

## **Pets at Home Group Plc: Annual General Meeting 2020**

### **Questions and Answers**

**Question:** *Recent research by the New Economics Foundation found that before the COVID-19 pandemic 5.1 million UK workers were in low paid and insecure work. Of these, 1.3 million were key workers and I understand that Pets at Home's employees are considered key workers under the provision of hygienic and veterinary medicines; and the sectors with the largest number of low paid, insecure workers were wholesale, retail and repair of vehicles with 830,000 workers.*

*I am conscious that the company will have been faced with unprecedented challenges over the last few months as a result of the COVID-19 pandemic. However, now more than ever it is fundamental that workers are provided with security, especially those workers who have been classified as 'key workers' and have worked tirelessly throughout the pandemic. There are numerous issues linked with low paid and insecure work, from financial insecurity to worse physical and mental health outcomes; and females and people from BAME backgrounds are disproportionately in low paid and insecure employment.*

*The Usdaw surveyed over 10,500 workers in retail and associated sectors to understand their experiences of the issues created through low-pay and insecure work. It concluded that employers should ensure that all workers are provided with a minimum of 16 contracted hours, unless requested otherwise. Furthermore, all employees' contracts should reflect accurately the number of hours worked.*

*I would like to ask the Board for an overview of Pets at Home's approach to contracts for their staff. In particular does the company provide all staff with a minimum number of contracted hours? If not, would the Board consider committing to doing so?*

**Answer:** Pets at Home's standard retail contracts are a minimum 16 hours per week, therefore during normal times, the answer to the question is 'yes'.

During the COVID-19 pandemic, in order to support stores with huge resource challenges due to colleague illness, self-isolation, furlough and compulsory shielding, we have offered contracts for a minimum of 8 hours per week in some cases. Primarily, these contracts were offered to friends and family of our colleagues on a temporary basis until our furloughed and shielding colleagues return. The contracts have been offered mainly to people who had lost their jobs during the COVID-19 pandemic or people who had been furloughed from other businesses and wanted to make up their pay.

Pages 16 to 19 of our Annual Report sets out the additional measures we took during the COVID-19 pandemic. These include paying an additional £1m into our colleague hardship fund and relaxing the application criteria so that colleagues have been able to make larger applications than usual during the crisis. The hardship

fund is available for those whose families are experiencing financial difficulties. So far we have received over 200 applications to the fund and have paid out almost £250,000.

We also paid an additional £1.9m bonus to our frontline retail colleagues in March in recognition of their hard work in extremely difficult circumstances. This was in addition to the £3.7m in bonus we also paid to our frontline retail colleagues in May this year to recognise their hard work throughout FY20.

We made a decision in March to go above and beyond the government guidance and include pregnant colleagues and those over the age of 70 with those colleagues who had been told by the government that they shield during lockdown. All of these colleagues who we classed as 'shielding' were paid in full for 12 weeks at the higher rate of average hours worked and contracted hours. We continue to pay these colleagues at 80% of this rate where they continue to shield.

On 13 April we made a £100,000 donation to the Retail Trust's coronavirus appeal, to help others working in retail.

Please see pages 72 to 77 of our Annual Report 2020 for further detail of the measures taken during the year to support colleagues and promote social mobility.

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