



LOST AND FOUND: H&M'S LIVING WAGE ROADMAP

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INTRODUCTION

In 2013 H&M published its 'Roadmap towards a fair living wage in the textile industry'.

**The Roadmap included a specific target:
that 850,000 textile workers will be paid a living wage by 2018.**

This commitment brought H&M a lot of positive media coverage. Instead of a living wage materializing on workers' pay slips, however, the goal itself has disappeared from H&M's corporate communication, just as the original documents have disappeared from H&M's website.

H&M corporate communication now refers only to the introduction of the Fair Wage Method by supplier factories. The 850,000 workers and their actual incomes are no longer a part of the picture.

In other words, what used to be the means to reaching the living wage goal is now being sold by H&M corporate PR machinery as the original goal in and of itself. Namely, in its corporate social responsibility reports and elsewhere H&M only refers to the number of factories that the Fair Wage Method has been implemented in (and even that could be disputed on the grounds of worker representation), without any concrete data on how that converts to workers' wages.

H&M now turning its back on all those workers is what prompted the Turn Around, H&M! campaign.

The campaigners want to counter H&M's attempts to change history and ensure that the living wage commitment – as it was made in 2013 – does not go forgotten.

To that end we compiled documents with H&M's original living wage commitment (containing links to now non-existent web pages) and some of the associated media coverage.

Turn Around, H&M! is coordinated by Clean Clothes Campaign and actively supported by the International Labor Rights Forum and WeMove.EU.

ROADMAP TOWARDS A FAIR LIVING WAGE ...

The next few pages present H&M's 'Roadmap towards a fair living wage in the textile industry' published in November 2013.

The first document is a visual overview of the Roadmap. One bullet point stands out because it mentions a concrete target: 850,000 workers.

- H&M's strategic suppliers should have pay structures in place to pay a fair living wage by 2018. By then, this will reach around 850 000 textile workers. Our strategic suppliers are currently 750 factory units producing around 60 % of our products.

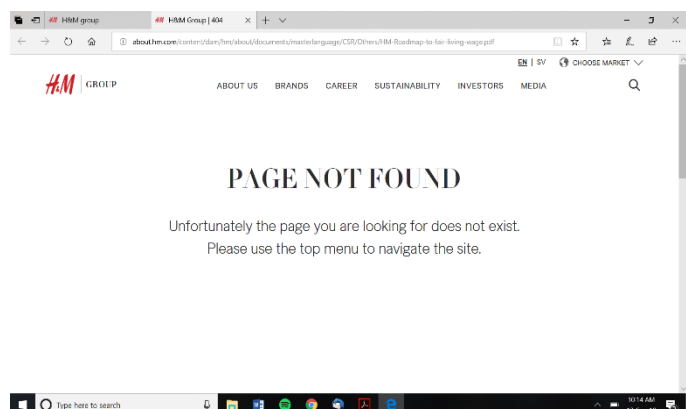
The overview is followed by a longer explanation of how H&M intended to reach the goal.

As can be seen, that document was downloaded on 25 November 2013. If one now tries to follow the link visible at the bottom, one ends up on the 'about H&M' general website.

The downloaded document contains three links on the right hand side. They once led to 'Related information'. Now they are a clear illustration of H&M's subsequent removal of the Roadmap documents from the corporate website.

The first two of those links now lead to the generic 'about H&M' corporate website.

The last one, formerly leading to the visual presentation of the Roadmap, must have slipped through the cracks, as it has not been redirected to H&M's general corporate website: as of mid-September 2018 it leads to the very clear "Page not found" message (as has been the case for some time).



H&M's roadmap towards a fair living wage in the textile industry

H&M has developed a roadmap based on our vision that a fair living wage covering workers' basic needs should be paid by our commercial goods suppliers. It should be enabled through our purchasing practices, and based on a skilled workforce that have their wages negotiated and annually reviewed, involving democratically elected trade unions or worker representatives.

H&M will continuously measure the workers' own perception of receiving a wage covering their basic needs, which will be used as a guide in our work. The holistic approach covering H&M as well as factory owners, factory employees and governments takes the wage issue to the next level within the fashion industry, encouraging others to do the same.

Factory owners

H&M will support factory owners to develop pay structures that enable a fair living wage, ensure correct compensation and overtime within legal limits. This will be explored by implementing the Fair Wage Method in our role model factories, from which we will source 100% of the products during five years.

- By 2014, we will implement the Fair Wage Method in three model factories (one in Cambodia and two in Bangladesh) with a first evaluation already next summer, with the aim to be scaled up.

- H&M's strategic suppliers should have pay structures in place to pay a fair living wage by 2018. By then, this will reach around 850 000 textile workers. Our strategic suppliers are currently 750 factory units producing around 60 % of our products.

H&M

H&M will further improve our purchasing practices to ensure it enables our suppliers to pay their textile workers for the true cost of labor. Starting 2014 we will:

- Develop our price method to ensure the true cost of labor. By doing this we secure that we pay a price which enables our suppliers to pay their textile workers a fair living wage and reduce overtime.

Governments

H&M will encourage governments to engage in a process to identify a living wage level, set a legal minimum wage accordingly and review wages annually thereafter.

- We will continue to interact with governments and public agencies to advocate for annual wage revision and enforce labour legislation protecting the freedom of association. We will encourage others to do the same.

Vision

A Fair Living Wage, covering workers' basic needs, should be paid by all our commercial goods suppliers

Factory employees

H&M will support textile workers at our supplier factories to have access to education, skill enhancement and ensuring they are employed at a level matching their skills. They should also be able to bargain collectively through elected representatives.

- Starting now, we will run vocational training, a Center of Excellence, together with SIDA and the ILO to meet this need. We will train 5,000 students by 2016 and secure that they start at a wage level reflecting their skills and that they are aware of their own rights and responsibilities.

- We've started a skill development training and will secure employment for 100 supervisors through our Production Management Program in Cambodia.

- We are implementing an industrial relation project in Cambodia in cooperation with Swedish trade union IF Metall, SIDA and ILO. The aim is to strengthen the structures for industrial relations in the country and increase collective bargaining.

- By 2014, we will expand our existing social dialogue project so that 15% of H&M's suppliers are trained in social dialogue and have freely elected Workers' Participants Committees, with the intention to reach 100% by 2018.



ROADMAP TO FAIR LIVING WAGE

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/ ROADMAP

Roadmap to fair living wage

The roadmap towards a fair living wage consists of a number of activities and initiatives. Through the roadmap H&M addresses wages on several levels from our purchasing practices, supplier practices, workers' rights to government responsibility.

When developing the roadmap, H&M formed an Advisory Board for wages in H&M Supply Chain. The board will also support H&M in the future. The [Advisory Board](#) consists of experts from ILO, global trade unions, civil society and suppliers.

Further we consulted a number of campaign organisations, trade unions, NGO's and the Swedish Government. These included IndustriAll, Swedish Trade Union IF Metall, Swedwatch, Clean Clothes Campaign, Workers Right's Consortium, International Labour Rights Forum, Asian Floor Wage and Bengt Johansson, CSR ambassador at Swedish Ministry for Foreign Affairs.

Related information:

[Fair living wage](#)
[Advisory Board for Wage in H&M Supply Chain](#)
[Roadmap overview \(PDF\)](#)

Tools to negotiate

More than 90% of the textile workers at our suppliers' factories in Bangladesh earn more than the minimum wage, but too many still earn too little.

We believe that the textile workers themselves know what wages they need. And the needs differ from region to region, factory to factory. The roadmap provides the workers with tools they need to negotiate their own wage and we will stay and support this process. We believe:

- The wages need to be negotiated between factory employees and owners
- A collaborative approach is crucial and hopefully more brands will engage in order to realize the fair living wages
- The minimum wage should be seen as the floor, not the roof.

Finding best practice in model factories

H&M will introduce a role model factory program with two factories in Bangladesh and one in Cambodia. H&M will buy 100% of the role model factories' capacity for a five year period. The role model factory program includes:

- Exploring how effective the Fair Wage Method is to drive higher wages
- Finding best practice examples to set the standard for the whole industry
- Starting off with a limited number of factories to better identify best practice and scale up to other suppliers.

Within the first year the aim is to secure the wage method, dialogue between employer and workers representative/union, functional pay structure, workers needs assessment and implementation, overtime at legal level, voluntary and correctly paid and a well-functioning organization for sustainability as well as for human resources.

Fair Wage Method

The Fair Wage Method is a recognized method in global corporate social responsibility. The inceptor of the Fair Wage approach is Daniel Vaughan-Whitehead, professor of corporate social responsibility at Sciences Po in Paris, and Manager of Wages and Incomes Policy at ILO.

The Fair Wage approach helps the supplier and the workers to reach a fair living wage. The method ensures regular and fair adjustment of the wages according to both price increases and performance.

By implementing the Fair Wage Method in our role model factories we aim to drive wage improvements through:

- Sustainable pay structures
- More regular wage adjustments
- Enhanced communication and social dialogue between the management and workers' representatives.

The Fair Wage Method starts with worker and management interviews. The purpose is to identify the perception on what the existing wage covers in terms of basic needs including rent, food, clothing and education. It also evaluates if the worker feels that there is fair correlation in regards to their skills, education, etc. After the factory has implemented a remediation plan, follow up interviews takes place to measure if the worker's perception of his or her wage has changed, and also the gap between worker and management perception on wage level.



[Click to download](#)

PAGE NOT FOUND

Unfortunately the page you are looking for does not exist.
Please use the top menu to navigate the site.

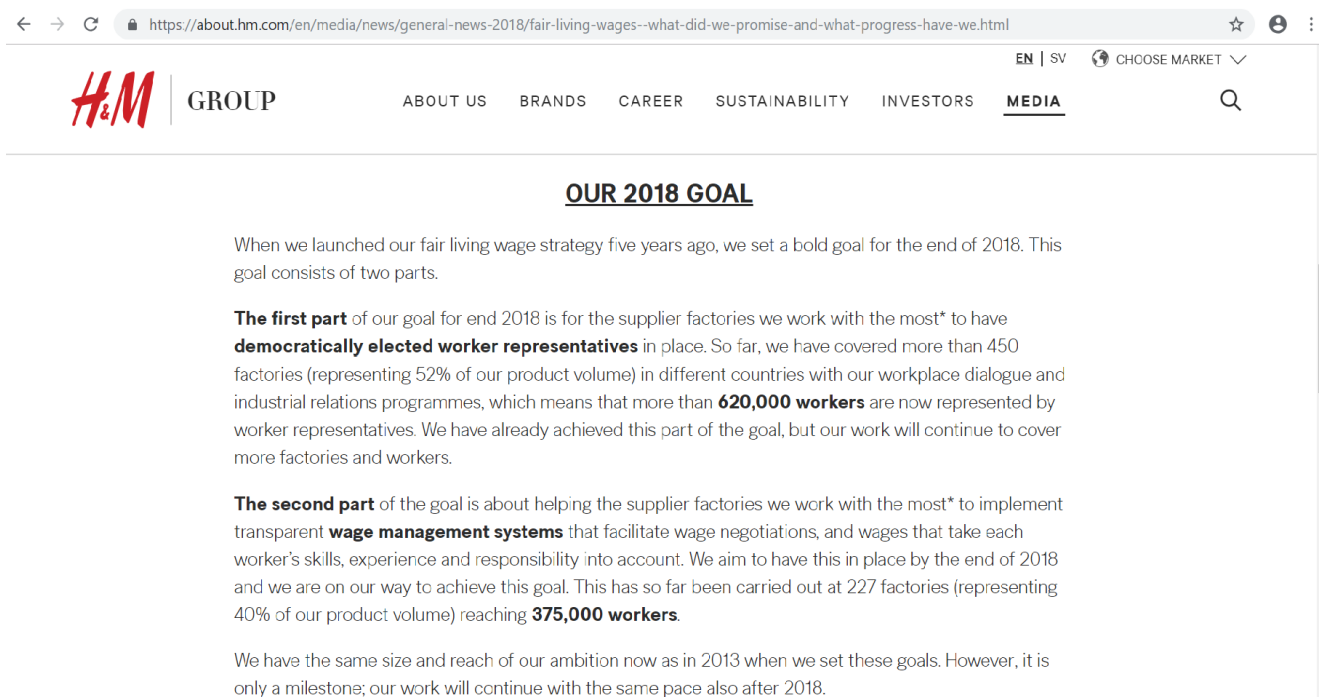
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HOW H&M IS TRYING TO SPIN ITS WAY OUT

Now that the reader has had the chance to review the original documents and the specific targets presented in 2013, it is time to take a look at what H&M is trying to do in the year that marks the deadline for the fulfilment of their living wage commitment. In short: they are trying to change history and make everyone forget about the original commitment.

A case in point is the excerpt below. This is a part of a “news piece” that H&M produced when Turn Around, H&M! was launched, and [campaigners were about to come to H&M’s doorstep](#): the Annual General Meeting in Stockholm.

As readers can see for themselves, what is presented as “our 2018 goal” is quite different from what was presented as the goal for 2018 when the Roadmap toward a fair living wage was launched in 2013, and no amount of spin can change that simple fact.



The screenshot shows the H&M website's 'OUR 2018 GOAL' section. The browser address bar displays the URL: <https://about.hm.com/en/media/news/general-news-2018/fair-living-wages--what-did-we-promise-and-what-progress-have-we.html>. The website header includes the H&M logo, the word 'GROUP', and navigation links: ABOUT US, BRANDS, CAREER, SUSTAINABILITY, INVESTORS, and MEDIA (which is underlined). There is also a language selector (EN | SV), a 'CHOOSE MARKET' dropdown, and a search icon. The main content area is titled 'OUR 2018 GOAL' and contains the following text:

When we launched our fair living wage strategy five years ago, we set a bold goal for the end of 2018. This goal consists of two parts.

The first part of our goal for end 2018 is for the supplier factories we work with the most* to have **democratically elected worker representatives** in place. So far, we have covered more than 450 factories (representing 52% of our product volume) in different countries with our workplace dialogue and industrial relations programmes, which means that more than **620,000 workers** are now represented by worker representatives. We have already achieved this part of the goal, but our work will continue to cover more factories and workers.

The second part of the goal is about helping the supplier factories we work with the most* to implement transparent **wage management systems** that facilitate wage negotiations, and wages that take each worker's skills, experience and responsibility into account. We aim to have this in place by the end of 2018 and we are on our way to achieve this goal. This has so far been carried out at 227 factories (representing 40% of our product volume) reaching **375,000 workers**.

We have the same size and reach of our ambition now as in 2013 when we set these goals. However, it is only a milestone; our work will continue with the same pace also after 2018.

Full article:

<https://about.hm.com/en/media/news/general-news-2018/fair-living-wages--what-did-we-promise-and-what-progress-have-we.html>

MEDIA COVERAGE OF THE LIVING WAGE COMMITMENT

Beside the original Roadmap which H&M has purposefully “lost” (but could not make entirely go away), media coverage of H&M’s original commitment additionally confirms the validity of the expectation that garment workers would be paid a living wage by 2018.

H&M is now trying to portray that coverage as a misrepresentation – but there is no evidence that they requested any retractions or corrections at the time when they were reaping the benefits of the positive reception of their commitment in mainstream and specialized media around the world.

Below are just a few examples. Everyone can find more by running a few simple searches (which will also yield some other sources containing H&M’s original documents).



H&M pledges living wage for textile workers in Bangladesh and Cambodia

World's second-biggest clothing retailer frustrated by lack of government action in wake of Rana Plaza disaster

H&M has pledged to pay a living wage to 850,000 textile workers after expressing frustration over a lack of action by governments to address working conditions in Asian factories in the wake of the [Rana Plaza](#) disaster.

The world's second-biggest clothing retailer said it would support factory owners at two factories in [Bangladesh](#) and one in Cambodia to adopt a fair living wage next year. The Swedish company, which has more than 200 stores in the UK, will then expand the programme to cover the 750 factories that supply its clothes by 2018.

Full article:

<https://www.theguardian.com/business/2013/nov/25/h-m-living-wage-textile-workers-bangladesh-cambodia>

H&M vows 'living wage' for factory workers by 2018

Hennes & Mauritz, the world's second-largest clothing retailer, laid out a plan on Monday to pay a fair "living wage" to some 850,000 textile workers by 2018, saying governments were acting too slowly.

Full article:

<https://www.cbc.ca/news/business/h-m-vows-living-wage-for-factory-workers-by-2018-1.2439698>

H&M promises to pay textile workers 'living wage' by 2018

By 2018, H&M said it plans to raise wages at 750 of its suppliers, which make 60% of the company's goods.

Most of the retailer's garments come from factories in Asia, including Bangladesh, where the collapse of a clothing factory killed 1,129 garment workers. It became the deadliest garment-factory accident and prompted calls for Western retailers to force suppliers to improve working conditions.

Full article:

<http://articles.latimes.com/2013/nov/25/home/la-fi-mo-hm-textile-workers-living-wage-20131125>

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BUSINESS

H&M Aims to Pay Living Wage for Garment Workers

Retailer to Assess Gap Between Pay and Local Food, Housing Costs

By *Christina Passariello*

Nov. 25, 2013 11:05 a.m. ET

PARIS—The largest buyer of made-in-Bangladesh clothes is trying to turn a pattern on its head: Cheap clothing shouldn't come at the expense of a living wage.

Swedish bargain fashion giant Hennes & Mauritz AB on Monday unveiled a plan to ensure that workers making its clothing are paid wages that cover their cost of living.

Full article:

<https://www.wsj.com/articles/hampm-aims-to-pay-living-wage-for-garment-workers-1385395508>

FASHION



H&M pledges fair living wage to suppliers

Swedish retailer H&M has spoken about its promise for fair living wages at the European Conference on Living Wages in Germany

BY SOPHIE Warburton | 26 NOVEMBER 2013

Helena Helmersson, the brand's head of sustainability, unveiled the company's 'road map' at the European Conference on Living Wages this week. The new scheme focuses on wage development at the factories of its suppliers by demanding that all those who work to make H&M products have their wages negotiated and annually reviewed, involving democratically elected trade unions or worker representatives.

Full article:

<http://fashion.telegraph.co.uk/columns/sophie-warburton/TMG10475853/HandM-pledges-fair-living-wage-to-suppliers.html>