

H & M Hennes & Mauritz AB

Ordinary Resolution Proposed by Fair Action prior to Annual General Meeting 2022

Resolution

The Annual General Meeting calls on the Board of Directors to:

Join negotiations with union representatives, in order to create a transparent and legally binding agreement that will:

1. Ensure all workers in H&M's supply chain are paid their legally mandated or regular wages - whichever is higher – and severance pay, which many workers did not receive during the Covid-19 pandemic.
2. Ensure, through the creation of a legally binding severance guarantee fund, that workers are never left without compensation again, in case their employer's factory faces bankruptcy or other unforeseen events that impact its workers.

Brief context for the proposed resolution

Factory employees in the global textile industry have been disproportionately hard hit by the Covid-19 pandemic. As stores and shopping malls closed due to the Covid-19 pandemic in the beginning of 2020, millions of textile workers lost their livelihoods, often overnight. Numerous employees were sent home without adequate notice and without receiving their legally mandated wages and severance pay.

Globally, 13 months into the pandemic, workers were owed USD 11,85 billion in unpaid income and legally mandated severance pay. Most of these workers have still not been compensated for their lost income. For example, [two thousand employees](#) at an H&M supplier factory, Gladpeer Garments in Cambodia, are still waiting on USD 1,4 million in unpaid severance.

Most of H&M's production takes place in countries where there are inadequate social security systems, if any, and these are usually very weakly enforced, or not enforced at all, meaning workers often do not have any source of income if they lose their jobs. Workers in Bangladesh, Cambodia and other of H&M's key countries of production have been facing [severe hunger and are accumulating debt](#) to buy food for their families.

The United Nations Guiding Principles on Business and Human Rights affirm that corporations have a responsibility to respect human rights within company-owned operations and throughout their supply chain. H&M [claims to have committed](#) to these Guiding Principles.

As the second largest fashion company in the world, H&M has a great opportunity – and obligation – to take action to live up to this commitment by joining negotiations with union representatives in order to create a legally binding agreement. Just as H&M did after the collapse of the textile factory Rana Plaza in 2013.