

A hand is shown from the top, with fingers slightly curled, touching the surface of a calm body of water. The water is a deep teal color. Concentric ripples emanate from the point of contact. A clear reflection of the hand is visible in the water below. The overall mood is serene and contemplative.

EQUALITY AND EMPOWERMENT IN OUR SUPPLY CHAIN

COS

OUR PROGRESS 2024 – 25

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COS STANDS FOR EQUALITY AND EMPOWERMENT

REFLECTING ON 2024

With almost 65% of the workers in the factories in our supply chain being women, we see it as our responsibility to improve conditions, ensuring that they are safe, healthy and empowered in their everyday workplace.

Together with our suppliers, we continue to work on four strategic pillars to support gender equality in our supply chain: health and safety, career and development, equal pay, and representation.

For 2024, our focus was on maintaining the good progress we have made compared to our 2020 baseline, particularly for gender representation in worker forums. Our most challenging area continues to be ensuring women have equal pay for work of equal value, though we are advancing in the right direction.

New to this year's report, we take a look at gender equality at a C-suite level, as well as spotlighting the success of a 'Family Friendly Factory' programme with one of our suppliers in China.





OUR PROGRESS: 2024 HIGHLIGHTS

WOMEN ARE SAFE

Our GBVH guidelines were rolled out to selected suppliers, including awareness trainings in 8 factories in Türkiye, China & Bangladesh.

Our community investment work continued to support this pillar, through additional GBVH trainings with Yanındayız Derneği in the communities surrounding our COS factories in Türkiye.

We worked with CARE International to continue funding four 'Women Friendly Spaces' in Bangladesh.

WOMEN HAVE EQUAL PAY

Positive improvements in pay gap driven by suppliers in Bangladesh (+4.6%) and India (+7.8%) versus last year.

In Bangladesh, a skills-improvement training session led to higher skill levels and ultimately increased wages. This was supported by increased pieces rates* in the country.

An additional wage grid was implemented in Türkiye, meaning we now have 15 wage grids across our suppliers in this country.

A Wage Survey was conducted to understand wage conditions within our suppliers versus industry wage trends, so we can make informed changes to our systems.

WOMEN CAN INFLUENCE

A survey for suppliers was conducted to understand the impact of improving the ratio of women in C-suite roles on the wider gender-equality results.

We launched Workplace Dialogue Guidelines to all COS suppliers in China, contributing to closing the representation gap in worker forums.

WOMEN CAN ADVANCE

Our Women Empowerment Programme in Bangladesh led to an increase in female supervisors in five factories and contributed to a 2.7% improvement in the supervisor gender gap at a country level.

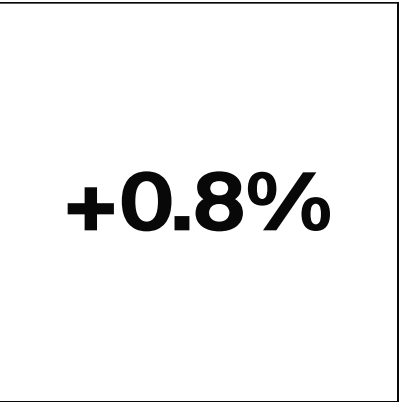
One factory in China completed a Family Friendly Factory project, resulting in a decrease in the gender pay gap and increase in female supervisors.

Six factories in China contributed to an impressive 5% decrease in their female supervisor ratio gaps.

A 'Women Career Development Programme' (WCDP) was run in selected factories in Türkiye with a focus on female worker representation and how to take the right actions to become a supervisor.

*PIECE RATE IS A CONTRACT PAYMENT TYPE, WHERE EVERY PIECE PRODUCED BY A WORKER HAS A RATE DEFINED AND THE WORKER IS PAID AS PER THE NUMBER OF PIECES COMPLETED DURING A PAYMENT PERIOD.

2024 IN NUMBERS



WOMEN ARE SAFE

97.7% of all COS supplier factories provide external aid (grievance channels outside the factory). This is an increase of 0.8% versus the previous year.



WOMEN HAVE EQUAL PAY

The gender pay gap in the COS supply chain is -6.7%, an improvement versus the previous year (-7.6%).



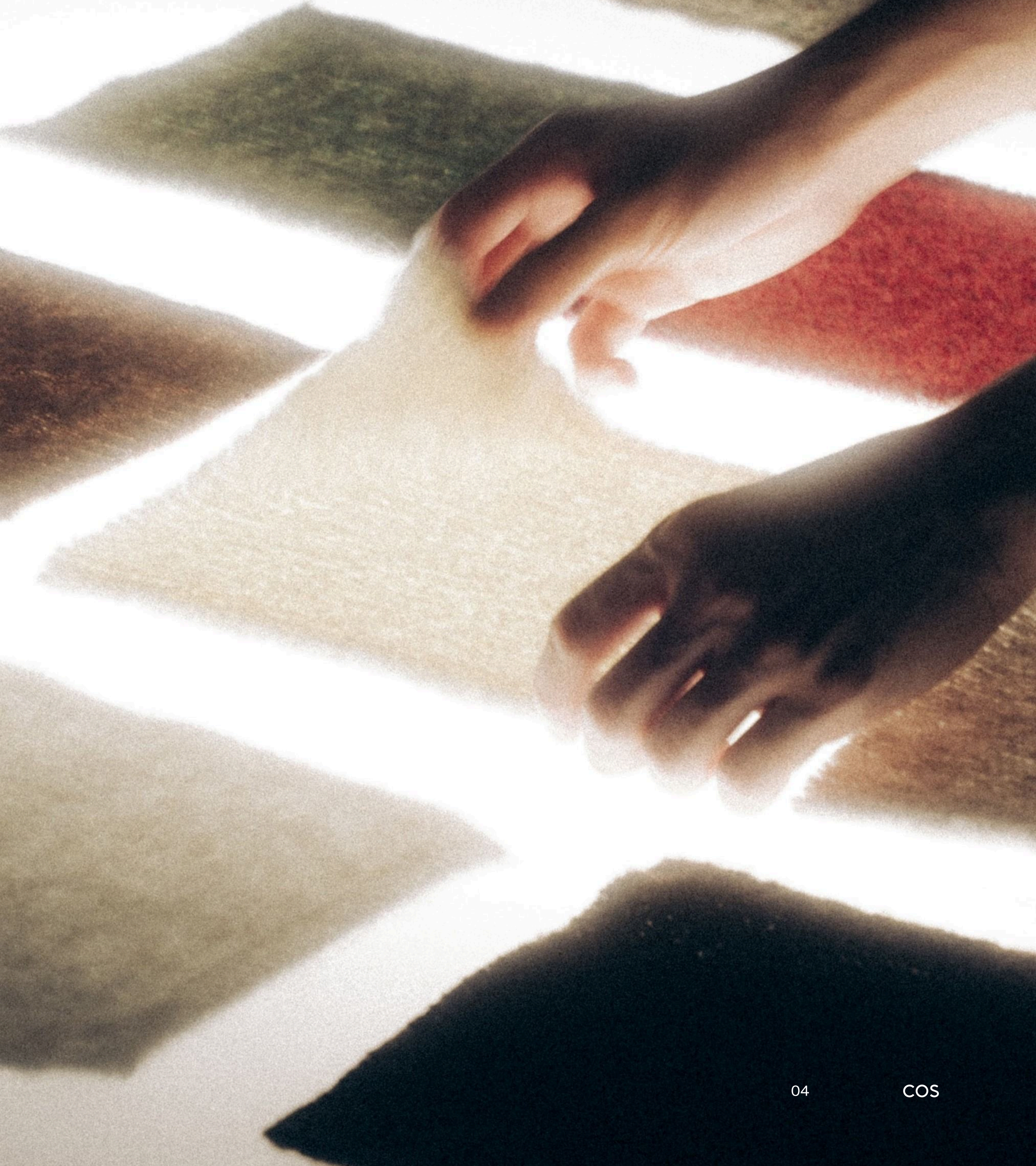
WOMEN CAN INFLUENCE

The gender gap in our worker representation forums is -1.03%, an increase from +0.54% in 2023.



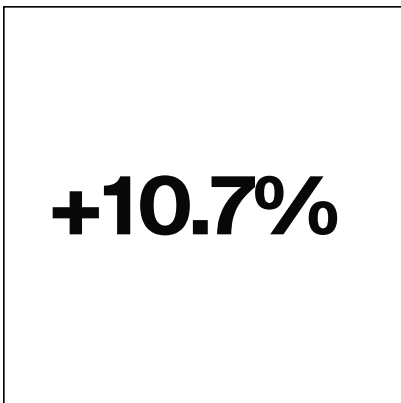
WOMEN CAN ADVANCE

The gender gap in supervisor roles is -11.2%, a slight increase from -10.6% in 2023.



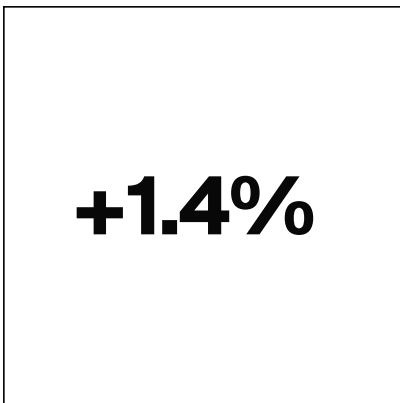
SETTING A TREND

This initiative is about driving long-term, systemic changes – not quick solutions to what is a significant challenge. This means we must be patient with our results and consider the greater impact. That said, we are proud to already see a positive trend since we began tracking progress in 2020.



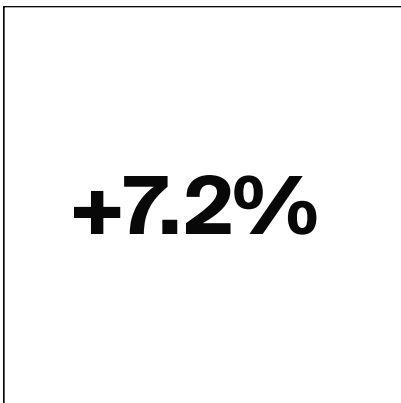
ACCESS TO EXTERNAL AID

Access to external aid has improved by 10.7% versus our baseline, with 97.7% of all COS supplier factories providing it.



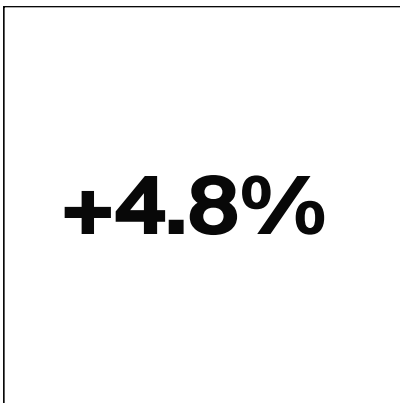
GENDER PAY GAP

The gender pay gap in the COS supply chain is -6.7%, an improvement of 1.4% since the 2020 baseline.



GENDER GAP IN WORKER REPRESENTATION FORUMS

The gender gap in our worker representation forums is -1.03%, much better than our baseline of -8.2%.



GENDER GAP IN SUPERVISOR ROLES

The gender gap in supervisor roles is -11.2%, an improvement from 2020 when it was -16%.

FUTURE ACTIONS FOR 2025 AND BEYOND

WOMEN ARE SAFE

Ensuring effective Grievance Mechanisms are continuously implemented and bringing additional COS factories into the scope.

GBVH awareness trainings and guidelines will reach more production units next year.

WOMEN CAN INFLUENCE

We will continue to focus on GBVH prevention, identification and remediation. This includes ensuring there are mechanisms to identify cases, e.g. through worker committees, and therefore the importance of having women actively represented in these forums.

WOMEN HAVE EQUAL PAY

Sharing best practice of the highest performing suppliers to help address the challenges around decreasing the gender pay gap.

Pilot a new way to improve the accuracy and consistency of measuring ‘equal pay for equal work’.

WOMEN CAN ADVANCE

Sharing best practice of how having more women in C-suite positions contributes to the overall Gender Equality results, to drive momentum.

Finalise GBVH & leadership Community Investment project in Türkiye.



2024/5 SPOTLIGHT: ‘FAMILY FRIENDLY FACTORY’ INITIATIVE

This year, one of our knitwear suppliers, Jingrong, launched the ‘Family Friendly Factory’ initiative. The project aims to help the industry build family-friendly culture, systems and practices while raising awareness on the gender equality imbalance across the industry.

The initiative was led by H&M Group and COS, implemented by Jingrong in partnership with the China National Textile and Apparel Council (CNTAC) under the framework of the United Nations Children’s Fund (UNICEF) "Family Friendly Workplace" initiative. It was supported by All-China Federation of Trade Unions (ACFTU).

ACTIONS

Provided leadership and soft skills training to female colleagues to prepare a pipeline of supervisor-ready talent. When vacancies opened, these individuals were progressed.

Established policies to make the workplace more supportive of family life, e.g. breastfeeding rooms and special care leave for childcare and elderly care.

RESULTS

11 female employees were promoted to supervisor roles as a result of this initiative.

The supervisor ratio gap at this supplier reduced from -7% to 1.91%.

We observed a decrease of 10% in the gender pay gap for this supplier (supported by wage grid reviews and other trainings).

Jingrong was able to attract more young talent to the business using this initiative as a benefit.

2024/5 SPOTLIGHT: MAPPING GENDER EQUALITY AT C-SUITE LEVEL

To better understand the gender equality balance at a C-suite level within our supply chain, COS conducted a survey with all factories.

INSIGHTS

For the 38 factories that have a single owner, 100% of these are owned by men.

For those factories with multiple owners, 60% have at least one female owner and 80% have women actively engaged in managing the business.

For those factories with a Board of Directors, 35% are made up of women.

Importantly, we see a positive correlation between a higher number of women in senior-management positions and a smaller gender supervisor gap. In factories where a woman is in the most senior position, there are more opportunities for female employees to advance at all levels.





COMMUNITY INVESTMENT: 2024 PROJECTS

We continued our efforts to support women in our wider communities for a second year, through community investment projects in Türkiye and Bangladesh.

Using 100% of the profits from the COS tote bag, we have invested in partnerships with non-profit organisations to deliver projects that address key gender-equality issues in communities surrounding our supply chain.

YANINDAYIZ DERNEĞİ, TÜRKİYE

We are funding local organisation Yanındayız Derneği to deliver trainings on GBVH that will improve understanding and awareness of these issues and activate men’s participation in the discussion.

Since launching this initiative, we have:

- Trained 7,251 female and male workers, including those in the wider community. The original target was 3,500.
- Funded 78 training sessions on GBVH awareness and 12 leadership trainings for women.
- Completed 80% of the project, with 100% completion expected by end of Q2 2025.

CARE BANGLADESH

We are working with CARE Bangladesh to fund the establishment of four Women Friendly Spaces (WFS) in communities close to our suppliers. The project is a part of Oporajita – a wider programme initiated by H&M Foundation.

Since partnering with CARE, we have:

- Enrolled 2,595 women in WFS memberships.
- Provided 2,540 women with foundational training on GBVH issues.
- Run additional public activities like psychological counselling (328 women engaged), couples’ workshops (79 couples engaged) and cooking competitions among local men (63 men engaged).
- Set a target to support 200 women with the skills to self-sustain the initiative, to continue driving positive change in the communities.

APPENDIX METHODOLOGY:

This report provides progress data for in-scope suppliers* within our Tier 1 supply chain, made up of 75 suppliers. All data presented is based on placement up until December 2024 and COS weighted averages of order volume by factory (based on its respective year).

For each key measure we have outlined the rationale for selecting this measurement, and how we have calculated the data presented.

WOMEN ARE SAFE

“Access to External Aid”

This KPI was selected as it secures independent grievance mechanisms, which enable workers to raise complaints beyond the factory and resolve conflicts.

Calculated as: % of factories that have access to external aid.

Data is coming from Facility Social Labour Module (FSLM), an industry data-collection tool used in the textile industry to audit and collect data on factory performance.

WOMEN CAN INFLUENCE

“Gender Gap in Worker Representation Forum”

This KPI was selected as it enables women workers to have a voice and raise concerns in the committees and forums where the needs of workers are discussed with management.

Calculated as: comparing female worker % of the factory vs women representatives % of the factories’ worker representation committee/forum.

WOMEN HAVE EQUAL PAY:

“Gender Pay Gap”

This KPI compares the average wage of men and women workers and was selected as it provides an indication of issues connected to the gender pay gap, such as discrimination in pay and women workers’ tendency to hold lower paid positions.

Calculated as: deviation in % between male and female average wages on factory level.

WOMEN CAN ADVANCE

“Gender Gap in Supervisor Roles”

This KPI was selected as it both indicates the ability women have to move upwards in their career at the facility and also promotes women leadership, which has been proven to increase respect towards women among male colleagues.

Calculated as: deviation between % female workers in the factory and % female supervisors in the factory.

IN SCOPE SUPPLIERS

The above methodology is applied for ‘in-scope suppliers’, defined as suppliers that have at least 25 employees. There are few suppliers that are too small to capture appropriate data or do not have the resource to operate the FSLM collection tool so are not included. A small percentage of suppliers are also in the onboarding phase or undergoing a relocation, so do not show results.

In-scope suppliers make up 91% of the total COS business supply chain (as of Q4 2024).



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