H&M HENNES & MAURITZ UK LIMITED &

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H&M HENNES & MAURITZ UK SERVICES LIMITED



Our Brands and Ventures;

H&M COS Weekday Monki H&M HOME & Other Stories ARKET

All H&M Group UK brands are included in the calculations, and the survey was conducted separately for each of our two companies: H&M Hennes & Mauritz UK Limited, which employs those in our retail business, and H&M Hennes and Mauritz UK Services Limited, employing those in our Logistics & Customer Contact Centre. The findings in the report have been calculated using all pay data, regardless of role or pay rate. Based on the snapshot date of 5th April 2024, this report shows the average salary differences between genders. By sharing our report, we highlight our commitment to transparency and also underscore our determination to address inequalities and foster a workplace where every individual, regardless of gender, has the opportunity to thrive and succeed.



We are pleased to share the Gender Pay Gap Report for H&M Hennes & Mauritz UK Limited and H&M Hennes & Mauritz UK Services Limited for the 2024/25 reporting period. At H&M we recognise that diversity and equality are fundamental principles that drive our operations and define our culture.

Our analysis reveals that H&M Hennes & Mauritz UK Limited has a median pay gap of 1.7% in favour of male colleagues. Within H&M Hennes & Mauritz UK Services Limited we are proud to share the median result is level at 0.0%. For comparison purposes the median result for the UK retail sector in 2023/24 was 5.64% in favour of males. We make comparison to 2023/24 data as this is the most recent data available at the time of publishing this report in April 2025.

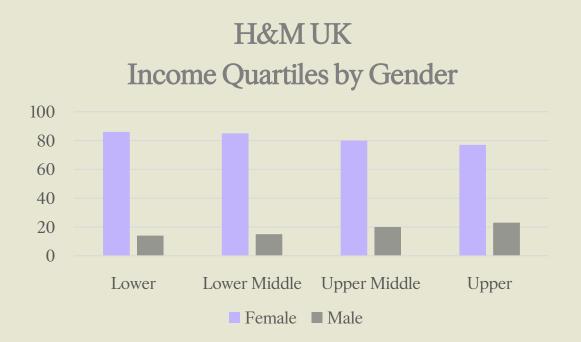
Encouragingly, our median pay gap shows that we are lowering the overall pay gap between our male and female colleagues in H&M Hennes & Mauritz over time. We have reduced our median pay gap by 1.3% since reporting began in 2017/18, when our median pay gap sat at 4%. In contrast, the reduction in the UK retail sector over the same period sits at 0.04%, reducing from 5.7% in 2017/18 to 5.64% in 2023/24.

Like many other employers there is still work to do when it comes to the mean result. However, as acknowledged by the Financial Times*, mean results can be significantly skewed by a small number of colleagues. At H&M Hennes & Mauritz UK Limited the mean pay gap is 11.7%, and at H&M Hennes & Mauritz UK Services Limited the mean pay gap is 0.6% in favour of male colleagues.

We are committed to narrowing the gap over time and are focused on strategic actions to achieve this. We aim to drive greater transparency and accountability when it comes to employee pay. Gender equality remains extremely important to H&M, and we are committed to the part we play in levelling up.







*When calculating these results, the data for 56 colleagues was removed before the report was finalised. While these individuals are employed by H&M Hennes & Mauritz UK Limited they are seconded from H&M head office in Stockholm and their salary cost is charged back to our Swedish parent company. Accordingly, we think that excluding them gives us a more accurate snapshot of our UK workforce.

Our key summary results for H&M Hennes & Mauritz UK Limited* are as follows:

According to base salary results for 2024, we see a mean gender pay gap of 11.7% in favour of male colleagues. According to the median measurement, we see a 1.7% gender pay gap in favour of male colleagues.

- If we divide our employees into four equal pay bands or quartiles, we can see the following:
 - o In Lower Quartile, 86% are women and 14% are men
 - o In Lower Middle Quartile, below that, 85% are women and 15% are men
 - o In Upper Middle Quartile, 80% are women and 20% are men
 - o In Upper Quartile, 77% are women and 23% are men

When it comes to bonus results for 2024, we see a mean average of a 91.1% gender pay gap in favour of male colleagues. According to the median measurement, we see 54% gender pay gap in favour of male colleagues, with the median bonus figure being £500 for female colleagues and £1087 for male colleagues.

In the relevant period, 5.3% of men (73) received a bonus and 4.9% of women (299). 122 of 372 bonuses awarded were for long service awards based on tenure, 'Refer a friend' recruitment scheme, as well as sign-on bonuses for colleagues progressing into new roles, all of these bonuses are awarded at a flat rate, regardless of gender.

Our analysis of the results for H&M Hennes & Mauritz UK Limited is as follows;

The survey included 7451 colleagues classed as "full-pay relevant employees" in line with the guidance shared by the Government Equalities Office on how to calculate the Gender Pay Gap.

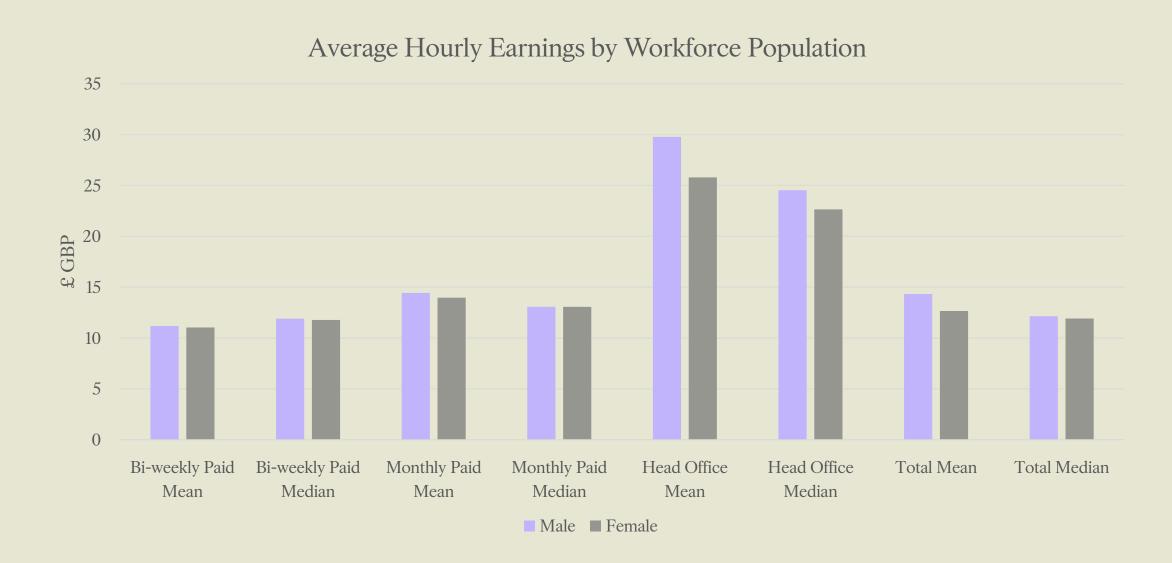
The headline numbers across all those colleagues are a mean average gender pay gap of 11.7% and a median average pay gap of 1.7% in favour of males respectively. However, our workforce is split into three distinct groups: sales advisors, management and UK head office. We think that it's important to look at each group separately. Taking this approach shows a much less pronounced disparity such that we are confident that men and women are treated fairly, whether they are sales advisors, management or work in our head office. The relevant information is:

- 71.8% of the workforce are the bi-weekly paid store sales team members who receive equal pay across tiered ranges dependant on store location and age. If a female and a male sales advisor are based in the same location and are the same age, they are paid exactly the same hourly rate. We have 3 location bands, each of these in turn broken down according to age brackets. At the time of data collection, this bi-weekly paid workforce population accounts for 5351 colleagues; 16.6% of them are male and 83.4% are female. Between them the mean average gender pay gap is 1.3% in favour of males, which we attribute to a higher proportion of males in the highest paid location & age bands and a higher proportion of females in the 2nd lowest location & the lowest age band.
- 20% of the workforce are monthly paid store management. At the time of data collection, monthly paid store management accounts for 1487 colleagues; 21.3% male and 78.7% female. All managers are paid within a salary range based on location and role. For this section of our workforce, the mean average gender pay gap is 3.5% in favour of males and our median gender pay gap is level at 0%. Again, we attribute this to a higher proportion of males in the highest paying location bands.
- 8.2% of the workforce population work in the head office. At the time of data collection, head office accounts for 612 colleagues; 28.9% is male and 72.5% is female. There is a 13.4% mean average pay gap in favour of males for this population and the median gap is 7.7% in favour of males.

GENDER PAY GAP REPORT 204/25 – H&M Hennes & Mauritz UK Limited

Gender Percentage by Workforce Population







*When calculating these results, the data for 33 colleagues was removed before the report was finalised. While these individuals are employed by H&M Hennes & Mauritz UK Services Limited they are seconded from H&M head office in Stockholm and their salary cost is charged back to our Swedish parent company. Accordingly, we think that excluding them gives us a more accurate snapshot of our UK workforce.

Our key summary results for H&M Hennes & Mauritz UK Services Limited are as follows:

According to base salary results for 2024, we see a mean gender pay gap of 0.6% in favour of male colleagues. According to the median measurement, we see no gender pay gap and th4e result is level at 0%.

- If we divide our employees into four equal pay bands or quartiles, we can see the following:
 - In Lower Quartile, 70.8% are women and 29.2% are men
 - In Lower Middle Quartile, 99.4% are women and 0.6% are men
 - In Upper Middle Quartile, 0% are women and 100% are men
 - In Upper Quartile, 49.5% are women and 50.5% are men

When it comes to bonus results for 2024, we see a 0.4% mean average gender pay gap in favour of males. According to the median measurement, we see 0% gender pay gap. Bonuses are awarded at a flat rate, regardless of gender.

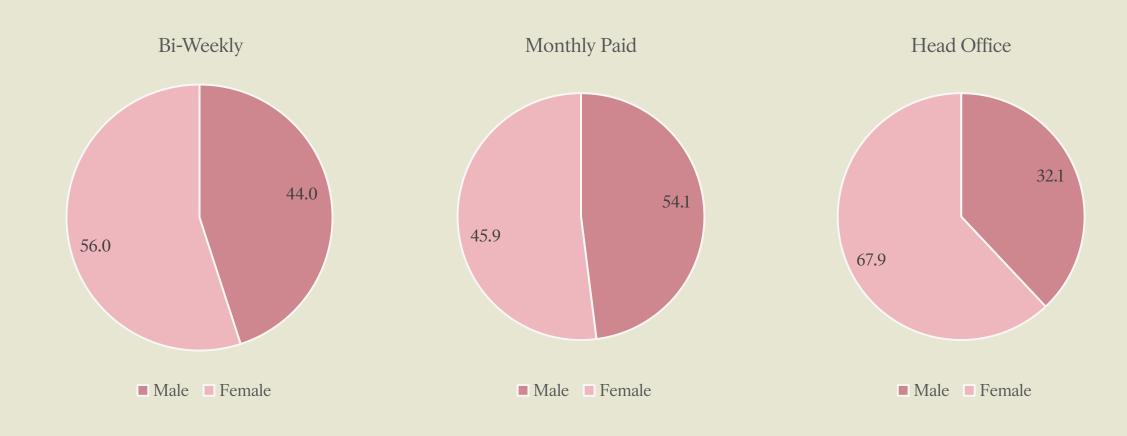
In the relevant period, 72.1% of men received a bonus and 56.7% of women.

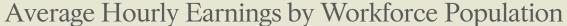
Our analysis of the results for H&M Hennes & Mauritz UK Service Limited;

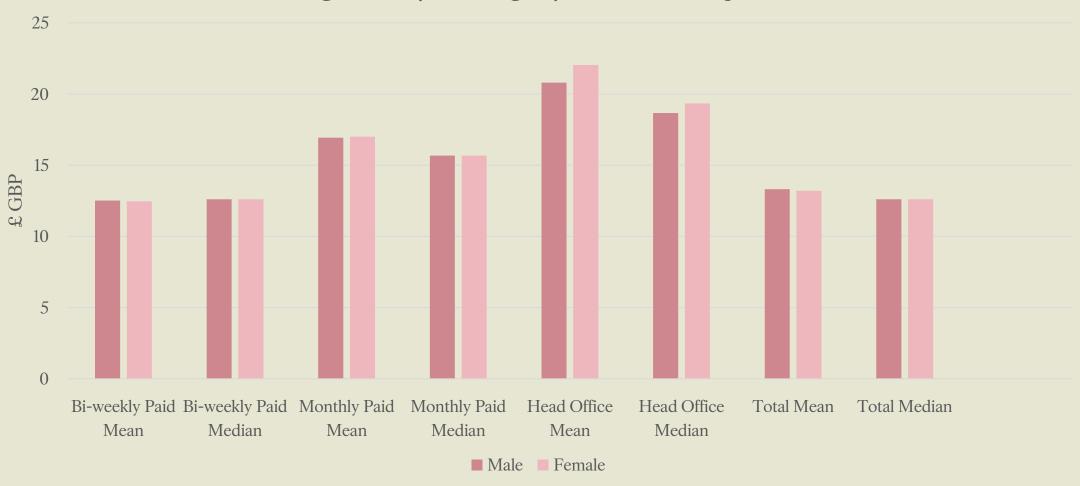
The survey included 1327 colleagues classed as "full-pay relevant employees" in line with the guidance shared by the Government Equalities Office on how to calculate your Gender pay gap. Like with our data for H&M Hennes & Mauritz UK Limited, it's important to split out the workforce into three distinct groups: bi-weekly paid team, management and UK head office. We think that it's important to look at each group separately. We are confident that men and women are treated fairly, regardless of position. The relevant information is:

- 85.1% of the workforce are the bi-weekly paid team who receive equal pay based on position & location. We have 4 locations within our Services entity. If a female and a male colleague are based in the same position in the same location, they are paid the same hourly rate. At the time of data collection, this bi-weekly paid workforce population accounts for 1129 colleagues; 45.1% are male and 54.9% of them are female. For this section of our workforce, the mean average gender pay gap is 0.4% and the median is 0.0%.
- 12.8% of the workforce are monthly paid management. At the time of data collection, monthly paid management accounts for 170 colleagues; 54.1% male and 45.9% female. All managers are paid within a salary range based on position and experience. For this section, the mean average gender pay gap is -0.4% in favour of females and the median is level 0%.
- 2.1% of the workforce population work in Head Office. At the time of data collection, head office accounts for 28 colleagues; 32.1% is male and 67.9% is female. There is a -6% mean average pay gap in favour of females for this population and the median gap is -3.6% in favour of females respectively.

Gender Percentage by Workforce Population







What actions are we taking?

Even though we are pleased with results in some areas, we recognise there is still work to do in others, we will continue to focus on driving equality and an inclusive approach towards our workforce, we've split our actions into two focus areas:

Compensation & Benefits

- We are committed to maintaining competitive compensation and benefits for all our colleagues. In early 2024 H&M Group launched a Job Framework connected to a levelling system, created based on the International Positioning Evaluation system. All roles within the company are mapped within the Job Framework based on the role expectations & responsibilities. As a result of this change our Annual Salary Review now has a deeper analytical approach utilising the levelling system.
- Reviewing our compensation annually to increase equality and attract future talent to H&M will continue to form part of our compensation strategy, with our leaders receiving training throughout the salary review process to support them to always act with equality and diversity in mind when making salary decisions.
- For 2025, we have reviewed our salary ranges, to reflect a more structured approach to location ranges for our bi-weekly paid colleagues.
- We continually review the benefits we offer our colleagues to ensure they are relevant and add value. We see that the most prized benefits are those that focus on our colleagues' health and wellbeing, and we are proud to have been a partner with the Retail Trust again in 2024, with their EAP providing invaluable support and guidance to our colleagues across all functions in H&M UK & Services.
- In 2024, we have also partnered with an external benefits provider who offer support, clinical advice and optional referral to specialists for reproductive health concerns.

Trainings & Communication

- We have developed our recruitment training for our senior leadership team & hiring managers, securing that our recruitment processes across our stores and office teams are focused on promoting equality, diversity and inclusion. Our unconscious bias training is being updated to include more of a focus on gender bias amongst other common biases.
- We continue to support our Colleague Resource Groups, with their initiatives playing a key part in our I&D actions in the UK.
- Each year we undertake an employee survey of all of our employees and their satisfaction working for H&M, as part of this survey we ask our employees questions linked to inclusion and diversity.
- We annually share our results with our board of directors for both H&M Hennes & Mauritz UK LTD and H&M Hennes & Mauritz UK Services LTD and discuss strategic actions to be taken in the coming year.

