past decade, great progress has been made, whereby over 90 percent of the world's population now has access to improved sources of drinking water. Still, billions of people lack these basic rights, resulting in thousands of deaths due to preventable, water-related diseases every day. Clearly, a lot of work is yet to be done.

2019 IMPACT ON WATER

972,318 million people were reached by the H&M Foundation's initiatives for clean water, sanitation, and hygiene.

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

5 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 and sanitation.

SEK 23 million (\$2.4 million) was donated in total in 2019 by the H&M Foundation to support worldwide access to clean water and sanitation.

A CATALYST FOR CHANGE 2019 | H&M FOUNDATION | A CATALYST FOR CHANGE 2019

Water, sanitation, and hygiene practices are crucial to building sustainable societies. In our Global Program with WaterAid, the H&M Foundation has found that holistic methods make the most impact.

ater is our most precious resource, and clean drinking water as well as adequate sanitation and hygiene are fundamental to a society's health and well-being, to ending hunger and improving

Water and sanitation is also crucial to equality, as the burden of retrieving water from distant sources is often borne by the women and girls of poor households.

Moreover, improving access to water, sanitation and hygiene in schools enhances school attendance and educational opportunities – especially for girls and young women with the need to manage their menstrual hygiene.

In 2014, the H&M Foundation set up an ambitious Global Program in partnership with the non-profit organization WaterAid, aiming to build sustainable, structural solutions to the water challenges in some of the world's poorest communities.

"The success of our partnership has come from making sure that not only households but

also schools, health facilities and other institutions got access to water, sanitation, and hygiene practices," says Cecilia Martinsen-Chatterjee, Chief Executive of WaterAid Sweden.

During these years, WaterAid and the H&M Foundation have worked together with district authorities and the civil society in vulnerable communities to ensure that important changes have been implemented and made sustainable.

"Unlike many other stakeholders, the H&M Foundation realized the potential and importance of not only drilling wells, but looking at the challenges of a whole district or village, asking what sustainable systems were needed to build a healthy community," says Cecilia Martinsen-Chatterjee. "We have learnt so much in this partnership, and we have been able to share learnings and best practices far beyond our own organization and the water sector."

Climate change is already a reality, with water-related natural disasters like flooding and groundwater levels dropping – especially in vulnerable areas. ▶

"We often talk of climate change as something new, but the communities in many countries in Africa and Asia have been facing climate change for a very long time," says Cecilia Martinsen-Chatterjee. "In these communities, investments that are made can be wasted quickly if the water systems are not made durable," she says, adding that water-related diseases like cholera easily increase in flooded areas.

Cecilia Martinsen-Chatterjee sees herself as an optimistic realist with regards to global progress in the area of water, sanitation, and hygiene.

"More and more stakeholders and sectors

understand the need to work collaboratively and there is a will to contribute to positive change, but the progress is too slow," she says. "If we are to achieve the United Nations Sustainable Development Goals by 2030, we need more cooperation between more stakeholders, working holistically and horizontally. It's a more complex way of working, but through our successful partnership with the H&M Foundation we have proven that it also has more impact."

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 hydiena.

SUSTAINABLE DEVELOPMENT THROUGH WATER

United Nations Sustainable Development Goals that our work for Water contributes to:















ECONOMIC GROW

ADVOCATING FOR CLEAN WATER THROUGH ART

In 2018, with support from the H&M Foundation, WaterAid commissioned the acclaimed Ethiopian artist and photographer Aida Muluneh to create a series of 12 works about the lack of access to clean water.

In April 2019, the large-scale images, shot in Ethiopia, were displayed in the exhibition *Water Life* at the David Krut Gallery in New York, and one of the photographs was featured on the cover of *Washington Post Magazine*. In the fall of 2019, the exhibition reached Somerset House in London.

"Access to water in rural regions in Africa is an urgent social issue as well as an essential determining factor in the self-sustainability of a community", said Aida Muluneh. "I wanted to utilize my art for a sense of purpose, outside of just hanging my work in galleries and museums. My focus in this project was to address these topics without the clichés that we see in mainstream media. In a sense, to advocate through art."



"I wanted to utilize my art for a sense of purpose."

The above image is photographed on the salt lakes of Dallol in northern Ethiopia. Artist Aida Muluneh wanted to show the paradox that Ethiopia has huge water reserves underground and yet many people still do not have access to clean water.

STORIES OF CHANGE

WATER IN NUMBERS

RATANAK KIRI. CAMBODIA:

BREAKING THE TABOO

The Ratanak Kiri region is one of the least developed regions in Cambodia. Here, girls often miss school during their periods due to a lack of hygiene services, and they suffer from stigmatizing attitudes toward menstruation. Regularly missing school results in girls having a hard time keeping up, and they often quit school several years earlier than their male peers.

With support from the H&M Foundation, the organization PLAN International has targeted ten primary schools to work with these issues.

Two years of work in the region has had significant results. Menstruation is no longer a taboo topic for the ethnic minority communities in the north eastern region of Cambodia.

One of the teachers, 25-year old Pon Samnang, received training through the program and has now become a focal person for the work with menstrual hygiene at her school.

"Before the promotion activities, the girl students were absent from school or came to school late during their period", Pon Samnang recounts. "Now they are not."



Teacher Pon Samnang has been trained to educate her students on menstrual hygine and break taboos. The students are no longer absent from school during their period. "The girls also help raise awareness among their family and friends," she says.

"Our partnership with the H&M Foundation has radically increased the possibilities of thousands of Cambodian girls to stay in school and create a strong foundation for themselves, as well as for future generations."

- Mariann Eriksson, National Director at PLAN International Sweden, whom the H&M Foundation has supported in the remote province Ratanakiri in northern Cambodia. The program has reached 36,000 people with sustainable access to clean water, sanitation, and hygiene. In the second phase of the program, the focus on girls has increased, changing norms and breaking taboos surrounding menstruation.

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



Bangladesh Cambodia Pakistan Uganda

The share of the global population using safely managed sanitation services has improved during the 2000s, from 28 percent in 2000 to 45 percent in 2017.

5,168,966

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

"My husband doesn't always boil our drinking water. I will teach him what I learned today."

28-year old Gishu Jafar in Jara, Ethiopia, took the message home from a theater play on hygiene behaviors, run by WaterAid



JARA. ETHIOPIA:

LIFE-SAVING LESSONS **THROUGH DRAMA**

When she was doing her weekly shopping in the bustling marketplace of Jara town in Oromia, Ethiopia, 28-year old Gishu Jafar got a surprise. During three days in March, the "Iftu Milki" art club, run by WaterAid with support from the H&M Foundation, performed short theater plays to demonstrate hygiene behaviors such as handwashing with soap, the importance of using a clean latrine and hygienic food preparation.

An estimated 2,800 people have already been reached by the hygiene messages, including Gishu's entire family.

"The drama has lessons on how we can keep our family hygienic. Besides personal and family hygiene, I also learned how I could protect the hygiene of my environment," says Gishu Jafar. "My husband does not always have the patience to boil our drinking water, so I will go home and teach him what I learned today."

Gishu says she will take the lessons she has learned back to her community and teach others about the importance of good hygiene behavior in the household.

"This will definitely change my daily life."

ISE INVESTME

Estimates suggest that every US dollar invested in clean water, sanitation, and hygiene yields 5 US dollars in return, considering all social and economic benefits such as ending preventable deaths from diarrhea and other water-related diseases, and improving nutrition, health service delivery, social well-being, and economic productivity.

"The public toilets that were built with support from the H&M Foundation has changed the lives of millions of people in Dhaka. But the most important result is putting sanitation at the top of the political agenda in many cities, with local authorities committing to building an additional 200 public toilets after the same model." - Cecilia Martinsen-Chatterjee, Chief Executive of WaterAid Sweden, on the successful Project Sunrise in the slums of Dhaka, Bangladesh, supported by the H&M Foundation.

SEK 198 MILLION

(\$20.1 million) has been donated by the H&M Foundation since 2013 to projects for water.



1 in 3 people globally do not have access to safe drinking water, according to UNICEF and the WHO.

20 H&M FOUNDATION | A CATALYST FOR CHANGE 2019

A CATALYST FOR CHANGE 2019 | H&M FOUNDATION 21



Global inequality based on factors such as income, sex, disability, race, or ethnicity affects us all, no matter who we are or where we are from.

Greater efforts are needed for health, education, social protection, and decent jobs especially for women, young people, migrants, and other vulnerable groups. If people are excluded from opportunities and services, we cannot make the planet better for all.

2019 IMPACT ON EQUALITY

111,180 marginalized people were empowered in the struggle toward equal societies.

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

9 projects for equality were supported by the H&M Foundation in 2019.

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

SEK 51.7 million (\$5.4 million) were donated in total in 2019 by the H&M Foundation to promote equal opportunities globally.

By unlocking the power of female entrepreneurship and strengthening marginalized groups, the H&M Foundation has proven that inclusion and empowerment are investments that pay off for whole societies.

> ver a decade ago, then UN Secretary-General Ban Ki Moon stressed that the empowerment of women is a fundamental condition if we are to make progress toward the goals for which the United Nations was created.

Still, inequalities continue to persist around the world.

"There is still a tremendous amount of work to do," says Reintje van Haeringen, CEO of the non-profit poverty-fighting organization CARE. "But through our Global Program with the H&M Foundation, we have seen on a community level that change is actually possible."

In 2014, the H&M Foundation and CARE set up an ambitious partnership for empowering hundreds of thousands of women economically, helping them to start, develop, and grow their own enterprises. In seven developing countries worldwide, women have been equipped with skills training, tools, and surrounding support structures to grow both in their business as well as in their confidence.

"In the program, we have seen that once the women become successful, they invest most of their increased income in the education of children and taking care of their community," says Reintje van Haeringen. "I had expected them to want to compete with each other, but instead they organized in groups and often started saving collectively. We saw first hand that when women thrive, they take their whole community with them. By joining together they can also collectively advocate for their rights and needs, and we see this happening across the globe."

In the second three-year phase of the Global Program, the H&M Foundation and CARE were able to build a deeper understanding of what women's economic empowerment means and what favors it.

"We were able to identify the mechanisms and processes that enable this to be scaled up, and build a business case for banks and other institutions to invest in," says Reintje van Haeringen.

Aside from the obvious interventions, such as developing and strengthening skills through ▶

training and improving access to finance and capital, CARE and the H&M Foundation have identified other important elements such as engaging men and boys in women's economic empowerment. This has enabled women to grow as entrepreneurs by challenging attitudes and behaviors related to entrenched social norms.

"This partnership has been such a great journey. The entrepreneurial mindset of the H&M Foundation is unique - it allowed us to be flexible, take risks and adjust our thinking from the learnings we gained along the way."

The empowerment of women is one crucial step towards a more prosperous and fair world, but if we are to reach the UN 2030 Agenda we cannot leave any marginalized groups behind. Aside from gender, people around the world are still being shut out from possibilities based on factors such as ethnicity and disability.

To address this, the H&M Foundation has initiated a number of projects for integration and inclusion around the world, such as protecting migrant children, supporting homeless or vulnerable youth, and enabling integration and education for refugees.

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.

SUSTAINABLE DEVELOPMENT THROUGH EQUALITY

United Nations Sustainable Development Goals that our work for Equality contributes to:















"If women keep playing by the old rules, we will never change the game."

Soccer player and women's rights advocate Abby Wambach (left above) interviewed by the H&M Foundation's Global Manager Diana Amini, (right), on International Women's Day. Pictured in the middle is Phumzile Mlambo-Ngcuka, Executive Director of UN Women.

NEW YORK, UNITED STATES: GREAT SOLUTIONS TO GREAT CHALLENGES

The H&M Foundation is a proud supporter of UN Foundation, founded in 1998 to help the United Nations mobilize ideas, people, and resources for collective action.

On International Women's Day on March 8, H&M Foundation was honored to be part of a global movement for gender equality together with UN Foundation, UN Women, decision makers, and various organizations at the United Nations headquarters in New York City.

The event focused on innovative ways in which we can advance gender equality and the empowerment of women.

The day also included the launch of the She Innovates Program, created by UN Women and the Global Innovation Coalition, to help female innovators and entrepreneurs defy gender barriers and turn their women-centered solutions into reality.

Diana Amini, Global Manager at the H&M Foundation, was on stage interviewing Abby Wambach, one of the world's most prominent soccer players who is also deeply engaged in women's rights and equal opportunities.

EQUALITY

STORIES OF CHANGE

BRISTOL, UNITED KINGDOM:

DREAMS WITHIN REACH

Jess had been struggling with mental health challenges for most of her life. Following the breakdown of an unhealthy relationship, she was suddenly homeless and unemployed. Her extremely vulnerable situation could have ended in disaster if she hadn't come into contact with the organization 1625 Indepentent People – one of the five charities supported by the H&M Foundation to help homeless youth in the UK.

With this support, Jess found somewhere to live and was provided a job coach, who helped her enroll in a college course and secure regular voluntary work experience.

Jess now describes herself as a 'passionate activist' and is motivated by a desire to give back to others. She dreams of being financially self-sufficient, traveling abroad, and participating in charity and conservation projects, and has creative pursuits with spoken word poetry. Thanks to the support she has received, these goals are now well within Jess's reach.



"I'm very lucky to be here - I just want to make the world a better place."

Jess was homeless and unemployed, but her life changed thanks to a program supported by the H&M Foundation .

"We stick together, here on the mountain and every day. We're creating our future together."

20-year old Zaher fled from war-ridden Afghanistan to Sweden three years ago. In a program supported by the H&M Foundation, the Swedish Red Cross arranges activities that helps young refugees integrate into Swedish society.



FALUN, SWEDEN:

"WE'RE CREATING A FUTURE TOGETHER"

High up in the mountains of northern Sweden, 20-year old Zaher is on a hike with his friends and volunteers from the Swedish Red Cross. Walking long distances is nothing new to Zaher, who fled on his own from war-ridden Afghanistan three years ago.

Together with The Swedish Red Cross, the H&M Foundation has helped over 6,000 young refugees to integrate into the Swedish society. In Zaher's town Falun, the Red Cross arranges homework assistance, volleyball training and other activities like this mountain hike.

Zaher likes school, but he says it can be hard to concentrate while worrying about his future. He and many of his friends do not know if they will be allowed to stay in Sweden. Being young and asylum-seeking, while separated from their families, puts many young refugees in a vulnerable situation. But despite this, Zaher and his friends will not give up their dreams of a future in Sweden.

"We stick together here on the mountain and every day," he says. "We're creating our future together."

EQUALITY IN NUMBERS

\$330 BILLION

in annual global revenue can be unlocked by giving women better access to financial products and services.

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



Sierra Leone Bulgaria Italy Sri Lanka Burundi Ivory Coast Sweden DR Congo Jordan Tanzania France Kenya Uganda United Kingdom Germany Norway Peru Greece Guatemala Rwanda

According to the latest figures from the World Bank,
24 percent of national parliamentarians are women
- an increase from 11 percent in 1997.

SEK 246 MILLION

(\$25.7 million) have been donated to projects for Equality by the H&M Foundation since 2013.

"The entrepreneurial mindset of the H&M Foundation is unique - it allowed us to be flexible, take risks and adjust our thinking from the learnings we gained along the way."

- Reintje van Haeringen, CEO of the non-profit poverty-fighting organization CARE, which partnered with the H&M Foundation for six years in a Global Program for Equality.

+500%

Through a program within the H&M Foundation's partnership with CARE, 5,000 women from the slums of Addis Ababa were supported to set up their own businesses, thereby seeing an income increase of 500 percent.

973,912 PEOPLE

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

4.7 MILLION REFUGEES

and displaced people can be impacted by the Community Leader Network, initiated by Refunite with support from the H&M Foundation.

The project mixes online and offline methods to push vital information to some of the most disconnected society members, supporting not only family reconnections across communities but also information dissemination about community-specific topics.



If the global population reaches the expected 9.6 billion by 2050, we will need almost three planets to sustain our current lifestyles. But we only have one. To combat climate change and pursue sustainability, industries, communities, and nations need to do more and better with less. As innovation plays a crucial role in enabling the efficient use of resources, the H&M Foundation has committed to finding revolutionary ideas that can make the fashion industry circular.

2019 IMPACT ON PLANET

5,893 ideas for making the fashion industry circular and waste-free were submitted to the 2020 edition of the innovation challenge Global Change Award. Entries were received from 175 countries.

€1 million (SEK 9.9 million/\$1.1 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.

2 hours is the time it takes for the revolutionary Green Machine to turn used cotton and polyester blends into new fibres without quality loss. The machine will be built in a factory in 2020 and recycle blends at a commercial scale.

FUTURE OF FASHION

Innovation can lift us from take-make-waste patterns to circular, waste free, and regenerative ones. With the Global Change Award, the H&M Foundation aims to enable the biggest transformation ever in the fashion industry.

ith a circular mindset, resources are used and reused indefinitely in a closed loop. Enabling this shift in the fashion industry would be a major leap toward a more sustainable future for us all. That's why the H&M Foundation, with Accenture and the KTH Royal Institute of Technology, initiated the annual Global Change Award in 2015.

The innovation challenge aims to reduce fashion's impact on the planet and our living conditions by helping early stage, ground-breaking ideas move from sketch to market.

Every year, the Global Change Award Expert Panel provides expertise to identify and help select the five winners. The winning innovations share a grant of €1 million and embark on a oneyear Innovation Accelerator Program, bringing them to Stockholm, New York, and Hong Kong.

In the accelerator, the winners are supported in taking their ideas to the next level, with guidance on how to scale up quickly and maximize their impact on the industry.

Several of the previous winners have on-going cooperations and pilot projects with the industry, and some are already on the market. As the H&M Foundation initiated the challenge to find innovations that enable major change for the entire industry, the winners can collaborate with whoever they want.

"In 2020, we will celebrate our five year anniversary of the Global Change Award," says Project Manager Clara Alderin. "When we started in 2015, we had to explain what circular fashion is and why it's important, but in the recent years we've seen a massive change in people's awareness and interest in these issues."

Clara Alderin sees several positive trends in the applications compared to previous years.

"Five years in, we see continuous growth in quality and geographic reach. This means that there is no shortage of ideas, and the industry is opening their doors to these creative innovators. It gives us hope that change is possible, and that a circular fashion future could be within reach."

WHO APPLIED IN 2019?

- We received 5,893 entries from 175 countries for the fifth round of Global Change Award. The winners will be crowned on April 1, 2020. In its first five years, Global Change Award has received more than 20,000 entries from over 200 countries and territories.
- In 2019, almost half of the applicants were women, and most of the applicants were students.
- The top 10 countries we received applications from were India, Nigeria, Pakistan, US, UK, China, Ghana, Ethiopia, Kenya, and Bangladesh. One third of the entries came from Africa, one third came from Asia, and one fourth came from Europe.
- We have seen an increase in entries from emerging markets. This trend also came through when the winners were chosen, with the first-ever winning ideas from countries in South America (Peru) and Africa (Kenya).

WIN-WIN SITUATION:

WHEN GREAT MINDS MEET

In addition to being an important door opener and accelerator for innovators, the Global Change Award has proven to be a hub for innovative collaboration. "We have built an alumni program, so now we have a group of alumni winners who share ideas, experiences and contacts with each other," says Erik Bang, Innovation Lead at the H&M Foundation. "Some teams have also started to collaborate with each other. It's an ecosystem that we are really proud of."

One great example is the collaboration between the previous Global Change Award winners Unspun, who invented a machine for on-demand 3D-woven clothes, and Resortecs, who designed a dissolvable thread that simplifies recycling. Calculations show that the Unspun machine combined with the Resortecs thread can lead to a 50 percent reduction of CO2 emissions compared to existing denim.

"Our collaboration actually started as a friendly joke at the previous Global Change Award ceremony in Stockholm," says Walden Lam from Unspun. "We continued to work remotely across three continents up until the launch of our recyclable Rebirth jeans in Hong Kong in November. At the moment, we are planning for European and North American launch activities, while the team is busy processing the pre-orders."

PLANET STORIES OF CHANGE





Unspun won the Early Bird in the second Global Change Award, with a machine for on-demand 3D-weaving of denim garments. Resortecs were awarded in 2018 for a dissolvable thread that enables easier recycling. Now, the two winners have joined forces.

"This collaboration enables a whole generation of products that are created on-demand and circular. What is clear is that teams and organizations need to co-create openly to enable the paradigm shift that the future of humanity demands. Our collaboration is a humble attempt to inspire that change."

- Walden Lam, co-founder Unspun, on collaborating with fellow Global Change Award winner Resortecs.



The non-toxic membrane by Mario Stucki and Anna Belzung is biodegradable and can be added to any outdoor garment. In the 2019 Global Change Award, Mario and Anna were awarded €250,000 and access to a one-year accelerator program.

ZÜRICH, SWITZERLAND:

SANE MEMBRANE

To make outdoor wear withstand rain and harsh weather conditions, substances need to be added that are often harmful to the environment. But this could change thanks to chemical engineers Mario Stucki and Anna Belzung from Zurich.

In April 2019, they were granted the Global Change Award for creating a non-toxic, mineral-based and fluorine-free membrane for outdoor wear. So far, the one-year accelerator program has brought them to Stockholm, Hong Kong, and New York.

"We have gotten a lot of help from the Global Change Award partners with business, communication, and marketing, as well as connections to stakeholders in their global network," says Mario.

Currently, the team is scaling up their production to meet demands from partnering outdoor brands that will test the membranes on their athletes and bring the technology to the market.



Even though the majority of the clothes that we wear are made of blend materials, recycling these blends hasn't been possible - until now.

ne of the biggest challenges facing today's fashion industry is how to create fashion for a growing population, while improving its impact on the environment. Today, the fashion industry weighs heavy on natural resources, with 97 percent of all materials used to produce clothes coming from virgin resources. Out of the 3 percent that are recycled materials, only 1 percent is recycled textile. Without a paradigm shift in the fashion industry, the planet will not cope.

In 2016, the H&M Foundation joined forces with The Hong Kong Research Institute of Textiles and Apparel (HKRITA) to accelerate the research on textile recycling. The goal was to find at least one commercially viable recycling method for blend textiles that make up a majority of all garments made. As of yet, there has been no method for recycling blend textiles at scale and to turn them into new garments. Instead, most of the blended garments that end up in a recycling process are downcycled. The fibres are torn apart

and used for cleaning cloths and filling in car seats, since the quality loss makes it impossible to make new garments. In a circular fashion world, downcycling and value loss is not an option.

In 2017, the scientists reached a milestone when they discovered a hydrothermal method that has the potential to change the game completely. The process only uses heat, water, and a biodegradable chemical (which constitutes less than 5 percent). It is a cost effective and closed loop method that recovers water, heat, and the chemical agent, while generating no secondary pollution to the environment.

In September 2018, we were able to open The Green Machine – a pre-industrial sized facility scaling this technology so that fashion brands and stakeholders worldwide could see, test, and ultimately implement this technology within their own operations.

In 2019, another milestone was reached when a supplier agreed to build a full-scale recycling facility together with a strategic industrial partner,

with the capacity to recycle 2 tons of cotton- and polyester-blended textile material per day.

"Our plan is to have the facility up and running by the summer of 2020, and deliver the first garments in September," says Erik Bang, Innovation Lead at the H&M Foundation, adding that the interest from retailers has been immense:

"This possibility is what many retailers have been looking for, since it helps them reach their goals for sustainability while being cost effective and competitive in both price and quality. It's a breakthrough for the entire industry, and a key step toward reaching the UN's Global Goals for 2030. We are super optimistic."

In 2020, the H&M Foundation and HKRITA will prolong the partnership for five years.

"We call this second phase Planet Positive," says Erik Bang. "It will be focused on making every part of the fashion value chain regenerative and planet positive, meaning not only circular but actually improving the condition of the atmosphere, soil, and water."









"This possibility is what many retailers have been looking for, since it's cost effective and competitive in both price and quality while being sustainable. It's a breakthrough for the entire industry."

- Erik Bang, Innovation Lead at the H&M Foundation, on the game-changing method for recycling that is now being put to use.





32 H&M FOUNDATION | A CATALYST FOR CHANGE 2019 | H&M FOUNDATION 33

In addition to catalyzing positive change within our focus areas, the H&M Foundation provides support to affected people in large scale disasters. In 2019, the H&M Foundation donated a total of \$300,000 to support Syrian refugees as well as sufferers from extreme floods in Bangladesh.



38-year old Morjina Begum is one of those affected by the floods, who have benefitted from the donation to the Red Cross in Bangladesh.

n August, monsoon rains throughout
Bangladesh caused extreme flooding and
landslides, leaving one third of the country
underwater. More than 7.6 million people in 28
districts throughout Bangladesh were affected
by the flooding. 300,000 people were displaced,
approximately 600,000 houses were damaged or
destroyed, and 114 deaths were reported.

In response to the disaster, the H&M Foundation donated \$100,000 to the Red Cross, providing life-saving and recovery support to roughly 150,000 people comprising 30,000 families. "Through its contribution, the H&M Foundation has supported assistance for water, sanitation and hygiene, protection, gender and inclusion, health, and shelter in 15 of the most affected districts in Bangladesh," says Olle Castell, Head of Asia & Pacific Unit at the Red Cross.

38-year old Morjina Begum (pictured on the left) was one of the affected people. "The flood

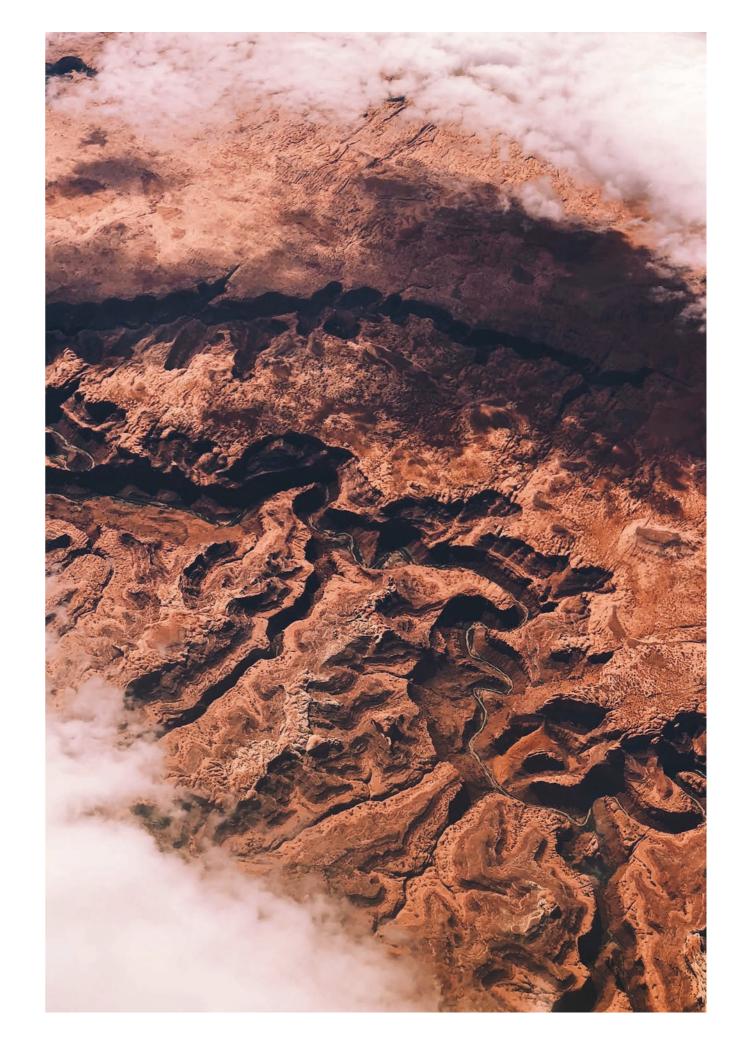
water stayed inside our house for eight days," says Morjina, who came to the distribution point with her daughter and granddaughter to recieve vegetable seeds. "The seeds will help me to be self-sufficient and grow crops in my garden."

In November, the H&M Foundation also supported Syrian refugees in Lebanon and Turkey, with \$100,000 to the Red Cross in Lebanon and \$100,000 to UNHCR in Turkey.

The Syrian civil war has created the biggest humanitarian and refugee crisis of our time. Entering its ninth year in 2019, the conflict is a continuing cause of suffering for millions.

In Lebanon, the H&M Foundation's donation supported 2,870 households with safe water, sanitation, heating, shelter, and draining assistance.

In Turkey, the donation helps nearly 500 Syrian families move from overcrowded temporary camps to safer places where they can continue to rebuild their lives.



A CATALYST FOR CHANGE 2019 | H&M FOUNDATION | A CATALYST FOR CHANGE 2019

