

# Corporate governance report

## 2021 H & M Hennes & Mauritz AB

Sound corporate governance ensures that companies are managed as sustainably, responsibly and efficiently as possible in the interests of the shareholders. It is a matter of complying with external regulations and doing the right things. At H & M Hennes & Mauritz AB (H&M), values, global policies and guidelines are important tools for the business. The Code of Ethics, which is signed by all colleagues who interact with business partners, clearly states the approach of H&M when doing business. H&M operates in many markets that have different challenges, and where laws, environmental requirements and social conditions may differ, why acting consistently and with a strong ethical compass is necessary.

H & M Hennes & Mauritz AB is a Swedish public limited company. H&M's class B share is listed on Nasdaq Stockholm.

H&M applies the Swedish Corporate Governance Code (the Code) since 2005. The Code is based on the principle of "comply or explain", which means that companies applying the Code may deviate from individual rules provided they give an explanation of the deviation, describe the chosen alternative and provide the reasons for the deviation. The code is available at [corporategovernanceboard.se](http://corporategovernanceboard.se).

This report, which covers the financial year 1 December 2020 to 30 November 2021, hereafter referred to as the 2021 financial year, was prepared in accordance with the Code and the Swedish Annual Accounts Act by the company's board of directors. It has been reviewed by the company's auditors.

### External and internal governance

H&M is governed by both external regulations and internal control documents.

Examples of external regulations are:

- The Swedish Companies Act
- Accounting legislation including the Swedish Bookkeeping Act and Annual Accounts Act

- MAR — the EU Market Abuse Regulation
- Nasdaq Stockholm Rules for Issuers
- The General Data Protection Regulation (GDPR)
- Swedish Corporate Governance Code (the Code)

Examples of internal control documents:

- Articles of association
- The board's rule of procedure including instructions for the CEO and audit committee
- Our Way (previously "The H&M Way")
- Code of Ethics
- Code of Conduct: Sustainability Commitment
- Insider Policy
- Financial Policy
- Communications Policy
- Human Rights Policy
- Tax Policy
- Whistleblowing Policy

H&M's corporate governance is furthermore based on the company's seven values, which, in brief, encompass a sound, simple, straightforward, cost-conscious, entrepreneurial corporate culture that focuses on teamwork, belief in people and constant improvement. Sustainability is part of H&M's business idea and sustainability work is well integrated into all parts of the business. For more information read page 63 of the annual and sustainability report 2021.

### **Ethics, transparency and risk management**

As a global company, it is of the utmost importance for H&M to always act ethically, transparently and responsibly in all parts of the business from collaborating with suppliers to meeting with customers. Through good purchasing routines and close cooperation with suppliers, the company's products should always be produced with the greatest possible consideration for people and the environment. H&M's risk management and internal control processes ensure purposeful work throughout the organisation. The board of directors and audit committee receive regular feedback from the organisation concerning how the internal control work is being conducted. H&M's risks are reviewed centrally on a quarterly basis with each brand and every central function. The quarterly meetings are conducted in order to ensure each listed risk has an action plan to minimise impact and is on an acceptable risk level. The risk management work also provides continuous input to the long-term commercial decisions.

Responsibility for management and control is shared between the shareholders, the board, the audit committee and the CEO. The board's rule of procedure states how the work is to be distributed between the board, the board's audit committee and the CEO. The board is ultimately responsible for the company's organisation and administration and the CEO is responsible for ongoing management of the business, with regular feedback to the board.

### **Board members and 2021 meetings**

The board of directors has eight members elected by the annual general meeting (AGM) — four women and four men. In accordance with Swedish law the board also has three employee representatives and three deputies for these. In total, the board has 14 members — eight women and six men.

The composition of the board exhibits breadth and diversity, with the board members' different areas of expertise complementing each other well. Their experience in areas such as retailing, entrepreneurship, fashion, digitalisation, AI, advanced analytics and automation, sustainability and communication forms a good basis for deep and nurturing discussions with the CEO and management.

During 2021 the board held 8 board meetings, including a statutory meeting in conjunction with the AGM. All board members have been present at all meetings during 2021. The CEO, CFO and chief accountant also attend all the meetings. Generally, one or two departments or brands are invited to each meeting to give a status presentation concerning what their particular function or brand is working on. These presentations act as a complement to the CEO's status reports and provide opportunity for more in-depth discussions concerning specific areas of the operations. At each board meeting the chair of the audit committee also gives a summary of the matters addressed by the audit committee at its most recent meeting within areas such as accounting, audit, security, tax, internal control and risk, as well as various new regulations and legislation.

### **Further reading**

Read more about H&M's corporate governance at [hmgroup.com/corporategovernance](https://hmgroup.com/corporategovernance).

Here you will find, among other things:

- Previous corporate governance reports
- Articles of association
- Information on the nomination committee
- Information about the board of directors, CEO, auditors, audit committee
- Information about guidelines and policies
- Information and material from previous AGMs and Extraordinary General Meetings
- Risks and uncertainties

H & M Hennes & Mauritz AB has chosen to have the corporate governance report as a separate document to the annual report, in accordance with chapter 6 section 8 of the Swedish Annual Accounts Act. The information that must be provided under chapter 6 section 6 items 3–6 of the Annual Accounts Act is included in the annual and sustainability report on page 59 of the annual and sustainability report for 2021 of H&M Group and is therefore not included in this corporate governance report. In accordance with chapter 6 section 9 of the Annual Accounts Act, the company's auditors have issued a statement on the corporate governance report that can be found on page 15.

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During the financial year 2021 H&M did not deviate from the Code.

## CORPORATE GOVERNANCE IN SWEDEN

For listed companies in Sweden it is important to be aware of the following aspects of corporate governance:

— The nomination committee plays a key role and in contrast to the Anglo-American system, its members are appointed by a company's largest shareholders. It is the nomination committee's task to propose the size of the board of directors and who is to be elected to the board at the general meeting of shareholders. Board members are elected by all those who vote at the general meeting, but in practice it is difficult to present alternative proposals to the nomination committee's proposed board members while the general meeting is in progress. In practice, therefore, the nomination committee has a decisive influence over who is elected to the board. The nomination committee also provides the general meeting with a proposal for board fees and a proposed auditor. Principles for how members of the nomination committee are appointed are decided by the general meeting.

— The law states that board members are appointed to represent the interests of all shareholders. Hence if a large shareholder group has proposed a new member via the nomination committee, that board member represents the interests of all shareholders not only the interests of the shareholder(s) which nominated her/him.

— For many decades Swedish enterprise in general has held a positive view of board members in a company elected by its general meeting owning shares in the company. This is seen as a guarantee that the interests of the board

are aligned with the interests of all shareholders in positive development of the share price and that there is consensus regarding the company's risks and opportunities.

— Neither the Swedish Corporate Governance Code nor the Swedish Companies Act impose any restrictions on the age of board members, or how long members may sit on the board, or any time limit for when an independent board member ceases to be independent of the company or its principal owners.

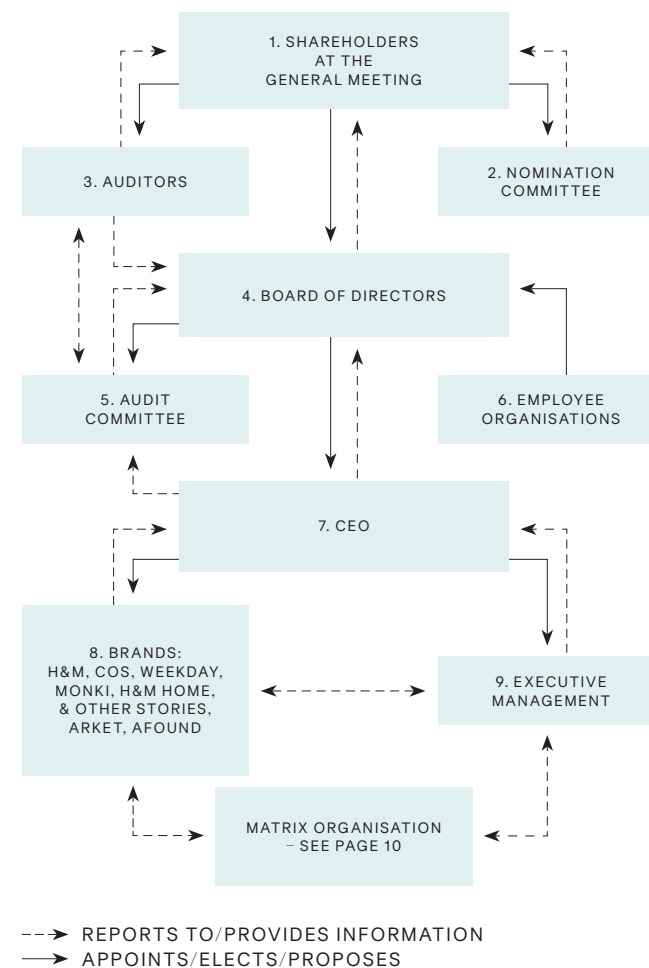
— It is tradition in Sweden for a company's chief auditor to attend the general meeting of shareholders. The auditors are deemed to be the general meeting's control body for the board. As a result, shareholders can pose questions to the auditors at a general meeting irrespective of the size of their shareholding.

— The option of having different classes of shares, usually known as "class A" and "class B" shares, usually with differing voting rights, has been present in the Companies Act in Sweden for a long time and is widely used. It is common for class A shares to carry 10 times the number of votes but otherwise have the same nominal value and the same dividend rights as other shares.

— By law the employees have the right to appoint employee representatives to the board. All are invited to the same meetings and receive the same information, and the employee-elected members have the same voting rights as members elected by the general meeting. Board fees are paid only to members elected by the general meeting.

## H&M's corporate governance structure

H&M's corporate governance structure encompasses shareholders, the board of directors, the audit committee, the CEO, the nomination committee, the auditors, the executive management team, business areas organised by brand, employees and employee organisations. The illustration to the right summarises the company's corporate governance structure. H&M's shareholders ultimately decide the company's direction, since the shareholders at the general meeting appoint the board of directors and the chair of the board. Proposals for the composition of the board, board fees and the election of auditors are prepared in advance within the nomination committee. The board in turn appoints a CEO to take care of day-to-day administration. The CEO appoints members of the executive management team within H&M's matrix organisation. The board includes three employee representatives and three deputies for these, who are appointed by their respective employee organisations. The board appoints an audit committee from among its members, which deals with accounting and auditing matters on an ongoing basis and is the main channel of communication between the board and the auditors. Each year the auditors report to the board and to the annual general meeting on their scrutiny.



## 1. SHAREHOLDERS AND ANNUAL GENERAL MEETING

It is the shareholders of H&M who have the final decision on the company's governance by voting at the general meeting to adopt the articles of association, which decide what the business will focus on, and to appoint the board of directors and its chair, whose task it is to administer the company's affairs on behalf of the shareholders. The shareholders at the general meeting also elect auditors, decide on the principles for the nomination committee and select the members of this committee.

The general meeting is thus the company's highest decision-making body and is the forum in which shareholders exercise their right to decide on the company's affairs. H&M's annual general meeting (AGM) is held once a year, in late April or early May.

The date and venue are announced in conjunction with H&M's nine-month report as well as at [hmgroupp.com](http://hmgroupp.com). The notice of the meeting is published in full usually five weeks before the meeting as a press release and in the newspaper Post- och Inrikes Tidningar and at [hmgroupp.com](http://hmgroupp.com). Publication of the notice is announced by an advertisement placed in the newspapers Dagens Nyheter and Svenska Dagbladet. Shareholders registered directly in the register of shareholders who have given notice of their attendance on time are entitled to participate in the meeting and vote for the total number of shares that they hold. Shareholders who cannot be present in person may be represented by proxy.

Shareholders wishing to have a particular matter considered by the meeting may submit a written request to the board at least seven weeks before the meeting. H&M's email address is also given in the press release for the notice of the meeting, for shareholders who wish to submit their questions in advance. All the material belonging to the meeting, including the minutes of the meeting, is available on the website in both Swedish and English. Extraordinary general meetings can also be held when there is a particular need to do so.

### Shareholders' decision-making powers

Among other things, the general meeting makes decisions concerning:

- The election of board members and the chair of the board
- Board fees including the compensation paid to members for work on the audit committee
- Discharge of the members of the board and the CEO from liability
- Amendments to the articles of association
- The election of the auditor
- The adoption of the income statement and balance sheet
- The distribution of the earnings for the past financial year
- The election of members of the nomination committee and establishment of principles for the nomination committee
- Guidelines for remuneration to senior executives

### Articles of association

According to the H&M articles of association, H&M's board of directors is to consist of at least three and no more than twelve members elected by the general meeting and no more than the

same number of deputies. The annual general meeting decides the exact number of board members, and which individuals are to be elected to the board. Board members are elected for the period until the close of the next annual general meeting. The general meeting also decides on amendments to the articles of association.

### Annual general meeting 2021

H&M's annual general meeting (AGM) 2021 was held on 6 May as a digital meeting in view of the infection risk from Covid-19. Shareholders attended remotely and were allowed to choose between postal voting and voting digitally. A digital tool allowed those attending the meeting remotely to ask questions.

The company appeared on video from a venue at H&M's head office. A total of 910 shareholders were represented at the meeting, representing 87.8 percent of the votes and 74.9 percent of the capital.

The main resolutions passed were the following:

- The lawyer Sven Unger was elected as chair of the meeting.
- Balance sheets and income statements for H&M and for the group including its subsidiaries were adopted.
- No dividend was to be paid to the shareholders and the funds at the disposal of the annual general meeting were to be carried forward.
- The board members and the CEO were discharged from liability for the 2020 financial year.
- The number of board members elected by the meeting to serve until the close of the next AGM was set at eight, with no deputies.

- The following ordinary board members were re-elected: Stina Bergfors, Anders Dahlvig, Danica Kragic Jensfelt, Lena Patriksson Keller, Christian Sievert, Erica Wiking Häger, Niklas Zennström and Karl-Johan Persson. Karl-Johan Persson was re-elected as the chair of the board.
- The AGM approved the proposal from the nomination committee that board fees be paid as follows, unchanged from the previous year: chair of the board SEK 1,700,000; board members elected by the AGM SEK 650,000; members of the audit committee an additional SEK 175,000; and the chair of the audit committee an additional SEK 225,000.
- The AGM resolved to appoint Deloitte AB as auditors until the close of the 2022 AGM. Auditors' fees to be paid based on approved invoices.
- The proposed principles for the nomination committee were approved and members of the nomination committee were elected.
- The proposed guidelines for remuneration to senior executives were approved.

Votes and capital represented at H&M's annual general meeting:

YEAR	% OF VOTES	% OF CAPITAL
2016	83.3	65.5
2017	83.7	66.6
2018	82.3	63.6
2019	84.6	68.4
2020	86.7	72.7
2021	87.8	74.9

### Extraordinary general meeting 2021

On Thursday 28 October 2021 an extraordinary general meeting was held in order to approve the dividend of SEK 6:50 per share in accordance with the board of directors' proposal. No meeting with the possibility to attend in person or to be represented by a proxy took place in view of the risk of spreading Covid-19. The meeting took the form solely of postal voting under temporary legislative rules.

A total of 932 shareholders were represented at the meeting, representing 86.5 percent of the votes and 72.2 percent of the capital.

### Number of shareholders and ownership structure

At the end of the financial year H&M had 246,424 shareholders. The total number of shares in H&M is 1,655,072,000, of which 194,400,000 are class A shares with ten votes per share and 1,460,672,000 are class B shares with one vote per share.

H&M's largest shareholder is Stefan Persson and family, who via Ramsbury Invest AB hold all the class A shares, which represent 57.1 percent of the votes, as well as 604,856,427 (587,971,466) class B shares, representing 17.8 (17.3) percent of the votes. In addition, the family privately own 36,400,289 class B shares. This means that as at 30 November 2021, Stefan Persson and family privately and via Ramsbury Invest AB represent 75.9 (75.4) percent of the votes and 50.5 (49.5) percent of the total number of shares. Ramsbury Invest AB is thus the parent company of H & M Hennes & Mauritz AB. Ramsbury Invest AB is owned by Stefan Persson and family, and primarily

by Stefan Persson. Karl-Johan Persson is also a shareholder in Ramsbury Invest AB.

A class A share has greater voting power at the company's general meetings. All the shares have the same dividend entitlement and right to share in the company's assets. Since the company was first listed on the stock exchange in 1974 all the class A shares in H&M have belonged to the founding Persson family, as is usual when family-owned businesses are floated on the stock exchange since it allows the founding family to have a controlling interest. The division into class A and class B shares is set out in H&M's articles of association and is thus transparent to those considering buying shares in H&M.

### Annual general meeting 2022

H&M's AGM 2022 will be held on Wednesday, 4 May 2022. To register to attend the 2022 AGM, see the notice of the meeting at [hmgroup.com/agm](https://hmgroup.com/agm).

## 2. NOMINATION COMMITTEE

The nomination committee prepares information that will be used as a basis for decisions at the general meeting concerning election of the board of directors, chair of the board, auditors and chair of the annual general meeting, fees to the board and auditors, as well as principles for the nomination committee. The nomination committee's proposal for the composition of the board exhibits diversity and breadth as regards expertise, experience, background and gender balance. It also takes into consideration the company's stage of development and future focus.

Before each annual general meeting the nomination committee's report is available to read as a separate document at [hmgroup.com/corporategovernance](https://hmgroup.com/corporategovernance). The composition of the nomination committee is based on the principles for the nomination committee adopted at the 2021 annual general meeting. The nomination committee below is based on the principle that the nomination committee is to consist of the chair of the board plus four others nominated by the four largest shareholders in terms of voting rights, as recorded in the register of shareholders. In autumn 2021 the nomination committee consisted of:

- Karl-Johan Persson, chair of the board
- Stefan Persson, Ramsbury Invest AB
- Lottie Tham
- Jan Andersson, Swedbank Robur fonder
- Erik Durhan, Nordea fonder

The nomination committee meets the requirements of the Code regarding the independence of members. Stefan Persson chairs the nomination committee, in accordance with the principles of the nomination committee which state that the chair of the nomination committee shall be the member representing the largest shareholder unless the members of the nomination committee agree otherwise. The nomination committee unanimously decided that in view of H&M's ownership structure, Stefan Persson in his capacity as principal shareholder is the natural choice to chair H&M's nomination committee.

### Work of the nomination committee in preparation for the 2021 AGM including description of diversity policy for the board of directors

Before the 2021 annual general meeting the

nomination committee held two meetings at which minutes were taken and was also in contact at other times. As a basis for its work to analyse the composition of the board ahead of the 2021 annual general meeting, the nomination committee studied the report by the chair of the board on the work of the board of directors and also met on one occasion with CEO Helena Helmersson. Its work has functioned well over the course of the year. The information from the chair of the board, along with interviews conducted with board members elected by the general meeting, provided a basis for the nomination committee's work on its proposal to the 2021 annual general meeting regarding the composition of the board. The members' competencies complement each other well, forming a good whole. In view of this, as well as the fact that 2020 and the start of 2021 were challenging and unusual because of the Covid-19 pandemic, the nomination committee decided not to propose any changes to the composition of the board.

The nomination committee's proposal to the 2021 annual general meeting was therefore the re-election of all the current board members: Stina Bergfors, Anders Dahlvig, Danica Kragic Jensfelt, Lena Patriksson Keller, Karl-Johan Persson, Christian Sievert, Erica Wiking Häger and Niklas Zennström; and the re-election of Karl-Johan Persson as chair of the board.

The nomination committee judged that the proposed board complied well with section 4.1 of the Code, which the nomination committee applies as its diversity policy. The policy aims to ensure that the proposed board exhibits diversity and breadth of qualifications, experience and



background, as well as gender balance, and H&M's board has had a good gender balance for many years. The board members proposed, and subsequently elected by the meeting, consisted of four women and four men. The board thus achieves the long-term ambition communicated by the Swedish Corporate Governance Board, which wants owners to speed up developments towards a share of around 40 percent for the less well represented gender on the boards of major listed companies.

The proposed board was considered to more than satisfy the requirements made of expertise and experience, taking into account the company's operations and future development. The proposal was also considered to meet the applicable requirements well as regards the independence of board members, their stock market experience and their expertise in accounting and auditing.

In its proposal to the AGM the nomination committee carefully reviews each board member's expertise, experience, contribution to the work of the board over the past year, potential conflicts of interest etc. To decide whether a member is independent, an overall assessment is to be made of all circumstances that might cause the member's independence of the company and its management to be questioned. In rule 4.4 the Code states at least seven different circumstances that are to be considered here. At least two of the board members who are independent of the company and its management must also be independent of the company's major shareholders. To decide whether a member is independent, the extent of the board member's direct and indirect relationships with the major shareholder is to be included in the

assessment. A board member who is employed by or is a board member in a company that is a major shareholder is not to be considered independent. As regards the composition of the audit committee, section 7.2 of the Code states that the majority of the committee's members are to be independent of the company and its management. At least one of the board members who are independent of the company and its management must also be independent of the company's major shareholders. The chair of H&M's audit committee, like all the other members of the committee, is independent of the company and its management. Two of the three members are also independent of the company's major shareholders. There is nothing in the Code stating that the chair of the committee must be independent of major shareholders.

As a basis for its proposal on a new accounting firm the nomination committee received a report from the chair of the audit committee, Christian Sievert, explaining how the selection process for a new accounting firm took place and setting out the board's recommendation, which was to propose Deloitte AB (Deloitte).

#### **Work of the nomination committee in preparation for the 2022 AGM**

Between the 2021 AGM and the end of the financial year the nomination committee held one meeting at which minutes were taken and was also in contact at other times. In autumn 2021 the nomination committee began its work, starting with information from the chair of the board concerning how well the work of the board has functioned. During the autumn the nomination committee conducted interviews with the board members elected by the general meeting. It was

established that the board and its work is functioning well. In the period up until the proposals to the 2022 AGM are presented the nomination committee will discuss the size and composition of the board based on such factors as expertise, experience and the outlook for the company, the election of a chair of the board and of a chair for the general meeting, fees for board members, instructions for the nomination committee and the election of auditors. The nomination committee's work in preparation for the AGM in May 2022 is not yet complete; more information will be presented before and at the 2022 AGM.

#### **3. AUDITORS**

The auditors, who are independent and appointed by the shareholders at the AGM, scrutinise H&M's annual and sustainability report, consolidated financial statements, accounts, and corporate governance report, and examine whether these have been prepared in accordance with current laws and recommendations. The auditors also scrutinise the management of H&M by the board and CEO, and review compliance with the guidelines on remuneration to senior executives adopted by the AGM.

At the 2021 AGM the accounting firm Deloitte AB (Deloitte) was elected as auditor of H&M for a one-year period of office, i.e. until the close of the 2022 AGM. Authorised public accountant Didrik Roos from Deloitte holds the main responsibility for the audit.

As previously, the 2021 AGM resolved that the auditors' fees should be paid based on invoices submitted and approved. The fees invoiced by the auditors over the past two financial

years are reported in note 10 of the annual and sustainability report for 2021.

Deloitte is a member of a global network used for auditing assignments for most of the group's companies and meets H&M's requirements with respect to competence and geographical coverage. The auditors' independent status is guaranteed partly by legislation and professional ethics rules, partly by the accounting firm's internal guidelines and partly by the fact that non-auditing assignments must be approved in advance by the audit committee. Didrik Roos conducts auditing assignments for Tele2 AB and Boozt AB, among others.

The auditors attend all meetings of the audit committee. During the audit committee meeting in January the auditor Andreas Troberg from Ernst & Young AB (E&Y) who was the auditor for the 2019/2020 financial year attended, as well as the auditor Didrik Roos from Deloitte, in order to facilitate the transition between auditing firms. The board meeting held in January 2021 was also attended by Andreas Troberg from E&Y in order to notify the board of the scope, focus, significant considerations and conclusions of the 2019/2020 audit.

In addition to this involvement, the auditor meets regularly with the chair of the board, the audit committee's chair and other members, the executive management and other key individuals. The auditor also takes part in the AGM, reporting the conclusions drawn from the audit.

Alongside its mandate as elected auditor, Deloitte has also carried out related tasks such as verification of the Sustainability Disclosure. In addition, Deloitte has assisted with other consulting

services, primarily tax advice. Deloitte has internal processes to ensure its independence before these tasks are begun. The audit committee also has a process for approving non-auditing services in advance, before such assignments are begun. The audit committee evaluates the auditor annually to gain assurance that the auditor's objectivity and independence cannot be questioned.

#### 4. BOARD OF DIRECTORS

The task of the board of directors is to manage H&M's affairs in the interests of the company and all its shareholders, and to safeguard and encourage a good corporate culture. This means that the board has the overall responsibility for the company's administration, taking a long-term, sustainable approach with a focus on the customer offering and growth.

In addition to laws and recommendations, the work of the board is regulated by the board's order of procedure which contains rules on the distribution of work between the board, its committees and the CEO as well as on financial reporting, investments and financing. The order of procedure, which also includes the procedure for the audit committee, is updated as needed but is established at least once a year.

#### Composition of H&M's board and independence of its members

The board members are elected by the shareholders at the annual general meeting for the period up to and including the next AGM. Since the 2021 AGM the board has consisted of eight ordinary members, with no deputies, as well as three employee representatives and three deputies for these positions. Only the employee

#### COMPOSITION OF THE BOARD AND ATTENDANCE IN THE FINANCIAL YEAR 2021

NAME	YEAR ELECTED	INDEPENDENT <sup>1</sup>	INDEPENDENT <sup>2</sup>	FEES (SEK) <sup>3</sup>	BOARD MEETINGS <sup>4</sup>	AUDITING COMMITTEE	SHARE-HOLDING <sup>5</sup>	SHARES HELD BY RELATED PARTIES
Karl-Johan Persson, chair	2020	Yes	No	1,700,000	8/8		12,136,289	Shareholder in Ramsbury Invest AB <sup>6</sup>
Stina Bergfors	2016	Yes	Yes	650,000	8/8		1,000	8,000 and 6,000 <sup>7</sup>
Anders Dahlvig	2010	Yes	Yes	825,000	8/8	4/4	17,510	
Danica Kragic Jensfelt	2019	Yes	Yes	650,000	8/8		2,500	120
Lena Patriksson Keller	2014	Yes	Yes	650,000	8/8			1,200 and 9,450 <sup>8</sup>
Christian Sievert	2010	Yes	No <sup>9</sup>	875,000	8/8	4/4	81,000	19,000 and 2,400 <sup>10</sup>
Erica Wiking Häger	2016	Yes	Yes	825,000	8/8	4/4		750 <sup>11</sup>
Niklas Zennström	2014	Yes	Yes	650,000	8/8		72,700	
Ingrid Godin, employee rep.	2012				8/8			60
Margareta Welinder, employee rep.	2007				8/8			
Tim Gahnström, employee rep.	2021				6/6 <sup>12</sup>			
Alexandra Rosenqvist, employee rep.	2015				2/2 <sup>13</sup>			
Helena Isberg, deputy employee rep.	2019				8/8			
Hampus Glanzelius, deputy employee rep.	2021							
Louise Wikholm, deputy employee rep.	2021							

1) Independent of the company and company management in accordance with the Swedish Corporate Governance Code.

2) Independent of major shareholders in the company in accordance with the Swedish Corporate Governance Code.

3) Fees as resolved at the 2020 annual general meeting. This means that the fees related to the period until the next AGM, i.e. for the period 7 May 2020 to 6 May 2021. The amounts were paid out after the 2021 AGM.

4) Attendance via technology is equated with attendance in person.

5) There are no outstanding share- or share price-related incentive programmes for the board of directors.

6) Ramsbury Invest AB own 194 400 000 class A shares and 604,856,427 class B shares as at 30 November 2021.

7) 8,000 shares held through Stina Bergfors's company SCEBE Holding AB and 6,000 shares held by spouse.

8) 1,200 shares owned through Lena Patriksson Keller's private company Verdani Holding AB. 9,450 shares held by spouse and children.

9) Christian Sievert is not considered independent of Ramsbury Invest AB since Ramsbury Invest AB is a major shareholder in a company of which Christian Sievert is CEO.

10) Shares held by related parties: 19,000 shares held through Christian Sievert's company Whitechris Industri AB and 2,400 shares held by spouse and children. Supplementary disclosure: in addition to Christian Sievert's shareholding shown above, Christian Sievert holds 9,000 H&M shares via a pension plan.

11) 750 shares owned through Erica Wiking Häger's company Erica Wiking Häger Advokattaktiebolag.

12) Before the AGM on May 6 2021 Tim Gahnström was appointed employee representative for Akademikerna.

13) Before the AGM on May 6 2021 Margareta Welinder replaced Alexandra Rosenqvist as employee representative for Unionen.

representatives and their deputies are employed by the company. Since the 2021 AGM the board has consisted of the following members elected by the general meeting: Karl-Johan Persson (chair), Stina Bergfors, Anders Dahlvig, Danica Kragic Jensfelt, Lena Patriksson Keller, Christian Sievert, Erica Wiking Häger and Niklas Zennström. Tim Gahnström, Ingrid Godin and Margareta Welinder are the regular employee representatives, with Hampus Glanzelius, Helena Isberg and Louise Wikholm as their deputies. For more facts about H&M's board members see pages 13–14.

The members are required to devote the time and attention that their position on the board demands. New board members receive introductory training that includes meetings with the heads of the various brands and functions.

The composition of the board during the year met the independence requirements set out in sections 4.4 and 4.5 of the Code. This means that the majority of the board members elected by the general meeting are independent of the company and its management. The majority of the board members are also independent of the company's major shareholders.

#### **Number of board meetings**

During the financial year H&M normally holds six regular board meetings, one of which is the statutory board meeting. Extraordinary board meetings are held when the need arises. The CEO attends all meetings, except on the occasion of the board meeting when the CEO's terms of employment are being discussed. The CEO reports to the board on the operational work within the group and ensures that ahead of each board meeting the

board is given relevant and objective information on which to base its decisions.

The CFO and chief accountant also attend the board meetings in order to provide financial information. The board is assisted by a secretary who is not a member of the board.

During the year eight board meetings were held. This is more than usual, but at the same time perfectly natural since the Covid-19 pandemic made its mark on a significant portion of 2021, giving rise to more board meetings than in a normal year. As in previous years, attendance levels at the board meetings were very high. For details of meeting attendance by each member see the table on page 7.

#### **Work of the board in 2021**

H&M's board meetings are generally structured as shown below. This is supplemented by one or more business presentations, e.g. by the heads of functions, brands or regions.

The following are usually reviewed at each board meeting:

- Minutes of the previous meeting
- CEO's status report and report by CFO
- Strategic matters
- Feedback from latest audit committee meeting
- Financial reporting, such as interim report, full-year report and annual report
- Any other business

The Board of Directors has also met with the auditors of the company without the attendance of the CEO or any other representatives from the company's management.

As in 2020, the external factors that had the greatest impact on 2021 were the Covid-19 pandemic and the consequences of climate change as well as the increasing digitalisation of society. During this very unusual time, flexibility, being responsive, rapid decision-making and working closely with our suppliers were important parameters for the company's recovery. This applied in all parts of the business and particularly within the supply chain, which was affected by various challenges. As always, the customer offering came into focus at the board meetings and during the year there was a review of follow-up and results for the various areas of the business plan and its goals. This included each brand, the store portfolio, continued combination and integration of the store and online sales channels, and the supply chain, with tech and sustainability aspects being considered in all areas. The sustainability work and tech are discussed often within the board since they form an essential foundation for achieving the company's ambitious targets.

Other examples of subjects discussed during the year were cybersecurity, geopolitical challenges, future ways of working etc.

Examples of the brands/functions of the business that presented their work to the board during the year were: H&M brand, portfolio brands, business ventures, sustainability, business tech, customer insight, supply chain and expansion/store portfolio.

At each board meeting the chair of the audit committee reports to the board on what the audit committee discussed at its latest meeting. This primarily concerns areas such as accounting,

IFRS 16 effects, auditing, tax, customs duties, internal control, risk and various new regulations, legislation and directives. All significant risks are then discussed at the subsequent board meeting. At four of the year's meetings the board goes through quarterly reports before they are published and at the January meeting the board discusses the annual and sustainability report, with the auditor also reporting on the year's audit.

As every year, also in 2021 the board took various decisions such as: issuing a sustainability-linked bond for EUR 500 million in order to contribute to our goal to become net-zero; proposals for remuneration guidelines of senior executives that were presented for resolution at the 2021 AGM; the remuneration report that was also presented to the 2021 AGM; a proposed dividend of SEK 6.50 per share and convening an extraordinary general meeting on 28 October 2021 for a resolution on the dividend proposal; decisions concerning the financial statements; an updated finance policy; as well as decisions on the investment plan, growth plan and targets.

At the board meeting held in January 2021 the board of directors decided that the company's growth target to increase sales in local currencies by 10–15 percent per year with continued high profitability remains a long-term target.

Since H&M does not have a separate review function (internal audit function) for work on internal control, but has instead established its own model for managing the company's risk and internal control (see pages 11–12), once a year the board assesses the need for a separate internal audit function. In 2021 the board again reached



the conclusion that the present model for monitoring internal control is satisfactory.

Ahead of the AGM the board presented a remuneration report for 2020 in accordance with the Swedish Companies Act and the Remuneration Rules issued by the Swedish Corporate Governance Board. The remuneration report describes how the guidelines for remuneration in H&M adopted at the 2020 AGM were applied in the 2020 financial year. The remuneration report for 2020 can be found on [hmgroup.com/annual-general-meeting-2021/](https://www.hmgroup.com/annual-general-meeting-2021/).

H&M has no remuneration committee since the board of directors deems it more appropriate for the entire board to carry out the tasks of a remuneration committee, as is entirely in accordance with requirement 9.2 of the Code. It is the board that prepares the proposed guidelines for remuneration to senior executives that are presented at the AGM's, and it is the board that decides on the CEO's salary in accordance with the guidelines most recently adopted at the general meeting. The board continually assesses the CEO's work and once a year discusses this matter separately in conjunction with the setting of the CEO's remuneration for the coming year. No member of executive management is present when this is discussed.

The board continually evaluates its work, and the chair of the board is in regular contact with the board members between meetings as part of the board's work and its evaluation process. Among other things this evaluation covers working methods, the working climate, wishes and the main focus of the board's work. It also

focuses on access to and the need for specialist expertise within the board. The evaluation is used as a tool for developing how the board works and also forms a basis for the work of the nomination committee.

## 5. AUDIT COMMITTEE

The audit committee monitors the company's financial reporting, which among other things involves monitoring the effectiveness of the company's internal control and risk management. Its work includes handling auditing topics and financial reports published by the company. The auditors attend the meetings of the audit committee to report on their scrutiny of H&M's annual report and financial statements, including the consolidated financial statements.

The audit committee also reviews and monitors the impartiality and independence of the auditor, and regulates which assignments the accounting firm may conduct for H&M in addition to the audit. The audit committee annually receives a written assurance of independence from the auditor stating which services the accounting firm has provided to H&M during the financial year in addition to the audit. The audit committee also assists the nomination committee with any proposals to the AGM concerning the election of auditors.

The audit committee is made up of three board members, two of whom have expertise in accounting or auditing while the third has expertise in commercial law. All the members are independent of the company and its management. The majority of the members are also independent of the company's major shareholders. The audit committee is appointed annually by the board of directors at

the statutory board meeting held in conjunction with the AGM. Since the statutory meeting held in conjunction with the 2021 AGM, the audit committee has consisted of chair Christian Sievert and members Anders Dahlvig and Erica Wiking Häger. The committee held four meetings at which minutes were taken during the 2021 financial year.

In addition the committee participated in meetings with the organisation and potential auditors in the selection process for a new auditing firm from the 2021 financial year.

E&Y and Deloitte attended the minuted audit committee meetings to provide debriefs on the auditing work. The meetings were also attended by, among others, the CFO, the chief accountant and the head of corporate governance. The committee's meetings are minuted and the minutes are then distributed to all board members.

During the year the audit committee addressed the following matters, among others:

- The company's financial reporting, including interim reports, the corporate governance report and annual report.
- Compliance with the group's internal control and risk management processes and review of the overall risk analysis for the group — both financial risk and operational risk — with well-defined action plans to minimise risk.
- In addition, the following functions/departments provided information on their work: Security, Expansion/Construction, Accounting/Tax, Logistics, Business Tech and Data Privacy.
- The transfer pricing model, tax matters and matters relating to customs. A status update regarding tax matters is given at each

meeting, which is partly related to the OECD's BEPS project that deals with, among other things, how and where profits in multinational companies are to be taxed.

- Follow-up of the new IFRS rules was also reviewed in respect of IFRS 16 Leases.
- Follow-up of the procurement process for new accounting firm.
- Follow-up in the area of privacy (including GDPR).
- Follow-up of human rights policy.
- Deloitte informed the committee of the audit plan, the scope of the audit and the results of scrutiny carried out.
- Review of the auditors' independence and impartiality. The audit committee finds that it is clear which assignments Deloitte takes on in addition to auditing and sees no reason to question the accounting firm's impartiality.

A process has been established for non-auditing services to be approved in advance. H&M also uses consulting services from other accounting firms and tax advisors.

## 6. EMPLOYEE ORGANISATIONS

Under Swedish law, the employees have the right to appoint employee representatives with deputies to the company's board. These are appointed via employee organisations (trade unions). The trade unions appoint three board members and three deputies to the board of H&M.

## 7. CEO

The CEO is appointed by the board of directors and is responsible for the daily management of the company as directed by the board. This means that, among other things, the CEO must focus in particular on recruitment of senior executives,

buying and logistics matters, the customer offering, pricing strategy, sales and profitability, sustainability matters, marketing, expansion, development and further integration of the store and online channels, and digital development. The CEO reports to the board on H&M's development and makes the necessary preparations for taking decisions on investments, expansion etc. The role of CEO includes contact with the financial market, the media and the authorities.

Helena Helmersson, born in 1973, has been CEO since 30 January 2020. In 1997 Helena Helmersson joined H&M as a controller in the buying department, after which she worked in various roles in buying and production. Helena Helmersson was head of sustainability for five years and subsequently head of production based in Hong Kong. For just over a year prior to becoming CEO she worked as COO (chief operating officer) with responsibility for expansion, logistics, production, IT and Advanced Data Analytics/AI, as well as Insights and Analytics.

By the end of the financial year 2021 Helena Helmersson held 6,570 shares in H&M. She also held 300,000 call options issued by Ramsbury Invest AB, each option providing the right to buy one class B share in H&M during the 12 months following a three-year period from the agreement date of 7 October 2020.

## 8, 9. ORGANISATION AND MANAGEMENT

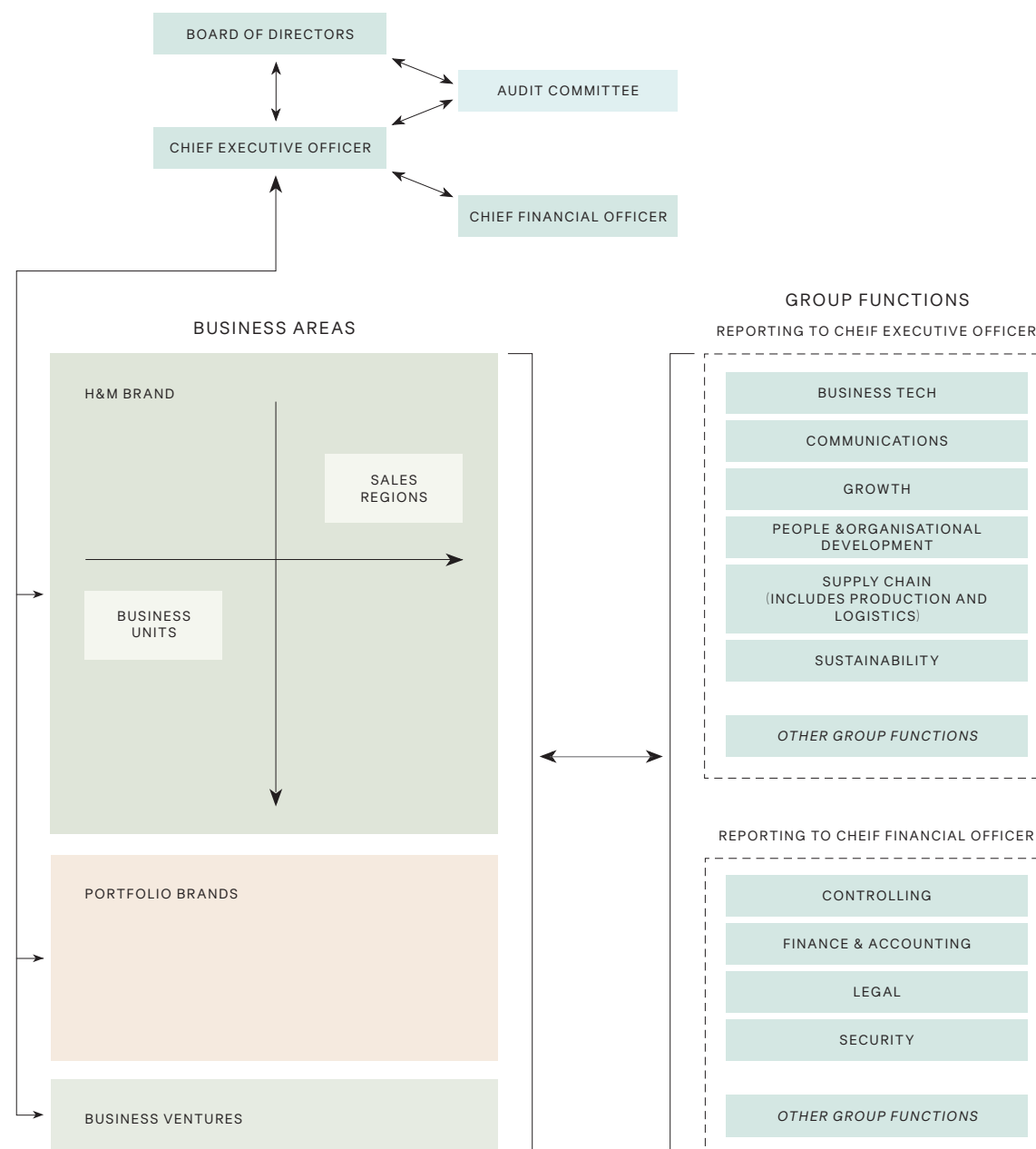
H&M has a multi-brand matrix organisation with the following brands: the H&M brand which includes the H&M HOME brand and the portfolio brands consisting of the brands COS, Weekday, Monki, & Other Stories and ARKET. The group brands also

includes the brands under our Business Ventures, which includes among others Afound, Treadler, Singular Society, Creator Studio and majority owned Sellpy. Each brand has its own organisation and managing director, and all the well-established brands have their own local or regional sales organisations. Centrally, there are also a number of group functions that support each brand in order to capitalise on the benefits within these shared areas, so that each brand and country works purposefully according to central policies and guidelines. The CEO is responsible for day-to-day management of H&M and appoints the members of the executive management team. In addition to the CEO, as of 30 November 2021 the executive management comprised 14 (14) individuals, six of whom are women. In addition to the CEO, the executive management team consists of the CFO, the two people with responsibility for the H&M brand, the person with responsibility for Portfolio Brands, the person with responsibility for Business Ventures, the person with responsibility for Business Tech, the CTO and the heads of the following group functions: Expansion, Strategy & Transformation, Human Resources, Sustainability, Supply Chain, Communications and The Laboratory. Those responsible for other group functions are appointed by the CFO.

The matrix organisation provides a good combination of central and local perspectives on leadership and entrepreneurship.

The regional and local sales organisations are responsible for daily retail operations in their region and country, giving them a collective responsibility for all the regional and local support functions whose work is based on instructions from the central group functions.

## The H&M group's matrix organisation



## Internal control

The board of directors is responsible for the company's internal control, the overall aim of which is to safeguard the company's assets and thereby its shareholders' investment. Internal control and risk management are part of the board's and the management's control and follow-up responsibilities, the purpose of which is to ensure that the business is managed in the most appropriate and effective manner possible, to ensure reliable financial reporting and to ensure compliance with applicable laws and regulations. This description of H&M's internal control and risk management for financial reporting has been prepared in accordance with chapter 6 section 6 of the Swedish Annual Accounts Act and section 7.4 of the Code.

H&M uses the COSO framework as a basis for internal control over financial reporting. The COSO framework, which is issued by the Committee of Sponsoring Organizations of the Treadway Commission, is made up of the following five components: control environment, risk assessment, control activities, information and communication, and monitoring.

### **CONTROL ENVIRONMENT**

The control environment forms the basis of internal control, because it includes the culture that the board and management communicate and by which they work. The control environment is made up primarily of ethical values and integrity, expertise, management philosophy, organisational structure, responsibility and authority, policies and guidelines, as well as routines.

Of particular importance is that management documents such as internal policies, guidelines and manuals exist in significant areas and that these provide the employees with solid guidance. The Code of Ethics, signed by all employees doing business with suppliers, is an ethical policy that permeates the entire company, since it describes the way in which the employees should act within the company and in business relations with suppliers. The document "Our way" has existed for a number of years (previously named "The H&M Way"). The document summarises how values, policies and guidelines come together to ensure the business is carried out in an ethical, responsible, sustainable, and transparent way. "Our way" is intended for all colleagues within all brands and functions of H&M, as well as external stakeholders. Read more about "Our Way" on [hmgroup.com/about-us/our-way/](https://www.hmgroup.com/about-us/our-way/).

H&M's internal control structure is based on:

- The division of accountability between the board of directors, the audit committee and the CEO, which is clearly described in the board's formal rules of procedure. The executive management team and the audit committee report regularly to the board according to established routines.
- The company's organisational structure.
- Values and guidelines, as well as policies and manuals.
- Control activities, checks and balances, analysis, reporting.

H&M has a matrix organisation (see page 10), which means that those responsible for the joint group functions are responsible for the efficiency of work within their function at each brand. Each brand has its own organisation and managing director, and all the brands have their own local or regional sales organisations.

Internal control is evaluated annually by the relevant group function, which checks that its function in each country is working according to the prescribed policies and guidelines. The stores are in turn checked by internal store auditors.

All subsidiaries within H&M have the same structure and accounting system with the same chart of accounts. This simplifies the creation of appropriate routines and control systems, which in turn facilitates internal control and comparisons between the various companies. There are detailed instructions for the store staff that control daily work in the stores. Many other guidelines and manuals are also available within the group. In most cases these are drawn up in the central departments at the head office in Stockholm and then communicated to the respective departments in the country offices. Each central department regularly reviews its guidelines and manuals to see which need updating and whether new guidelines need to be developed.

### **RISK ASSESSMENT**

Operational and financial risks are continuously analysed by all brands and group functions. This risk review and assessment identify the systems, methods and controls that are in place to minimise any impact of the risks. The suggested risk acceptance or mitigation is evaluated quarterly in collaboration with the corporate governance function for the most significant risks.

An updated climate risk analysis according to the guidelines issued by the Task Force on Climate-related Financial Disclosures (TCFD) was carried out during 2021, see page 72 of the annual and sustainability report 2021. The first TCFD analysis was conducted in 2019.

At the end of 2021 the group's main risks were summarised to the audit committee and was subsequently discussed by the board.

For a description of H&M's operational risks, see the administration report on pages 56–58. For risks within financial reporting, see also the administration report on pages 58–59 and note 2, Financial risks, on pages 86–87 of the annual and sustainability report for 2021.

### **CONTROL ACTIVITIES**

There are a number of control activities built into every process to ensure that the business is efficient and that financial reporting provides a true picture. The control activities, which aim to prevent, find and correct inaccuracies and non-compliance, are at all levels and in all parts

of the organisation. Within H&M the control activities include effective control and analysis of sales statistics, account reconciliation, monthly accounts and financial reports.

Internal control measures in the Business Tech function also includes internal control on systems relating to financial reporting. These financial systems are also reviewed by an external party in cooperation with H&M.

### INFORMATION AND COMMUNICATION

Policies and guidelines are of particular importance for accurate accounting, reporting and provision of information, and also define the control activities to be carried out.

H&M has a communications policy providing guidelines for communication with external parties. The purpose of the policy is to ensure that all disclosure obligations are met and that the information provided is accurate and complete.

Financial communication is provided via:

- Annual and sustainability report
- Interim reports, the full-year report and quarterly sales reports
- Press releases on events and circumstances that may impact the share price
- H&M's website [hmgroup.com](https://www.hmgroup.com)

### MONITORING

In 2021 the central functions assessed internal control within their respective functions in the sales countries based partly on general issues and partly on department-specific issues, using the COSO model. Still during 2021 as during

2020 the Covid-19 pandemic had an impact on internal control; all functions that usually travel to countries to carry out internal control undertook control activities remotely instead.

The work resulted in a plan of action for each central function working on internal control, defining the areas that ought to be improved in order to further strengthen internal control — not only in respect of each country, but also for the central function. The central functions also followed up on the assessments made in the previous year. The way in which H&M assesses internal control is considered to be firmly established within the organisation. It is an aid and an instrument that the central functions can use to ensure that their respective departments in the sales countries and regions are working in line with company guidelines. The assessment of internal control also allows each sales country and region to provide valuable and constructive feedback to the central function regarding where there is room for improvement. An important part of the internal control work is the feedback to the regional and country management, which the central function provides.

Additionally, within the production organisation additional control and monitoring activities are brought together in the internal Routine Handbook for Production. These routines are related to how H&M ensures that the company does business in an ethical and transparent way. Most of these are monitored on a monthly basis at regional level and every other month at global level.

Internal store auditors perform annual checks at the stores aimed at determining the strengths and weaknesses of the stores and how any shortcomings can be corrected.

The board of directors and the audit committee continuously evaluate the information provided by the executive management team, including information on internal control. The audit committee's task of monitoring the efficiency of internal control by the management team is of particular interest to the board. This work includes checking that steps are taken with respect to any shortcomings detected and suggestions made during the assessment by the central departments and internal store auditors, as well as by external auditors. The work on internal control maintains awareness of the importance of effective internal control within the group and ensures that continuous improvement is made.

### INTERNAL AUDIT

In accordance with section 7.4 of the Code, during the year the board assessed the need for a specific internal audit process. The board concluded that H&M's present model of monitoring internal control is the most appropriate for the company. In the board's opinion this model, which the central departments such as Accounting, Expansion/Construction, Business Tech, Communications, Security and Supply Chain (including Logistics and Production) apply in the subsidiaries, as well as the work carried out in stores by internal process responsible from the local security departments, are well in line with the work performed in other companies by

an internal audit department. It was therefore deemed that there was no need for an internal audit department.

The issue of a specific internal audit department will be reviewed again in 2022.

Stockholm, March 2022

The Board of Directors

More information on H&M's corporate governance work can be found in the section on corporate governance at [hmgroup.com/corporate-governance](https://www.hmgroup.com/corporate-governance). The next two pages contain information about the board members.



## The board of directors



**KARL-JOHAN PERSSON**

Chair of the board.

Born 1975.

**Primary occupation**

Chair of the board of directors of H&M.

**Other significant board assignments**

Member of the boards of Ramsbury Invest AB, the GoodCause Foundation and the H&M Foundation.

**Education**

BA in business administration from the European Business School, London.

**Professional experience**

2001–2004 CEO of European Network.  
2005–2009 Operational executive roles within the H&M group, including within expansion, business development and new business.  
2009–2020 CEO of H&M.  
2020– Chair of the board of H&M.



**STINA BERGFORS**

Board member.

Born 1972.

**Primary occupation**

Entrepreneur and board assignments.

**Other significant board assignments**

Member of the board of Budbee AB, Carlssons Skola, Handelsbanken and also board member of Tele2. Stina is also involved in the Prince Daniel Fellowship at the Royal Swedish Academy of Engineering Sciences (IVA).

**Education**

MSc in business administration and honorary doctorate from Luleå University of Technology.

**Professional experience**

1998–2000 TV3 MTG Sales.  
2000–2004 Media strategist OMD Nordics.  
2005–2008 CEO of Carat Sverige AB.  
2008–2013 Country director for Google and YouTube in Sweden.  
2014–2020 Founder and CEO, and later business development, for United Screens.



**ANDERS DAHLVIG**

Board member and member of the audit committee.

Born 1957.

**Primary occupation**

Board assignments.

**Other significant board assignments**

Chair of Inter IKEA Holding BV and member of the board of Oriflame SA.

**Education**

MSc in business administration, Lund University, 1980 and MA from the University of California, Santa Barbara, 1982.

**Professional experience**

1983–1993 Various roles within IKEA in Sweden, Germany, Switzerland and Belgium.  
1993–1997 Managing director of IKEA UK.  
1997–1999 Vice president of IKEA Europe.  
1999–2009 President and CEO of IKEA.



**CHRISTIAN SIEVERT**

Board member and chair of the audit committee.

Born 1969.

**Primary occupation**

CEO of AB Max Sievert.

**Other significant board assignments**

Member of the board of AB Max Sievert and of the boards of portfolio companies of AB Max Sievert; also member of the board of AB Anders Löfberg.

**Education**

MSc in business administration from the School of Economics, Stockholm, 1994.

**Professional experience**

1994–1997 Consultant, Bain & Company, Stockholm and San Francisco, USA.  
1997–2003 Investment manager and partner at Segulah.  
2003–2013 CEO/managing partner at Segulah.  
2013–2014 Partner, Segulah.  
2014– CEO of AB Max Sievert.



**ERICA WIKING HÄGER**

Board member and member of the audit committee.

Born 1970.

**Primary occupation**

Partner at the law firm Mannheimer Swartling since 2009 and chair of Mannheimer Swartling's Corporate Sustainability & Risk Management practice group.

**Other significant board assignments**

Chair of the board of Mannheimer Swartling Advokatbyrå AB.

**Education**

Master of Laws from Uppsala University, LL.M. from Harvard Law School in the US.

**Professional experience**

1994–1995 Acting lecturer in civil law, Uppsala University.  
1995–1997 District court service, Sollentuna District Court.  
1997–1998 Law clerk, Svea Court of Appeal.  
1999–2000 Corporate counsel, Corechange Inc., Boston, USA.  
2000–2008 Associate, Mannheimer Swartling.  
2009– Partner, Mannheimer Swartling.



**NIKLAS ZENNSTRÖM**

Board member.

Born 1966.

**Primary occupation**

CEO of venture capital company Atomico, which focuses on fast-growing tech companies, and involved in Zennström Philanthropies, which supports organisations particularly associated with climate change, social entrepreneurship, the Baltic Sea environment and human rights.

**Other significant board assignments**

Member of the boards of Atomico, Zennström Philanthropies, Farmdrop, Rovio, Orbital Systems and Lilium.

**Education**

Dual degrees in business administration and engineering physics from Uppsala University.

**Professional experience**

1991–1994 Product manager, Tele2 AB, Stockholm.  
1994–1996 Director of access network, Unisource Voice Services AB, Stockholm.  
1996–1997 Director of internet services, Tele2 Danmark A/S, Copenhagen.  
1997–2000 Director of internet services, Tele2 Europe ASA, Luxembourg/Amsterdam.  
2000–2002 CEO and founder, Kazaa, Amsterdam.  
2001–2003 CEO and founder, Joltid, Amsterdam.  
2002–2007 CEO and founder, Skype, London.  
2007– CEO and founder, Atomico, London.



**LENA PATRIKSSON KELLER**

Board member.

Born 1969.

**Primary occupation**

Executive chair at branding and communications agency Patriksson Group AB.

**Other significant board assignments**

Member of the boards of Elite Hotels, Wanås Art Foundation, Jeanerica AB and Maria Nilsson AB. Lena is also involved in the Prince Daniel Fellowship at the Royal Swedish Academy of Engineering Sciences (IVA).

**Education**

Design and marketing at Parsons School of Design in New York and at the American University in London.

**Professional experience**

1993–1996 Buying & product development at H&M.  
1996–1998 Global communications manager, J.Lindeberg.  
1999– CEO and later executive chair, Patriksson Group AB.



**DANICA KRAGIC JENSFELT**

Board member.

Born 1971.

**Primary occupation**

Professor of computer science at KTH Royal Institute of Technology conducting research in the fields of computer vision and robotics. The aim of the research is to use sensors to build future systems that interact with people and their environment in a natural way.

**Other significant board assignments**

Member of the Royal Swedish Academy of Sciences and the Royal Swedish Academy of Engineering Sciences (IVA) and board member at FAM, SAAB and the Institute for Future Studies.

**Education**

MSc in mechanical engineering from the Technical University of Rijeka, Croatia. Danica was awarded a PhD in robotics by KTH Royal Institute of Technology, Stockholm in 2001. Honorary doctorate from Lappeenranta University of Technology in Finland.

**Professional experience**

2008– Professor of computer science, conducting research in the fields of computer vision and robotics at KTH Royal Institute of Technology in Stockholm.





**INGRID GODIN**

Employee representative, on the H&M board since 2012.

Born 1959.

Employed since 2002.

**Current position**  
Warehouse worker, Eskilstuna DC.



**HELENA ISBERG**

Deputy employee representative, on the H&M board since 2019.

Born 1978.

Employed since 1998.

**Position**  
Sales advisor, H&M Karlskrona. Helena Isberg left her employment at H&M on 8th December 2021, as well as her deputy employee representative assignment.

—

Agneta Gustafsson was elected as new deputy employee representative in March 2022.

Born 1969.

Employed since 1988.

**Current position**  
Sales advisor, H&M Jönköping.



**LOUISE WIKHOLM**

Deputy employee representative, on the H&M board from 2021.

Born 1980.

Employed since 2014.

**Current position**  
Project Manager, Customer Activation & Marketing H&M.



**TIM GAHNSTRÖM**

Employee representative, on the H&M board since 2021.

Born 1979.

Employed since 2015.

**Current position**  
Solution Architect (Business Tech).



**HAMPUS GLANZELIUS**

Deputy employee representative, on the H&M board from 2021.

Born 1977.

Employed since 2011.

**Current position**  
Business Controller, MONKI.



**MARGARETA WELINDER**

Employee representative, on the H&M board since 2007.

Born 1962.

Employed since 2000.

**Current position**  
Omni buyer, H&M.

## Auditor's statement

### **AUDITOR'S REPORT ON THE CORPORATE GOVERNANCE STATEMENT**

To the general meeting of the shareholders in H & M Hennes & Mauritz AB (publ) corporate identity number 556042-7220

#### **Engagement and responsibility**

It is the board of directors who is responsible for the corporate governance statement for the financial year 2020-12-01-2021-11-30 on pages 1-14 and that it has been prepared in accordance with the Annual Accounts Act.

#### **The scope of the audit**

Our examination has been conducted in accordance with FAR's standard RevR 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

#### **Opinions**

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the annual accounts and the consolidated accounts and are in accordance with the Annual Accounts Act.

Stockholm, March 25, 2022

Deloitte AB

Didrik Roos

Authorised Public Accountant