

# GENDER PAY REPORT 2017



COS

WEEKDAY



MONKI



*& other Stories*

ARKET

# BACKGROUND

## Our organisation

**H**&M is a Swedish, multinational, retail clothing company founded in 1947. Our Business Concept is “Fashion and quality at the best price, in a sustainable way” and we have been operating in the UK since 1976.

**A**s well as the H&M Brand, the H&M group consists of seven other brands : COS, & Other Stories, Cheap Monday, Weekday, H&M Home, Monki and Arket.

**T**he majority of our employees work at a store level. Our stores will typically consist of Sales Advisors, Visual Merchandisers, Department Managers, Cash Office Responsible and Store Managers. We also have four warehouses in the UK with over 800 employees working in our warehouses and each has its own management team.

**O**ur support office for H&M is based in Central London and houses our central teams including Sales, Merchandising, Visual, Building, Construction, Expansion, Leasing, HR, Travel, Operations, Marketing, Press, IT and Sustainability. The Support Office works as a support for both the stores and area teams and over 100 people currently work there.

**O**ur COS global Head Office is also based in London and along with a local support team houses the global buying, design and Merchandise teams.

**W**ithin the H&M group fairness and equality are integrated into all business processes including, but not limited to, hiring, promotion, development, remuneration etc.

**I**n 2017, H&M globally has been ranked number one on the LedBetter list “The Gender Equality Index” which is composed of 230 companies culled from the Fortune 100 Forbes’s list of the most valuable brands. With women making up 58 percent of H&M’s board and 41 percent of its top leadership team, H&M outranked its competitors globally.

# BACKGROUND

## Gender pay report

Following the introduction of Gender Pay Reporting by the UK government from the 5th April 2017, for the first time UK companies with over 250 employees have to report on their gender pay gap, under the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

The H&M group is fully committed to treating all our employees equally, no matter what their gender, background, ethnicity or race... and as such we believe that there should be no structural differences in compensation between genders.

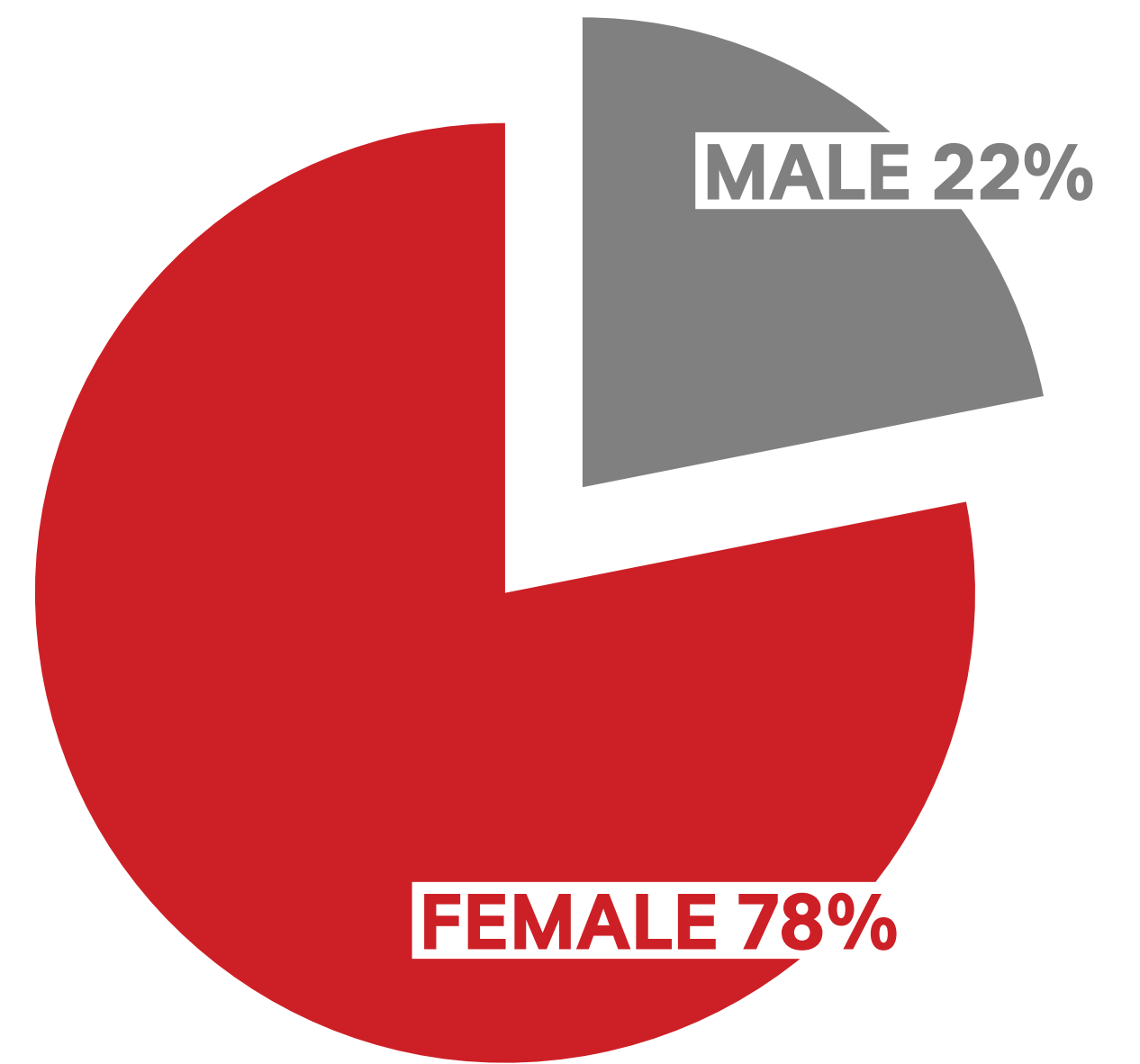
The gender pay gap is a measure of the difference between the average earnings of men versus the average earning of women within the company, regardless of the nature of their work or their position. It can be driven by the different number of men and women across all roles.

It differs from the equal pay comparison, which would mean a direct comparison of two people or groups of people carrying out the same, similar or equivalent job or role.

# RESULTS

## Pay hourly rate

Our Gender pay report is based on information on the snapshot date of 5th April 2017. On this date H&M group in the UK employed 9907 people. 7746 of these employees are female 2161 are male, which means that 78% of our employees are female



### DIFFERENCE BETWEEN MEN AND WOMEN

	H&M GROUP UK	RETAIL*	UK*
MEDIAN	<b>3.94%</b>	9.3%	18.4%
MEAN	<b>8.06%</b>	16.4%	17.4%

The median result is the middle value of pay for men versus the middle value of pay for women.

The mean result is the average hourly rate of all male employees versus the average hourly rate of all female employees.

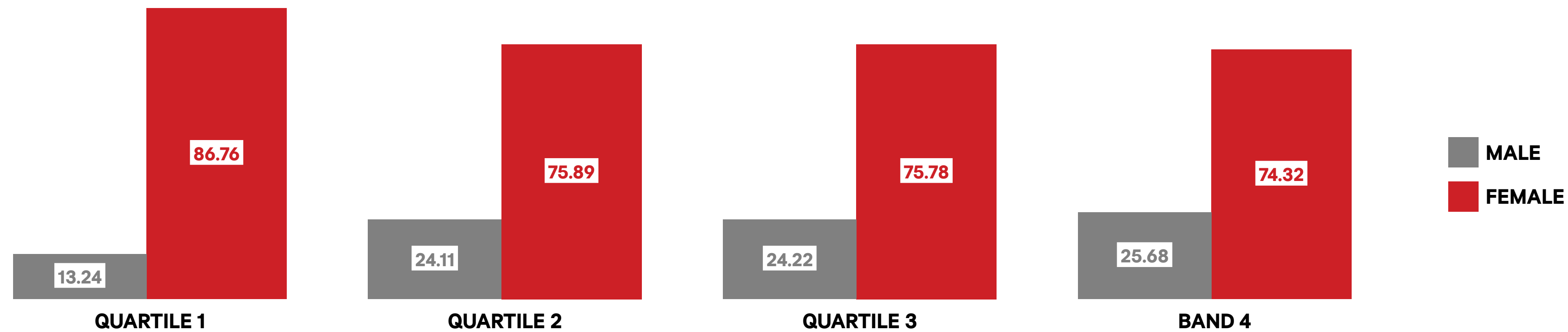
# RESULTS

## Quartiles

In the report we also share the percentage of men and women in each pay quartile.

Quartiles are calculated by listing the pay rates for each employees across the business from lowest to highest, that list being then split into four equal-sized groups, and percentage of males and females in each being then calculated. They should not be confused with the banding of salary of our employees set for each position.

### PAY QUARTILES





# RESULTS

## Pay hourly rate

The H&M group is fully dedicated to an equal pay structure for all our employees. We are confident that our gender pay gap is not due to women and men being paid differently to do the same job but can instead be explained by the structure of our workforce.

Indeed, as a fashion retailer, most of our employees in stores are female (78%), while our Support Office, where salaries are higher, has more of a balance of female and male employees. It is these employees that most likely have driven the results to create a small gender pay gap.

Those working as Sales Advisors in our stores are paid an hourly rate based on the location of the store, regardless of gender. Therefore we know that those working in these roles are paid equally.

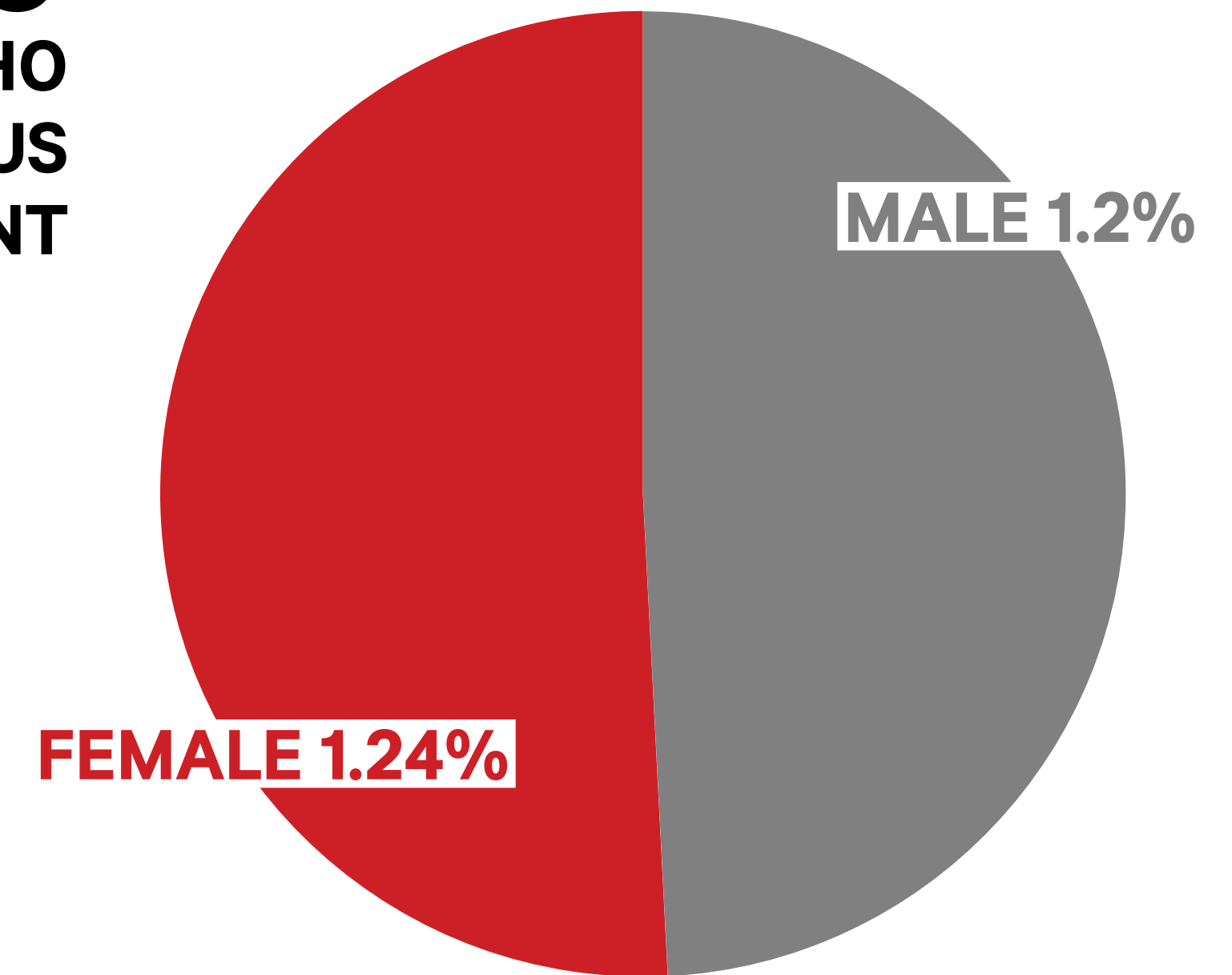
We are confident that we do not have a gender pay gap across our stores and any differences can mainly be found in our Support and Area office functions where there are a higher percentage of men working in senior roles. A lot of these roles are individual to the person and cannot be compared to another to measure pay however where this can be achieved we will identify this as part of our salary benchmarking project.

Even though we are pleased with these results and the low gender pay gap in our company, we will continue to focus on driving equality and an inclusive approach towards our workforce.

# RESULTS

## Bonus

**%**  
**OF EMPLOYEES WHO**  
**RECEIVED A BONUS**  
**PAYMENT**



**DIFFERENCE BETWEEN MEN AND WOMEN**

**H&M GROUP UK**

**MEDIAN 30%**

**MEAN 27.52%**

# OUR COMMITMENTS

**1.** We didn't wait for this information to be required from us: for a number of years, we have been monitoring our gender equality commitment, and once per year report our findings globally. Below is snapshot of last year's report in November 2017:

- Store Manager – 1.23% Mean
- Department Manager – 2.11% Mean
- Visual Merchandiser – 2.99% Mean
- Sales Advisors – 0.69% Mean

We are confident to say that, with this report also, our gender pay gap is significantly lower than the rest of the Retail industry in the UK.

**2.** Each year we undertake a survey of all of our employees and their satisfaction, as part of this survey we ask our employees questions linked to our diversity policy and how we live up to these, one such question we ask is **'people here are treated fairly regardless of their sex' 94% of our employees answered positively on this question.**

**3.** This year we have undertaken a new review of all of our salaries within the H&M brand alongside an external benchmarking company. To support this we have also compiled information for all our departments and the individuals working in these to ensure that there are no large pay gaps between employees working within the same role with the same responsibilities this is due to be completed by April 2018 and if there are any pay gaps identified these will be addressed accordingly.



# OUR COMMITMENTS

**4.** This year we launched our first ever apprenticeship scheme for those employees working in our stores who may wish to move into a management role one day alongside the fashion retail academy. 83% of those accepted on this scheme are future female leaders.

**5.** A high percentage of our workforce are part time workers which is typical of the industry. We have in place family friendly policies that support working mothers to return to work on a more flexible basis however, we still have work to do here and this year we will focus on reviewing these policies and communicating more about these to our employees.

**6.** We have also recently undertaken a project that looks at our flexibility towards our student population, which is another high percentage of our part time workforce. We want to encourage those students employed by us to find a career with us once their education is completed. Our flexibility towards them during these years is a commitment towards this and our female leaders of the future.

I can confirm that the information  
contained within this report is accurate



**Yvonne McClelland**  
Country HR Manager

