

# CEO WATER MANDATE COMMUNICATION ON PROGRESS (COP-WATER) 2008 H & M HENNES & MAURITZ AB

---

H & M Hennes & Mauritz AB (henceforth called H&M) continues to support the UN Global Compact's CEO Water Mandate.

This document outlines H&M's policies and the practical actions that we have taken to implement each of the CEO Water Mandate's six elements since joining the initiative.

H&M's future COP-Waters will be integrated into our annual sustainability reporting.

---

## **1) Direct operations**

- Conduct water-use assessment for direct production of goods and services

Even though H&M's direct operations are limited to fashion retailing, we are committed to limiting the environmental impact of our entire processing chain (within our sphere of influence).

Discussions with retailers and brands that manufacture goods themselves show that the volumes of water used in retail operations are insignificant compared with those used in manufacturing (and farther back in the processing chain). Therefore, assessing H&M's own water-use has not been a major priority. We plan to assess H&M's water use during 2009 to verify the above mentioned conclusion.

- Set targets for operations related to water conservation and waste-water treatment, framed in a corporate cleaner production and consumption strategy.

H&M's policy for building and rebuilding of stores:

- low-flow toilets,
- low-flow taps in hand basins and kitchen sinks.

H&M's requirements for warehouses/distribution centres:

- low-flow taps,
- low-consumption toilets and
- shower armatures with automatic stop function.

Furthermore, on warehouses/distribution centres H&M applies the following general requirements:

- minimise the use of potable water,
  - use rainwater to rinse toilets and
  - use rainwater for external irrigation (irrigation system and external taps).
- Seek to invest in and use new technologies to achieve these goals.

H&M continuously apply emerging technologies in order to reduce and minimise the water use in construction and reconstruction activities.

- Raise awareness of water sustainability within corporate culture.

Water sustainability is an increasingly important issue within H&M, and we have begun increasing awareness among both employees and customers.

For example, we have published our sustainability vision, strategy and policy online ([http://www.hm.com/filearea/corporate/fileobjects/pdf/en/CSR\\_REPORT2008\\_PDF\\_1240240530209.pdf](http://www.hm.com/filearea/corporate/fileobjects/pdf/en/CSR_REPORT2008_PDF_1240240530209.pdf)) where you can find information about our Cleaner Fabric Production project. In addition, there is a section dedicated to H&M's water-related work in our latest Sustainability Report (see pages 28-30 in the pdf report). In 2008 we also identified water as one of three focus areas for our community investments and have used both internal and external channels to communicate our work in this area.

- Include water sustainability considerations in business decision-making

H&M places environmental requirements on our suppliers. E.g., all suppliers with wet processes need to treat their waste-water. Suppliers' compliance with these requirements influence our sourcing decisions.

Furthermore, we have developed a new sustainability strategy. The aim is to integrate sustainability into our business practices and make it a shared responsibility within H&M. This means that social and environmental concerns, such as water sustainability, will be a part of our decision-making progress to an even greater extent. The strategy is currently being implemented across our operations. Read more on pages 5-6 in our 2008 Sustainability Report.

## **2) Supply chain and watershed management**

- Encourage suppliers to improve their water conservation, quality monitoring, waste-water treatment, and recycling practices.

Please read about our actions in this area on pages 28-29 in our 2008 Sustainability Report.

- Build capacities to analyze and respond to watershed risk.

We consider the CEO Water Mandate to be a forum for capacity building for us, by providing a platform for discussions and knowledge sharing.

In 2009, we plan to carry out a hotspotting exercise where we will identify wet processing units in water-scarce watersheds. We will also analyse the water efficiency and total water use of those units. See below and on page 82 in our 2008 Sustainability Report.

- Encourage and facilitate suppliers in conducting assessments of water usage and impacts.

H&M requires all suppliers with wet processing to

- 1) treat their waste-water,
- 2) report the water quality or outgoing treated waste-water and
- 3) report water usage volumes to H&M. , see attached below under “water and waste water”

In 2009, we plan to carry out a hotspotting exercise where we will identify wet processing units in water-scarce watersheds. We will also analyse the water efficiency and total water use of those units. See below and on page 82 in our 2008 Sustainability Report.

H&M also has a cleaner production programme aimed at our suppliers and our suppliers’ suppliers wet processing factories. The purpose of the programme is to encourage selected units to save resources such as water. Please read more about the cleaner production programme on page 30 in our 2008 Sustainability Report.

- Share water sustainability practices – established and emerging – with suppliers.

Apart from H&M’s cleaner production programme (described above), we are currently testing water saving techniques in selected denim laundries. This is done in collaboration with a chemical supplier. Please read more on page 82 in our 2008 Sustainability Report.

- Encourage major suppliers to report regularly on progress achieved related to goals.

All units with wet processing are required to report progress to H&M (please see above under “Waste water”). Non-compliant units are required to present corrective action plans.

### **3) Collective action**

- Build closer ties with civil society organizations, especially at the regional and local levels.

H&M has worked with WaterAid since 2002. Please read more about this initiative below.

- Work with national, regional and local governments and public authorities to address water sustainability issues and policies, as well as with relevant international institutions – e.g., the UNEP.

H&M has not worked with governments on water sustainability issues during the past year.

- Encourage development and use of new technologies, including efficient irrigation methods, new plant varieties, drought resistance, water efficiency and salt tolerance.

H&M participates actively in the Better Cotton Initiative (BCI). Water is one of BCI's core environmental principles, both in terms of e.g. sustainable availability, water conservation and run off from the farms. BCI is evaluating a number of possible technologies that will enable farmers to reduce their usage of water. Please read more about the BCI on [www.bettercotton.org](http://www.bettercotton.org).

- Be actively involved in the UN Global Compact's Country Networks. H&M is (no longer) involved in any UN Global Compact Country Network.
- Support the work of existing water initiatives involving the private sector – e.g., the Global Water Challenge; UNICEF's Water, Environment and Sanitation Program; IFRC Water and Sanitation Program; the World Economic Forum Water Initiative – and collaborate with other relevant UN Program; the World Economic Forum Water Initiative – and collaborate with other relevant UN bodies and intergovernmental organizations – e.g., the WHO, the OECD and the World Bank Group.

Currently, H&M does not support any of the above mentioned water initiatives.

#### **4) Public policy**

- Contribute inputs and recommendations in the formulation of government regulation and in the creation of market mechanisms in ways that drive the water sustainability agenda.

Currently, H&M is not engaged in public policy concerning water sustainability.

- Exercise “business statesmanship” by being advocates for water sustainability in global and local policy discussions, clearly presenting the role and responsibility of the private sector in supporting integrated water resource management.

Currently, H&M is not engaged in public policy concerning water sustainability.

- Partner with governments, businesses, civil society and other stakeholders – for example the SIWI, UNEP Collaborating Centre on Water and

Environment, and UNESCO's Institute for Water Education – to advance the body of knowledge, intelligence and tools.

Currently, H&M is not engaged in public policy concerning water sustainability.

- Join and/or support special policy-oriented bodies and associated frameworks – e.g., UNEP's Water Policy and Strategy; UNDP's Water Governance Programme.

Currently, H&M is not engaged in public policy concerning water sustainability.

## **5) Community engagement**

- Endeavour to understand the water and sanitation challenges in the communities where we operate and how our businesses impact those challenges.

Currently, H&M is not engaged in activities concerning water and sanitation challenges in the communities.

- Be active members of the local community, and encourage or provide support to local government, groups and initiatives seeking to advance the water and sanitation agendas.  
H&M is currently not involved in water and sanitation issues on the local level (other than through our support for WaterAid).
- Undertake water-resource education and awareness campaigns in partnership with local stakeholders.

Since 2002 H&M cooperates with the international charity WaterAid and supports their water and sanitation projects in Asia and Africa. Through our support we can help WaterAid to provide safe water, effective sanitation and hygiene education. WaterAid works closely with its partners to teach communities about hygiene education so that they understand the importance of safe hygiene practices, clean water and effective sanitation to prevent water-related diseases. In 2008 H&M contributed £216 202 to WaterAid. Please read more on page 53 in the Sustainability report.

- Work with public authorities and their agents to support – when appropriate – the development of adequate water infrastructure, including water and sanitation delivery systems.  
Currently, H&M does not work with public authorities to help develop water infrastructure.

## **6) Transparency**

- Include a description of actions and investments undertaken in relation to The CEO Water Mandate in our annual Communications on Progress for the UN Global Compact, making reference to relevant performance indicators such as the water indicators found in the GRI

This document is H&M's first COP-Water. Future COP-Waters will be included in our regular sustainability reporting, which is based on the GRI's Reporting Guidelines.

- Publish and share our water strategies (including targets and results as well as areas for improvement) in relevant corporate reports, using – where appropriate – the water indicators found in the GRI.

H&M's sustainability report is drafted using GRI indicators. Please see the GRI content index on pages 92-125 in our 2008 Sustainability Report.

- Be transparent in dealings and conversations with governments and other public authorities on water issues.

Currently, our activities in the water sustainability area have not included conversations with government and other public authorities. Any future dealings with public authorities on water issues will be reported in coming sustainability reports.