



Gender Pay Gap Report 2018

Introduction from Louise Stonier - Chief People and Legal Officer



The Pets at Home Group (Group) are now into the second year of reporting our gender pay information, and as our pet care business continues to grow, we will for the first time this year report on two parts of our Vet Division. These are our first opinion veterinary Support Office (Companion Care Services Limited) and one of our specialist referral centres, Dick White Referrals, which have both exceeded the reporting threshold of 250 colleagues. Their gender pay gap reports are now included in this report as well as the second year data for the Retail Division.

“As a business we take pride in having the most passionate and dedicated colleagues who genuinely share in our values and vision. We believe in being open and transparent with our reward practices and therefore we welcome the new lens that gender pay reporting makes us take on pay and reward as a whole. You will see that this year we have made some progress, mainly due to improving the pay of our lower earning colleagues but also through the steps taken to address the core challenge which faces virtually all employers with the lack of female progression into upper quartile roles. We have this year reviewed our job grading and banding structures in our Retail Division Support Office and field team roles in order to create clear career pathways for our colleagues. We will be rolling out a similar process in the Vet Division this year and we believe this not only gives greater transparency on the opportunities for colleagues but also allows us to track progression by gender to ensure equal opportunities are given to all.

We are pleased to see that as a result of the measures we have taken, in the higher quartile of our Retail Division there is a close to 50/50 split in male and female colleagues, which is positive compared to the wider UK position as well as a reduction in the gap from 10% last year to 6% this year.

Some of our measures in addressing progression will, however, take longer to come to fruition but by publishing the year on year comparison information we hope that everyone will see our progress over time.

At Pets at Home we believe that the key to encouraging female progression is to have policies in place that support the ability to have both a career and a family without impacting career progression if a colleague chooses to use these policies.

It does not have to be a choice between one or the other, as my own career progression shows, using our flexible working policy to give me more time with my young family did not prevent me from being considered for wider responsibility and promotion to the Group Executive Board. Our business is filled with similar examples and we are confident it will continue to be a great place to work for all regardless of gender”.

Louise Stonier
Chief People and Legal Officer
Pets at Home Group Plc

Our Results

Retail Division

In our Retail Division report which covers our stores, groomers, distribution centres and Support Office, our colleague base remains heavily female dominated at around 70% of the population.

With standardised pay structures we are confident our pay processes are fair and equitable.

This year our pay gap has improved slightly and when we look at our quartile data we can see a small improvement in female participation at the higher levels and a reduction in the pay gap in the highest quartile.

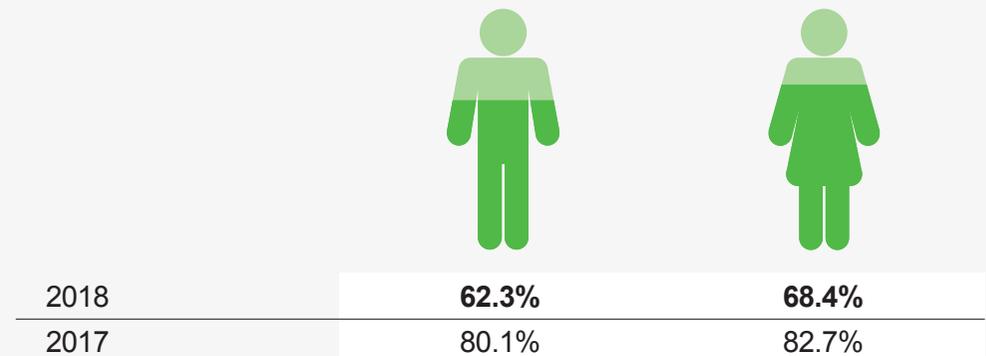
	Pay Gap 2018	Bonus Gap 2018
Mean	17.7%	55%
Median	9.4%	31.2%

	Pay Gap 2017	Bonus Gap 2017
Mean	17.9%	48%
Median	9.7%	25.4%

Retail Division Bonus Gap

Our bonuses continue to be gender neutral and even though more of our female colleagues received a bonus than our male colleagues, this year, overall the number of colleagues receiving a bonus in the Retail Division has declined across both genders. All of our colleagues are eligible to participate in a bonus scheme but the eligibility criteria include an element of service. This year our turnover levels have increased in our Retail Division from 20.3% to 23.1% and this has impacted the number of colleagues employed at the reporting point who received a bonus. We also have more senior male colleagues in the higher paid roles which also impacts the bonus gap.

% of colleagues receiving a bonus



Our Results

Within three of our four quartiles the pay gap is at 1% or less. At the higher quartile we see a close to 50/50 split in male and female colleagues, which is again positive compared to the wider UK position and a gap of close to 6% compared to over 10% last year is really great progress.

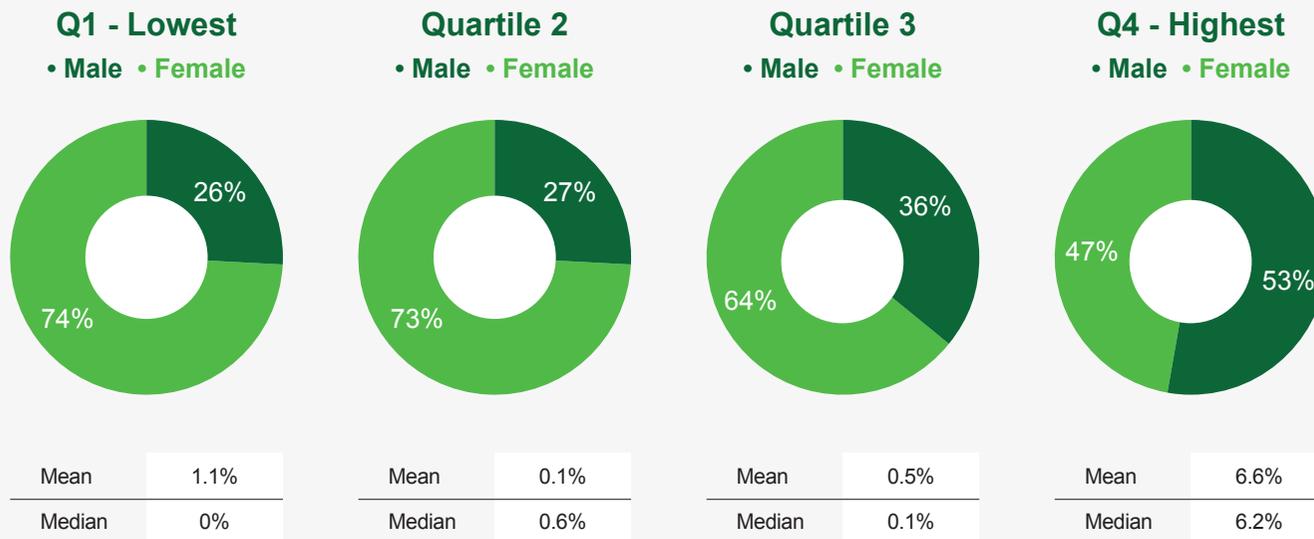
This is due to the fact that we have improved the pay of our lower earning colleagues at a greater rate than those on higher salaries, and through our actions identified last year we have started to encourage female talent progression.

In our store management development programme 65% of colleagues who passed were female, so our store management pipeline is set to maintain our position at Q3.

Our challenge remains encouraging these colleagues to progress into the wider middle and senior management roles which make up the Q4 roles.

Furthermore, we do continue to have a gender pay gap due to:

- a higher proportion of women in our lower paid roles and greater recruitment of females into these positions;
- the large number of women we have in part time roles.



Our Results

Vet Division Support Office

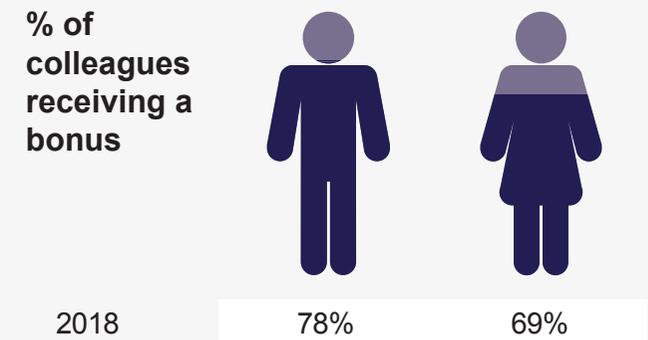
In our Vet Division report which covers our Support Office colleagues only and not our veterinary surgeries, all of our colleagues are employed under the Companion Care Services Limited (CCSL) legal entity. For the first time this year the colleague numbers employed by CCSL have exceeded the threshold of 250 for gender pay reporting. Our figures show results slightly above the national average of 17.9% (source ONS October 2018).

The Vet Division Support Office offers similar family and pet friendly policies to those offered within the Retail Division and like the Retail Division, the gender profile has a greater proportion of female colleagues than male. However, the Vet Division Support Office is made up of the professional functions, experts and advisory support roles required to provide quality customer support advice and guidance to the groups' joint venture veterinary partners and specialist referral centres.

	Pay Gap 2018	Bonus Gap 2018
Mean	18%	43%
Median	27%	63%

Vet Division Bonus Gap

All colleagues in our Vet Division Support Office are invited to participate in a bonus scheme. As with the Retail Division, there is no gender bias as the scheme is available to all roles. The percentage receiving a bonus is impacted by turnover and length of service, combined with individual performance.



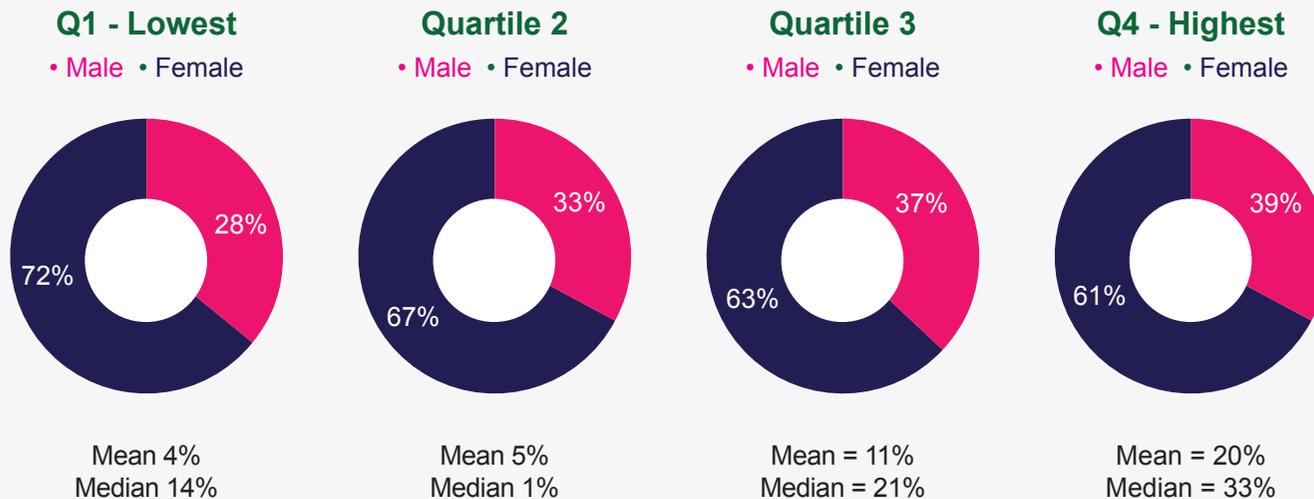
Our Results

The gender pay gap is again driven mainly by the lack of female participation in top quartile roles as is common in many of the professions. However, the quartile data shows that the gaps in the bottom three quartiles are below national average.

It is also pleasing to see that in the top quartile we do have more than a 60% female representation. We also know that this year we have recruited two female colleagues into the Vet Division Executive team, our interim Vet Division Chief Executive and our Director of Finance.

This year we will be undertaking the same job banding and career structure process we have carried out in the Retail Division.

This will allow us to create clear career pathways for colleagues in order to aid talent retention, development and mobilisation both within the Vet Division and across the wider Group as part of our Better Together vision.



Our Results

Dick White Referrals (DWR)

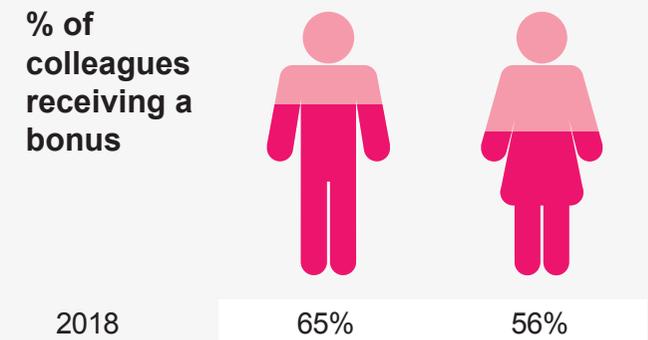
We believe that our Dick White Referrals business is unique in the UK being the only specialist referral veterinary business reporting gender pay data as a single entity. Many of our competitors combine their reporting of specialist roles with their first opinion veterinary roles which are heavily female dominated. The same is true for the Vet Division but our unique partnership model means we do not report on the first opinion practices since colleagues there are employed by the individual practice companies. The DWR data reflects the wider national trend for the lack of female participation in STEM careers at the higher levels. However, we do have great potential to lead the changing trend in this area as females make up nearly double of our new intern and resident intake. We believe that as this new intake progresses the gender pay gap in specialist referral centres and the sector as a whole will reduce.

We offer a wide range of family friendly policies and benefits to support colleagues having both a career and family including flexible working and a range of paid leave options at key points in family life, such as a paid day off on the first day of school. However, we are looking to adopt further improved flexible working practices in our specialist veterinary centres and benefits which support more colleagues who wish to have both a career and a family.

	Pay Gap 2018	Bonus Gap 2018
Mean	44%	67%
Median	16%	50%

Dick White Referrals (DWR) Bonus Gap

DWR does offer all colleagues the potential for a bonus, however, the growth of the business combined with colleague turnover has meant that this year a significant proportion of colleagues did not meet the qualification criteria for a bonus.



Our Results

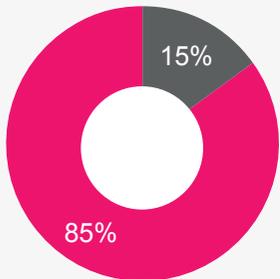
DWRs quartile data reflects a better than national average position in the bottom three quartiles and the overall gender pay gap is being driven by the fact that the highest paid specialist roles contain a disproportionate number of male colleagues. This has been a wider industry trend in veterinary specialist roles and not solely a DWR issue.

However, as previously stated, should our current development programme progress as expected, we believe this position will change in the longer term. 66% of our interns and 71% of the residency programme are female. Of our current residents 66% are female.

Given the greater proportion of female first opinion vets we anticipate that over the next 5 to 10 years the veterinary profession gender gap will reverse so that it is positive towards females. The challenge within this sector is also to attract more males into the sector within the nursing and support colleague roles.

Q1 - Lowest

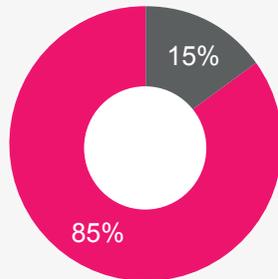
• Male • Female



Mean 3%
Median 4%

Quartile 2

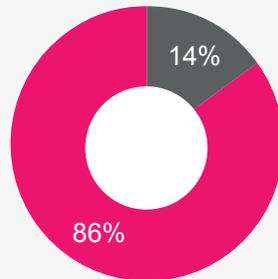
• Male • Female



Mean 3%
Median 3%

Quartile 3

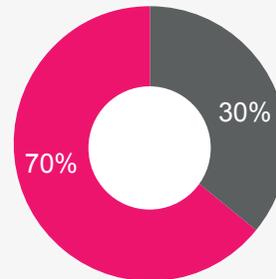
• Male • Female



Mean = 3%
Median = 5%

Q4 - Highest

• Male • Female



Mean = 41%
Median = 58%

Actions update

1. Attract diverse talent

We have launched a new recruitment site in our Retail Division, which was created in consultation with the Equality and Human Rights Commission to ensure all materials were inclusive and showed the diverse opportunities within Pets group.

In addition all our manager recruitment materials have been refreshed and line manager training delivered across Pets retail business.

The next steps will be the delivery of Online Unconscious bias training planned for FY20 Q3 and the roll out of the revised group diversity and inclusion policy to all recruitment agencies used to ensure diverse talent is put forward in shortlists.

2. Develop our talent equally

In 2018 we have created a new job banding structure and framework for pay reviews which gives clear career pathways to colleagues and allows transparency in our pay review process. We have also increased transparency on vacancies and promotion of opportunities to colleagues ensuring the new career site is accessible to all internal applicants.

Progress is also underway on tracking and monitoring gender progression, with gender split now considered on talent assessments and gender has been added to our colleague listening surveys, WeCare, so we can address any gender specific issues highlighted. We are also fostering a bottom up development program via our extensive apprenticeship programmes, which should see more of the colleagues at lower quartiles benefiting from training and qualifications, which will enable them to progress up their career pathways. This year we have supported over 108 apprenticeships across the group.

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.

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.

New Actions for 2019

The Pets at Home Group actions aim to ensure we improve our diversity and nurture a culture of inclusion. We believe in listening, taking action and prioritising colleague wellbeing. In order to support this and help address our gender pay position we will this year be undertaking the following actions:

New job & career

- > Rolling out a new job and career framework to the Vet Division Support Office to facilitate clear career pathways across the Group.
- > This will allow us to ensure that colleagues are all given equal chance to progress and that reward structures are aligned fairly for all across the Group.

Parent & carer community

- > By creating a parent and carers community, supporting parents or carers regardless of gender in managing their work life balance and sharing best practice in maintaining career progress.

Flexible working & benefits awareness

- > Improve colleague awareness of flexible working opportunities and benefits.

Update family policies

- > Review and update our family policies to ensure they remain market leading.



Our commitment



“Attracting, developing and retaining talent will be a key factor in helping us deliver on our vision to be the best pet care business in the world. The new gender pay reporting requirements have given us a new way of looking at our business and we are starting to see its influence across the group. Our new initiatives are making progress and our increased transparency on reward is welcomed by our colleagues with positive feedback from our listening surveys. Our colleagues continue to make me proud and we will encourage colleagues of all genders to reach their maximum potential”.

Peter Pritchard
Group CEO

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

A handwritten signature in black ink that reads "Pritchard".

Peter Pritchard
Group CEO

A handwritten signature in black ink that reads "L Stonier".

Louise Stonier
Chief People and Legal Officer