



Climate



We are taking action in our operations and our value chain – from raw materials to manufacturing, transport and what happens to products after use – to reduce our emissions and our impact on the climate.

Introduction

Science clearly shows global warming must stay below 1.5°C to avoid serious consequences like extreme weather, rising seas, loss of wildlife, and risks to people’s health and jobs.

Greenhouse gases (GHG), such as carbon dioxide, trap heat in the atmosphere and cause temperatures to rise. Lots of these gases are released when we make and transport products, as well as dealing with them when they can no longer be used. Therefore, we are actively cutting emissions where we can.

Science-based targets

In September 2022, the [Science Based Targets Initiative \(SBTi\)](#) verified our climate targets. This organisation helps companies set targets based on the latest science, so businesses can contribute to limiting global temperature rise.

H&M Group target	Baseline	Target year	Scope (see below)
Near-term target to reduce greenhouse gas emissions by 56 percent	2019	2030	Scope 1 and 2
Near-term target to reduce greenhouse gas emissions by 56 percent	2019	2030	Scope 3

What are scope 1, 2 and 3 emissions?

To be able to reduce emissions, we need to know where they come from. Greenhouse gas (GHG) emissions are grouped into three categories, based on how directly a company controls them.

Scope 1 are direct emissions from our own operations, such as fuel use for heating or company vehicles.

Scope 2 are emissions from electricity, heat or steam we buy to power our own operations, e.g. electricity and district heating for stores, warehouses and offices.

Scope 3 are indirect emissions from outside our operations but still relate to our business, e.g. cultivation of raw materials such as cotton, manufacturing by suppliers, product transport and what happens to products at the end of their life, for example recycling or incineration for energy recovery.

Please note, emissions from when customers use and care for our sold products are not included in our Scope 3 targets.

Measuring emissions

Different greenhouse gases affect the planet in different ways. Some are stronger than others at trapping heat. CO₂e, or carbon dioxide equivalent, is a way to make their impact comparable. It adds up the effect of each gas and expresses it as if it were all carbon dioxide. This helps us measure climate impact in a clear, consistent way – even when different gases are involved.

Our position on offsetting

We prioritise reducing our emissions over offsetting to achieve our near-term targets. When you offset, you balance out GHG released into the atmosphere by funding projects that either remove or avoid the same amount of emissions elsewhere. For example, a company might support protecting forests or invest in technology that captures carbon dioxide from the air. While offsetting helps, it doesn't reduce emissions from our business.

Actions to meet our 2030 near-term target: reduce scope 1 and 2 GHG emissions by 56 percent

Energy efficiency

Across our stores, offices and warehouses we are rolling out programmes to make sure we do not waste energy. These include real-time monitoring of energy use, LED lighting, motion sensors to automatically turn off lights when spaces are empty and temperature adjustments to avoid unnecessary heating or cooling.

Sourcing renewable electricity

We've signed ten power purchase agreements in Poland, Sweden, Spain, UK and US to add new sources of renewable electricity to grids where we operate and cover 50 percent of our energy needs. These agreements are long-term contracts between us and a renewable energy provider. We agree to buy electricity at a fixed price over several years, which helps the provider to build or operate new renewable energy projects like wind farms or solar parks. Find out more in this [case study](#).

Progress

In 2024, we reported a 41 percent reduction in scope 1 and 2 GHG emissions since 2019, our baseline year. This improvement was largely driven by an increase in the amount of renewable electricity we purchased.

■ Emissions (tonnes CO₂e)

Actions to meet our 2030 near-term target: reduce scope 3 GHG emissions by 56 percent

Financing for suppliers to reduce emissions

We offer suppliers financial support and financing at favourable terms for energy efficiency and renewable energy projects. Since it was launched in 2023, our Green Fashion Initiative has supported 23 projects with the potential to cut supply chain emissions by 148,000 tonnes CO₂e. Of this, 67,000 tonnes relate to H&M Group, which is roughly the equivalent to powering 9,000 homes for a year. The return on these investments is measured in GHG emissions reduction, not in financial gain.

Find out more about our [green investments team](#) and how we're installing [rooftop solar](#), [electrifying processes at a supplier](#) and using biomass as a [transitional fuel](#).

Phasing out coal

Removing coal boilers from our supply chain is one of the most impactful actions we can take to reduce our scope 3 emissions. We are supporting the first three levels of our supply chain (also known as tiers 1, 2 and 3) to phase out these boilers by the end of 2026. These factories make our garments, produce fabric and spin yarn. Between 2022 and 2024, the number of coal boilers in the first two levels of our supply chain dropped from 118 to 27. Adding in the third level, the current number stands at 39. To remove all boilers we will continue to work with our suppliers to electrify industrial processes traditionally powered by coal.

Energy efficiency at suppliers

Our team of experts provides free audits to suppliers to identify potential efficiency improvements, such as waste heat recovery from manufacturing processes. Since its launch in 2021, the programme has initiated 1,027 projects, with an expected reduction of 350,000 tonnes CO₂e a year, equivalent to powering 75,500 homes for one year. Read more in this [case study](#).

Materials

Raw materials like cotton, wool and synthetics, generate a lot of emissions when they are made through the energy used in farming, fossil fuel extraction and agricultural sources of methane and nitrous oxide. By switching the type of fibres we use, we can reduce our emissions. For example,

recycled materials generate less emissions because they do not require new raw materials. We are also optimising our business by having the right products in the right place at the right time and price. We also offer resale to prolong the life of existing garments.

Transport

We're cutting emissions from how we move goods and materials by using lower-emission transport options, including electric vehicles and, where needed, biofuels. We're also reducing the number of journeys through changes like using parcel collection points and improving how we manage returns and restock stores. To make transport more efficient, we're increasing load capacity, consolidating shipments and adjusting delivery schedules.

Progress

In 2024, we reported a 23.7 percent reduction in scope 3 emissions against our baseline year of 2019.

However, our emissions rose three percent compared to 2023 due to two reasons. Firstly, there was an increase in material weight, which fluctuates year to year depending on the type of products we make and the material used. Secondly, airfreight went up to just below three percent of total transports because of disruptions in shipping routes.

■ Emissions (tonnes CO₂e)

Advocacy actions to meet near-term targets

As well as taking direct action to reduce our emissions, advocacy is a key enabler that can support deeper emission cuts by helping to create the needed legal frameworks for long-term systemic change.

Promoting policy

We encourage governments and policymakers to develop laws in line with the Paris Agreement that will help reduce emissions in our industry. In 2024, we signed the World Economic Forum's (WEF) [COP 29 open letter](#), which calls for stronger climate action globally. We also joined the [Corporate Leaders Group Europe](#), led by University of Cambridge, to work with other companies pushing for effective climate policy.

Renewable energy access

In our main retail and production markets where we can have the most impact, we work with policymakers and industry groups, such as the UN Framework Convention on Climate Change Fashion Charter and World Economic Forum, to advocate for stronger climate policies, especially improving availability and access to renewable energy..

Carbon offsetting or carbon compensation

In 2024, the Science Based Targets initiative (SBTi) suggested they would allow companies to buy carbon credits from external projects that reduce or remove greenhouse gases to offset their emissions. We wrote [a letter](#) to the Board of Trustees at SBTi in May 2024 to raise our concerns that if this went ahead companies would rely on carbon credits instead of taking action to cut their emissions. As of June 2025, no decision has been made.

Beyond 2030

We are committed to reducing our emissions beyond 2030. Some of the actions detailed above will help, for example improving energy efficiency and expanding the use of renewable energy.

But these steps alone won't be enough. We need stronger public policies that support access to renewable electricity and help speed up the electrification of our supply chain. At the same time, we need to close existing gaps – such as scaling up recycling technologies, improving manufacturing processes, and finding better materials. While not all solutions exist yet, we are focused on driving progress and supporting the changes needed to reach our goals.

Our approach to net-zero

Our aim is to reduce emissions as far as we can by taking actions like those detailed above. However, there will be some remaining emissions that we cannot reduce, for example, from agricultural practices used to produce raw materials. To balance out these emissions, we invest in projects that will remove an equivalent amount of carbon dioxide from the atmosphere and store it. That's what we mean by net-zero. These projects are not counted in our emissions reduction figures.

Capturing carbon dioxide from the atmosphere

Current options for permanent carbon dioxide removal are limited. By committing to purchase carbon removal credits now, we can help scale solutions so more organisations can access them in the future. In 2022, we signed a multi-year deal with [Climeworks](#) for direct air capture and storage with final delivery in 2033. In 2023, we joined [Frontier](#), an advance market commitment that speeds up the development of carbon removal technologies by promising to buy carbon removal credits once the technologies are ready. Since then, we have signed fourteen offtake agreements due for delivery in 2030.

Carbon removal credits are only counted once the carbon has been taken out of the atmosphere and the removal is verified. This means we don't claim any climate benefit from these agreements until the removals are actually delivered. And we never claim these credits against our emission reduction targets.

Reducing emissions outside of our value chain

Reducing emissions to keep global warming within 1.5°C is a shared responsibility. Alongside efforts to cut emissions from our business, we have a responsibility to contribute to this wider

goal. In 2022, we joined the LEAF Coalition to help protect tropical forests, important carbon stores. The coalition members buy verified carbon credits from tropical forest countries that reduce deforestation.

Through LEAF, we have entered into an agreement to buy carbon credits from the Brazilian state of Pará, which will directly support actions that reduce deforestation in the region once verified. Please note, we do not use these credits to offset any of our emissions.

Further information



Our Climate Transition Plan brings together all our climate related activities from across our business into one document. It focuses on our journey towards 2030 and includes our targets, strategy and methodology as well as detailing our actions and the challenges we face.

GET THE
PLAN



Our report, *Powering change: Our energy use 2024*, outlines how we use energy in our operations and supply chain. It also shares our view on biomass, renewable electricity procurement and the shifts needed to reach our climate and energy goals.

GET THE
REPORT

We publish our sustainability progress report annually. In this document, we set out our goals and the progress we've made in the previous year. Find the latest version [here](#). More up to date information can be included on this page.

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