

Gender Pay Gap Report 2021

pets at home
Group plc



Introduction from Louise Stonier - Chief People and Culture Officer

This year we have accelerated our focus on inclusion, to bring our vision that 'everyone is welcome and feels part of our Group' to life. We lead inclusively, collaborating across the business to inspire and support our colleagues to strengthen our inclusive culture.

Flexible and hybrid working is a key enabler of inclusion, and we have continued to focus on this as we support all our colleagues to overcome the challenges of the pandemic, whatever their role, geography, or personal circumstances. This has extended to the increase in our entry level pay rate, which is now ahead of the National Living Wage, and our improvements to maternity and shared parental pay.

Inclusive recruitment remains a priority as our business continues to grow. Our approach to flexibility means we have access to a national talent pool, and this has enabled us to attract a much wider range of candidates than ever before. We have also welcomed many new colleagues through our early careers and kickstart programmes, and contributions from this pipeline of new talent will help us to innovate and develop fresh perspectives as we continue to evolve.

Our culture is founded on respect, support, and trust and that extends across all our colleagues, to our customers and to our clients. We are committed to helping people be the best pet owners they can be, whatever their circumstances, and that means giving our colleagues more opportunities to truly understand and respond with empathy to the different needs of diverse pet owners.

Women continue to be well-represented at all levels across the group and we are pleased that our mean pay gap and median bonus gaps across the group have continued to fall. The gender pay gap captures the overall difference in average earnings between men and women. A pay gap can exist, even where men and women in comparable roles are paid at the same level, because the relative number of men and women will impact the average. We have invested significantly in our data and digital capability, and this has impacted our pay gap, as there are proportionately fewer women in the national talent pool, especially at senior levels, and these are roles that attract premium pay.

Year on year we have improved our gender diversity at executive level, and we have achieved the target for ethnic diversity at board level set out in the Parker Review. Greater diverse representation in our most senior roles, and our specialist data and digital roles, will help reduce our gender pay gap further. We are committed to breaking down barriers across the group, to enable everyone to realise their ambitions and develop a fulfilling career with us.



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



Our Diversity and Inclusion Highlights

Inspiring and supporting our colleagues

Each of our colleagues is accountable for embedding diversity and inclusion into everything we do, and we have focused on encouraging colleagues to adopt an inclusive mindset. This year over 70% of our retail and store colleagues voluntarily completed our **bespoke new diversity and inclusion e-learning course**.

Our newly appointed **diversity and inclusion lead** has worked with teams throughout our support office and operation to promote and embed inclusive working practices.

We have inspired our colleagues through our diversity-themed **Inspiring Fridays Talks**, welcoming speakers including Clare Balding and Wilfred Emmanuel-Jones (The Black Farmer) who shared their experiences of exclusion and the impact of changing mindsets. For International Women's Day, we were delighted to welcome Louise Watkins to talk to colleagues about her fabulous zigzag career path embracing music and the humanities before taking up a tech-based role at Microsoft. We've also heard from our own colleagues, including Board Member Zarin Patel who shared her career story and perspectives on diversity and inclusion.

Colleagues throughout our business have helped us mark **national inclusive events** during the year including Pride month, International Men's Day, International Day of Persons with Disabilities and a range of religious festivals. During National Inclusion Week, we encouraged colleagues to think about everyday inclusion and respecting differences through sharing 'Three Words' to describe themselves.

We keep diversity and inclusion front of mind for our colleagues through our regular **diversity and inclusion** newsletter and colleague updates on our **Better Together weekly** video.

Capturing and reporting our diversity data

This year we launched our new HR management system and began capturing our colleague diversity data. The dynamic data we collect and report through this system, alongside our pulse engagement survey data, which we review by diversity characteristic, has given us new and rich insights into representation in the business.

Colleague Networks

In 2021 our colleague networks have gone from strength to strength, identifying inclusion priorities and focusing on bringing our colleagues together through storytelling including our ever popular 'lunch and learn' sessions.

“**Our Colleague Networks are breaking down barriers and bias by sharing experiences through story-telling.**”

Trude Thomas, Co-Chair of our Gender Network



Our Strategic Approach to Diversity and Inclusion

Our Diversity and Inclusion Vision

Everyone is welcome and feels part of our group.

Our Approach

Listening to our colleagues helped us decide to focus on increasing education and awareness around diversity and inclusion, inspiring engagement amongst our colleagues and improving our policies and data.

We are guided by our diversity and inclusion leadership forum, chaired by our CEO, and our executive sponsors for each diversity theme.

We also work closely with external partners including the Business Disability Forum, Stonewall, the Valuable 500 and The Prince's Trust.



Our diversity and inclusion objectives help us to achieve our Group strategic priorities



Our Actions and Recognition

Inclusive Recruitment

Appealing to a diverse talent pool

- We continually review our processes and approach to recruitment to make sure that we are as inclusive as we can be. We have added inclusive wording to our role advertisements, actively encourage applications from candidates with diverse backgrounds and circumstances, and we've made it easier for candidates to find out about our commitment to diversity and inclusion with the launch of a new section on our recruitment website.
- Our inclusive recruitment principles include the importance of offering flexibility and recruiting for 'culture add' rather than 'culture fit'.
- Our diversity and inclusion vision is that everyone is welcome and feels part of our group and we are excited to partner with the Shaw Trust to attract and support candidates facing barriers to employment.

Recruiting more women into tech and digital roles remains a top priority

- Using a gender decoder on our role advertisements helps us ensure we appeal equally to female candidates.
- In 2022 we are taking part in the Digital Her programme from Manchester Digital. The programme mission is to engage more young women across Greater Manchester to consider careers in digital and technology and to use the power of real role models in the industry to bring this to life. It's a perfect match for us as we continue to focus on increasing gender balance in the critical and growing digital and tech side of our business to reflect the fantastic balance we have across the business as a whole.

Gender Balance

Retail Week Be Inspired programme

We have once again partnered with the Retail Week Be Inspired programme to support the career development of our top talent. Of the 6 colleagues participating in the programme in 2021, 50% were women, one of whom subsequently progressed to a more senior role within the business. In 2022, we are inviting a further 7 colleagues to take part, 5 of these are women.

Maternity and family support

- In 2021 we increased our enhanced maternity pay for all colleagues. Our communications with colleagues taking family leave are more personal and we have reviewed our maternity guide to make it more user friendly.

Springboard programme

- We want all our colleagues to feel supported to perform at their best and realise their potential. The springboard programme we are running with training provider Go! is designed to help women achieve just that. 20 of our female colleagues are taking part in the programme that includes four face-to-face workshops which will support them to set and meet personal and work goals.

Our flexible and welcoming Culture

Flexible working arrangements

- Our flexible work arrangements are built on trust and guidance, and we encourage our support office colleagues to work in a hybrid way, sometimes at home, sometimes in the office. We want our operational colleagues to have flexibility too, and we have been working closely with Timewise and Flexee to develop a toolkit for colleagues in our vet practices.

We are proud to have won the Retail Week Awards Best Place to Work in 2021.

- We are a colleague-led business, and we focus on helping each of our unique colleagues connect with us and with each other.

We won HR Team of the year at the Personnel Today Awards

- We put our colleagues at the heart of our thinking. Doing everything we can to support our colleagues to work flexibly and trusting them to balance their needs with the needs of the business and our customers is at the forefront of everything we do, and it shows.

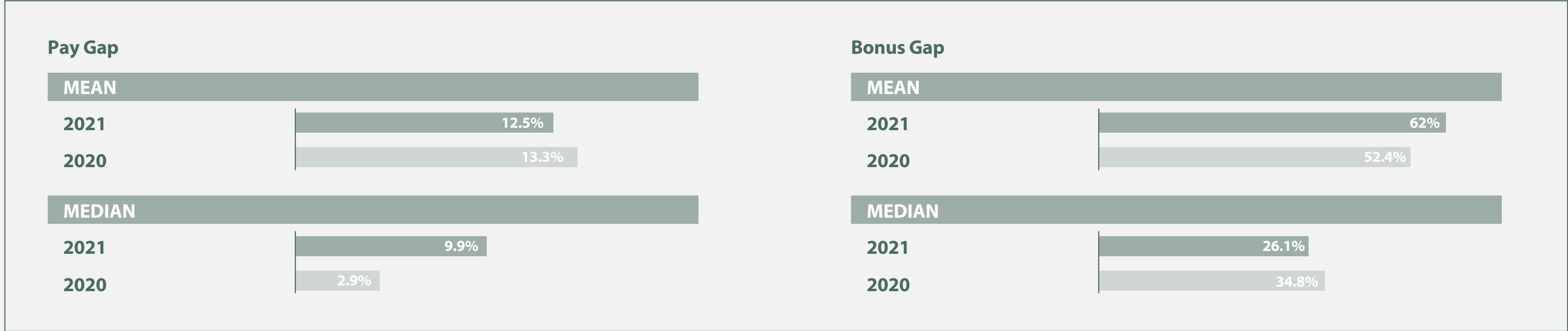
We won Best Wellbeing in the Workplace Strategy: Large Organisation, at the 2021/22 Great British Workplace Wellbeing Awards

- We take an 'always listening' approach, and have an holistic approach to wellbeing, encompassing mental health, physical health, financial wellbeing and environmental wellbeing.

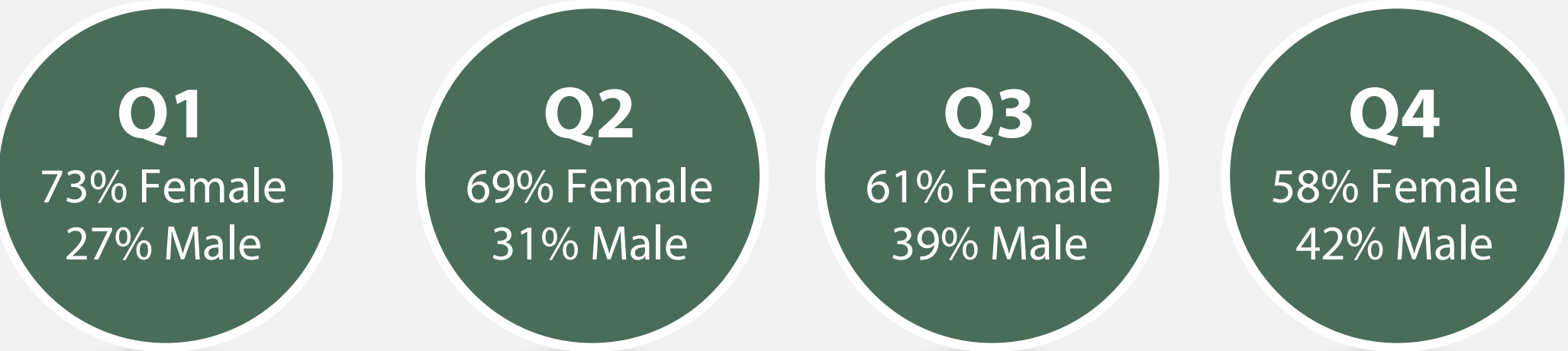
We were shortlisted for the Personnel Today Family Friendly Employer of the Year 2021.

- We are recognised for our positive and inclusive approach to flexible working, and for proactively supporting colleagues with caring responsibilities.

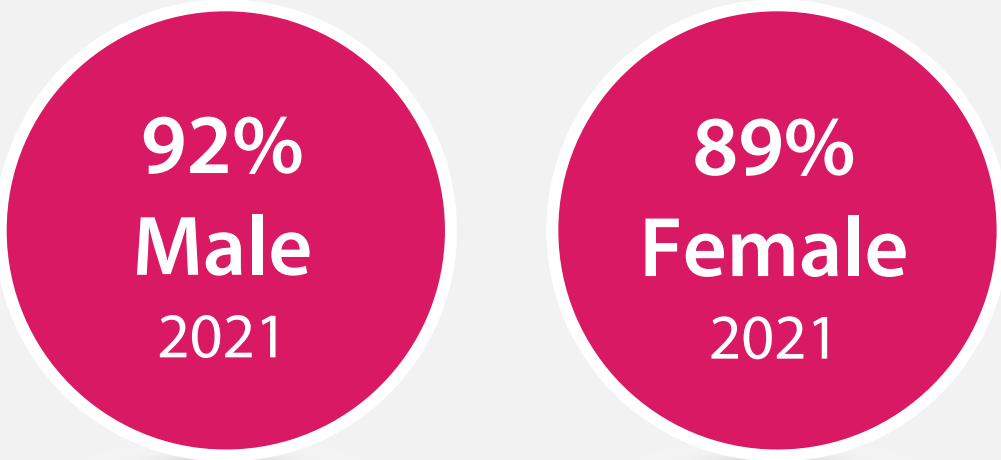
Our Group Gender Pay and Bonus Gap



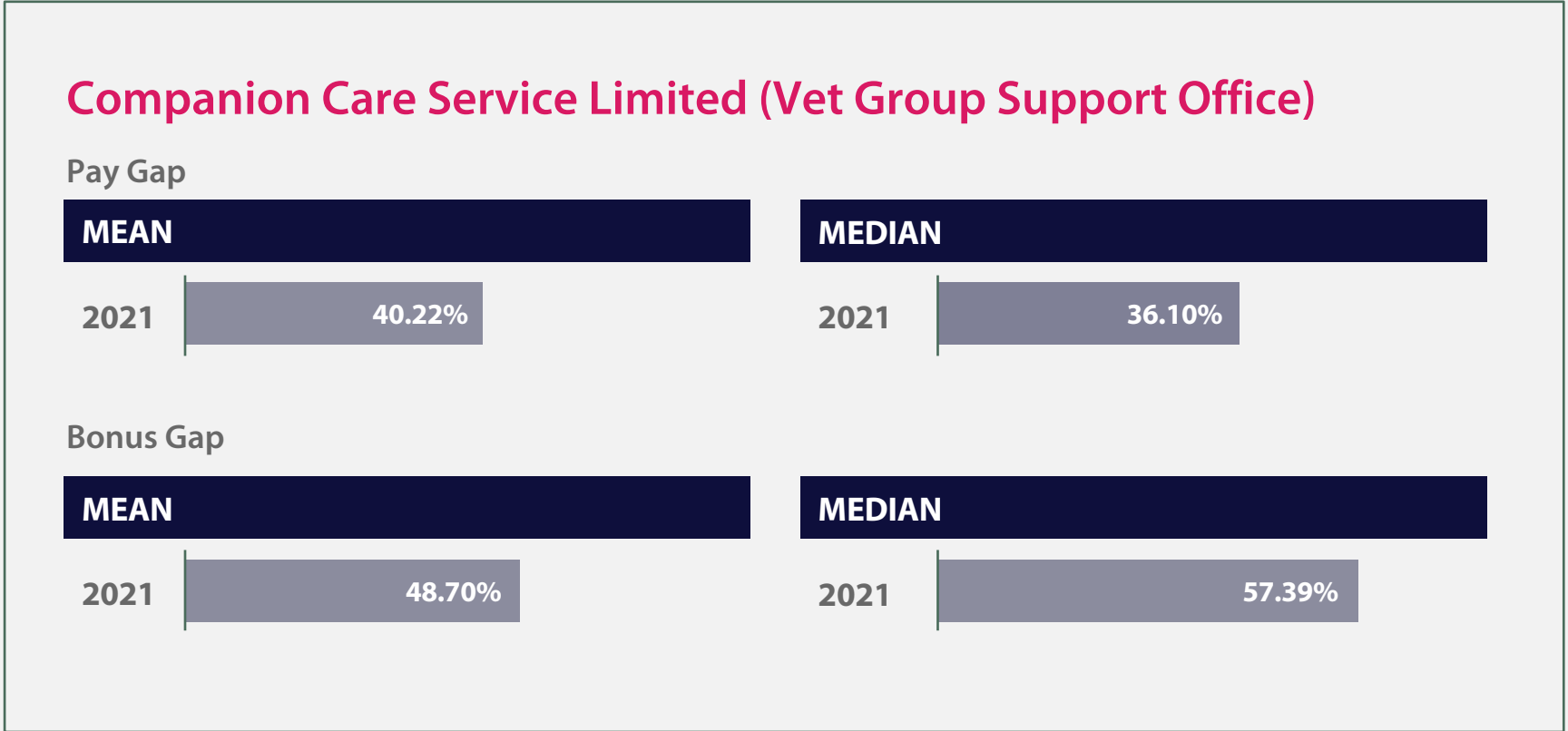
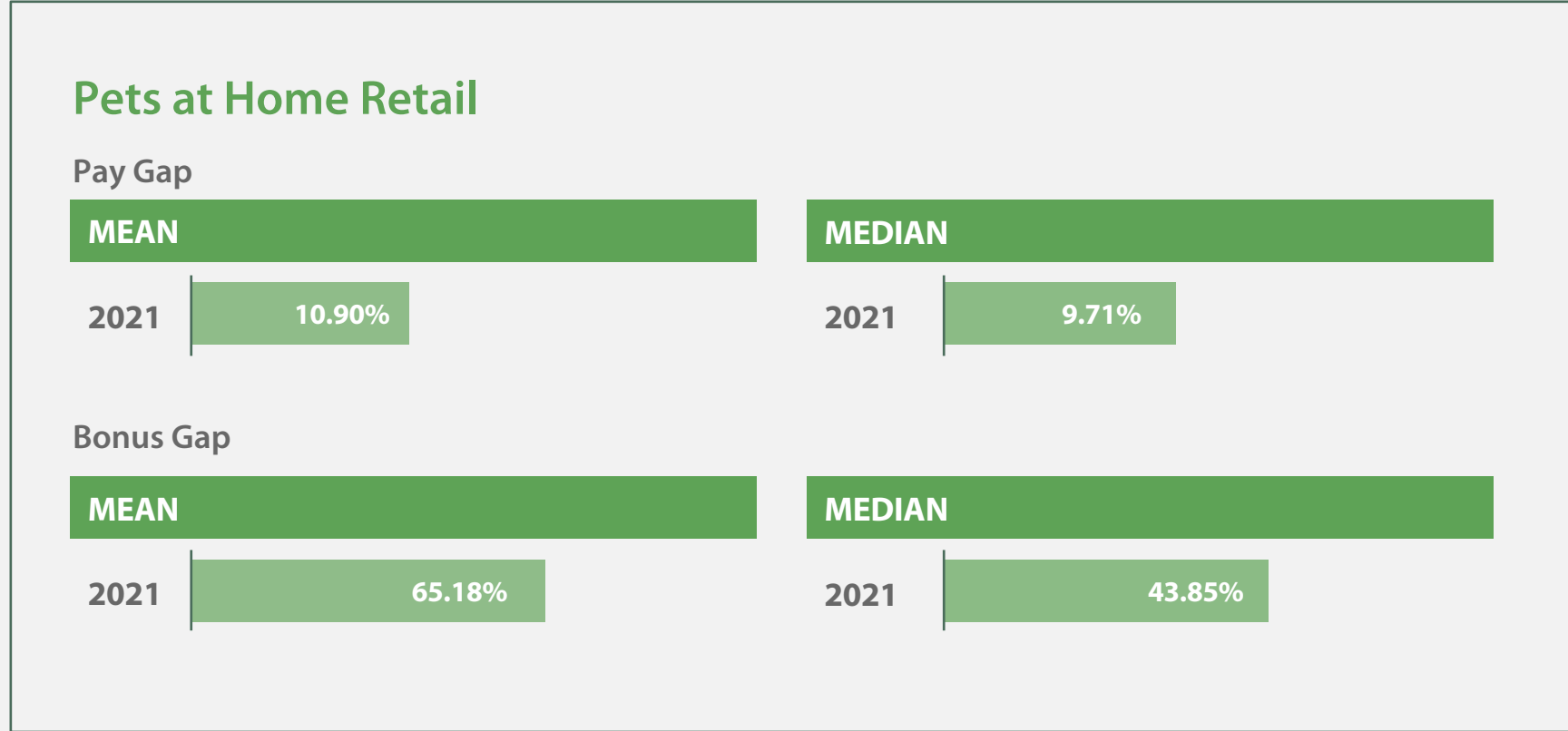
Our pay quartiles



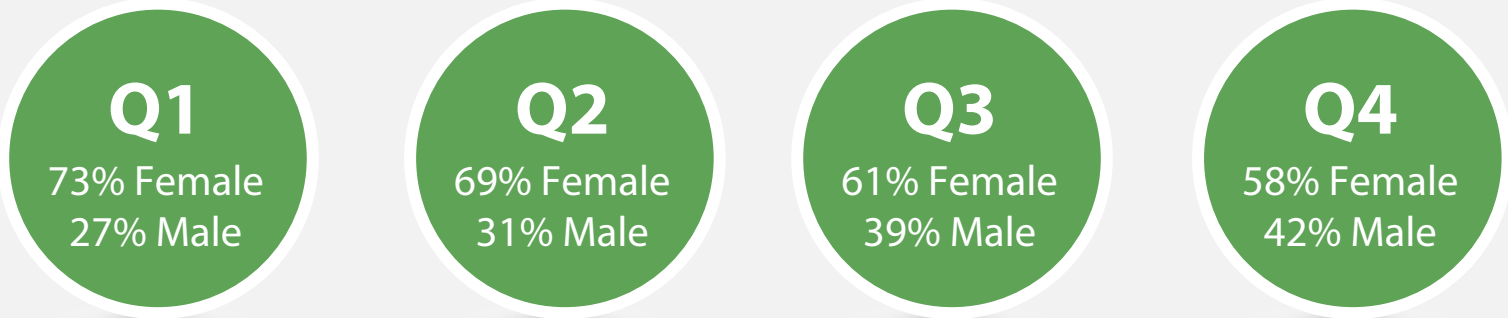
% of colleagues receiving a bonus



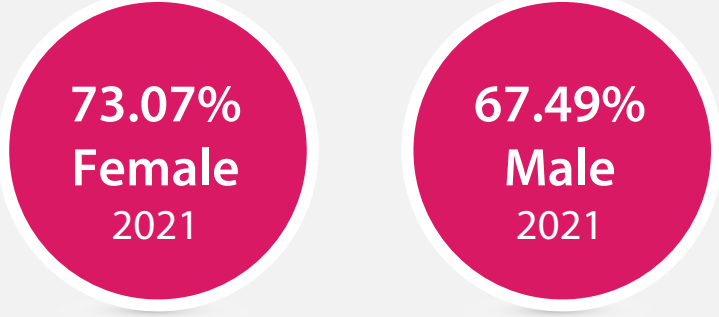
Our Divisional Gender Pay and Bonus Gap



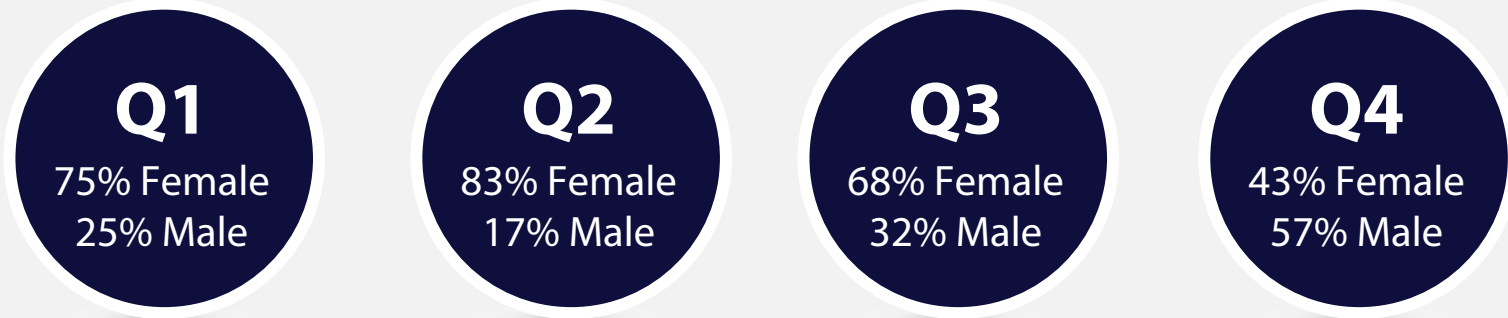
Our pay quartiles



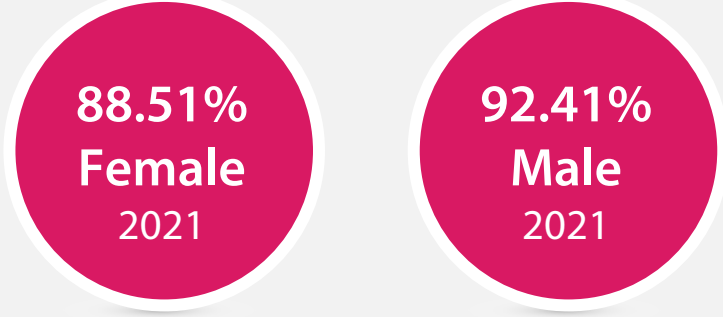
% of colleagues receiving a bonus



Our pay quartiles



% of colleagues receiving a bonus



Note – we have not included joint venture veterinary partnerships owned by the veterinary partner(s), Group managed practices or the Vet Connection as they are separate legal entities.

Our overall Group gender pay gap position

Once again, our data this year has been influenced by the decisions we made to ensure the safety of every colleague across the Group in response to the coronavirus pandemic, which has impacted our results.

Throughout the pandemic, the decisions we took to go above and beyond for colleagues was entirely led by our values and our culture.

From the outset, we wanted to do the right thing for our people - as well as supporting our communities.

In 2021 we...

- Paid our colleagues on the entry level starting rate ahead of the National Living Wage
- Applied a minimum bonus payment for our Retail store and Grooming colleagues, to ensure that no colleague's bonus was impacted.
- Paid bonuses to colleagues that were furloughed or shielding.
- Improved our maternity and shared parental leave pay.
- Introduced Your Reward Hub, a new benefits portal which provides colleagues with access to their colleague benefits, wellbeing resources, support tools and recognition.
- Started to make significant investment into our data and digital proposition.

How we're reporting our overall Group results this year.

All eligible colleagues employed by the Pets at Home Group Plc are included. However, we have not included joint venture veterinary partnerships owned by the veterinary partner(s), Group managed practices or The Vet Connection.

In our 2020 report, we included an additional "Normalised" view, to incorporate colleagues who were on furlough or shielding, as this heavily skewed our results. However, this year's reported were not heavily impacted by this, so we will not be including this for our 2021 report.

Understanding our Gender Pay Gap

Our Group mean pay gap reduced, however our median pay gap increased. This is mainly due to the investment in our data and digital proposition due to these roles prominently being held by men.

Conversely, our Group mean bonus gap has increased, however our median bonus gap reduced.

The mean pay gap is calculated on full time pay which is therefore not influenced by part time colleagues, whereas the mean bonus is actual bonus. If we have more females working part time, they will receive a smaller, pro-rated bonus impacting the bonus mean. As we continue to encourage flexible working across all characteristics, we may find that the bonus gap may increase.

Our bonus gap results now include the first vesting of our Restricted Stock Plan (RSP) which was an award to all colleagues of nil cost options subject to tax., essentially, free shares. Our first RSP vested in July 2020, which resulted in enhancing or creating new shareholders in over 5,000 of our colleagues. However, this has impacted our bonus gender pay gap results because higher value grants are given to colleagues in the most senior roles and more of these roles are held by men.

We are pleased to see improvement of more women in Quartile 4, our highest paid quartile for 2021.



Our commitments for 2022

Our Diversity and Inclusion leadership forum will continue to steer our activities, holding us accountable to action that positively impacts colleagues across our whole Group.

We will launch our Inclusion Commitments to all colleagues setting our expectations and aspirations for and from our line managers, colleagues and as a Group.

We will support every colleague to commit to contribute to our inclusive workplace in their quarterly Great Conversations with line managers.

We will develop our tools to support inclusive recruitment across our business continually measuring our success.

We will continue to capture and report our diversity data and share this with the BRC for inclusion in their retail dashboard.

We will build on the success of diversity and inclusion training this year with bespoke inclusive leadership workshops



Our enduring commitment

Embedding inclusion into all that we do will ensure our impact is long-term and sustainable. Benefitting our colleagues, customer and clients.

As we continue to develop our inclusive culture across the group, our approach is evolving, to ensure that we embed inclusion into everything we do. In this way, every colleague is helping us achieve our strategic objectives in a way that truly reflects our values and behaviours.

Pets just see people, they don't see barriers, and they are never biased. We encourage our colleagues, in all areas and all levels, to adopt these principles and support us to better represent and serve our pet care customers.

Peter Pritchard
Group Chief Executive Officer