

# Gender Pay Gap Report 2017

**pets**  
at home

# Gender Pay Gap Introduction



**The Pets at Home Group is the UK's leading specialist pet omnichannel retailer and services provider. Pets at Home operates from over 440 superstores and over 300 grooming salons located across the UK. The Group also operates the UK's largest small animal veterinary business with over 450 practices, run principally under a Joint Venture model using the Vets4Pets and Companion Care brand names.**

**The gender pay gap regulations require all companies with 250 or more employees on 5 April 2017 to publish details of their gender pay and bonus gap. For Pets at Home Group this applies to Pets at Home Limited – our Retail division including our stores, groomers, distribution centres and retail support office.**

At Pets at Home we want all our colleagues to reach their maximum potential, irrespective of their gender and so we welcome the requirement to publish our gender pay gap information. Our colleagues are the foundations on which we have built our success. We recognise that their knowledge and passion is at the heart of the relationships we build with our customers and their pets. Listening to our colleagues is a key part of our culture. We know through our internal listening survey that our colleagues are proud to work for a company that has a strong set of values that are much more than words on our office wall and that the vast majority of our colleagues believe that they have equal opportunities to learn and grow their career at Pets at Home.

We want all of our colleagues to be supported both as individuals and as team members and our aim is to ensure that all of our colleagues are treated equally wherever they are based and whatever role they do. This includes making sure that they have the same opportunities for recognition, reward and career development. However, our gender pay gap results show that there is more that we can do to make sure that these opportunities are realised and that we are creating clear career pathways for every colleague who has the desire and ambition to progress their career with us.

In common with many retailers, women make up the majority of our colleagues and across 75% of our colleagues, we are encouraged to see that our average gender pay gap is less than 0.5%. However, we do have an overall gender pay gap of 17.9% and there are three main reasons:

- a higher proportion of women in our lower paid roles;
- the large number of women we have in part time roles; and
- we have fewer women in senior leadership positions.

One of our values is that we get better everyday and we are committed to making the changes necessary to ensure that we develop the skills in our already very talented female colleagues so that more women occupy senior leadership positions.

## **Louise Stonier**

Chief People and Legal Officer  
Pets at Home Group Plc

# Gender Pay Gap Definition

## What is the difference between gender pay and equal pay?

The gender pay gap is a measure of the difference in the average pay of women and men across the whole organisation. A gender pay gap exists because different jobs pay differently and the number of women and men doing these jobs vary.

It is different from an  
EQUAL PAY COMPARISON

which looks at the comparison  
in pay between

WOMEN AND MEN

who are carrying out the  
SAME OR SIMILAR JOBS

## How is the Gender Pay Gap calculated?

Under the regulations we report the mean and median gender pay gap for our organisation.

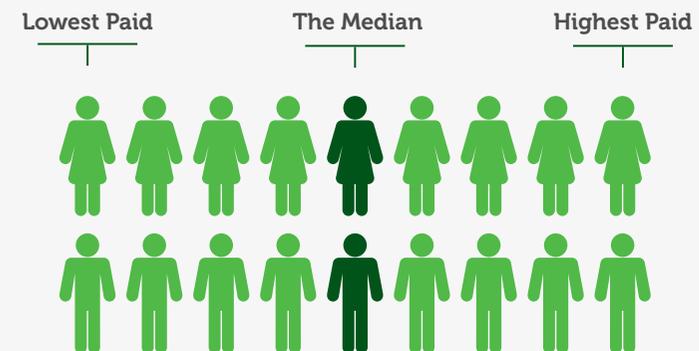
### What is the 'mean' Gender Pay Gap?

The mean or average gender pay gap is the difference in the average hourly rate of pay between women and men across the whole organisation.

### What is the 'median' Gender Pay Gap?

The median gender pay gap compares the mid point in the range of all hourly rates for women with the same for men.

If all colleagues were lined up in two lines - a female and a male line - in order of hourly pay from lowest to highest, the median gender pay gap compares the pay of the female in the middle of their line with the pay of the male in the middle of their line.



# Gender Pay Gap

## Our results 2017

We have calculated our gender pay gap on both pay and also the bonuses our colleagues receive.

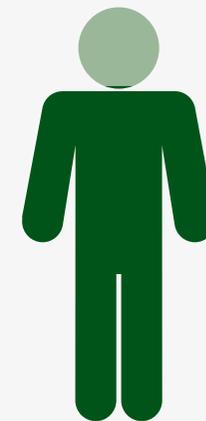
<b>Our Mean Gender Pay Gap</b>	<b>Our Mean Gender Pay Gap</b> <b>17.9%</b>	<b>Retail Sector* Mean Gender Pay Gap</b> <b>16.4%</b>	<b>UK Mean* Gender Pay Gap</b> <b>17.4%</b>
<b>Our Median Gender Pay Gap</b>	<b>Our Median Gender Pay Gap</b> <b>9.7%</b>	<b>Retail Sector* Median Gender Pay Gap</b> <b>9.3%</b>	<b>UK Median* Gender Pay Gap</b> <b>18.4%</b>

We know that our bonuses are gender neutral and that slightly more of our female colleagues receive a bonus than our male colleagues. However, we have significantly higher mean and median bonus gaps than our mean and median gender pay gaps based on hourly rates of pay. There are two reasons for this which show in our data:

- We have more senior male colleagues in the higher paid roles;
- Over half our colleagues work on a part time basis of whom 73% are female.

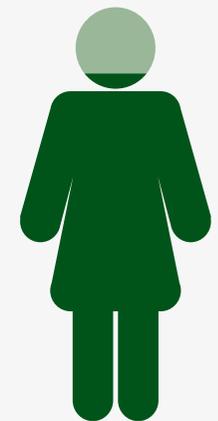
Where we have paid bonuses to part time colleagues, these are pro-rated to reflect the hours worked. However, the way the bonus pay gap calculation is done does not allow us to reflect the impact this prorating has on the amount of bonus paid.

\*Based on estimates from ONS ASHE Survey 2017



**80.1 %**  
received a bonus

19.9 % did not receive a bonus



**82.7 %**  
received a bonus

17.3% did not receive a bonus



# Gender Pay Gap

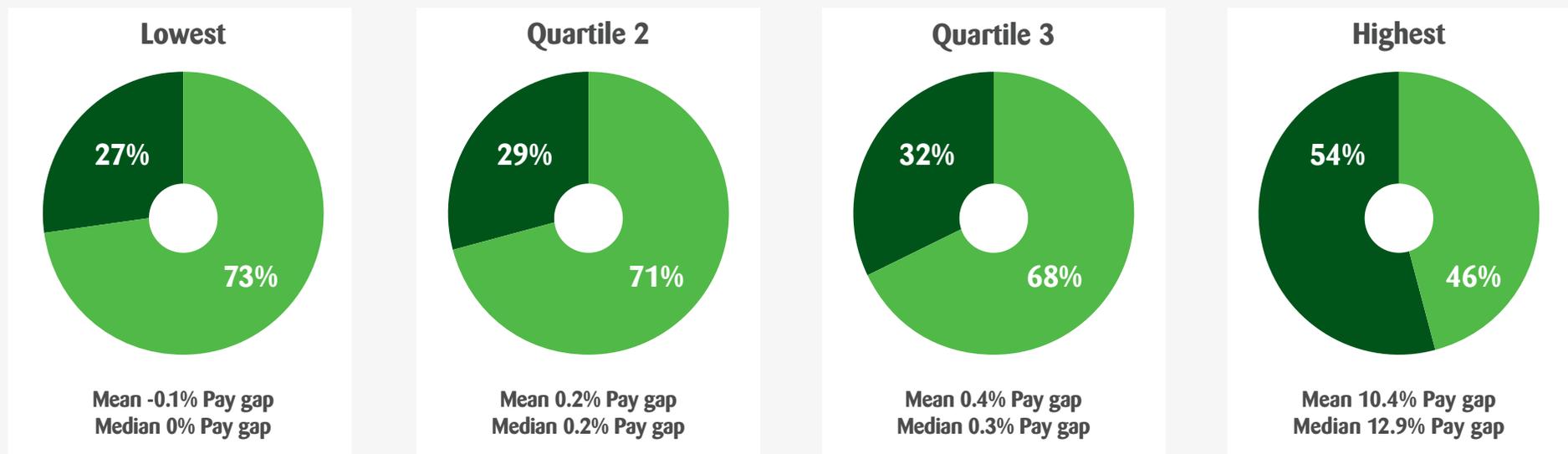
## Our results 2017

### How does our gender pay gap look across our organisation?

We have analysed the gender pay gap across each quartile and you can see from the data below that across three of our four pay quartiles the gender pay gap is less than 1%. In our lowest pay quartile women are on average paid more than men

As the gender pay gap in each quartile is a lot lower than the overall average, this confirms that the single biggest factor is due to having more men than women in senior roles. With over 60% of our colleagues being female we have lots to do to encourage and develop our female talent.

### Pay quartiles



• Females • Males

# Gender Pay Gap

## Our commitments

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We are confident that at Pets at Home, our colleagues can be themselves at work, regardless of their gender or any other attribute or choice.

However, to make the most of the progression opportunities we offer and to make sure that we attract retain and develop the best talent, we are focusing on three core areas which we have detailed in the remainder of the report:

**Attract  
diverse talent**

**Develop our  
talent equally**

**Retain a  
diverse talent  
pool**

# Gender Pay Gap

## Our commitments

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### 1. Attract diverse talent

We know from our colleague listening surveys that our employer brand is strong, however we did not feel that we were showcasing the diverse opportunities we have at Pets at Home as positively as we could.

As a result we have engaged an external consultant to revamp our recruitment process, including our website. As part of this project, they have carried out focus groups across the whole organisation to help them to get to know our culture and to find out what our colleagues really think about working at Pets at Home.

#### **Actions underway:**

Our recruitment website is receiving a complete overhaul so that it is interactive with real life stories to showcase the diverse and flexible opportunities we offer at Pets at Home.

Our job adverts, recruitment guidelines and role descriptors are being tested to make sure that they are gender neutral and we will embed these tests into our recruitment process.

Our recruitment process is being changed so that it becomes more centralised which will give us greater transparency of our recruitment decisions. We will be able to monitor selection decisions and also make sure that, wherever possible, we have diverse candidate shortlists, all with the requisite skillset.

#### **Future actions:**

We will carry out unconscious bias training for all managers when we roll out our new website and recruitment process to support them in their recruitment decisions.

We will ask any external recruitment agencies that we use to sign up to our revised diversity and inclusion policy to ensure they put forward diverse talent.

#### **What our support office colleagues say about Pets at Home**

“YOU WEAR WHAT YOU WANT, WHAT YOU’RE COMFORTABLE IN. THAT’S WHAT BEING AT PETS IS LIKE IN GENERAL, THEY MAKE YOU COMFORTABLE TO BE YOU. YOU WALK IN AND JUST BE YOURSELF.

IT GIVES YOU A SPECIAL SORT OF CONFIDENCE I THINK. MY BOSS SAID TO ME ‘BE YOURSELF, BE WHO YOU ARE AND THAT MAKES US WHAT WE ARE.”

# Gender Pay Gap

## Our commitments

### 2. Develop our talent equally

We will make sure that we are giving equal opportunities in our career progression and that women have the support to progress into our senior leadership positions.

These tables show that:

- The gender balance and succession rate of our leadership development programmes has no noticeable bias in either participation or outcomes.
- However, an analysis of our development courses in the Support Office (our Head Office) show that there is more to be done to develop our talent into our more senior positions and also to track the results of our programmes to ensure that they are supporting the progression of women into the senior roles.

Our colleague listening survey showed that although the vast majority of our colleagues believe that they have equal opportunities to learn and grow their career at Pets at Home, in the Support Office there is generally a lack of clarity about where these opportunities exist.

In addition, we are also not equipping our more junior colleagues with the skills needed for their next promotion, resulting in external hires having to be made.

Rising Stars Store colleague to Assistant Manager							
Total Passes				Total Subsequent Promotions			
Male		Female		Male		Female	
140	36%	252	64%	101	37%	172	63%

Moving On Up Assistant Manager to Deputy Manager							
Total Passes				Total Subsequent Promotions			
Male		Female		Male		Female	
76	34%	148	66%	57	36%	101	64%

Fast Track Deputy Manager to Store Manager							
Total Passes				Total Subsequent Promotions			
Male		Female		Male		Female	
136	52%	126	48%	118	54%	102	46%

Support Office Total Passes	Male	Female
Leadership development programmes	157	141
Mentors	23	22
Mentees	7	10
360° feedback	24	30

# Gender Pay Gap

## Our commitments

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### 2. Develop our talent equally (cont.)

#### **Actions underway:**

We have started a project to review our banding structure across the organisation so that we create clear career paths and a framework for progression and development in all areas. The clarity over career paths and frameworks will enable us to track and monitor female versus male progression easily.

We are devising a progressive learning programme for our Support Office colleagues to give them the skills needed for internal promotions.

The vast majority of our internal vacancies are advertised on our colleague communication portal. However, we will make sure that these are more visible so that we increase the awareness of them.

We introduced a new leadership course last year which we have extended to our senior leadership team. We are bringing additional formality around this course to ensure that it is mapped into our progression framework and supports promotion into senior positions.

#### **Future Actions:**

We will review our selection process for our leadership and development courses to see whether there are any improvements that can be made and to ensure that we reduce the risk of unconscious bias influencing the decisions.

We will put a process in place to ensure that we are tracking the promotion rates from our Support Office leadership courses so that we can identify areas where there is a gender imbalance and put strategies in place to address that imbalance.

### 3. Retain a diverse talent pool

All of our colleagues have the opportunity to request flexible working. We have numerous examples across the business at all levels where this has worked well, particularly for colleagues with family commitments, including at Executive Board level. However, we are currently unable to track the success of our flexible working policy since we do not record this data in a consistent format.

We do know from our listening survey that there is more work to be done on ensuring a work life balance for our colleagues and we have embedded the key areas of focus in our actions.

Despite the opportunity to request flexible working being available, we can still do more to educate our leadership teams about how flexible working can be accommodated into their teams by showcasing examples of where it has worked well in our organisation.

We also offer a range of benefits that help support key events in a colleague's life such as "flying the nest day" when a child leaves home or starts school for the first time, a "new roost day" when a colleague moves home, and colleagues get their birthday off as a holiday too. However, we have found that we need to highlight the benefits we have available and the value they bring colleagues to ensure that colleagues are taking advantage of them.

# Gender Pay Gap

## Our commitments

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### 3. Retain a diverse talent pool (cont.)

#### Actions underway:

We have identified gaps in our policies, particularly in relation to return-to-work and carer policies and we are in the process of drafting some policy changes to support our maternity and paternity returners and our family carers.

We will communicate in a more understandable way the many benefits that we have available so that our colleagues take advantage of them.

We will continue to focus on those areas of the business such as grooming where there was a lower awareness of the availability of part time contracts and make sure that managers promote these opportunities.

#### Future actions:

We will put a system in place centrally for recording and monitoring all requests for flexible working from both women and men so that we can identify areas where any further focus is required.



We are proud to be a pets and people business and we want to ensure only talent is the determining factor in your success at Pets at Home.

We welcome the requirement to publish gender pay comparisons. We believe we can get better every day and this gives us an important opportunity to reinforce the good work we are already doing as well as provide challenge for new initiatives to improve. We want all colleagues to reach the maximum of their potential irrespective of their gender.

**Peter Pritchard**  
CEO of Retail

We confirm the gender pay gap data in this report is accurate



**Peter Pritchard**  
CEO of Retail



**Louise Stonier**  
Chief People and Legal Officer