GENDER PAY GAP REPORT
2023/24
H&M HENNES & MAURITZ UK LIMITED
&
H&M HENNES & MAURITZ UK SERVICES LIMITED
GENDER PAY GAP REPORT 2023/24

In our ongoing pursuit of fostering diversity and equality within our organization, I’m pleased to share the Gender Pay Gap Report for H&M Hennes & Mauritz UK Limited and H&M Hennes & Mauritz UK Services Limited in respect of the 2023/24 reporting period. At our organization, we recognize that diversity and equality are fundamental principles that drive our operations and define our culture.

Based on the snapshot date of 5th April, 2023, this report shows the average salary differences between genders. 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, which employs those in our Logistics & Customer Contact Centres. The findings in the report have been calculated using all pay data, regardless of role or pay rate. 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.

Our analysis reveals that H&M Hennes & Mauritz UK Limited has a mean average gender pay gap of 9.5%, indicating a differential in favour of men, like many UK companies. While the mean average presents one aspect, our median average gap stands at 1.3%, showcasing a narrower divide between genders and suggesting a more equitable distribution of salaries among our employees. Meanwhile, H&M Hennes & Mauritz UK Services Limited has a mean average gap of 1.6% in favour of men with the median average sitting at 0.0%

Encouragingly, 74% of roles in our head office are held by women, reflecting the strides we’ve made in promoting gender inclusivity and leadership opportunities within our organization. Additionally, 73.5% of the H&M Group Retail workforce comprises the bi-weekly paid sales team who receive equal pay based on hourly rates determined by store location and age; within this population women and men of the same age and based in the same location are paid exactly the same hourly rate.

By processing and sharing these results, 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.
Our key summary results for H&M Hennes & Mauritz UK Limited are as follows:

According to base salary results for 2023, we see an 9.5% gender pay gap in favour of men according to the mean measurement. According to the median measurement, we see a 1.3% gender pay gap in favour of men.

- If we divide our employees into four equal pay bands or quartiles, we can see the following:
  - In Lower Quartile, 86.5% are women and 13.5% are men
  - In Lower Middle Quartile, below that, 84.1% are women and 15.9% are men
  - In Upper Middle Quartile, 79.6% are women and 20.4% are men
  - In Upper Quartile, 77.1% are women and 22.9% are men

- When it comes to bonus results for 2023, we see a mean average of a 43% gender pay gap in favour of men. According to the median measurement, we see 9.9% gender pay gap in favour of men, with the median bonus figure being £500 for women and £555 for men.

- In the relevant period, 40% of men (58) received a bonus and 3.6% of women (240). 117 of 298 bonuses awarded were for long service awards, which are allocated based on tenure regardless of gender. Further bonuses awarded included those given as part of our ‘Refer a friend’ recruitment scheme, as well as sign-on bonuses for colleagues progressing into new roles; both of these bonuses are awarded at a flat rate, regardless of gender.

*When calculating these results the data for 34 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 analysis of the results for H&M Hennes & Mauritz UK Limited is as follows:

• The survey included 8063 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 9.5% and a median average pay gap of 1.3% in favour of men 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:
  • 73.8% 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 4 location bands, each of these are in-turn broken down according to age brackets. In December 2022 we restructured our age brackets to remove the bracket for ‘Under 18’ to ensure that colleagues were paid more fairly for the work they do. At the time of data collection, this bi-weekly paid workforce population accounts for 5942 colleagues; 16.6% of them are men and 83.4% are women. Between them, the mean average gender pay gap is 1.6% in favour of men, which we attribute to a higher proportion of men in the highest location & age bands and a higher proportion of women in the 2nd lowest location & the lowest age band.
  • 19.0% of the workforce are monthly paid store management. At the time of data collection, monthly paid store management accounts for 1528 colleagues; 20.8% are men and 79.2% are women. 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 4.9% in favour of men and our median gender pay gap is 4.2% in favour of men. Again, we attribute this to a higher proportion of men in the highest paying location bands.
  • 7.6% of the workforce population work in the head office. At the time of data collection, head office accounts for 611 colleagues; 27.5% are men and 72.5% are women. There is a 3.0% mean average pay gap in favour of men for this population and the median gap is 3.3% in favour of men.
GENDER PAY GAP REPORT 2023/24 – H&M Hennes & Mauritz UK Limited

Gender Percentage by Workforce Population

Bi-Weekly:
- Men: 83
- Women: 17

Monthly Paid:
- Men: 79
- Women: 21

Head Office:
- Men: 73
- Women: 27
GENDER PAY GAP REPORT 2023/24 – H&M Hennes & Mauritz UK Limited

Average Hourly Earnings by Workforce Population

£ GBP

Bi-weekly Paid Mean | Bi-weekly Paid Median | Monthly Paid Mean | Monthly Paid Median | Head Office Mean | Head Office Median | Total Mean | Total Median

Men | Women

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

- According to base salary results for 2023, we see a 1.6% gender pay gap in favour of men according to the mean measurement. According to the median measurement, we see a 0% gender pay gap.

- If we divide our employees into four equal pay bands or quartiles, we can see the following:
  - In Lower Quartile, 65.7% are women and 34.3% are men
  - In Lower Middle Quartile, 53.0% are women and 47.0% are men
  - In Upper Middle Quartile, 53.1% are women and 46.9% are men
  - In Upper Quartile, 48.1% are women and 51.9% are men

- When it comes to bonus results for 2023, we see a 0% mean average gender pay gap. According to the median measurement, we see 0% gender pay gap.

- In the relevant period, 48.9% of men received a bonus and 51.1% of women.

*When calculating these results, the data for 44 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 analysis of the results for H&M Hennes & Mauritz UK Service Limited:

- The survey included 1513 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. Taking this approach shows a much less pronounced disparity such that we are confident that men and women are treated fairly, regardless of position. The relevant information is:
  - 86.4% 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 1307 colleagues; 44.8% are men and 55.2% of them are women. For this section of our workforce, the mean average gender pay gap is 2.0% in favour of men and the median is 0.0%.
  - 11.9% of the workforce are monthly paid management. At the time of data collection, monthly paid management accounts for 180 colleagues; 48.3% are men and 51.7% are women. All managers are paid within a salary range based on position and experience. For this section, the mean average gender pay gap is -3.3% in favour of women and the median is 3.2% in favour of men.
  - 1.7% of the workforce population work in Head Office. At the time of data collection, head office accounts for 26 colleagues; 34.6% are men and 65.4% are women. There is a 12.4% mean average pay gap in favour of men for this population and the median gap is 8.6% in favour of men.
Average Hourly Earnings by Workforce Population

- Bi-weekly Paid Mean
- Bi-weekly Paid Median
- Monthly Paid Mean
- Monthly Paid Median
- Head Office Mean
- Head Office Median
- Total Mean
- Total Median

£ GBP

- Men
- Women
GENDER PAY GAP REPORT 2023/24

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, including the following:

- Our recruitment process is continuously being reviewed internally to promote equity, diversity and inclusion. We have extended our inclusion & diversity trainings to all colleagues in the UK & Ireland this year to promote equity at all levels of our organisation.

- We are committed to maintaining competitive compensation and benefits for all our colleagues. Reviewing salaried employees’ ranges annually to increase equality and attract future talent to H&M will continue to form part of our compensation strategy.

- Another important part of our compensation strategy is our colleague benefits, which we consider alongside our colleagues pay as part of our ‘Total Rewards’ package. We continually review the benefits we offer to ensure they are relevant and valuable to our colleagues.

- We have removed the ‘location’ element from our Monthly Paid population for our retail colleagues for 2024. Instead, all management positions are salaried according to the position level. We believe this will secure that these colleagues are paid fairly for the work that they do, regardless of their location.

- We have introduced Colleague Resource Groups to provide safe spaces for our colleagues to voice their opinions and share their lived experiences in an effort to continue to learn and develop ways to create a more inclusive workplace.

- We have introduced a Domestic Abuse Policy, aimed at protecting and supporting colleagues who are living with the impact of abuse at home. We see this as an important introduction for all colleagues, however we are aware of the impact that this may have for our female population in particular.

- 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.

Progress towards closing the gender pay gap is of utmost importance to us. By processing and sharing these results, we show our commitment to our part in levelling up.