Board of Directors

Chair

Ian Burke

Chair

Appointment to the Board
2020

Current roles
n/a

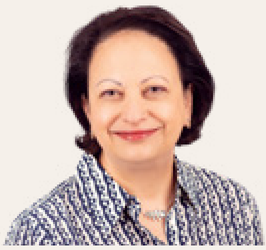
Past roles
- Member of the Board of Governors of Birmingham City University
- Non-Executive Chair of Studio Retail Group Plc
- Non-Executive Senior Independent Director of intu properties Plc
- Chair and Chief Executive Officer of Rank Group Plc
- Chief Executive Officer of Holmes Place Health Clubs
- Chief Executive Officer of Thistle Hotels Plc
- Chair of Vet Partners Holdings Ltd

Contribution to the Board
Wealth of experience from the leisure and retail sectors. Ian has significant prior experience of participation in audit and remuneration committees.

Committees
N S

Non-Executive Directors

Zarin Patel



Senior Independent Non-Executive Director

Appointment to the Board
2021

Current roles
- Senior Independent Director, Chair of the Audit and Risk Committee and member of the Remuneration Committee at Anglian Water Services Limited
- Independent Non-Executive Director, Audit and Risk Committee Chair and a member of the Sustainability Committee at Hays Plc
- Independent Non-Executive Director and Chair of the Audit and Risk Committee of HM Treasury
- Trustee of National Trust
- Member of Chapter Zero

Past roles
- Independent member of the Audit and Risk Committee of John Lewis Partnership Plc
- Chief Financial Officer of the BBC
- Chief Operating Officer of The Grass Roots Group Plc

Contribution to the Board
Wide ranging financial and commercial expertise. Zarin is also a Chartered Accountant.

Committees
A R N S

Natalie-Jane Macdonald

Independent Non-Executive Director

Appointment to the Board
2023

Current roles
- Chair of Nuffield Health
- Chair of Voyage Care
- Non-Executive Director of Riverstone Living

Past roles
- Lecturer in General Medicine and Clinical Pharmacology
- Head of Medical Ethics, British Medical Association
- Managing Director of Bupa Health and Wellbeing
- Chief Executive Officer of Acorn Care and Education
- Chief Executive Officer of Sunrise Senior Living
- Non-Executive Director of Royal National Orthopaedic Hospital
- Non-Executive Director of PHIN
- Non-Executive Director of Which?

Contribution to the Board
Strategic and operational healthcare experience, together with knowledge of complex consumer businesses.

Committees
A R N S

Roger Burnley

Independent Non-Executive Director

Appointment to the Board
2023

Current roles
- Chair of Plate-Up Limited
- Chair of Finnebrogue Artisan
- Luminary Advisor with Accenture

Past roles
- Executive Director at J Sainsbury Plc
- COO and CEO at Asda Stores Limited
- Advisor with Bain & Company

Contribution to the Board
Deep knowledge of the retail sector and food supply chains.

Committees
A R N S

Board of Directors continued

Executive Directors

Garret Turley

Independent Non-Executive Director

Appointment to the Board
2024

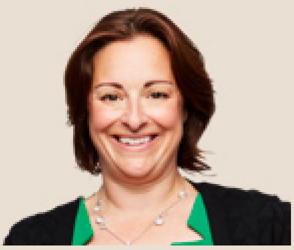
Current roles
- Chair of Blackrose Corporate Finance
- Chair of Koala Care Holdings Limited
- Non- Executive Director at Dunrogan Limited
- Trustee at Outside In

Past roles
- Interim Executive Chair at Avado PQ Limited
- Partner at August Equity LLP
- Partner at Bridges Fund Management Ltd
- Managing Director of Pet Doctors Ltd

Contribution to the Board
Significant strategic experience in veterinary and healthcare.

Committees
N S

Lyssa McGowan



Chief Executive Officer

Appointment to the Board
2022

Current roles
- Chief Executive Officer

Past roles
- Chief Consumer Officer at Sky UK Limited
- Non-Executive Director at Wm Morrison Supermarkets Plc

Contribution to the Board
Broad experience in consumer-facing businesses, expertise in customer and digital first initiatives, experience in data and digital transformation.

Committees
S

Mike Iddon

Chief Financial Officer

Appointment to the Board
2016

Current roles
- Chief Financial Officer
- Non Executive Director and Audit and Risk Committee Chair of Wickes Group Plc

Past roles
- Chief Financial Officer of New Look
- Held a number of senior finance roles over 13 years working for Tesco Plc both in the UK and overseas. These included Group Planning, Tax and Treasury Director, UK Finance Director and Chief Financial Officer of Tesco Homeplus (South Korea)
- Number of senior roles with Kingfisher Plc and Whitbread Plc

Contribution to the Board
Financial knowledge and retail industry expertise.

Committees
S

Committees – Key

- N Nomination and Corporate Governance
- A Audit and Risk
- R Remuneration
- S Sustainability
- ● Chair of Committee

Leadership and purpose

Principal governance activities during the year.

2025 Board considerations

During the year the Board spent its time considering a wide range of matters, including:

- Development of the Group's strategic plan
- In depth reviews on key strategic initiatives
- Updates from key business functions, including retail, vets (including the Joint Venture Council), IT (including data) and investor relations
- Business performance
- Sustainability and climate matters
- Overall performance of individual business functions
- Budgets and long-term plans for the Group
- Risk management and controls, including reputation risk and corporate governance
- Financial statements, announcements and financial reporting matters
- Competitor and customer updates
- Diversity, talent, capability and succession planning matters
- Reviewing Committee reports
- Approving significant items of capital expenditure and contracts requiring Board approval as reserved matters
- Group culture, behaviours, engagement and colleague listening
- Shareholder feedback
- Regulatory matters, corporate governance and corporate reporting
- Approval of the financing arrangements and treasury items
- Non-Executive Director and Executive Management Team succession and talent development
- Engagement with key stakeholders and the impact of Board decisions on such stakeholders
- Capital allocation
- Political matters and public affairs
- The CMA review and Market Investigation into the vet services sector for household pets
- Board evaluation
- Key strategic projects and priorities across the Group

Compliance with the 2018 UK Corporate Governance Code (the '2018 Code')

The Governance Report outlines how the Board has applied the main principles of good governance as required by the UK Corporate Governance Code issued by the Financial Reporting Council in July 2018, the Disclosure Guidance and Transparency Rules (DTRs) and the Listing Rules (LRs) (as replaced by the UK Listing Rules (UKLR)).

The Board is responsible for ensuring that the Group has the necessary frameworks in place to ensure compliance with the Code. The Board believes that during this year, the Group was in full compliance with the Code. The Code can be viewed on the FRC's website at frc.org.uk.

Oversight of development and implementation of strategy

The Board continues to oversee and support the transformation and development of the strategic vision for the Group, in line with the Board's aim to generate and preserve long-term value. During the Board meetings this year, significant focus and time has been given to Group strategy and strategic priorities. The Board has also considered risks and opportunities to the business throughout the year during the course of Board meetings.

Board meetings and attendance

The Board met formally seven times this year and attended an annual strategy day meeting. Ad hoc meetings of both the Board and Committees were arranged as appropriate to deal with matters between scheduled Board meetings. Board meetings were preceded by Committee meetings with the meetings lasting the majority of the day in most cases. Topics for the Board meetings are determined in advance to ensure that essential topics are covered at the appropriate time and new items including key strategic issues are added as and when appropriate in consultation with the Board and Executive Management Team, supported by the Company Secretary. All Directors receive papers in advance of Board meetings via an electronic board paper system which enables efficient dissemination of quality information in a safe and secure manner. These include a monthly Board report with updates from each of the Chief Executive Officer and the Chief Financial Officer, which monitors the achievements against the Group's key performance indicators, both financial and strategic. Performance against budget is reported to the Board monthly and any substantial variances are explained.

Forecasts for the year are revised and reviewed regularly. Members of the Executive Management Team and senior leadership team are also invited to present at Board meetings from time to time so that Non-Executive Directors keep abreast of developments in the Group. These meetings are an opportunity for the Board to meet colleagues below the level of the Executive Management Team and for colleagues asked to present, this is a valuable part of their career development. It is important to the Group that all Directors understand external views of the Group. The Director of Investor Relations reports to the Board on broker and shareholder views throughout the year.

Directors' conflicts of interest

The Articles of Association of the Company give the Directors the power to consider and, if appropriate, authorise conflict situations where a Director's declared interest may conflict or does conflict with the interests of the Company. Procedures are in place at every meeting for individual Directors to report and record any potential or actual conflicts which arise. The register of reported conflicts is maintained by the Company Secretary and reviewed by the Board at least annually. The Board has complied with these procedures during the year. No conflicts of interest or related party transactions were reported by the Board during FY25.

	Board	Audit and Risk Committee	Nomination and Corporate Governance	Remuneration Committee	Sustainability Committee
Number of meetings[1]	7	4	2	5	3
Director					
Ian Burke (Chair)	7/7	–	2/2	–	3/3
Zarin Patel	7/7	4/4	2/2	5/5	3/3
Angelique Augereau[2]	5/5	–	–	1/1	2/2
Roger Burnley[3]	6/7	3/4	1/2	5/5	3/3
Susan Dawson[4]	2/2	1/1	–	2/2	1/1
Mike Iddon[5]	7/7	–	–	–	3/3
Natalie-Jane Macdonald[6]	7/7	4/4	2/2	2/2	2/3
Lyssa McGowan[5]	7/7	–	–	–	3/3
Garret Turley[7]	4/4	–	2/2	–	2/2

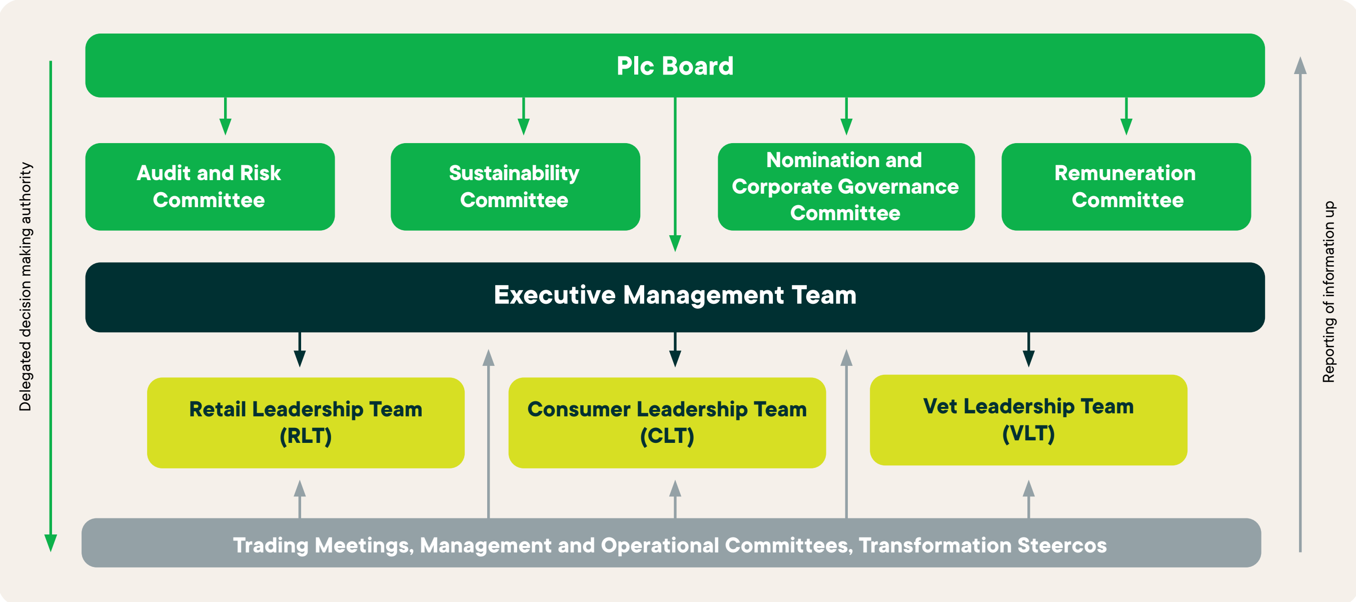
1 Excludes the strategy day, which all Directors (appointed before that date) attended.
2 Angelique stepped down from the Board on 20 January 2025.
3 Roger did not attend one of the Board, Audit and Risk and Nomination and Corporate Governance Committee meetings due to a prior commitment and was appropriately updated after those meetings.
4 Susan stepped down from the Board on 11 July 2024.
5 Although not formally appointed as members, Lyssa and Mike attended meetings of the Audit and Risk and Remuneration Committees as observers at the invitation of the Chair.
6 Natalie did not attend a Sustainability Committee meeting due to a prior commitment and was appropriately updated after the meeting.
7 Garret was appointed to the Board on 12 July 2024.

Division of Responsibilities

How we are governed.

Our governance structure

The Group's governance framework concerning the Board and Committees is outlined below.



The Board

The Company is led and controlled by the Board which is collectively responsible for the long-term sustainable success of the Group. The roles of Chair, Chief Executive Officer and Senior Independent Non-Executive Director are separate and clearly defined, with the division of responsibilities set out in writing and agreed by the Board. The definitions of the roles and division of their respective responsibilities are published on The Pets at Home Group investor website https://www.petsathomeplc.com/investors/corporate-governance/division-of-responsibilities-for-the-ceo-and-the-chairman/.

Board changes

Susan Dawson stepped down from the Board as an Independent Non-Executive Director at the end of the Annual General Meeting on 11 July 2024 and was replaced by Garret Turley, who was appointed on 12 July 2024. Angelique Augereau stepped down from the Board on 20 January 2025.

Board Committees

The Board has established four Board Committees to discharge its responsibilities within a system of delegated authorities: Audit and Risk, Nomination and Corporate Governance, Remuneration, and ESG (renamed as Sustainability during the year). Each Committee has written terms of reference which are approved by the Board and reviewed each year. The terms of reference for all Committees were reviewed during the year for changes required by the Corporate Governance Code 2024. The terms of reference are available on request from the Company Secretary and on The Pets at Home Group investor website https://investors.petsathome.com/investors/governance.

Executive Management Team

In addition to the Board, the Group has the Executive Management Team comprised of the Chief Executive Officer, Chief Financial Officer, Retail Chief Operating Officer, Vet Business Managing Director, Chief People and Legal Officer, Chief Information Officer and Chief Consumer Officer. Senior leadership teams for the retail, vet and consumer divisions support the Executive Management Team with the implementation of strategy and risk and governance oversight.

Management and operational committees

Investment committee

The Investment Committee assists the Board with the Group's stores and veterinary surgery rollout and development process to ensure the Group's investment process is managed effectively and rigorously. The Committee is chaired by the Chief Financial Officer and attended by the Chief Executive Officer and other members of the senior leadership team, including the Group Property Director and the Director of Group Development. The Committee meets formally at least nine times a year. The role of the Committee includes considering proposals for the acquisition of new premises proposed for use by a member of the Group and capital expenditure relating to such premises, and includes a regular review of the property investment criteria for such decision making, as well as reviewing proposals presented for lease renewals and alternative strategies for new store investment and formats and proposals for the disposition of any premises by way of sub-letting, assignments, surrenders or relocations and approving or rejecting any such proposals as appropriate.

Each of the matters approved by the Committee is subject to further approval by the Board where it falls within the level of expenditure requiring full Board approval. Details from the Committee meetings are provided to the Board on a regular basis.

Health and Safety Committee

Health and safety is a key priority for the Board and senior management. The Board has established a Health and Safety Committee tasked with reviewing the Group's overall health and safety performance. The Committee is chaired by the Legal Director and Company Secretary with the agenda led by the Group Head of Health and Safety. The Committee is attended by key individuals in the business who are responsible for certain areas of health and safety including from the veterinary business, retail, distribution and grooming. The Distribution Centre has its own dedicated health and safety manager and has a separate health and safety sub-committee which also meets on a regular basis. The Group has a designated health and safety manager and a team of health and safety advisors. The Group's health and safety policy is reviewed on a regular basis.

Division of Responsibilities continued

Pensions Committee

The Pensions Committee operates to consider pensions related issues across the business.

Pet Committee

The Pet Committee is established to lead the business in maintaining its trusted voice on pet welfare, aiming to achieve measurable improvements and be the primary advocate for pets in alignment with the Company's sustainability commitments outlined in the Pet pillar of the key strategic pillars being: adopting the highest welfare and clinical standards for pets in our care, providing owners with the best products, services and advice, and using our voice and expertise to advocate for pets.

Responsible Product Committee

The Responsible Product Committee is responsible for considering sustainability issues in the supply chain.

Climate Change and Waste Committee

The Climate Change and Waste Committee considers all climate and waste matters, including carbon and resource impacts of our building infrastructure through the use of energy to heat and cool and the investment in areas such as renewable energy, energy generation and energy use reduction technologies, logistics impacts through our own fleet and third parties and specific impacts of our veterinary business, such as anaesthetic gas use and other clinical opportunities.

Transformation Steercos

Transformation Steercos operate to guide our large-scale transformation projects. Their main roles and responsibilities include ensuring that projects align with the Group's long-term strategic goals and that project resource is appropriately allocated, identifying and mitigating risks that could impact a project's success, keeping all relevant stakeholders informed of a project's progress and making key decisions that influence the direction and success of a project.

Internal control and risk management

The Board is responsible for the Group's system of internal control and for reviewing its effectiveness. The Board has carried out a robust assessment of the Group's emerging and principal risks, including those that would threaten its business model, future performance, solvency, liquidity or reputation as detailed on page 44. The Board delegates to the EMT the responsibility for designing, operating and monitoring these systems. The systems are based on a process of identifying, evaluating and managing key and emerging risks, and include the risk management processes set out on pages 19 to 29 of the Strategic Report (Risk Review).

The systems of internal control operate effectively across the Group and therefore our conclusion is that such systems were in place throughout the period and up to the date of approval of the Annual Report. The systems of internal control operate across the Group and are designed to manage rather than eliminate the risk of failure to achieve business objectives. They can only provide reasonable and not absolute assurance against material errors, losses, fraud or breaches of laws and regulations. The key controls the business relied upon during the year are set out below:

- The annual Group-wide strategic review of the existing five-year strategic plan took place in November 2024. The business carried out its annual business plan and budget cycle, again culminating in formal review and approval by the Board on 27 March 2025.
- Management accounts have been reviewed at meetings of the Board. These reviews covered the comparison of actual performance against budget in the period end management accounts and consideration of outturn for the year. The period end accounts are prepared by the finance team and reviewed by the Chief Financial Officer.
- All capital investments during the year have been approved by the Chief Financial Officer; an authority framework is in place which details the approvals required for specific levels of capital spend including those capital projects requiring full Board approval. In line with delegation by the Board, the Investment Committee has reviewed and approved investments in respect of the acquisition and fit-out of new stores, and new standalone and in-store veterinary practices.
- An independent internal audit department is established with its scope agreed directly with the Audit and Risk Committee and has reported at each Audit and Risk Committee meeting throughout the year. All internal audit reports are presented to the Committee for review and consideration of any material findings. Where audit findings have been raised, management have agreed appropriate actions and these are prioritised based on risk. Further details of the areas covered in the internal audit reports can be found in the Audit and Risk Committee Report on page 45.
- A clearly articulated delegated authority framework, including in respect of all purchasing activity, is in place across the Group. This is complemented by systemic controls including a contract approval policy that reflects the agreed authority framework and clear segregation of duties between relevant functions and departments.
- A schedule of matters reserved for the Board is in place for approving significant transactions and strategic and organisational change. This underpins Board discussion of the key risks and uncertainties facing the Group and the risk management system. Further details are contained in the Audit and Risk Committee Report on page 44.
- A clear Anti-Bribery Policy and Code of Ethics and Business Conduct are in place, as noted in detail below.
- An effective fraud framework has also been established.

Whistleblowing policy

The Company has a duty to conduct its affairs in an open and responsible way. We are committed to high standards of corporate governance and compliance with legislation and appropriate codes of practice. By knowing about any wrongdoing or malpractice at an early stage, we stand a good chance of taking the necessary steps to stop it. The Group has a whistleblowing policy designed to encourage colleagues to identify such situations and report them without fear of repercussions or recriminations provided that they are acting in good faith. The policy, which was reviewed and updated during the year, sets out how any concerns may be raised and how they will be handled. The Senior Leadership Team participated in an interactive session with Natalie-Jane MacDonald, Non-Executive Director for Colleague Engagement, to discuss colleague listening and whistleblowing and their obligations as leaders during the year.

Anti-Bribery Policy

The Group has a zero tolerance approach to bribery and corruption and supports colleagues to make decisions in line with this position. The Group's Anti-Bribery Policy applies to all colleagues and extends to our business dealings and transactions in all countries in which the business operates. The policy is implemented in conjunction with the Group's Code of Ethics and Business Conduct which is published on The Pets at Home Group investor website https://www.petsathomeplc.com/sustainability/documents-policies/policies/. Colleagues also receive training in relation to bribery and corruption as appropriate. Following an audit of our anti-bribery processes and procedures during the year, both the Anti-Bribery Policy and Code of Ethics and Business Conduct were reviewed and updated to incorporate the audit recommendations.

Share dealing code

The Company has adopted a share dealing code in relation to its shares which applies to: Directors, any other Persons Discharging Managerial Responsibility and certain colleague insiders of Group companies. Such individuals are responsible for procuring the compliance of their respective connected persons with the Company's share dealing code.

Composition, Succession and Evaluation

Board composition

The 2018 Code recommends that at least half the board of Directors of a UK-listed company, excluding the chair, should comprise Non-Executive Directors determined by the board to be independent in character and judgement and free from relationships or circumstances which may affect, or could appear to affect, the Directors' judgement. As at the date of this report, the Board consists of 7 members being the Non-Executive Chair, four other Non-Executive Directors and two Executive Directors. The biographies of the Directors can be found on pages 32 and 33.

The Board believes it has an appropriate balance of Executive and independent Non-Executive Directors, having consideration to the size and nature of the business, and that all of the current Non-Executive Directors are independent in character and judgement. Each Director brings different skills, knowledge and experience, and the Board considers that both individually and collectively, the Directors have this range of skills, knowledge and experience (including strategic and commercial experience, and diversity of experience) as well as the necessary dedication to lead the Group and contribute significantly to the work of the Board.

The skills matrix for the Board on page 39 demonstrates the breadth of experience of the Directors. More than half of the Directors are considered to be independent in accordance with the 2018 Code. The 2018 Code also recommends that, on appointment, the chair of a company with a premium listing on the Official List should meet the independence criteria set out in the 2018 Code. The Board considers that Ian Burke meets the independence criteria set out in the 2018 Code.

Board effectiveness

The Directors act collectively in the best interests of the Group via the Board and its Committees and devote such time and consideration as necessary to fulfil their duties. The time commitments of each of the Non-Executive Directors are considered regularly and reviewed annually. The Board is satisfied that the Chair and each of the Non-Executive Directors are each able to devote sufficient time and consideration to the Group's business in order to provide constructive challenge, strategic guidance and specialist advice. In considering any additional roles or external appointments to be undertaken by Board members, the Chair and the Board assesses whether any actual or potential conflict of interest may arise and also the impact in terms of time commitment, to ensure that there are no over-boarding concerns. There were no changes to Board members' external appointments during the year.

Directors' induction and ongoing training

It is important to the Board that Non-Executive Directors are able to influence and challenge appropriately. New Directors receive a full, formal and tailored induction on joining the Board, including meeting with the Executive Management Team and advisors. The induction includes visits to the Group's stores, veterinary practices, Distribution Centre and other operational locations, together with training on the Group's core values, culture, environmental, social and governance issues as well as behaviours in place to support the Group's values. Individual training needs are reviewed regularly and training is provided where a need is identified or requested. All Directors receive frequent updates on a variety of issues relevant to the Group's business, including regulatory and governance issues. The Board also has access to the Deloitte Academy training portal and Directors have attended a variety of training sessions throughout the year via this system.

Appointment terms and election of Directors

All Directors have service agreements or letters of appointment in place. Further detail of their terms are set out in the Remuneration Policy which is located on The Pets at Home Group investor website in the 2023 Annual Report (https://www.petsathomeplc.com/investors/).

The service agreements and letters of appointment are available for inspection at the Company's registered office during normal business hours. All Directors will stand for re-election in accordance with the 2018 Code at each Annual General Meeting. The Chair also liaises with Non-Executive Directors each year to assess and review their individual contributions to the Board and performance. The skills and experience which each Non-Executive Director brings to the Board are detailed in their biographies on pages 32 and 33, and in the Board Skills Matrix on page 39, demonstrating why their contribution is, and continues to be, important to the Group's long-term sustainable success.

Diversity and inclusion

The Board understands the importance of having a diverse membership and recognises that diversity encompasses not only gender but also background, ethnicity and experience.

The Group's diversity and inclusion aim is to increase diverse representation of colleagues to reflect the communities we live and work in. The Group's policy for all colleagues and applicants (including at Board and Board Committee level) is to remove barriers to ensure equality of opportunity regardless of sex, race, ethnic origin or nationality, pregnancy or maternity, age, disability, religious or other philosophical belief, marital status, sexual orientation, gender or gender reassignment. Our culture of inclusivity ensures colleagues with different backgrounds, interests, appearances, perspectives and working styles feel welcome. Applications for employment from candidates who have a disability are given full and fair consideration, and candidates are assessed in accordance with their particular skills and abilities. The Group takes all reasonable steps to meet its responsibilities towards the training and employment of people with a disability, and to ensure that appropriate training, career development and promotion opportunities are available to all colleagues, irrespective of disability. Every effort is made to provide continuity of employment in the event that any colleague becomes disabled. Attempts are made in every circumstance to provide employment, whether this involves adapting the current role and remaining in the same role, or moving to a more appropriate role. The Group continues to be a member of the Business Disability Forum and Diversity in Retail.

The Nomination and Corporate Governance Committee monitors the diversity of the Board and the Executive Management Team on an ongoing basis to ensure that the requirements of the Code are met. No changes were recommended this year. The Board was considered to have an appropriate mix of tenure, skills and experience. In line with the ethos across the business, the Board believes that appointments should be made solely on merit. The Board continues to ensure that it maintains an appropriate balance through a diverse mix of experience, background, skills, knowledge and insight, to further strengthen its current diversity and experience. Further work has been undertaken by the Group this year on diversity and inclusion, as detailed on pages 14 to 15 and in the Sustainability Report.

The Board was pleased to continue to meet the Parker Review targets on ethnic diversity again this year. The Board was also pleased that the business continued to rank well in the FTSE Women Leaders Report on gender balance, with 43.8% of the Executive Management Team and their direct reports being female.

The Company met all three targets on board diversity set out in UKLR 6.6.6(9) as follows:

1. 43% of the individuals on the Board are women, achieving the 40% target.
2. Two senior positions on the Board are held by women, exceeding the target of at least one.
3. Two individuals on the Board are from a minority ethnic background, exceeding the target of at least one.

Composition, Succession and Evaluation continued

The following tables set out the information required by UKLR 6.6.6R(10) in the prescribed format.

(1) Table for reporting on gender identity or sex

	Number of Board members[1]	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management[2]	Percentage of executive management
Men	4	57%	2	3	37.5%
Women	3	43%	2	5	62.5%
Not specified/ prefer not to say	–	–	–	–	–

(2) Table for reporting on ethnic background

	Number of Board members[1]	Percentage of the Board	Number of senior positions on the Board (CEO, CFO, SID and Chair)	Number in executive management[2]	Percentage of executive management
White British or other White (including minority-white groups)	5	71%	2	7	87.5%
Mixed/ Multiple ethnic groups	–	–	–	–	–
Asian/Asian British	–	–	–	–	–
Black/African/ Caribbean/ Black British	–	–	–	–	–
Other ethnic group	2	29%	2	1	12.5%
Not specified/ prefer not to say	–	–	–	–	–

For the purposes of making the disclosures set out above, the data was collected through voluntary self-reporting submissions as at 31 October 2024 to align with the Group's submission to the FTSE Women Leaders Review and as at 20 December 2024 to align with the Group's submission to the Parker Review, or otherwise by way of individual confirmations. The data is correct as at the financial year end.

Succession

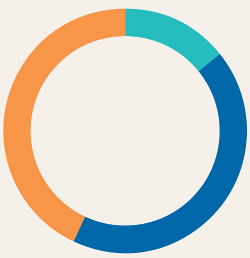
The Board has continued to focus on succession planning and Group talent development this year. Further detail of the work undertaken by the Nomination and Corporate Governance Committee in this area is included on page 40.

Board evaluation

The 2018 Code recommends that the Board continually monitors and improves its performance. The effectiveness of the Board is important to the success of the Group, and the Board's annual review provides a useful opportunity for the Directors to reflect on their collective and individual effectiveness and to consider any changes.

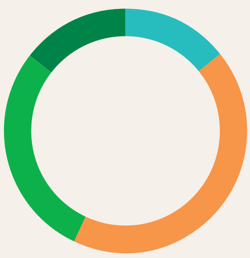
This year the Board appointed an independent third party to carry out an externally facilitated evaluation of the Board and its Committees, which also sought to identify areas where the performance and procedures of the Board might be further improved to optimise its effectiveness. Further information relating to this year's Board evaluation can be found in the Nomination and Corporate Governance Committee Report, on page 41.

Board by Tenure



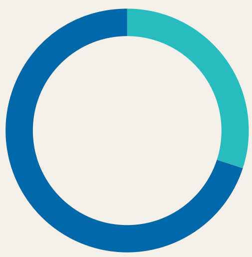
Under 1 year	1/7
1–3 years	3/7
3–8 years	3/7

Board by Age



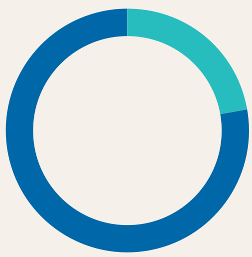
45–50	1/7
50–55	0/7
56–60	3/7
61–65	2/7
+66	1/7

Board by Gender



Female	3/7
Male	4/7

Balance of the Board (Exec/Non-Exec)



Executive Directors	2/7
Non-Executive Directors	5/7

1 Board members refers to those individuals in role as at the date of this report.

2 Executive management refers to those individuals comprising the Executive Management Team, including the CEO and the CFO, and the Company Secretary, as at the date of this report.

Composition, Succession and Evaluation continued

Board Skills Matrix

	Director						
	Ian Burke	Zarin Patel	Roger Burnley	Natalie-Jane Macdonald	Garret Turley	Lyssa McGowan	Mike Iddon
Pet Owner	✔	✘	✔	✔	✘	✔	✔
Expertise							
Accounting, Finance and Audit	✔	✔	✔	✘	✘	✘	✔
Risk Management	✔	✔	✔	✔	✘	✘	✔
Regulatory	✔	✔	✔	✔	✔	✘	✔
Governance	✔	✔	✔	✔	✔	✔	✔
Corporate Transactions (M&A)	✔	✔	✔	✔	✔	✔	✔
International (running a non UK Business)	✔	✘	✘	✘	✘	✘	✔
General Management (CEO)	✔	✔	✔	✔	✔	✔	✔
People and Culture	✔	✔	✔	✔	✔	✔	✔
General Retailing Experience	✔	✔	✔	✔	✘	✔	✔
Customer Service and Communications Experience	✘	✔	✔	✔	✘	✔	✔
Online Retailing Experience	✔	✔	✔	✔	✘	✔	✔
Marketing/Branding	✔	✔	✔	✔	✘	✔	✔
General Services	✔	✘	✔	✔	✔	✔	✘
Veterinary	✘	✘	✘	✘	✔	✘	✘
Healthcare	✘	✘	✘	✔	✔	✘	✘
Charity/Social Purpose	✔	✔	✔	✔	✔	✘	✔
Data	✘	✔	✔	✔	✘	✔	✘
Artificial Intelligence	✔	✔	✘	✘	✘	✘	✘
IT and Technology	✘	✔	✔	✘	✘	✔	✘
Omnichannel	✔	✔	✔	✔	✘	✔	✔
Strategic Leadership	✔	✔	✔	✔	✔	✔	✔
Vision and Mission	✔	✔	✔	✔	✔	✔	✔
Sustainability and Climate Change	✔	✔	✔	✔	✔	✘	✘
Transformation Leadership	✔	✔	✔	✔	✘	✔	✔
Chair of PLC Board	✔	✘	✘	✘	✘	✘	✘
Chair of PLC Board Committee	✔	✔	✔	✘	✔	✘	✔

Nomination and Corporate Governance Committee Report

Supporting Talent and Succession.

Ian Burke
Chair, Nomination and Corporate Governance Committee

The role of the Committee

The Committee is established to lead the process for nominating suitable candidates for appointment as Directors to the Board and to key senior leadership positions, and to ensure that appropriate procedures are in place to keep the composition of the Board and its Committees under review. The Committee is also responsible for ensuring that orderly succession plans are in place for the Directors, the Executive Management Team and the senior leadership team.

In carrying out its role, the Committee takes into consideration the size, structure and composition of the Board and its Committees (including the skills, knowledge, experience and diversity of its members), the leadership requirements of the Group and the wider commercial and market environment within which the Group operates. The full terms of reference for the Committee can be found on The Pets at Home Group investor website https://www.petsathomeplc.com/investors/corporate-governance/nomination-and-corporate-governance-committee/.

Committee membership

I chair the Committee and its members are the independent Non-Executive Directors, being Zarin Patel, Roger Burnley, Natalie-Jane Macdonald and Garret Turley. Susan Dawson and Angelique Augereau were also members of the Committee during the year, prior to stepping down from the Board on 11 July 2024 and 20 January 2025 respectively.

The Committee meets not less than once a year. There were three formal meetings this year. Details of the Committee members during the year and attendance was as shown in the table on page 34.

What we did in 2025

- Considered Board composition and how it may be enhanced.
- Reviewed and considered Board evaluation and effectiveness.
- Reviewed the independence of the Non-Executive Directors.
- Reviewed and considered Directors' conflicts of interest.
- Reviewed the time commitment and length of service of the Non-Executive Directors.
- Recommended the appointment of Garret Turley as Non-Executive Director.
- Reviewed the Committee's corporate governance obligations.
- Considered corporate governance updates.
- Undertook an external Board evaluation and continued to develop identified areas for improvement.

What we will do in 2026

- Continue to review Board composition and effectiveness.
- Consider succession planning.
- Review corporate governance obligations and updates.
- Continue to monitor diversity.

Board appointments and resignations

The Board welcomed Garret Turley as an Independent Non-Executive Director with effect from 12 July 2024. Garret chairs the Sustainability Committee and is a member of the Nomination and Corporate Governance Committee. It is essential that the Board has appropriate experience in the veterinary sector and welcomes Garrett's experience and strategic knowledge in the veterinary sector to support the Group's growth strategy. Garret's previous roles, experience and skills are set out in his biography on page 33 and in the Board Skills Matrix on page 39.

Susan Dawson stepped down from the Board as an Independent Non-Executive Director at the end of the Annual General Meeting on 11 July 2024. Angelique Augereau stepped down from the Board on 20 January 2025.

In respect of the Board Committees, Garret Turley was appointed as an additional member of the Nomination and Corporate Governance Committee and the Sustainability Committee from appointment. Natalie-Jane Macdonald was appointed as an additional member of the Remuneration Committee from 24 January 2025.

At Executive Management Team level, Richard Dening-Smitherman joined the business as the new Managing Director of the vet business. Richard has experience in franchise businesses being relevant to our vets business and has held senior roles at large national and international organisations, most recently at Burger King UK where he was Chief Operating Officer.

Succession planning and Group talent development

The Committee has considered the skills required to deliver the strategy and longer-term objectives at Board, Committee and Executive Management Team level. This has included reviewing and putting in place an effective succession plan for both the Board and the Executive Management Team.

The Committee also continues to focus on talent development, retention and succession below Board and Executive Management Team level in order to meet its responsibilities to review talent, capability and succession at the most senior levels of the business. Development plans have been put in place to support colleagues in reaching their full potential. Continued progress has been made in identifying gaps in the talent pool in addition to mitigating the risks associated with unforeseen events such as key individuals leaving the business.

Nomination and Corporate Governance Committee Report continued

Board evaluation and effectiveness

This year the Board appointed an independent third party (MWM Consulting) to carry out an externally facilitated evaluation of the Board and its Committees, which also sought to identify areas where the performance and procedures of the Board might be further improved to optimise its effectiveness. The evaluation consisted of a questionnaire completed by each Board member and individual discussions between each Board member and MWM Consulting, and covered a number of key areas, including capability, composition, stakeholders, dynamics and culture, meetings and information, Committees, development, strategy, performance and effectiveness, risk and opportunities and people.

The Committee reviewed and discussed the results. The Board was considered to be effective and its overall performance was rated strong, as were the relationships between the Non-Executive Directors and the Executive Directors. The Board will give focus to the recommendations for further improvement.

Diversity

The Board is committed to supporting work initiatives that promote a culture of inclusion and diversity. The Committee recognises the importance of diversity and inclusion both in the boardroom and throughout the Group and understands that a diverse Board will offer wider perspectives which lead to better decision-making, enabling it to meet its responsibilities. We take into account a variety of factors before recommending any new appointment to the Board, including relevant skills to perform the role, experience, knowledge, ethnicity and gender. The most important priority of the Committee, however, is ensuring that the best candidate is selected to join the Board. We will monitor the Group's approach to people development to ensure that it continues to enable talented individuals to enjoy career progression with the Group.

Further details on Board diversity can be found on page 37 of the Governance Report.

Conflicts of interest and independence of the Non-Executive Directors

The Board has delegated authority to the Committee to consider, and where necessary authorise, any actual or potential conflicts of interest arising in respect of the Directors. Any potential conflicts of interest arising during the year were considered during Board meetings.

We also support the Board in its annual consideration of the Conflicts of Interest Register, which is carried out prior to the publication of the Annual Report, and consider the independence of the Non-Executive Directors, in the context of the criteria set out in the 2018 Code.

The Board's view on independence is set out at page 37 of the Governance Report. For further information on Board composition, diversity and independence, please see the Composition, Succession and Evaluation section of the Governance Report on pages 37 to 38.

Our 2025 Annual General Meeting will take place on 10 July 2025 at 11am at the Company's office at Chester House, Epsom Avenue, Stanley Green Trading Estate, Handforth SK9 3RN. I will be available at the Annual General Meeting to answer any questions on the work of the Committee and I look forward to reporting on further progress as we continue our work next year.

Ian Burke
Chair, Nomination and Corporate Governance Committee
28 May 2025

Audit and Risk Committee Report

To protect the interests of shareholders.

Zarin Patel
Chair, Audit and Risk Committee

Introduction

I am pleased to report that the ARC ('the Committee') continues to be actively involved in supporting the Board in fulfilling its responsibilities to protect the interests of shareholders regarding the integrity of the financial reporting, the adequacy and effectiveness of risk management and internal control systems, and the effectiveness of both internal audit and external audit.

Following the external audit tender carried out in 2024, and approval at the AGM in July 2024, Deloitte LLP ('Deloitte') have been appointed as the Company's auditor and Rachel Argyle has been appointed Audit Partner. Deloitte have brought fresh challenge and perspectives to our external audit.

Membership and responsibilities

Committee members are independent Non-Executive Directors as detailed on page 34. The Board considers that Committee members collectively have competence relevant to the Group's sectors and have a sufficient level of financial expertise. As Chair, I have significant, recent and relevant financial experience and am suitably qualified being a Chartered Accountant. Further details of Committee members and their experience can be found on pages 32 to 33.

The Chair of the Company's Board, Executive Management Team ('EMT') and senior managers within the business are invited to attend meetings as appropriate to ensure that the Committee maintains a current and well-informed view of events within the business, and to reinforce an effective risk management culture. The Company Secretary acts as secretary to the Committee. The external and internal auditors are invited to attend all meetings, as are external sustainability assurance providers where sustainability matters are discussed. Outside the formal meetings the Committee chair maintains an open dialogue with key individuals involved in the Company's governance, including the Chair of the Board, the Chief Executive Officer, the Chief Financial Officer, the External Audit Partner, the Head of Internal Audit and the Head of Risk. Committee members meet in private prior to each Committee meeting and hold separate private sessions with the internal auditor and the external auditor, to provide opportunity for open dialogue and feedback without management present.

Further details on the division of Board responsibilities and the Committee's role in complying with the UK Corporate Governance Code are set out on page 34.

This year MWM Consulting carried out an external Board effectiveness review (see page 41 for full outcomes). For the Committee the review drew out that the quality of papers and support from the finance, risk and internal audit functions needed to be stronger to enable the Committee to operate with more clarity on the critical issues on its agenda. Consequently we have made changes to strengthen the skills needed in these areas.

The full Terms of Reference for the Committee, which were last updated on 11 July 2024 can be found at https://www.petsathomeplc.com/investors/corporate-governance/audit-risk-committee/.

What we did during the year

The Committee met on four occasions during the financial year, in May 2024, September 2024, November 2024 and January 2025. The Committee has carried out its responsibilities as set out in the Terms of Reference, with each meeting having a distinct agenda to reflect the annual reporting cycle of the Group. The agenda is set into four key areas:

- Financial reporting
- Risk management systems and internal control
- External audit
- Internal audit

Financial reporting

A primary responsibility of the Committee is monitoring the integrity of the financial statements, including significant financial reporting issues and judgements. The Committee values the importance and views of the external auditor and has taken regard to matters communicated.

The Committee has reviewed the Annual Report and Accounts for the period ended 27 March 2025, and the Interim Financial Statements for the period ended 10 October 2024. The Committee has challenged the judgemental areas and assessed whether suitable accounting policies have been applied as well as to review the Annual Report and Interim Statement to ensure they are fair, balanced and understandable. To support these reviews, the Committee has insight from the fresh perspectives provided by the new external auditors, Deloitte and this supported our review and challenge of the detailed papers provided by management explaining and substantiating key accounting policies and key areas of judgement and estimation.

These papers include the review of:

- the classification of non-underlying costs and the appropriate disclosure of the policy
- supplier income recognition policy
- revenue recognition policy, specifically accounting for subscriptions
- the accounting for, and disclosure of, joint venture veterinary practices in addition to the accounting for capital contributions
- the appropriateness of Cash Generating Units (CGUs) and appropriate disclosure of the judgements involved
- critical accounting judgements and estimates
- appropriate classification of line items in the cash flow statements
- recoverability of loans and investments
- appropriateness of Alternative Performance Measures ('APMs') and Key Performance Indicators ('KPIs'), ensuring they are meaningful, balanced and explained appropriately
- climate-risk related disclosures including the Task Force on Climate-Related Financial Disclosures ('TCFD') and CFD.
- the Group's distributable reserves position in advance of the declaration of interim and final dividend
- the Group's tax policy
- the Group's treasury policy

Audit and Risk Committee Report continued

Ongoing viability

The Committee has reviewed and challenged the Longer-Term Viability Statement ('LTVS') and going concern basis of preparation in advance of its approval by the Board.

In considering viability overall, the Committee reviewed the Group's strategic plan with particular focus on the key assumptions in relation to revenue, cost growth and cash flow management. Sensitivities to these key assumptions were reviewed based on the impact of the Group's principal risks, individually and conflated, as set out on pages 21 to 29. The review includes the consideration of the impact of wider macro-economic factors including normalising pet ownership trends, low consumer confidence and recessionary impacts, competition, current geopolitical tensions, continuing issues throughout our global supply chains and climate change and the likely outcome of the Competition and Markets Authority ('CMA') investigation of the veterinary sector, as well as the potential impact of climate change and CFD as set out in our TCFD scenario analysis. As noted above, we have also considered the potential impacts of emerging new tariffs on our supply chain, albeit it is too early to reach any firm conclusions.

The Committee is satisfied that it is appropriate for the Group to continue to adopt the going concern basis in preparing the Annual Report and Accounts of the Group and, further, that the Longer-Term Viability Statement on page 30 is appropriate.

Significant matters and judgements

The Committee considered the significant matters in the year, considering in all instances the views of the Company's external auditor. The Committee has assessed the principal risks and emerging risks, and considers the key financial risks within the financial statements to be the carrying value of goodwill and Parent Company's investment in subsidiaries, accuracy of supplier rebates in addition to the assessment of control over Joint Ventures.

The assessment of control over Joint Ventures is now considered to be a critical accounting judgement. This is not a change in the judgement itself which remains unchanged.

Matter	Nature of the risk	How the risk was addressed by the Committee
Carrying value of goodwill and Parent Company's investment in subsidiaries	The Group holds a significant goodwill balance, and the Company holds significant investments in subsidiary companies. There are several factors that could impact on the future profitability and cash flows of the business, such as the increasing threat of competition in the pet sector, changes in consumer and market behaviour, and changes in the broader macro-economic environment (including inflationary and recessionary pressures and emerging tariff changes) and there is a risk that the business will not meet the required financial performance to support the carrying value of the Group and Company's intangible assets and the investments in subsidiary companies. Reference to financial statements; note 1.16 on page 89 and note 13 on pages 105 to 107.	The Committee reviewed and challenged management's process for testing goodwill for potential impairment, allocation of goodwill across CGUs or groups of CGUs, and ensuring appropriate sensitivity analysis and disclosure. This included challenging the key assumptions within each group of CGUs: principally cash flow forecasts, growth rates and discount rates, and comparing the Group's value in use to its market capitalisation. This review considered the normalising pet ownership trends, low consumer confidence and recessionary impacts, current geopolitical tensions, supply chain security, and climate change and the likely outcome of the CMA review of the veterinary sector on the Group's financial performance and future cash flows and therefore the carrying value of the Group and Company's intangible assets. The Committee also reviewed the external auditor's work and conclusions and the key assumptions they tested, and the evidence they used in reaching their conclusions. The Committee is satisfied that there is no impairment to the Group's goodwill balance or the Company's investment in subsidiaries and that there is appropriate disclosure in the financial statements.
Accuracy of supplier rebates	A proportion of overrider income is based on arrangements which are not coterminous with the Group's financial period, instead running alongside the calendar year which means an element is estimated based on forecast volumes. Supplier rebate policy; note 1.19 on pages 91 to 92.	The Committee reviewed and challenged management's supplier income recognition policy including an assessment of the judgements applied in the recognition of overrider income relating to the calendar year 2025. The Committee is satisfied that the level of overrider income recognised in the period is appropriate.
Assessment of control over Joint Ventures	Whether the level of an individual Joint Venture veterinary practice's indebtedness to the Group, particularly those with high levels of investment or indebtedness, implies that the Group has the practical ability to control the Joint Venture, which would result in the requirement to consolidate. Reference to financial statements; note 1.4 on page 85 and note 1.22 on pages 92 to 93.	The Committee has continued to monitor the process and controls around extending financial support to Joint Venture veterinary practices, and the recoverability of those loans and investments. We have also continued to review whether the level of practice indebtedness, or any other factors, infers control to the Group of a practice, and whether this challenges the existing accounting treatment. The Committee is satisfied the Group does not control the individual Joint Venture veterinary practices.

Ensuring a fair, balanced, and understandable Annual Report and Financial Statements

The Board is required to provide its opinion on whether it considers that the Group's 2025 Annual Report and Financial Statements, taken as a whole, are fair, balanced and understandable and provide the information necessary for shareholders to assess the Group's position and performance, business model and strategy. During 2025 the Committee considered the many components of business performance to ensure it had a full understanding of the operations of the Group.

Key matters considered by the Committee include:

- reviewing, understanding and supporting the key judgements taken and estimates made and ensuring transparent disclosure
- ensuring an appropriate balance of GAAP and non-GAAP financial measures, reconciliations and rational for using Alternative Performance Measures
- considering each element of fair, balanced and understandable to ensure reporting was comprehensive, in compliance with accounting standards and other regulatory requirements

Audit and Risk Committee Report continued

The Committee has concluded that the disclosures, as well as processes and controls underlying its production, were appropriate and recommended to the Board that the Annual Report and Financial Statements are fair, balanced, and understandable, while providing the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

Climate change disclosures

Climate disclosures and emissions reporting is an area which is complex and continually evolving. Committee members have received professional guidance and training in relation to the expected future reporting landscape, with particular focus on upcoming Task Force on Nature-Related Financial Disclosures ('TNFD') disclosure requirements, the associated LEAP assessment and the Transition Plan Taskforce ('TPT'), and aligning with the new standards (IFRS S1 and S2) released by the International Sustainability Standards Board ('ISSB') which have not yet been endorsed in the UK.

The Committee have worked with the Sustainability Committee to continue to support the development of the Group's climate risk scenario planning and reporting in relation to Task Force on Climate-Related Financial Disclosures ('TCFD') and the related considerations in the Group's going concern and longer-term viability assessment, including reviewing the commitments published by the Group.

The Committee have supported the re-appointment of Deloitte to perform limited assurance over selected GHG emissions metrics Scopes 1, 2 and limited Scope 3 this year.

Risk management systems and internal controls

Risk management and the system of internal control are the responsibility of the Board. It ensures that there is a process in place to identify, assess and manage significant risks that may affect achievement of the Group's objectives and that the level and profile of such risks is acceptable (based on the Board's risk appetite). The processes have been in place for the year under review and up to the date of approval of the Annual Report and Accounts.

The Committee provides oversight and challenge to the assessment of principal risks as set out on page 20. The Committee has continued to monitor and challenge the control environment of the Group including its general risk management, risk register and internal controls processes, as well as emerging and evolving risks considering the presence of key risk factors. This has included assessment of the likelihood and impact of principal risks materialising, and the management and mitigation to reduce the likelihood of their incidence or their impact. The Committee explores specific principal and corporate risks of the Group in detail, inviting the management team to discuss the risks, mitigations and further proposed actions. In 2025 the key topics covered in deep dives were cyber security, data privacy, business continuity planning, the pace of replacing ageing technology assets as well as health and safety.

During the year the Executive team have refreshed the risk management process ensuring new divisional leaders have clearly framed the risks in the context of the current economic backdrop, have articulated their risk appetite more precisely and set up regular monitoring of mitigations and the acceptability of residual risks carried by the Group. Skills in the central risk team have also been strengthened under the leadership of an experienced manager and the recruitment of a professionally qualified risk professional. Taken together this will better support the Committee's work on effective risk management.

The Group's principal risks and uncertainties are set out on pages 21 to 29. The three lines of defence governance model is set out on page 19 along with the Board's risk management process.

The Committee has monitored the progress of the internal controls enhancement project which has progressed well, being focused on improving the internal control environment whilst adapting to changes to the UK Corporate Governance Code.

The material controls have been defined and the control gaps and areas which require further remediation are being worked through. The principal risks have been considered and cascaded down to the material controls.

Most core business processes and related risks and controls have been documented. Key processes have been assigned to business owners and recommended actions to improve control weaknesses and the maturity of the control environment are being implemented. These relate to the retention of evidence, segregation of duties and the formality and consistency of control operation. We continue to have a strong focus on IT controls where the initial documentation is substantially complete, and our work continues to be focused on control improvements. In line with the FRC recommendations, the focus has also broadened to include non-financial controls, including business processes and controls across cyber security, pet welfare standards as well as data as an asset and data integrity. We have agreed our audit and assurance policy to guide the Committee's work in assessing effectiveness of material internal controls and implemented enhanced first and second lines of defence.

Information security and business critical systems, including cyber security risk, continues to be one of the Group's Principal Risks and an area we remain vigilant over given the increasingly complex nature of cyber attacks. We continue to review and improve our cyber protection approach, test and refine our incident response processes, including incident rehearsals strengthening the underlying framework. We are also reviewing our business continuity and disaster recovery capabilities in order to identify improvements in these areas. The Committee has reviewed the effectiveness of data protection policies, training plans and compliance.

AI is being used increasingly across the business to enhance efficiency, support innovation and improve the consumer experience. It brings complex risks and requires controls and guardrails over development, deployment and performance. The Committee has overseen the development of the AI governance framework, which is a material control framework, to ensure the framework is appropriate and the Acceptable Use Policy has been appropriately rolled out across the Group.

The Committee has reviewed health and safety performance reports twice in the year, including strategies and action plans developed by management. The Committee has also reviewed the effectiveness of the Group's whistleblowing procedures, and incident reports are reviewed regularly. Compliance with codes of conduct and culture and other key policies such as anti-bribery and corruption, anti-money laundering, and compliance with the Companies Act are conducted on an ongoing basis.

The Committee has reviewed the fraud effectiveness framework and the profit protection framework, including an update on the business assessment of fraud risks.

The Committee has continued to monitor the progress and delivery of major projects throughout the year including the digital platform and capability (Project Polestar), the pilot phase of the new practice management system within the Vet Group (Project Darwin) and the completion of the transition of our multichannel operations to our new distribution centre in Stafford (Project Spice), building on the lessons learned analysis carried out by the Board in relation to the transition of our store operations to Stafford. During the year the Committee appointed an independent and deeply experienced leader to provide assurance over the delivery of Project Darwin and to embed more rigorous disciplines over transformation programmes following the lessons learnt analysis.

The Committee has also performed risk reviews with management on several risk areas in the year including a review of treasury policy, ensuring it remains appropriate for the Company, and has overseen the adequacy of insurance coverage over material risks for the Group, and the maintenance of appropriate standards of pet welfare.

Audit and Risk Committee Report continued

The Board, through the Audit and Risk Committee, are satisfied that the internal control framework is effective but acknowledges that the Internal Controls project is progressing to enhance the risk management process and internal financial controls, which both the Board and Committee will continue to monitor in FY26.

Internal audit

The internal audit function is independent and has a direct line of report into the Committee, and is an important part of the independent assurance processes within the business. A number of audits are outsourced to PwC, as part of our co-source agreement in order to ensure the team have adequate resource and appropriate expertise. The Committee reviews and approves the internal audit plan every year which is developed to address principal and corporate risks across the business as well as reviewing core governance, financial and commercial processes. We use the varied experience of the Committee members to ensure assurance is focused on all the right issues.

The Committee reviews the reports and recommendations in detail and monitors management's responsiveness to the findings and recommendations to ensure action is taken in a timely manner to improve the control environment.

The Head of Internal Audit attends each Committee meeting, updating on progress against the audit plan, reporting on any key control weaknesses identified and progress against mitigating actions.

This year, ahead of the next External Quality Assessment of Internal Audit and the new Global Internal Audit Standards and the UK Internal Audit Code of Practice, the Committee made a number of changes to strengthen the function. Firstly risk management was separated and put under the leadership of a more senior and experienced manager (see risk section above). We also rotated PwC's internal audit lead to bring in a new leader with fresh perspectives and experience from a broader range of sectors who will bring more insight and challenge to the work of internal audit. We have also appointed a new Head of Internal Audit to bring in stronger leadership and audit experience.

During the year the internal audit team performed internal audits over risk areas covering Strategic, Operational, Financial, and Legal and Compliance.

Strategic audits covered the implementation and continued enhancements in relation to the new digital platform (Project Polestar). The requirements for the level of assurance over the new Vet Group Practice Management System (Project Darwin) and Vet Group consumer data (Project Wallace) will be developed into FY26. We have ongoing embedded assurance within major strategic projects to report back to the Board and Committee on key risk themes. Following recommendation by the Committee, the Board has carried out a lessons' learned analysis in relation to transition of our distribution centre (Project Spice) which has been taken on board in the planning for the transition of the multichannel operations.

Operational audits included an in-depth best practice review of the business continuity scenarios and framework, review of the efficiency around retail transport and logistics and a review of critical cyber and information security suppliers.

Legal and regulatory compliance audits included a review of the whistleblowing policy, including benchmarking against best practice framework and a review of the health & safety framework.

All reports, related findings and recommended actions have been discussed by the Committee and are tracked to completion.

Over the next three years the internal audit plan will focus on culture, data governance, pet welfare, supply chain resilience, discounting refunds and assurance for the key strategic projects in place including enhancements in relation to the new digital platform (Project Polestar) and development of the Vet Group consumer data (Project Wallace). The plan will be reviewed every six months to ensure it remains flexible and aligned to the timing of business priorities and key strategic projects. In FY26 the Committee will also carry out a review of the activities and effectiveness of the internal audit function to meet the requirements of the internal audit plan.

External audit

Following the audit tender conducted in 2024 Deloitte have been appointed auditors for the financial year ended 27 March 2025. A formal handover process was undertaken to ensure an effective transition from KPMG to Deloitte. Deloitte presented their transition plan, and audit strategy, plan and risk assessment at the September 2024 ARC meeting, following their official appointment at the AGM in July 2024. A competitive tender process will be carried out within 10 years of their appointment. The Committee reviewed and approved the FY25 external audit fees.

Deloitte carried out a review of the interim reporting and presented their audit findings to the Committee, identifying their consideration of the key audit risks for the year and the scope of their work. These reports are discussed throughout the audit cycle.

Deloitte have brought a fresh pair of eyes to our key financial risks, accounting policies and the Annual Report and Financial Statements, which the Committee has valued and endorsed the choice of new auditors in 2024. They have also improved audit quality by using advanced analytics applications in a number of areas. This improves coverage of audit to a substantial portion of high volume transactions as well as predictive analysis to better identify exceptions on which audit effort is directed.

Deloitte also attend the Committee meetings and meet separately, without management present, to discuss any matters in detail.

Deloitte have been re-appointed to perform the limited assurance review over selected ESG metrics this year.

External auditor's effectiveness

The Committee considered the quality, effectiveness, independence, and objectivity of the external auditors through the review of all reports provided, regular contact and dialogue both during Committee meetings and separately without management. The Committee also considered the firm's Audit Quality Indicators such as experience of the audit team and their sector and PLC experience, reviewing FRC's Audit Quality Inspections, ICAEW reviews and firm wide Quality Management Systems. The Committee was satisfied that taken together Deloitte had performed their audit effectively, efficiently and to a high quality. The FRC carried out an Audit Quality Review of KPMG's audit of the Company for the year ended 28 March 2024 and discussed the detailed findings with the Committee Chair.

As this is Deloitte's first year as auditors, a survey will be conducted across Committee members, management, and members of the finance and IT teams in Autumn 2025, to assess audit quality and effectiveness. The questionnaire will focus on the effectiveness of the first year audit compared to expectations set during the audit tender process, as well as overall audit quality.

Audit and Risk Committee Report continued

Auditor independence

Maintaining the objectivity and independence of the external auditors is essential. The Committee has taken appropriate steps to ensure that the Company's external auditors are independent of the Company and obtained written confirmation from them that they comply with guidelines on independence issued by the relevant accountancy and auditing bodies.

Additional non-audit services provided by the auditors may impair their independence or give rise to a perception that their independence may be impaired. The Group has a policy in relation to the provision on non-audit services that is aligned with the FRC's 2024 Ethical standard to provide further clarity over the type of work that is acceptable for the external auditors to conduct. The policy sets out the process required for approval and a cap to the total non-audit fees for permitted services (at 70% of the audit fee). The policy was last reviewed in the year ended 27 March 2025.

Audit and non-audit fees paid to Deloitte in the year were £1,701,000 and an analysis is presented in note 3 to the consolidated financial statements. Non-audit fees represent 8% of the audit fee. Non-audit services provided by the external auditors during the 2025 financial year comprised audit related assurance services, in the form of an independent review of the interim financial statements, assurance over selected ESG metrics and a financial covenant compliance certificate.

The Committee concluded that the provision of such services was appropriate given that they were closely related to the work performed in the external audit process and, for reason of effectiveness and efficiency, it was considered advantageous to engage the external auditors due to their knowledge and expertise.

Resolutions to re-appoint Deloitte as auditors and to authorise the Directors to agree their remuneration will be put to shareholders at the Annual General Meeting that will take place on 10 July 2025.

What we will do in 2026

The Committee will continue to carry out its responsibilities as set out in the terms of reference and has an annual plan for meeting agendas. Particular areas of focus in FY26 will include:

- monitoring emerging and maturing risks,
- continuing to develop our internal controls framework and monitor progress of the internal controls project ahead of our compliance date of March 2027
- ensuring the Company maintains an audit and assurance policy, which provides a framework as to how the Company is obtaining assurance on reporting beyond that required by the statutory external audit. The policy will be based on the identified principal risks and material controls
- monitoring and building our fraud policy and conduct an annual fraud effectiveness review across the business.
- reviewing the progress and delivery of major strategic projects
- reviewing the development of the data protection framework and data compliance programme across the business and carry out a regular review of the responsible AI governance framework, ensuring it remains appropriate as our understanding of AI continues to evolve
- review and assessment of the internal audit plan to ensure it is aligned to the principal risks of the business

In conjunction with the Sustainability Committee, we will:

- review the content, integrity and completeness of external statements and disclosures about sustainability activity, prior to Board approval, including information to be included in the Annual Report, and mandatory or voluntary disclosures in line with recommended practice and regulatory requirements. This will include assessment of new reporting standards such as the TNFD and publication of climate transition plans in line with stakeholder expectations assess and challenge the material climate related risks including the Scope 3 impact on supply chains, and the delivery risks in Net Zero transition plans for products and services. Linked to the audit and assurance policy the Committee will review the requirement for extended external assurance of sustainability related matters, and as necessary, appoint external parties to provide assurance on relevant reporting. We are also reviewing our approach to pet welfare in regard to our audits, pet health data and colleague enquiries, as set out in the Sustainability Committee report on pages 47 to 48.

Where requested by the Board, the Committee will ensure that a robust assessment of the principal and emerging risks facing the Company has been undertaken (including those risks that would threaten its business model, future performance, solvency or liquidity) and provide advice on the management and mitigation of those risks.

Audit Committees and the External Audit: Minimum Standard

The Committee confirms that for the year ended 27 March 2025, it has complied with the Audit Committees and the External Audit Minimum Standard ('the Standard'). The Committee in conducting its recent audit tender in 2024 disclosed the criteria in the 2024 Committee Chair's Report. Elsewhere in this report we have explained how significant issues and accounting policies are considered, how independence and objectivity is assessed and how audit quality is actively monitored.

Further engagement

I look forward to seeing you at the 2025 AGM and if you wish to discuss any aspect of this report, please contact me via our Company Secretary, Ms Lesley Lazenby at companysecretary@petsathome.co.uk.

Zarin Patel

Zarin Patel
Chair, Audit and Risk Committee
28 May 2025

Sustainability Committee Report

A continued focus on planet, pets and people.

Garret Turley
Chair of the Sustainability Committee

What we did in FY25

- Reviewed the net zero transition priorities and the role of carbon mitigation and capture
- Approved the Vets for Pets antimicrobial stewardship guidance documents
- Continued to focus on the monitoring and delivery of our high standards of pet welfare across the Group
- Received an update on the Human Rights strategy including progress resulting from the increased dedicated resource in this important area

What we will do in FY26

In addition to our continued review on pet welfare, during FY26 we will focus on the implementation of the strategy:

- Agree additional measures to support the net zero transition, in particular assessing an updated glidepath
- Review the effectiveness of the Groups' charity strategy and support of pet charities across the UK
- Evaluate specific areas of our People pillar where the Sustainability Committee has oversight including diversity and inclusion, community impact and human rights

Introduction and strategic approach

In my first year as Chair, I am pleased to present, on the behalf of the Sustainability Committee, our report on our activity for the year ending 27 March 2025. In my first meeting as Chair, the Committee agreed to change its name from ESG to Sustainability. We felt that Sustainability better captured the broader more holistic view of the Company's impact, better reflected the Company's internal values and purpose and our recognition that we can deliver competitive advantage through our sustainability efforts.

The Committee oversees the governance of our sustainability strategy 'Our Better World Pledge' which has been in place for four years. Our strategic approach to sustainability is organised around three pillars of Planet, Pets and People where the Group has material impact and creates value. We believe these pillars are the right way through which to approach our responsibilities and align with our Group purpose, to create a better world for pets and the people who love them.

In relation to the planet pillar, the strategy is focussed on the Group's response to the climate emergency and the increasing concerns around bio diversity loss. This cuts across all areas of the business, particularly the impacts of pet care products which make up the vast majority of the Group's Scope 3 emissions. This delivery of the SBTi-approved carbon reduction targets and the transition to the 2040 net zero target are a key area of Committee discussion.

Recognising that the Group participates in a broad range of activities and services involving pets, their welfare remains a central part of the Committee's focus and a standing item on every Committee meeting agenda. The Committee maintains a regular review of pet welfare governance and this was the main agenda item at the March meeting . The Committee regularly reviews the Group's policies and procedures in relation to pet welfare in its retail business and supply chain, and the development of its clinical governance framework in the veterinary services business.

The Committee's focus on people includes the approach to assessing salient human rights risks across the operations and supply chains and to diversity and inclusion.

The three management committees established five years ago to support Our Better World Pledge strategy, have continued to meet on a regular basis. Each of them is chaired by a Director and our Sustainability Director also attends all of these meetings.

Committee membership

The Sustainability Committee, which meets at least three times a year, is chaired by Garret Turley. Acknowledging the importance of Sustainability to the Group, all five additional non-executive Board members have been selected to attend the meetings.

The CEO Lyssa McGowan is the Executive member of the Committee. In addition Lucy Williams, Chief People and Legal Officer, attends in her capacity of being the executive member with sustainability responsibility. Amy Whidburn, Sustainability Director also attends each meeting.

Sustainability Committee Report continued

Highlights

A. Strategic progress

In addition to the focus on pet welfare, during the year the Committee has reviewed a number of topics central to the delivery of the Sustainability strategy:

Net Zero Transition

- At the July 2024 meeting the Committee reviewed and discussed a thought provoking future facing paper which painted a picture of the Pets business in 2031, the same date as the delivery of the SBTi medium term carbon reduction target. The paper described the key changes that would have taken place to enable this successful transition. The Committee discussed the balance between the current priority of carbon reduction, via the eight net zero transition priorities, and reliance on change in areas that are important in the transition, but where the business has less direct control. These indirect areas include consumer behaviour change, investment in innovative technologies (over and above our current investment in cultivated meat) broader advocacy and lobbying in developments such as regenerative agriculture and grid and transport decarbonisation. These are challenges faced by many other businesses which is why we continue to have an active involvement in industry bodies. The Committee agreed to continue with the current focus on the eight net zero transition priorities and to review our role to support broader changes on a regular basis. A separate and connected paper on carbon capture and mitigation summarised the current nature based and technology based solutions and provided a helpful summary of the current landscape, over which we agreed to maintain a watching brief.

Leading in sustainable pet food

- Pet food is one of the eight net zero transition priorities and a particular focus as it is a non discretionary purchase for pet owners and has carbon and nature impacts. The Committee meeting in March 2025 received an update on progress in this area and was delighted that over 250 of our own brand complete cat and dog food products, representing over 65% of own brand complete cat and dog food sales have been carbon footprinted. These insights are now being used to support reformulation of existing ranges and inform new product recipes and new product listings. Sustainable pet food has, for the first time, been included as a module in nutrition training for colleagues. This enables our colleagues to have informed discussions with pet owners who are interested in including sustainability considerations into the nutrition choices for their pets.

Human Rights

- The second Committee meeting in September 2024 received the annual update on the Human Rights strategy along with the approval of the annual Modern Slavery Act statement. Additionally, a supplier exit policy was reviewed and approved. The Committee received an update on the work and progress of the Ethics and Sustainability lead who had been appointed to the Hong Kong Sourcing Office during the year. The strategy of prioritising in house audits of all of our own brand existing and prospective tier one factories was discussed and agreed. The results of his initial 24 visits were also discussed. The subject of relative risks by geographic region was explored and it was agreed that the Committee would continue to monitor the effectiveness of the current approach and additional resource in the context of the sourcing strategy. The Committee welcomed the additional colleague training that had been undertaken and the integration of ethical audits with the onboarding of new suppliers.

Antimicrobial Stewardship

- This critical one health topic was reviewed at the September 2024 and March 2025 meetings. Detailed guidance has been developed for practice owners and data monitoring is now in place. The Group will also continue to play an active role in the RVC Vet Compass project on antibiotic usage in cats and dogs.

Pet Governance

- This Committee received a detailed update from the Veterinary Service Director (VSD) on Pet Governance in relation to pets that we sell in our pet care centres. The Vet Services team are reviewing our approach to pet welfare including our store and breeder audits, our ongoing monitoring of pet health data and responding to colleague enquiries and requests for advice in relation to pet health. The Vet Services team will make recommendations on opportunities to further improve our data capture and audit approach and our supply strategy for live pets. The Committee will continue to receive regular updates on this important area

B. Embedding the refreshed strategy

In the second year of the implementation of the refreshed strategy it has continued to be important to embed the delivery into relevant teams across the organisation:

- The Executive Management Team continued to have a proportion of their annual bonus dedicated to sustainability performance. The Committee agreed that this would be measured by the FY25 milestones being achieved across each of the 12 Sustainability targets.
- From a broader colleague perspective, the sustainability team have brought together the ‘planet champions’ across the business, a movement of colleagues who have volunteered to support the planet activities in their own pet care centres, vet practices or offices
- The volunteering programme called ‘Our Better World Pledge Days’ has been successfully bringing teams together to participate in community activities that have a positive impact on planet, pets or people, bring the strategy to life at a local level.

C. Governance and Controls

Governance and Controls continue to be reviewed in relation to the strategy:

- At the July meeting the Committee reviewed the developing regulatory landscape with a particular focus on TNFD, TPT and ISSB requirements.

The latest Terms of Reference for the committee can be found on the Pets at Home Group investor website.

Garret F. Turley

Garret Turley
Chair of the Sustainability Committee
28 May 2025

TCFD Statement

Introduction

Pets at Home recognise the climate emergency poses risks and opportunities to our strategy and operations. To that end, sustainability and climate change is featured as a principal risk within our Annual Report (see page 23). Pets at Home is required to comply with the reporting recommendations of the TCFD (as set out in Listing Rule LR 6.6.6R (8)). This report also meets the requirements for Pets at Home to comply with CFD, a part of the Companies Act.

In this section, we outline our approach to climate-related risks and opportunities, which our scenario analysis concludes will likely present over the long term which we define as between five and 20 years.

Our disclosures are consistent with the TCFD's four elements, and its 11 recommended disclosures, in line with the TCFD 'Guidance for All Sectors' (LR 6.6.6R (8)). Please see the table below for a cross-reference index of these requirements and where to find them.

Reporting boundaries and 'Net Zero' definition

To encompass our unique business model Pets at Home Group deviates from the standard GHG protocol guidance on defining reporting boundaries for reporting of Scope 1, 2 and 3 carbon dioxide equivalents (CO_2e). In addition to taking an operational control boundary for our retail business, we include our Joint Venture veterinary practices into our reporting boundary. This also differs from our accounting approach which is detailed in the critical accounting judgements in note 1.22 on page 92.

The decision was made that Joint Venture veterinary practices would also be in scope of emissions reporting as there are no separate meters installed for vet practices which are located within the same building envelope as retail units. This same rule was applied to standalone Joint Venture practices to ensure consistency of approach.

Where used across this statement and all other areas of corporate reporting the term 'Net Zero' refers to our SBTi approved, 2040 target. i.e. we commit to reduce absolute Scope 1, Scope 2 market based and all Scope 3 GHG emissions by 2040 from a 2020 base year.

Please see our standalone Sustainability Report for more details on our Net Zero plans.

TCFD index

TCFD elements	TCFD recommended disclosures	Cross-reference (page numbers)
Governance	(a) Board oversight	50
	(b) Management's role	50
Strategy	(a) Climate-related risks and opportunities	52-54
	(b) Impact on the organisation's business, strategy and financial planning	51,54
	(c) Resilience of the organisation's strategy	55
Risk management	(a) Risk identification and assessment processes	56
	(b) Risk management process	56
	(c) Integration into overall risk management	56
Metrics and targets	(a) Climate-related metrics in line with strategy and risk management process	57
	(b) Scope 1, 2 and 3 GHG metrics and related risks	57-59
	(c) Climate-related targets and performance against targets	60

TCFD Statement continued

Governance

Disclosure requirement	Description of progress
a) Describe the Board's oversight of climate-related risks and opportunities	The Board led by the Chair, Ian Burke, has ultimate responsibility for the Group sustainability and climate change strategy and ensuring that it creates mutual value for stakeholders. Oversight of climate change strategy is a matter reserved for the Board, via the Sustainability Committee. Oversight and management of climate-related risks and opportunities occur at several levels in the organisation. At every level the reporting lines flow up to the Board. – The Sustainability Committee comprises all Non-Executive Directors and the Chief Executive and Chief Financial Officer and is chaired by a Non-Executive Director. This Committee has a standing climate change item on every agenda. The Committee meets at least three times a year and receives a written update on climate change and environmental matters at every meeting and an in-depth review on an annual basis. The regular update includes a review of sustainability risks and the status of climate-related projects and initiatives. The in-depth review includes a progress update against the 2030 and 2040 carbon reduction targets vs a 2020 base. For example, in March 2025 the Sustainability Committee received an update on the initiatives in the planet pillar which included all eight net zero focus areas. Scope 1 and 2 emissions are updated in full on an annual basis and the forward forecast is refreshed. – Climate-related skills and experience are included in the skills matrix of the Board of Directors included in the Annual Report on page 50. The Board provides challenge to the Executive Management Team on progress against the goals and targets of the climate strategy and ensures the Group has an effective risk management system in place. This is principally governed via two main Committees: the Audit and Risk Committee and the Sustainability Committee. – Climate change has been made a standing agenda item at every Board meeting since December 2022. Across FY25, the Board made decisions relating to our climate-related risks and resilience strategy. Examples include: – The review of our approach to carbon mitigation and carbon capture investments resulted in the decision to retain our relatively small scale approach which mitigates the impact of residual buildings carbon from gas in some buildings where it is not economic to remove it and the decision to focus investment and management focus on carbon reduction activities while keeping a watching brief on developments in the carbon capture market.

Disclosure requirement	Description of progress
b) Describe Management's role in assessing/managing climate-related risks and opportunities	The Chief Executive Officer has overall responsibility for climate change and sustainability topics. – The Chief Executive Officer is supported by the Sustainability Director and Executive Management Team to develop and implement the strategy through a number of management committees. Each committee is chaired by a Director. Our Better World Pledge ('OBWP') strategy includes climate strategy as a key pillar. Progress towards delivering this strategy is discussed and updated at the Executive Management Team meeting on a regular basis. – In FY24 and FY25 our remuneration policy included linking an element of remuneration to sustainability-related objectives, 10% of possible bonuses for C-Suite, Directors and Managers is linked to the performance milestones of the Group against 12 Sustainability metrics, 5 of which related to climate change. These are detailed in Table 3 in the metrics and targets section c on page 60. As shown in chart one, the management of climate change projects is the responsibility of two principal committees: 1. The Climate Change and Waste Committee meets every six to eight weeks and is responsible for developing and implementing the business strategy relating to operational environmental impact, including the vet business. This includes Scope 1 and 2 energy and carbon emissions for buildings, transport logistics, and waste management. 2. The Responsible Products Committee meets every six to eight weeks and is responsible for developing the strategy for managing the value chain environmental and ethical impacts of our products. This includes human rights, circularity and waste, packaging, raw materials, and Scope 3 emissions of product ingredients, manufacturing, use and disposal. Each committee is responsible for climate-related risk mitigation, idea generation, operational delivery, project management, KPI development, and progress tracking.

TCFD Statement continued

Chart One : Oversight and Management of Climate Related Risks and Opportunities

Board

Plc Board. Responsible for the overall leadership of the Group including matters of Governance, Reputation, Environmental and Social Sustainability.

Sustainability Committee. Reviews and monitors the Group's approach to Environmental, Social and Governance topics. Climate change is a key component of this.

Audit and Risk Committee. Reviews and monitors the Group's Risk Management Framework which includes climate-related risks. Oversight of internal and external financial and non financial climate-related information.

Management

Executive Management Team. Responsible for identifying climate-related risks within their business function and delivering the Climate Strategy.

CEO. Accountable to the Board for the implementation of the Climate Strategy.

CFO. Accountable to the Board for integrating climate-related metrics and targets into business decision making and reporting.

Sustainability Director. Responsible for Climate Strategy development and subject matter expert.

Head of Internal Audit. Provides objective assurance to the Board and Audit and Risk Committee on the effectiveness of the Risk Management Framework.

Climate Change and Waste Committee. Responsible for consideration of climate related risks and opportunities that impact our business operations.

Responsible Products Committee. Responsible for climate-related risks and opportunities that impact products and broader supply chains.

Other

Group Risk Manager and Business Risk Champions. Consider climate-related risks and opportunities that impact the operations and strategic priorities within their relevant business area.

The chart above shows the key committees, forums and individuals with responsibility for climate-related matters. All of these committees and individuals report up to the Board. Escalation procedures are in place to enable responsibilities to be met.

Strategy

Strategic overview and context

Our business purpose is 'to create a better world for pets and the people who love them'. Sustainability is placed at the heart of our vision 'to build the world's best pet care platform'. Our sustainability strategy ensures that we are prioritising actions that will make a material impact and create a commercial advantage. Within the 'Planet' pillar of our sustainability strategy we are focused around the delivery of our Science Based Targets initiative (SBTi) approved near-term (2030) and long-term net zero (2040) emissions reduction targets. We have a goal 'to make pet care environmentally sustainable' and plan to achieve this by prioritising making pet food sustainable, which is the most important and complex of our carbon reduction pathways. Making pet care environmentally sustainable is our strategy to manage and mitigate climate risks and develop climate resilience over the long term. In addition, we see environmentally sustainable pet care as an opportunity to be leading and gain commercial advantage, through increased customer revenue and market share from Pets at Home leading the market for environmentally sustainable pet care, in a warming world.

In 2022, we conducted a qualitative scenario analysis to review climate-related impacts. We developed three customised scenarios, each rooted in prevailing scientific evidence (see: information box 1), and during a series of internal workshops reviewed climate-related impacts across our short, medium, and long-term time horizons (see information box 3). These time frames have been selected because of the alignment with our business processes, cycles, strategic goals and SBTi approved emissions reductions targets (see information box 2).

The scenario analysis identified the high-level risks which were subjected to materiality review and discussed with the Board. These scenarios were selected because they were connected to the key elements of our business that drive our financial performance: the operation of our UK retail and vet estate and supporting logistics infrastructure, the supply chains for the pet care products that we sell through our omnichannel platforms and the long-term sustainability of pet ownership in a warming world which could impact pet numbers, pet breeds being better or less well suited and changing health factors. We have grouped the risks into three over-arching categories under which the high-level risks now sit: 'physical risks,' 'transition risks' and 'declining pet ownership in a warming world'. The first two sit together under our Group principal risk of Sustainability and Climate Change, the third is categorised as an emerging risk. This third risk is monitored via the Group watch list of emerging and developing threats, where the timeline, impact or potential mitigation is not yet clear. In line with best practice we plan to repeat our scenario analysis in 2025.

These risks and our analysis are summarised in information box 3.

TCFD Statement continued

Information box 1 – a qualitative scenario analysis was conducted in 2022, this information box summarises the underlying assumptions used to develop these scenarios

Climate-related scenario	Scenario analysis coverage	Temperature alignment of scenario	Parameters and assumptions
Physical and transition scenarios	Full Value Chain	1.5˚C	Action taken has achieved the aims set out in the 2015 Paris Agreement to limit climate change to below 1.5˚C of pre-industrial levels, but with significant shifts in policy, cost and consumer behaviours. The scenario was developed by incorporating scenarios which are rooted in prevailing scientific evidence. Specifically: – Representative Concentration Pathway (RCP) 2.6 – Shared Socioeconomic Pathway (SSP) 1 – PRI Inevitable Policy Response (IPR): 1.5C Required Policy Scenario
Physical and transition scenarios	Full Value Chain	2˚C	Not much has changed from today. Some action has been taken, but it's very much business as usual. Uncertainty increases, and impacts of a changing climate manifest themselves in vulnerable parts of the world. The scenario was developed by incorporating scenarios which are rooted in prevailing scientific evidence. Specifically: – RCP 4.5 – SSP 2 – PRI IPR: Forecast Policy Scenario
Physical and transition scenarios	Full Value Chain	3˚C	Economies around the world have continued to be powered by fossil fuels. As a result, the planet is in crisis and well past the point of no return by 2030. Global warming has accelerated and changes in climate are all around, tangible and, in some cases, catastrophic. The scenario was developed by incorporating scenarios which are rooted in prevailing scientific evidence. Specifically: – RCP 6.0 – SSP 5

Information box 2 – time horizons

The following time horizons have been used:

Time period	Years	Reason
Short	0 to 2 years	Aligns to our business financial forecasting cycle
Medium	2 to 5 years	Aligns to our strategic planning cycle
Long	5 to 20 years	Longer term captures the transition and physical risks and opportunities and aligns to our long-term carbon reduction targets

Information box 3 – risk summary

	Time frame				Scenario	
Risk	**Short Term 0–2 years**	**Medium Term 2–5 years**	**Long Term 5–20 years**		**1.5/2°C**	**3°C**
Physical	Unlikely	Unlikely	Likely	Probability:	Low	Moderate
				Impact:	Minor	Moderate
Transition	Unlikely	Unlikely	Likely	Probability:	Moderate	Low
				Impact:	Major	Minor
Declining pet ownership in a warming world	Unlikely	Unlikely	Likely	Probability:	N/A	Emerging
				Impact:	see page 54	

The impact of these climate-related risks on our businesses and strategy are further disclosed in the following tables. Our initial assessment has identified that in the long term there could be material financial impacts which have been included in the risk summaries below.

TCFD Statement continued

TCFD Strategy Disclosure requirement sections a and b: Description of climate-related risks and opportunities identified and their impact on business, strategy and financial planning.

1. Physical risk – Category : Chronic. 3°C scenario

Description of risk:
Cost of repair and/or loss of revenue from assets and supply chain disruption.

Extreme weather events affecting continuity of own operations, supply of products and sales (stores, distribution centres, vet practices) and disrupting supply chain sourcing (raw material sourcing and supplier operations).

Business impact:
Modelling of our UK sites indicates that the vast majority are not located in areas of flood risk. While we have observed weather events increase in severity and frequency over recent years, operational impacts have been limited and further incidents in the short and medium term can be managed within the framework and cost of existing controls.

The majority of our pet food is sourced from the UK. Initial assessment of raw material and manufacturing exposure to risk of extreme weather events in the short and medium term is assessed as low. Further work is required to understand long-term impacts on UK farming and raw material availability.

Our accessories ranges are predominantly sourced overseas. Initial assessment of raw material and manufacturing exposure to risk of extreme weather in the short and medium term is assessed as low. Further work is required to understand long-term weather-related impacts from the 2030s onwards.

Proximity:
Long term (five to 20 years)

Risk rating before mitigation:

Probability: Moderate

Financial Impact:
Minor – Moderate

Across the short/medium term business impacts are expected to be low. However, in a 3C scenario we expect these impacts to increase in the long term and our broader supply chains could be vulnerable.

Risk management and mitigation actions:
- Ongoing assessment of climate-related weather vulnerabilities in relation to our operations, suppliers and raw materials.
- Monitoring the frequency and severity of climate-related weather events.
- Regular review of business continuity plans for the distribution centre.
- Conducting climate risk reviews proactively ahead of decisions to locate new operational infrastructure or select new suppliers.
- Continuing to strengthen our long-standing relationships with key suppliers and freight partners.
- Maintaining sourcing location flexibility, across the medium to long term, to switch supply lines away from areas of emerging risk, including review of weather-related risk when new sourcing locations are being considered.

2. Transition Risk – Categories: Regulatory requirements and reputation. 1.5°C scenario

Description of risk:
Increase in the cost of doing business.

Operational and value chain decarbonisation – inability to efficiently transition our value chain and products and services to low carbon models.

Possible introduction of more stringent environmental regulation has the potential to increase the cost of production and operational flexibility, as carbon costs become increasingly internalised.

Business impact:
Increased operating costs relating to the transition to a low carbon economy e.g., higher energy costs, changes in production costs, and direct and indirect carbon taxation, most likely via carbon pricing initiatives such as CBAM e.g., meat tax on pet food. Other food and farming regulations relating to sustainability being implemented in Europe as part of the Green Deal.

Capital investments relating to uncertainty and nascent development of low carbon technology e.g., alternative fuels for distribution vehicles. Market competition and unpredictable costs relating to delivery of our carbon transition plan, particularly in relation to the availability and demand for new products and services e.g., high quality carbon removal opportunities.

Products and services not transitioned quickly enough to low carbon models to meet consumer shift in preference to lower impact pet food and low carbon accessory products resulting in loss of revenue and reputational damage.

Proximity:
Long term (five to 20 years)

Risk rating before mitigation:

Probability: Moderate

Financial Impact:
Moderate – Major

Risk management and mitigation actions:
- Business case – capital allocation to invest in operational infrastructure to reduce operational carbon, such as the investment in a solar array at our Stafford Distribution centre in FY25.
- Long-term supplier partnerships to enable collaboration and investment in innovative R&D solutions.
- R&D investment to develop the market for animal-meat alternatives through our investment in Good Dog Food Ltd ('Meatly'), which we continued during FY25 by investing a further £1m in their Series A funding round. Meatly were the first company to produce cultivated meat contained in pet treats, launched exclusively at the Brentford Pet Care Centre in February 2025.
- Pet food strategy – mitigation of meat protein tax could include passing it on to customers to incentivise switching to lower carbon options.
- Supplier engagement underway to decarbonise supply chain.

TCFD Statement continued

3. Emerging risk: Declining pet ownership in a warming world – Category: Market. 3°C scenario

Description of risk:
Emerging.

Pet ownership – changes in pet ownership, over the long term driven by potential cost increases of pet care, due to the manifestation of physical and transitional risks.

Changes in consumer attitudes to pet ownership, where owning a pet may be viewed as irresponsible in a warming world.

We recognise that there could be the opportunity of increased customer revenue and market share from Pets at Home leading the market for environmentally sustainable pet care, but it is not possible to measure, therefore it is not included in this analysis.

Business impact:
The implicit and explicit price of carbon drives up prices and general living costs are squeezed. At the same time pet ownership becomes socially unacceptable as consumers seek to reduce their environmental impact and pets are seen as a luxury and climate burden. In this scenario, pet numbers fall as fewer consumers opt for pet ownership.

Proximity:
Long term (five to 20 years)

Risk rating before mitigation:

Probability: Low

Financial Impact: Moderate

Pet ownership has historically been resilient to economic and social factors, this seems unlikely to change over the next 10 years. Market insight on pet ownership and trends offers early signals to changes. Our experience suggests these will be gradual over time.

This risk is monitored via the Group watch list of emerging risks, where the timeline, impact or potential mitigation is not yet clear.

Risk management and mitigation actions:
Our strategy is to make pet care environmentally sustainable, thereby neutralising potential consumer concerns that pet ownership is socially unacceptable.

- Strategic investment in priority areas such as pet food to identify lower carbon ingredients and manufacturing processes that meet consumer expectations.
- Ongoing long-term monitoring of consumer and societal attitudes to pet ownership.
- Regular monitoring of consumer and market trends to identify shifts in behaviour to which we can respond.
- Frequent planned range reviews to respond to change in consumer preferences.
- Championing the benefits that pets bring to our lives, e.g., enhanced wellbeing via consolidation of existing research.

Financial planning

Climate related risks and opportunities are considered within financial planning. We have analysed the risks in the short to medium term, and have carried out financial quantification of the potential impact over the long term (five to 20 years). We have not completed quantification on risk 3 above 'declining pet ownership in a warming world' due to the very low probability of this risk as described in the risk summary above. The financial quantification that we have completed, on risk 1 and 2, is shown in information box 6, with note that future improvements in methodologies are likely to lead to more certainty around this analysis. This analysis has been built into the going concern assessment detailed in note 1.3 on pages 84-85 and the goodwill impairment testing in note 13 on pages 106-107. Our sustainability materiality review includes climate action and pet food sustainability as material topics and is referenced in our viability statement on page 30. Our full materiality assessment can be found in our standalone FY25 Sustainability Report.

Information box 4 – Financial impact assumptions

Risk	Reason
Extreme	>£15m on sales revenue
	> £6m Profit Before Tax (PBT)
Major	> £5m < £15m on sales revenue
	>£2m < £6m PBT
Moderate	>£1m <£5m on sales revenue
	>£400k < £2m PBT
Minor	>£200k < £1m on sales revenue
	>£100k <£400k PBT

Information box 5 – Carbon tax assumptions

Tax range	£ per tonne
Low	£14 per tonne
Medium	£36 per tonne
High	£60 per tonne

TCFD Statement continued

Information box 6 – Financial quantification summary

Area/scope	Risk/opportunity category	Risk modelled	Potential long-term impact on our business, before mitigating actions	Quantification of impact	Targets in place to manage this risk
Direct carbon emissions	Transitional risk: policy and legislation	Carbon tax on Scope 1 & 2 location-based emissions	Potential PBT impact within operating costs of £0.3m to £1.4m (modelled using FY25 emissions)	Moderate	– Scope 1 and 2 reduction targets
UK property estate	Physical risk: managing infrastructure and operations in extreme weather	Flood and extreme weather risk	Potential PBT impact within operating costs of < £0.4m	Minor	n/a
Animal protein	Transitional risk: policy and legislation	Carbon tax on animal protein included as an ingredient in pet food own brand and supplier branded	Potential PBT impact within cost of sales of £1.5m to £6.1m* (modelled using FY25 sales data)	Moderate-Major	– Scope 3 reduction targets – Own brand pet food products carbon footprinted – Suppliers with leadership position carbon reduction programmes in place

* The analysis on the impact of a carbon tax on animal protein assumes that this obligation is all passed onto Pets at Home and is not fully or partially borne by producers, suppliers or consumers. This calculation has been made using FY24 data to align with our annual Scope 3 update which at the moment is one year in arrears.

TCFD strategy disclosure requirement section c: Describe the resilience of your strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario

Our materiality assessment identifies sustainable pet food and climate action among the top sustainability topics to address.

The scenario planning work was used to develop our understanding of the impact on our identified physical, transitional and emerging risks and this has informed our strategic response to ensure that we are developing a resilient strategy. Our sustainability strategy 'Our Better World Pledge' prioritises reduction of our Scope 3 emissions, and within that, pet food as the largest impact area and a non-discretionary purchase for pet owners.

Our strategic response to the physical risks focuses on monitoring. Our UK based operations present a lower risk of extreme weather events and our supply chain locations remain flexible in the long term, which provides resilience to the most extreme (3°C) scenario. Within the supply chain the majority of our pet food suppliers are UK based and this remains our strategy.

The impacts of a lower warming scenario (1.5°C) on our transitionary risks are higher as more change and investment are required to enable the temperature increases to be contained at lower levels. Our strategic response is to ensure a smooth transition as we work with our suppliers to decarbonise supply chains and products and as we invest in areas of technological potential to support the long-term transition (such as cultivated meat). Strategic resilience can be ensured through working consistently towards the long-term goals often before our customers are demanding changes to products. We have been investing in our operational decarbonisation for many years, purchasing renewable energy since 2017 and investing in LEDs and buildings' energy management systems. As we make new investments our strategy is to consider how we can do this in a carbon efficient way, for example our new DC in Stafford does not use natural gas and we have invested in solar. panels which were operational from October 2024. We acknowledge that there remains uncertainty on the speed of progress required to meet challenges that will enable Pets to mitigate the transitionary risks. These are not unique to our business which is why we collaborate across our industry and supply chains to accelerate change. For example the decarbonisation of heavy goods vehicles, the adoption of regenerative, more sustainable agricultural practices and robust primary Scope 3 data.

Our emerging risk around declining pet ownership in a warming world is addressed through the goal of the planet pillar of our sustainability strategy which is 'to make pet care environmentally sustainable' and builds resilience through reducing the environmental impact of owning pets and reducing the likelihood of pet ownership as being viewed as a luxury.

We continue to review our strategic approach to ensure it aligns to the prevailing scientific advice and best practice.

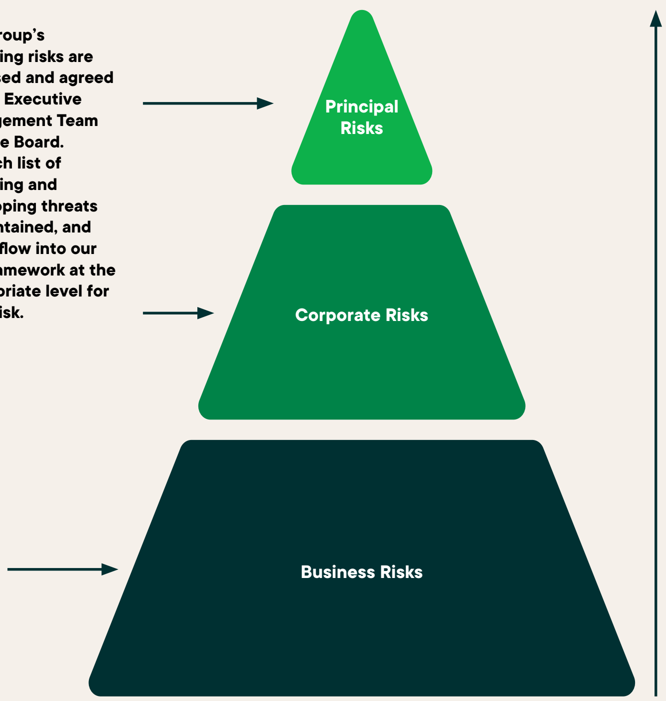
TCFD Statement continued

Risk Management

Disclosure requirement	Description/progress
a) Describe the processes for identifying and assessing climate-related risks.	The initial process for identifying climate risks for TCFD took place through a series of scenario planning workshops. These included detailed horizon scanning briefings and then consideration of the implication through the eyes of the key stakeholders of the business (pet, customer, vet, store manager, supplier) in three different global warming scenarios (see information box 1). This led to the eight high level risks and opportunities to be created. This process and its outcomes were reviewed by the Executive Management Team and the Sustainability Committee. These eight high level risks and opportunities have been refined and consolidated into the three sustainability risks that sit under the principal risk of sustainability and climate change. On an ongoing basis risks are identified through the risk management system. At a business level this happens using the risk champions who include sustainability risks as part of their risk assessment for their respective areas of the business. Additionally the Climate Change and Responsible Products Committees are responsible for identifying climate change risks. On an annual basis overall sustainability materiality assessment is reviewed, and this includes detailed consideration of established and emerging topics. At this annual review the Sustainability Committee also reviews existing and emerging regulatory requirements. On a three yearly basis, next due in FY26, this materiality review becomes a deep dive exercise where external stakeholder feedback is gathered to horizon scan topics and review assessment of importance. These risks are assessed using the corporate standardised risk scoring methodology which includes measurement of likelihood and impact. This produces a gross risk score before mitigating actions. This aids the escalation and consolidation of risks into a corporate view. See the risk framework on page 19 of this Annual Report.
b) Describe the processes for managing climate-related risks.	The climate-related risks are managed using our corporate risk management framework. Each risk has a gross and net score, and a target score where the risk is not within appetite. Mitigating actions are then monitored for expected remediation of the risk and progress towards the target score. This mitigation strategy assigns owners and timescales to each action. Progress against the strategy is updated and reported to the Executive Management Team and the Audit and Risk Committee four times a year. In addition, our climate risks, along with other sustainability risks, are reviewed at each Sustainability Committee meeting. Examples of risk mitigation and management exercised for transition risks include engaging suppliers to commit to having carbon reduction plans in place by 2028.
c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into overall risk management.	Chart two demonstrates how Pets at Home's climate-related risks are fully integrated into our overall risk management approach. Climate-related risks are identified, assessed, and managed through the corporate risk management approach which classifies risks as business, corporate or principal risks. Our ability to identify, assess and effectively manage current and emerging risks is critical in ensuring the continued success of our business.

Risk Management Framework

The Group's emerging risks are assessed and agreed by the Executive Management Team and the Board. A watch list of emerging and developing threats is maintained, and these flow into our risk framework at the appropriate level for each risk.



Principal Risks
- Risks that could threaten our business model, future performance, solvency or liquidity.
- Material climate-related risks are captured under the principal risk Climate Change and Sustainability.

Corporate Risks
- Risks that are promoted from a business level risk register as they sit near to or above the appetite level set by the Board.
- Owned by an Executive Director, sustainability corporate risks being owned by the Chief Executive Officer.
- Reported in detail to the Executive Management Team, the Board and Audit and Risk Committee four times a year.

Business Risks
- Risks that are identified and managed at a business unit, strategic project or function level.
- The Sustainability function has its own risk register.
- The Sustainability Director owns and manages climate-related risks and implementation of mitigating actions.
- Grouping of climate-related risks in Group-wide risk management system for reporting to Sustainability Committee.

TCFD Statement continued

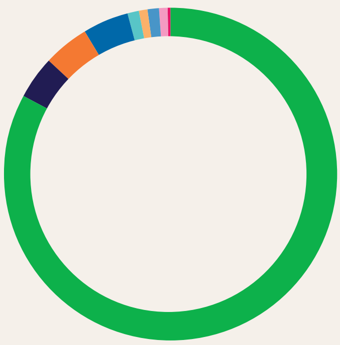
Metrics and targets

Disclosure requirement	Description/progress
a) Disclose the metrics used to assess climate-related risks and opportunities in line with its strategy and risk management process.	We report annually on our progress against our 12 sustainability targets in our standalone Sustainability Report. The five climate- related sustainability targets and metrics are included on page 60 in table 3 in section c). We have considered developing an internal price for carbon for investment appraisals but at the moment this has not been progressed as investments are being successfully assessed using our existing hurdle rates. Our next priority will be to include our carbon footprinting of pet food products into our commercial performance reporting . We are already using this product level data to inform future range developments and reformulations without the need for an internal price for carbon. We will continue to keep a watching brief on the usefulness of the tool of carbon pricing. In terms of our emerging risk 'declining pet ownership in a warming world' we do not measure specific metrics and instead address this risk through: – As part of strategy reviews long-term monitoring of consumer and societal attitudes to pet ownership. – During the year monitoring of consumer and market trends to identify shifts in behaviour to which we can respond
b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Pets at Home has measured and disclosed our Scope 1 and 2 CO_2e emissions since FY14. Trend data from FY16 is updated and reported annually and included in table 1. **Scope 1 and 2 emissions and related risks** During the year we have continued to invest in carbon reduction and energy generation initiatives. For example, the installation of solar panels on the roof of our new Distribution Centre in Stafford, and the development of our anaesthetics gas stewardship programme. The benefits of previous decisions and investments continue to positively impact performance such as 88% of miles driven during FY25 were in either electric or hybrid company or temporary hire cars and all our petcare centres are installed with LED lights. Our absolute location-based carbon emissions have reduced year on year by 8.2%. Our intensity-based performance has improved year on year to 15.7 tCO_2e relative to £1,482m Group statutory revenue. A material driver of this improvement is the reconfiguration of our distribution network which has lead to more deliveries being carried out by third party logistics companies which is classified as Scope 3 emissions . Within Scope 1 emissions we have seen reductions across all emission sources with the exception of company cars where emissions have increased by 5%. This is a relatively small source of emissions at 647 tonnes and is 40% lower than our FY20 base year emissions of 1082 tCO_2e. Anaesthetic gas volumes have reduced by 3% year on year and corresponding emissions have reduced by 10% to 2947 CO_2e, a particularly strong performance given the growth of the vet business, benefitting from the growing levels of practice participation in our anaesthesia gas stewardship programme during the year. Our Scope 2 emissions have increased by 2.5% due in part to a colder winter in the UK than the previous year. We continue to purchase renewable energy so our market-based emissions performance remains at 0 tCO_2e. Our performance over the longer term demonstrates the importance of carbon reduction to our business. Since 2016 our sales revenue has grown by 87% and our absolute emissions have reduced by 43.5% as shown in table 1. However, significant on-going reductions in our Scope 1 and 2 emissions are dependant on the continued decarbonisation of the national grid and the adoption of lower impact HGVs enabled by technological advancements and national infrastructural investment. More information on our Scope 1 and 2 programmes can be found from page 6 in the 'planet' section of our standalone Sustainability Report. Deloitte has provided independent limited assurance in accordance with the international Standard for Assurance Engagements 3000 (ISAE 3000) issued by the International Auditing and Assurance Standards Board (IAASB) over the Scope 1 and 2 emissions. Deloitte's full unqualified assurance opinion, which included details of the selected metrics assured, can be found from page 50 of the standalone Sustainability Report. The basis of reporting document covering our Scope 1 and 2 emissions and the limited Scope 3 categories that are included in our assurance (colleague travel, third party logistics and electricity transmission and distribution losses) is available on the Pets at Home Group investor website at https://www.petsathomeplc.com/sustainability/documents-policies/documents/.

TCFD Statement continued

Metrics and targets continued

Disclosure requirement	Description/progress
b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	**Scope 3 emissions and related risks** We are continuously working on improvements to the accuracy of our Scope 3 footprint. Each year we review the appropriateness of the data sources we use to ensure that our footprint is as accurate as possible. Whilst we are not able to accurately report our Scope 3 emissions for the current year it remains a priority. We also know that we need to focus on accurately reporting on our Scope 3 emission reductions and move beyond industry average factors, working towards this has been our focus during FY25 . Please see the pie chart below for a summary of our total Scope 3 emissions and the breakdown into categories, for the most recently available year of FY24. Overall between base year, FY20 and FY24 our Scope 3 emissions have seen a small increase of 0.2% while our Group statutory revenue have increased by 40% from £1059m to £1480m. The category level breakdown in the pie chart below shows the changes at a category level where we have seen both increases and decreases. This has been mainly driven by improvements in data methodology and emission factor changes. The reasons for the largest variances are summarised below: Category one includes emissions associated with Purchased Goods For Resale, Purchased Goods Not For Resale and Other goods (Vet items). There has been a decrease vs the baseline due to two factors. Firstly the impact of lower PEFCR emission factors (kgCO_2e/kg food), published earlier this year, used to calculate dog and cat food. These lower factors are sufficient to lead to a decrease in Cat 1 emissions, despite an increase in overall cat and dog food tonnage. Secondly, there has also been a decrease in the DEFRA emissions factor (kgCO_2e/£), for prepared animal feeds factor, since the baseline. This factor is used to calculate emissions from all other petfood. Coupled to this, sales of all other petfood (e.g. bird food, fish food, small animal food) was lower in FY24 versus the baseline. Within category twelve, end of life of sold products, a change in methodology has brought in emissions previously excluded. This category now includes end of life treatment of pet accessories which was excluded from the baseline. The assumption then was that pet accessories go on to have a 'second life', but this is now considered false. This accounts for >60% of the emissions associated with this category. Category four, upstream transportation, has seen an increase in emissions due to Increased opex expenditure on transportation and distribution in the reporting year (FY24). **Our progress during FY25** Our Scope 3 analysis has enabled us to prioritise our areas of focus in the goods and service category. Our analysis has demonstrated that within this category our most carbon-intensive product area of pet food and product manufacturing impacts have led us to work with the suppliers who constitute the top 80% of our emissions. We are actively working towards an aligned industry approach to measure supplier-specific emissions as this is the most effective way to track emissions reductions within our own supply chain. However, in the absence of a universally recognised approach, we continue to request suppliers to disclose emissions data through the environmental impact disclosure system 'Manufacture 2030'or to complete our own supplier carbon survey. We are now starting to engage directly with our strategically important suppliers to understand their carbon reduction roadmaps (see Table 3 for our targets and progress). Alongside our in house carbon footprinting of our own brand complete cat and dog foods (see Table 3 for our targets and progress) we are working with the 'British Retail Consortium Mondra Coalition', to understand the environmental impact of our emissions at a product and ingredient level across our own brand complete pet food products to accelerate decarbonisation and enable effective business decision-making. This is a pilot initiative involving many stakeholders in the retail industry thereby helping to steer the industry to a consistent approach to Scope 3 data collection. We are the first pet food retailer to be involved in this programme which we believe has potential to enable faster progress through alignment on lifecycle analysis methodologies and data sharing.



Scope 3 Category	Category (Cat) and Description	FY20 (base) tCO_2e	FY24 tCO_2e	% change
1	Cat 1 Purchased goods and services	767,892	710,810	-7%
9	Cat 9 Downstream transportation	33,157	36,131	9%
4	Cat 4 Upstream transportation	19,306	37,138	92%
12	Cat 12 End of life sold products	10,323	40,272	290%
2	Cat 2 Capital goods	2,205	9,124	314%
3	Cat 3 Fuel and energy-related activity	5,231	5,659	8%
7	Cat 7 Employee commuting	5,893	9,729	65%
11	Cat 11 Use of sold products	10,382	7,462	-28%
6	Cat 6 Business travel	1,071	1,240	16%
5	Cat 5 Operational waste	368	374	2%
Total Scope 3 emissions		855,828	857,939	0.2%

TCFD Statement continued

Carbon reporting summary

Table 1: Scope 1 & 2 carbon emissions ten year performance tonnes CO_2e emissions

Tonnes CO_2e emissions

		FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25[1]	FY25 vs FY16
Emissions	Scope 1	9,498	9,619	9,649	8,431	12,085	11,337	12,558	12,115	12,632	10,229	7.7%
	Scope 2 (location based)	31,680	28,840	21,584	17,066	15,133	13,616	12,610	11,980	12,718[2]	13,031	-58.9%
	Total	41,178	38,459	31,233	25,497	27,218	24,953	25,168	24,095	25,350	23,260	-43.5%
	% change		-6.6%	-18.8%	-18.4%	6.8%	-8.3%	0.9%	-4.3%	-3.5%	-8.2%	
Group statutory revenue	£m	793	834	899	961	1,059	1,143	1,318	1,404	1,480[3]	1,482	86.9%
	% change		5.2%	7.8%	6.9%	10.2%	7.9%	15.3%	6.6%	5.4%	0.1%	
	Normalisation/ Intensity	51.9	46.1	35.1	26.5	25.7	21.8	19.1	17.2	17.1[3]	15.7	-69.8%
	% change		-11.2%	-24.7%	-23.6%	-3.1%	-15.1%	-12.5%	-10.1%	-0.5%	-8.2%	

1 Deloitte has provided independent limited assurance in accordance with the international standard for assurance engagements 3000 (ISAE 3000) issued by the International Auditing and Assurance Standards Board (IAASB) over Scope 1 and 2 emissions for FY25. Deloitte's full unqualified assurance opinion, which includes details of the selected metrics assured, can be found in the standalone Sustainability Report from page 46.

2 This year we identified a calculation error in our FY24 reported location based Scope 2 CO_2e emissions which have been restated from 10,624 to 12,718 tonnes CO_2e in Table 1, Table 2 and Table 3. Scope 3 Transmission and distribution losses in footnote 2 of Table 2 have been restated from 920 to 1100 t CO_2e.

3 FY24 Group statutory revenue has been restated from £1477m to £1480m and intensity from 17.2 to 17.1. See note 1.26 for an explanation of the restatement of the revenue.

4 Data: Anaesthetics & fugitive emissions are included from year FY20 onwards.

Table 2: Scopes 1, 2 and 3 carbon emissions summary

Metric	Target	FY25 Performance	FY24 Performance	Base year Performance FY20
Scope 1 And 2 GHG Emissions				
Direct emissions from operations (Scope 1) (tonnes CO_2e)	–	10,229	12,632	12,085
Location-based indirect energy emissions from operations (Scope 2) (tonnes CO_2e)	–	13,031	12,718	15,133
Total location-based Scope 1 and 2 emissions (tonnes CO_2e)	42% reduction by 2030 (vs 2019/20 base year)	23,260: 15% reduction against base year	25,350	27,218
Market-based indirect energy emissions from operations (Scope 2) (tonnes CO_2e)[3]	–	-	–	677
Total market-based Scope 1 and 2 emissions (tonnes CO_2e)	–	10,229	12,632	12,762
Total location-based emissions per £m group revenue (tonnes CO_2e per £m group revenue)	–	15.7	17.1[4]	25.7
Scope 1 and Scope 2 kWh		91,241,352[5]	98,269,879	94,638,109
Scope 3 GHG Emissions				
Total Scope 3 GHG emissions (tonnes CO_2e)	42% reduction by 2030 (vs FY20 base year)	n/a (1)	857,939 0.2% increase against FY20 base year	855,828

1 Scope 3 GHG emissions have been updated using FY24 data. An update has not been completed for FY25 as we have focused on data improvements.

2 Scope 3 emissions relating to employee travel, third party logistics and electricity transmission and distribution losses have not been separately stated in our carbon emission summary because they were misinterpreted as representing the full Scope 3 emissions. For transparency the emissions from these sources in FY25 are included here. Employee travel 798 tonnes CO_2e (FY24 726 tCO_2e); third party logistics 5947t CO_2e (FY24 3,955 tCO_2e). Fuel and energy-related activities 6003 tCO_2e of which electricity transmission and distribution losses 1156 tCO_2e (FY24 6341, 1100 CO_2e).

3 Pets at Home operations are UK-based except for an office in Hong Kong. Therefore 15t CO_2e representing less than 0.1% Scope 1 and 2 emissions and kWh usage was from outside of the UK and not included in this reporting.

4 See footnote of Table 1 for assurance statement and restatements for FY24 scope 2 emissions, Group revenue and carbon intensity

5. Excluded from the kWh total in Table 2 is electricity generation via solar at Stafford DC : 219,300 kWh for own use and 15,930 exported to the grid.

TCFD Statement continued

Metrics and Targets

Disclosure requirement	Description/progress
c) Describe the targets used to manage climate-related risks and opportunities and performance against targets.	See Table 3 below

Table 3 Targets and metrics used to manage climate-related risks and opportunities

Sustainability Target area	Metric	Target	Baseline FY20	FY24	FY25
Carbon emissions	Absolute Scope 1 and 2 GHG emissions tCO_2e (location based)	42% reduction in Scope 1 and 2 emissions by 2030 from a 2020 base year -90% reduction in Scope 1 and 2 emissions by 2040 from a 2020 base year	27,218	25,350	23,260
	Absolute scope 3 emissions tCO_2e	42% reduction in scope 3 emissions by 2030 from a 2020 base year -90% reduction in scope 3 emissions by 2040 from a 2020 base year	855,828	857,939	N/A
	% of Group electricity contract renewable	100%	n/a	100%	100%
Pet food carbon foot printing	Number of own brand complete cat and dog food products footprinted	By 2028 100% of priority own brand complete cat and dog food products footprinted		60	250, representing 65%+ of own brand sales
Supplier engagement	Absolute number and % of total retail and vet supplier spend of priority suppliers registered with M2030, with carbon reduction plans in place and in leadership positions	By 2028 all priority suppliers will have carbon reduction plans in place and 50% to have received leadership status	Registered		
			n/a	88 (n/a)	88 (76%)
			Carbon reduction plans in place		
			n/a	14 (n/a)	25 (70%)
			Leadership position (SBTi approved targets)		
			n/a	3 (n/a)	6 (40%)
Deforestation	Direct soy in own brand products sourced to an independent standard	100% by 2028	n/a	65%	69%
	Palm oil in own brand products sourced to an independent standard	100% by 2028	n/a	43%	100%
	Timber in own brand products sourced to an independent standard	100% by 2028	n/a	57%	90%
Biodiversity	Number of acres of woodland restored, protected and created	15,000 acres by 2028 cumulatively	n/a	6,000	8,000

We also identify other opportunities to align our targets to climate reduction goals. For example, our revolving credit facility with HSBC acting as sustainability coordinator, agreed in March 2022, is linked to sustainability targets. One of the three targets is climate related and tracks our carbon emissions intensity (Scope 1 CO_2e emissions and Scope 2 CO_2 location based emissions).

Our Remuneration Policy links an element of Executive remuneration to annual progress across our 12 sustainability targets, effective from FY24. The climate-related targets are included in Table 3 and the Sustainability Report contains more information about the annual milestones.

Looking ahead

Financial quantification work to date has been updated on the areas identified as potentially having the most material impacts. While our quantification disclosure uses the most robust data points that we have, we recognise that the methodology for quantifying risk will continue to develop over time as our data and modelling improves.

Despite our progress there remain challenges that face businesses like ours to the delivery of our emissions reduction targets. For example the development of battery technology and supporting charging infrastructure for heavy goods vehicles, the adoption of regenerative and more sustainable agricultural practices and robust, consistently applied emissions calculations and consumer communication on embedded carbon in products.

Over the next 12 months our priorities are to continue to progress our own programmes and to develop our data which support the delivery and accuracy of our net zero transition plans while also collaborating on systems changes that are outside of our direct control but remain vital to deliver our emissions reduction targets.

Directors Remuneration Report

Remuneration strategy to support long term success.

Roger Burnley
Chair of the Remuneration Committee

1. Introduction

On behalf of the Remuneration Committee, I am pleased to present our Directors' Remuneration Report (DRR) for the financial year ending 27 March 2025. In a challenging year for the business, the Committee has taken care to ensure that its approach to all remuneration matters supports future, long-term success.

Business performance for the year has been delivered in line with profit guidance, against challenging market circumstances, as detailed in the Chair's statement on page 2. Whilst Underlying PBT* of £133.0m (£132.0m in FY24) has been achieved for FY25, the significant cost headwinds on the horizon in FY26, including those which impact labour costs, has sharpened the Committee's focus on ensuring that remuneration across the business is set up in the best way possible to achieve future success, for all stakeholders.

During the year, our share price declined c9.5% from £2.59 to £2.35, underperforming the retail sector by (1.5%) and the wider market by (10.5%). The continuation of the CMA market investigation, subdued and volatile consumer demand, an uncertain economic backdrop and cost headwinds have impacted sentiment. The final dividend was held at 8.3p and we increased our total dividend for FY25 to 13.0p (12.8p in FY24). A £25m share buyback was also undertaken during FY25.

2. Membership and responsibilities

Committee members are independent Non-Executive Directors and members during the year, in addition to the details of their attendance at meetings, are set out on page 34. The Terms of Reference for the Committee can be found at https://www.petsathomeplc.com/investors/corporate-governance/remuneration-committee/. The Remuneration policy approved at the 2023 AGM (Policy) has remained in force during the year and can be viewed at https://www.petsathomeplc.com/media/4ufhixlm/annual-report-2023.pdf. As the Committee starts the year, the Policy review process is firmly in mind to ensure that all options are fully considered to set the business up for future success. The new Remuneration policy will be put to shareholders for approval at the 2026 AGM.

3. What we did during the year

3.1 Our Colleagues

We continue to invest in our total reward proposition to attract and retain talent in highly competitive retail and veterinary service markets.

Investment in Base Pay

In March 2025, the business opened a consultation with around 2,500 store colleagues on proposals to reshape the instore management structure of the retail business. The business has grown significantly over time, and the goal was to create a simpler and more efficient retail business, with less complexity and a more transparent structure. Colleagues will have more clearly defined roles and responsibilities, access to the best training and tools they need to set them up for success and pay levels that are fair and consistent across roles in store. Throughout the consultation process, the business was guided by the core principle of protecting colleague jobs and always putting pets first.

Alongside the proposed changes the business committed to continuing to invest in both base pay and training, with an investment of £6.5m into pay across almost 7,000 retail colleagues and £2m into new and bespoke training, reflecting that the commitment to upskilling and progression is not changing.

- The average increase in base pay for colleagues, including promotions, was 5.1% across the UK workforce in FY25. In March 2024, we increased our hourly store and grooming pay rates to a starting rate of £11.44 (7.9% vs March 2023). Colleagues were able to earn the Real Living Wage (RLW) upon completion of their Pet Expert training.
- Within the Support Office, the decision was made to align the pay review with the rest of the business and undertake the review in April, instead of October each year. Therefore, no blanket pay review for Support Office colleagues was carried out in October 2024, although some colleagues received an exceptional pay review where salaries were significantly out of line with benchmarks. The average base pay increase for Support Office colleagues was 3.6% in FY25.

Colleague Share Ownership

- We continued our investment in colleague share ownership awarding over 10,000 colleagues an award of free shares (the restricted stock plan (RSP)) in FY25 and we continued to offer our Sharesave (SAYE) scheme at a 20% discounted option price, following re-approval of the SAYE scheme by the Board in September 2024.
- Over 5,000 colleagues received access to awards which vested under our 2021 RSP.
- The 2021 SAYE scheme also matured but was unfortunately under water.

Pension

- No changes were made to our colleague pension contribution rates in FY25.

Bonus

- Due to the financial performance of the business in FY25 as noted previously, no bonus is being paid to colleagues for FY25.

Financial Support

- We awarded over £50,115 in tax-free grants through our Colleague Hardship Fund to support those colleagues experiencing a period of unexpected financial difficulty.

Well-being

- We continue to prioritise and promote colleague well-being alongside our strong partnerships with both the Retail Trust and Vet Life.
- In addition, across FY25 171 colleagues completed their Mental Health First Aid training, with 208 colleagues also completing a refresher course.

Directors Remuneration Report continued

Colleague Recognition and Engagement

- Peer-to-Peer recognition is encouraged for colleagues who live the Pets at Home values through their work. During FY25, over £26,200 has been given to colleagues through the 'Colleague of the Month' and 'Team of the Quarter' initiatives, as well as over 3,500 e-cards.
- Instant award vouchers totalling over £150,000 were given to colleagues in recognition of their work to spend on Your Reward Hub. Your Reward Hub hosts a wealth of information about the different benefits which are offered as part of colleagues' total reward package. In FY25, colleagues saved over £160,000 on their everyday online and instore shopping through vouchers and savings on Your Reward Hub. We also continued to offer our colleague discount of 20% off all products online and instore and 30% off our own branded products instore.

3.2 Executive Remuneration

In light of the context set out above, the Committee made the following decisions in respect of Executive remuneration during FY25.

Base Salary

- In line with the Support Office pay review outlined above, the pay review dates for the CEO and CFO were moved from October to April each year. Neither the CEO nor the CFO received a pay increase in FY25. In addition, no changes were made to the Non-Executive Director fees during FY25.

Pension

- There were no changes to the pension contribution rates in FY25. Executive Directors already receive a pension contribution capped at the Company contribution rate provided to the majority of colleagues in the Support Office functions. Currently this is up to 6.5% of base salary and consistent with rates at other retailers.

Bonus

- The Executive Directors were assessed against Underlying PBT (65%), Normalised Pre Tax Free Cash Flow (25%) and Sustainability (10%) comprising of 12 defined measures plus the completion of a Better World Pledge Day and mandatory training. Formulaic targets were set in May 2024 against a budget that was agreed to be ambitious and stretching. In light of the business context set out above, the Committee carefully considered and determined that the formulaic outcomes were as set out immediately below:
  - In light of having fallen short of our Underlying PBT and Normalised Pre Tax Free Cash Flow targets, the Committee made the decision that no Executive Director would be paid a bonus in respect of FY25.
  - The Underlying PBT target range was set between £138.0m and £150.0m. The Underlying PBT was £133.0m, meaning that the minimum Trigger 1 bonus had not been met and therefore no bonus is payable.
  - The Normalised Pre Tax Free Cash Flow target range was set between £124.2m and £134.2m and the actual Normalised Pre Tax Free Cash Flow was £115.5m resulting in the minimum target not being met.
  - Across the 12 sustainability targets, 7 of these were achieved. However, the financial triggers above, needed to be achieved for the sustainability element to be payable. Therefore no bonus would be paid.

RSP

- Both the CEO and CFO were awarded options under the 2022 RSP. At the time the 2022 awards were granted, the Policy specified that vesting of the 2022 RSP award for Executive Directors was subject to a TSR financial underpin. For RSP awards granted in 2023 onwards, the TSR underpin was replaced by a discretionary and holistic underpin which allows the Committee to determine the vesting outcome based on the holistic performance of the business and the Executive Directors. As detailed in the FY24 report, the Committee applied upward discretion to the CFO's 2021 RSP award for the reasons previously disclosed in the 2024 Annual Report. The Committee agreed that the holistic underpin would be applied to both Executive Directors' 2022 RSP awards and agreed that this would be a fair approach, given the 6 month pay review deferral. It would also bring the 2022 RSP in line with the current Policy. The Committee approved the vest of the 2022 RSP awards for both Executive Directors and considered the matters noted on page 64 in assessing whether the holistic underpin had been achieved.

4. Executive Remuneration in respect of FY26

Base salary

With the shift in annual pay review dates to April each year, in March 2025, the Committee approved an annual pay review of 1.5% for each of the CEO and the CFO, effective from the start of FY26. The wider workforce pay review is 4%. The Committee also agreed that the Non-Executive Director fees would be increased by 1.5% for FY26.

Pension

No changes to the pension scheme are proposed for the Executive Directors in FY26.

Bonus

The maximum bonus opportunity for the Executive Directors in FY26 shall continue at 170% for CEO and 150% for the CFO. Further details relating to the bonus design are set out in the Statement of Implementation on page 69.

RSP

Share awards granted during FY26 will continue to be set in line with the Policy with a maximum grant value of 100% of base salary for the CEO and 75% of base salary for the CFO. These will continue to vest subject to a discretionary and holistic underpin which will take into account factors including overall financial performance, the shareholder experience, performance against strategy and other factors. The plans include a three-year vesting schedule and two-year post-vesting holding period as set out in the Policy.

5. Closing Remarks

As we look to FY26, the Committee will continue to focus on ensuring that reward across the business is structured in a way to support its long term success, whilst being cognisant of the environment we are currently operating in. Work is underway to formalise the reward strategy and a full review of the benefits package available to colleagues, in conjunction with consultancy Fit Rem, is also taking place. We carried out a colleague survey to gain views and insights on the current benefits package to help shape thinking. Our aim is to ensure that the remuneration package for colleagues represents what colleagues truly value. We will also start our Policy review during FY26, taking into account all aspects of the current Policy, to ensure any necessary changes are fully considered and consulted on, prior to approval at the 2026 AGM.

We hope that you find this report helpful and welcome any feedback. We look forward to your support of the resolution for approval by advisory vote for our Directors' Remuneration Report at our AGM on 10 July 2025.

Roger Burnley
Chair of the Remuneration Committee
28 May 2025

Annual report on remuneration

a) Directors' remuneration – report on implementation for the year ended 27 March 2025

This section of the report sets out how the Policy has been applied in the financial year being reported on.

The information presented from this section up until the relevant note on page 65 represents the audited section of this report.

b) Single total figure of remuneration for Executive Directors for the year ended 27 March 2025

The following table sets out the total remuneration for Executive Directors for the year ended 27 March 2025. All payments are in line with the Policy.

Director	Base salary (£)	Benefits (£)	Pension (£)	Total fixed pay (£)	Annual bonus (£)	Long-term incentives (£)	Total variable pay (£)	Total[1] (£)
FY25								
Lyssa McGowan	**630,315**	**773**	**40,971**	**672,059**	**–**	**376,174[3]**	**376,174**	**1,048,233**
Mike Iddon	**439,202**	**12,273**	**28,548**	**480,023**	**–**	**199,437[3]**	**199,437**	**679,461**
FY24								
Lyssa McGowan	611,844	644	39,610	652,098	–	–	–	652,098
Mike Iddon	430,062	12,144	27,954	470,160	–	177,912[2]	177,912	648,072

1 Base salary, benefits and pension contributions have been calculated using actual amounts received during the financial year.
2 The 2021 RSP, vested in June 2024 for the CFO following the Committee decision to exercise discretion despite the absolute underpin not being achieved. The figure in the table above is based on the share options granted multiplied by the share price at time of vest of £2.912.
3 The 2022 RSP will vest in May 2025 for the Executive Directors following the Committee assessment of the discretionary underpin applicable to the plan and vesting being based on holistic performance. The figure in the table above is based on the share options granted multiplied by £2.2376, being the average market value over the last quarter of FY25.

Base salary:

The gross taxable amount received during the relevant financial year excluding payments in lieu of pension (see below).

Benefits:

The gross taxable value of benefits received during the relevant financial year and principally includes company car (or cash equivalent) and Private Healthcare Insurance (PHI) where applicable.

Pension:

The amount of pension contributed by the Company including the gross cash value of any payment in lieu of pension received during FY25.

Executive Directors received a Company pension contribution worth a maximum of 6.5% of their base salary, in line with the majority of Support Office colleagues as required by Provision 38 of the Code. A taxable cash payment in lieu of pension contribution was paid if the Executive Director reached the annual pension allowance.

Annual bonus:

The amount earned in respect of the relevant financial year.

Long-term incentives:

The amount earned by the Executive Directors in respect of the relevant financial year. Details of how this was calculated are set out in the footnotes above.

Annual bonus:

In FY25, an annual bonus was available to Executive Directors subject to meeting defined criteria including Underlying PBT (65%), Normalised Pre Tax Free Cash Flow (25%), defined sustainability measures (10%) and a mandatory sustainability bonus underpin which required each Executive Director to complete a Better World Pledge Day (BWPD). All Support Office colleagues, and Store Managers are also required to complete a BWPD as part of their objectives for achieving a bonus. The BWPDs provide value and non-financial support to a range of different charities, in addition to the financial support already provided. Colleagues have supported a range of planet, pet and people-focused charities.

The maximum bonus opportunity in respect of FY25 for the CEO was 170% of base salary and 150% of base salary for the CFO.

The Executive Directors were assessed against the above Underlying PBT, Normalised Pre Tax Free Cash Flow and Sustainability targets. Underlying PBT for the 52 week period ended 27 March 2025 was £133.0m and the Committee determined that the formulaic outcome required for the minimum Trigger 1 bonus had not been met. Normalised Pre Tax Free Cash Flow was £115.5m, which fell below the minimum target. The Company achieved 7 out of a possible 12 sustainability targets, however, the payment of the sustainability element of the bonus in FY25 required the financial targets above to also have been met.

Annual report on remuneration continued

The table below shows the targets set and the achieved pay out levels for Executive Directors:

	Target			Achieved	
Performance Measures	**% Weighting**	**Minimum**	**Maximum**	**Total**	**%**
Underlying PBT (£)	65	£138.0m	£150.0m	£133.0m	0.0
Normalised Pre Tax Free Cash Flow (£)	25	£124.2m	£134.2m	£115.5m	0.0
Sustainability Objectives	10	1	12	7	0.0
Total	**100**				**0.0**

The minimum target is set at Trigger 1 (threshold, 20% achievement) and the maximum target at Trigger 5 (100% achievement), with staged increments on a straight line basis at Trigger levels 2, 3 and 4 in between.

In order to achieve full pay-out, the Committee had set ambitious and stretching targets that required the individuals to deliver performance which significantly exceeded business expectations.

The Committee considered whether the bonus target for Underlying PBT had been reached at the minimum threshold. In the light of the business performance as set out above and in the Chair's letter on pages 61 to 62, the Committee was comfortable that the formulaic outturn for Underlying PBT and Normalised Pre Tax Free Cash Flow was appropriate. No adjustments were therefore made to the formulaic bonus targets and consequently, the bonus outturn in relation to FY25, will be nil for both Executive Directors and any colleagues in the bonus scheme.

Long-term incentive plans (LTIP)

2021 RSP award:

As the CEO was appointed in June 2022, they did not receive a 2021 RSP award. In accordance with policy at the time, vesting of the 2021 RSP award for Executive Directors was subject to a TSR financial underpin which was replaced for RSP awards made in 2023 onwards with a discretionary underpin that allows the Committee to determine the vesting outcome taking account of the holistic performance of the business and the Executive Director. As the TSR financial underpin for the 2021 RSP award had not been met, the 2021 RSP award made to the CFO would ordinarily have lapsed. For the reasons noted in the 2024 Annual Report, the Committee concluded in FY24 that the formulaic outcome was not a fair reflection of the CFO's contribution and performance over the vesting period and consequently decided to exercise its discretion to vest the 2021 RSP award granted to the CFO, the shares of which will remain subject to a two year post vesting holding period.

2022 RSP award:

Awards granted under the 2022 RSP to both Executive Directors will vest in May 2025. The awards were granted in accordance with the policy in place at this time, which included a TSR financial underpin. As the current Policy replaced the TSR underpin with a holistic underpin, the Committee exercised discretion to bring the vesting assessment of the 2022 RSP award in line with the Policy and therefore to vest the 2022 RSP awards for both Executive Directors. In assessing whether the holistic underpin had been achieved, the Committee considered overall financial performance, the shareholder experience, performance against strategic imperatives and any serious reputational damage. After careful consideration of the performance of the business over the award's vesting period (including PBT, revenue, dividend per share/buybacks, and strategic developments such as the transformation of the distribution network and transition to the Pet Care Platform), the Committee concluded that the underpin had been achieved and that it was appropriate for the award to vest. The shares will remain subject to a two year post vest holding period.

c) Total Single Figure Remuneration (TSFR) for Non-Executive Directors for the year ended 27 March 2025

The following table sets out the TSFR for Non-Executive Directors and the Chair of the Board for the year ended 27 March 2025.

Director	Basic fees (£)	Additional fees (£)	Remuneration Committee Chair fee (£)	Audit and Risk Committee Chair fee (£)	Sustainability Committee Chair fee (£)	Colleague Engagement NED fee (£)	Total Single Figure FY25 (£)	Total Single Figure FY24 (£)
Ian Burke	220,700	–	–	–	–	–	220,700	216,085
Zarin Patel	55,200	10,000[1]	–	11,100	–	–	76,300	74,860
Roger Burnley	55,200	–	11,100	–	–	–	66,300	54,885
Natalie-Jane Macdonald	55,200	–	–	–	–	11,100	66,300	49,895
Garret Turley[2]	39,277	–	–	–	7,898	–	47,175	–
Susan Dawson[3]	15,923	–	–	–	3,202	–	19,125	74,835
Angelique Augereau[3]	45,009	–	–	–	–	–	45,009	10,403

Note: Fees in the above table have been pro-rated for appointments which have covered a proportion of the financial year.
1 The additional fee paid to Zarin Patel is in respect of her position as Senior Independent Director.
2 Garret Turley joined as Non-Executive Director in July 2024.
3 Susan Dawson and Angelique Augereau stepped down from the Board in July 2024 and January 2025 respectively.

Annual report on remuneration continued

d) Scheme interests awarded during the financial year

In FY25 Executive Directors received RSP awards in line with the Policy as follows:

Executive Director	Date of award	Number of shares awarded under the RSP	Grant price of RSP awards	% of salary for total awards	Performance period end date
Lyssa McGowan	14 June 2024	216,305	Nil cost awards	100%	25 March 2027
Mike Iddon	14 June 2024	113,041	Nil cost awards	75%	25 March 2027

All awards are made as performance shares based on a percentage of salary and the value is divided by the closing share price on 13 June 2024, being £2.914.

The awards were made subject to the satisfaction of the achievement of a holistic and discretionary underpin which will allow the Committee to take share price performance into account in addition to business, individual and wider Company performance during the vesting period. In accordance with the Policy, 100% of the award will vest on the third anniversary of grant, subject to the achievement of the underpin and continued employment at that date, followed by a two-year post vest holding period until the fifth anniversary of grant. If the vested award is exercised during this two-year period, the net number of shares acquired (after taxes and transaction fees have been settled) must continue to be held (and cannot be sold) until the fifth anniversary of grant.

e) Payments for loss of office

No payments for loss of office were made during the financial year.

f) Payments to past Directors

No payments were made to past Directors during the year.

g) Statement of Directors' shareholding and share interests

The Committee believes that colleague share ownership is an important means to support long-term commitment to the Company and the alignment of colleague interests with those of shareholders. Executive Directors are subject to a shareholding requirement of 200% of base salary, which should be built up over a period of five years. Under the Policy applicable during FY25, Executive Directors have been subject to a post cessation shareholding requirement of 200% of salary for one year and 100% of salary for two years. The Committee reviews share ownership levels annually. Current shareholding levels for Directors are set out in the table below:

		Number of shares			
Director	Shareholding as a % of salary	Shares owned outright at 27 March 2025	Interests in share incentive schemes, awarded without performance conditions at 27 March 2025	Interests in share incentive schemes, awarded subject to performance conditions at 27 March 2025	Shares owned outright as 28 March 2024
Lyssa McGowan	28%	74,619	70,054	552,195	32,325
Mike Iddon	273%	509,634	49,233	291,120	429,695
Ian Burke	–	47,900	–	–	47,900
Zarin Patel	–	30,000	–	–	30,000
Roger Burnley	–	–	–	–	–
Natalie Jane Macdonald	–	–	–	–	–
Garret Turley	–	21,349	–	–	–

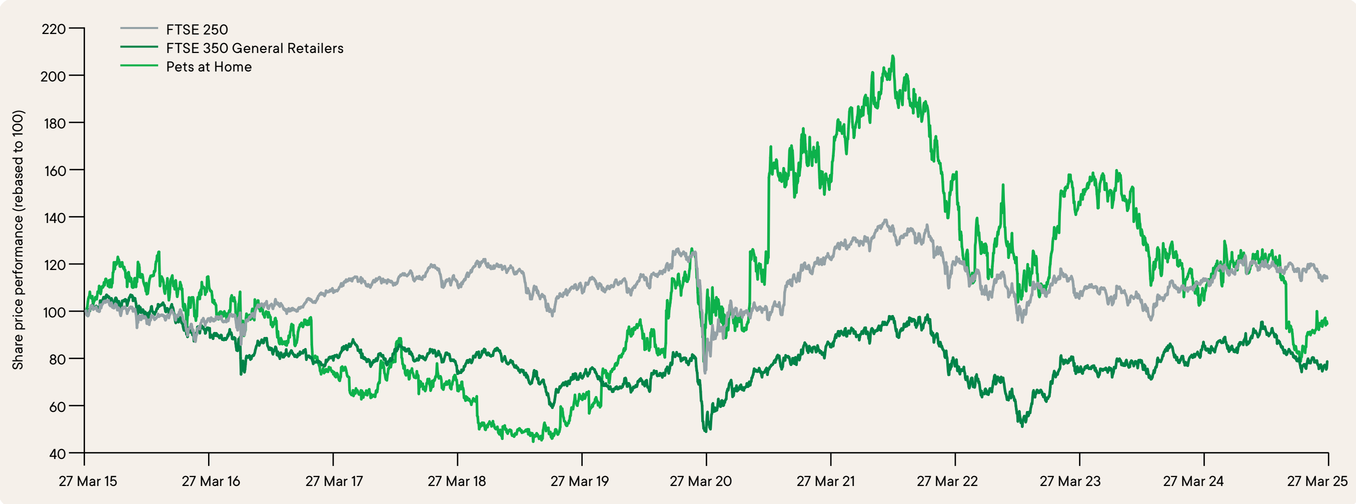
There have been no changes to the shareholdings noted above between 27 March 2025 and 22 May 2025. Shareholding as a % of salary has been calculated using the closing share price at year end (27 March 2025) of £2.35.

This represents the end of the audited section of the report.

Annual report on remuneration continued

h) TSR performance chart

The Company's shares were admitted to the premium listing segment of the Official List maintained by the UK Financial Conduct Authority and to trading on the London Stock Exchange plc's main market for listed securities on 17 March 2014. The chart below shows performance for the past ten years date until the end of FY25. The FTSE 250 and FTSE 350 General Retailers indexes include Pets at Home.



CEO		FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23	FY24	FY25[1]
CEO total single figure remuneration (£)	LM	–	–	–	–	–	–	–	–	1,237,366	652,098	1,048,233
	PP[2]	–	–	–	–	930,298	1,599,710[3]	2,140,916	1,831,435	101,135	–	-
	IK[4]	–	–	662,087	575,953	122,037	–	–	–	–	–	-
	NW[5]	790,461	962,224[6]	129,696	–	–	–	–	–	–	–	-
Annual bonus pay-out (as % of maximum opportunity)	LM	–	–	–	–	–	–	–	–	71.7[7]	–	-
	PP	–	–	–	–	75.8	100.0	100.0	90.4	–	–	-
	IK	–	–	20.4	–[8]	–	–	–	–	–	–	-
	NW	75.0	60.0	–	–	–	–	–	–	–	–	-
Long-term incentive vesting (as % of maximum opportunity)	LM	–	–	–	–	–	–	–	–	–	–	100.0
	PP	–	–	–	–	16.8	100.0	100.0	100.0	–	–	-
	IK	–	–	16.8[9]	–	–	–	–	–	–	–	-
	NW	–	96.0[6]	–	–	–	–	–	–	–	–	-

LM – Lyssa McGowan PP – Peter Pritchard IK – Ian Kellett NW – Nick Wood

1 In FY25, the single figure of remuneration related to the period of 29 March 2024 to 27 March 2025.
2 Peter Pritchard was appointed on 27 April 2018 therefore his single figure remuneration as CEO for 2018/19 reflects this partial year of service in role. His FY20 single figure includes the full value of his total 2017 RSP award which vested on a phased basis in line with the Policy, 50% in July 2020, and 25% in each of years four and five. The true value will vary due to the phased release over the three years and was subject to the share price at the time. Peter's FY21 single figure includes the full value of his total 2018 RSP award which vested on a phased basis, 50% May 2021, 15% May 2022 and 25% May 2023.
3 The FY20 single figure has been adjusted since the FY20 Annual Report was issued to include the 2017 RSP award which vested based on the performance period of FY20 as opposed to the grant awarded in FY20 as previously disclosed.
4 Ian Kellett was appointed on 4 April 2016 and stepped down from his role on 27 April 2018 before leaving the Group effective 31 May 2018.
5 Nick Wood resigned as an Executive Director on 4 April 2016, however, he continued in the business until 1 July 2016. His payment in FY17 relates to the period from 1 April 2016 to 1 July 2016.
6 Under the early leaver provisions of the plan rules, Nick Wood received 19.2% of his total Matching Award under the Co-Investment Plan, as shown in the single figure table. Given that this included time pro rating, with performance against the performance conditions being at 96% of maximum, the latter is shown here with the value of £198,168 of the Matching Awards.
7 Lyssa McGowan's bonus outturn was prorated by length of employment, therefore the bonus outturn of 75.9% was reduced to reflect her time in employment during the FY24 bonus year.
8 Ian Kellett waived his bonus for FY18.
9 Shares were awarded on 17 March 2014 under the Co-Investment Plan. Based on performance in the period March 2014 to March 2017 the performance conditions for these shares were measured in 2017 and the Committee determined that 16.8% of the awards would vest. The vested award became exercisable in equal tranches, subject to continued employment, between May 2017 and March 2019.

Annual report on remuneration continued

i) Percentage change in Executive Directors' remuneration

The table below sets out the increase in total remuneration of Directors and that of all colleagues for FY25.

	FY24-25			FY23-24			FY22-23			FY21-22			FY20-21			FY19-20		
	% Change in base salary	% Change in bonus earned	% Change in benefits	% Change in base salary	% Change in bonus earned	% Change in benefits	% Change in base salary	% Change in bonus earned	% Change in benefits	% Change in base salary	% Change in bonus earned	% Change in benefits	% Change in base salary	% Change in bonus earned	% Change in benefits	% Change in base salary	% Change in bonus earned	% Change in benefits
Lyssa McGowan	0	0	0	5	-100	0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Mike Iddon	0	0	0	3.5	-100	0	3.5	-10.3	-17.2	10.8	44.7	0	2.6	1.2	0	2	20	0
Ian Burke	0	n/a	n/a	3.5	n/a	n/a	0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Zarin Patel	0	n/a	n/a	19.3	n/a	n/a	0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Roger Burnley	0	n/a	n/a	24.4	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Natalie-Jane Macdonald	0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Garret Turley	0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Susan Dawson	0	n/a	n/a	3.7	n/a	n/a	0	n/a	n/a	0	n/a	n/a	0	n/a	n/a	0	n/a	n/a
Angelique Augereau	0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
All Colleagues	**5.10%**	**-100%**	**None**	**8.80%**	**-78%**	**None**	**9.40%**	**17.20%**	**None**	**7.30%**	**-5.70%**	**None**	**4.83%**	**4.70%**	**None**	**2.78%**	**27.38%**	**None**

1 Garret Turley was appointed during FY25 and therefore no annual change is shown.
2 Susan Dawson and Angelique Augereau stepped down from the Board during FY25 and therefore no annual change is shown.
3 All colleague information is presented by comparing the average annual bonus paid in FY24 to the average annual bonus paid in FY25 and includes all colleagues who started throughout FY25.

j) Relative importance of the spend on pay

The following table shows the relationship between Underlying PBT, distributions to shareholders and the total remuneration paid to all colleagues.

	FY25 £m	FY24 £m	FY23 £m	FY22 £m	FY21 £m	FY20 £m	FY19 £m	FY18 £m
Underlying PBT	133.0	132.0	136.4	130.1	87.5	93.5	89.7	84.5
Returned to shareholders:								
Dividend (-1.6%)	59.7	60.7	58.7	48.5	37.1	37.1	37.2	37.3
Share Buyback (-50.1%)	25.1	50.3	50.3	–	–	–	–	–
Payments to colleagues:								
Wages and salaries	288.1	282.9	261.9	235.2	227.6	203.1	187.8	181.0
% Change FY24-25	**1.8%**							

k) Our CEO pay ratio

This is our sixth year reporting our CEO pay ratio in line with the Code requirements. The table below sets out the single figure total remuneration of the CEO compared to the median, lower quartile and upper quartile of the colleague population. Remuneration is calculated on the same basis under Option A of the Companies (Miscellaneous Reporting) Regulations 2018 (the Regulations). The ratio when calculated as required by the regulations can vary substantially from year to year as the CEO total remuneration is more heavily weighted towards variable pay elements. In particular, this year the CEO total remuneration figure reflects the first vesting of an RSP award to the CEO since she joined the business in 2022. For this reason, we continue to include a base pay comparison which we believe will be a more consistent approach year on year.

Annual report on remuneration continued

			Ratio		
		CEO	25th percentile	Median	75th percentile
FY25 (Option A)[1]	Base Pay £ (FTE)	630,315	28:1	23:1	18:1
	Total Single Figure Remuneration £	1,048,233	45:1	37:1	28:1
FY24 (Option A)	Base Pay £ (FTE)	611,844	28:1	24:1	18:1
	Total Single Figure Remuneration £	652,098	29:1	24:1	18:1
FY23 (Option A)	Base Pay £ (FTE)	584,208	27:1	23:1	17:1
	Total Single Figure Remuneration £	1,338,502	59:1	50:1	38:1
FY22 (Option A)	Base Pay £ (FTE)	550,000	28:1	23:1	17:1
	Total Single Figure Remuneration £	1,831,435	88:1	72:1	52:1
FY21 (Option A)	Base Pay £ (FTE)	514,703	26:1	22:1	17:1
	Total Single Figure Remuneration £	2,140,916	106:1	88:1	69:1
FY20 (Option A)	Base Pay £ (FTE)	504,084	30:1	27:1	23:1
	Total Single Figure Remuneration £	1,599,710	90:1	78:1	59:1

Note: Ratios rounded to the nearest whole number.

1 The FY25 Total Single Figure Remuneration (TSFR) value has been calculated using the data required by the Regulations. For the FY25 TSFR, base pay references the CEO's base pay for the full financial period yet she had no share plans which vested in FY25.

2 Colleague figures in the tables above and below are based on colleagues as at 27 March 2025.

The following table provides base salary and total remuneration information in respect of the 25th, 50th and 75th percentile colleagues, on a full-time equivalent basis

Year		CEO	25th	50th	75th
FY25	Base Pay (FTE)	630,315	22,732	27,210	35,251
	Total Single Figure Remuneration £	1,048,233	23,498	28,204	36,967

l) Consideration of wider colleague pay

Our culture and colleague engagement

Pets at Home's unique culture and high levels of colleague engagement continue to be a key differentiator in attracting talent to our Group. Our colleague listening sessions across all of our divisions and the colleague wide benefit survey, ensure that our colleagues can express their opinions. The sessions allow us to gauge colleagues' views on team morale, leadership and what is important to them as individuals to enable them to perform at an optimum and enjoy their working experience at Pets At Home. Further details relating to the Board's activities regarding monitoring culture are included on page 9.

Colleague share ownership

It is pleasing that this pillar of our engagement strategy continues to come to fruition with our fifth RSP award (2021) vesting in May 2024. The RSPs were offered to both salaried and hourly colleagues at all levels which resulted in enhancing shareholdings or creating new shareholders in over 5,000 of our colleagues. The next RSP awards will vest in May 2025 which will further enhance or create new shareholdings for over 5,500 colleagues. We also granted a further £6.1m shares to over 10,000 colleagues via the RSP in June 2024 which will vest in 2027. Our 2021 SAYE scheme matured on 1 December 2024 but was unfortunately under water.

The Executive Management Team and Board will continue to actively encourage engagement with our share plans to ensure they are valued by colleagues and are driving performance in the right way. We granted a further offering of the SAYE scheme in December 2024, with a take up of 10.28%.

Gender Pay Gap report

We published our most recent Gender Pay Gap report in April 2025. We are encouraged by our ongoing progress and the steps made to close the gender pay gap and remove structural barriers, particularly in narrowing our median pay gap (down to 8.7% from 9.5% the previous year) and the significant proportion of women earning promotions in our distribution centre (24%) – a traditionally male dominated area of the business. For further details, the Gender Pay Gap report can be found at: https://www.petsathomeplc.com/sustainability/documents-policies/documents/

The FTSE Women Leaders Review again recognised our high representation of women at executive level and although our ranking lowered this year to 6th in the retail sector, we maintained a strong position.

m) Non-Executive Directors – letters of appointment

Details of the Non-Executive Directors' letters of appointment are contained in the Policy and can be viewed at https://www.petsathomeplc.com/media/4ufhixlm/annual-report-2023.pdf.

Annual report on remuneration continued

Statement of implementation for FY26

This section provides an overview of how the Committee is proposing to implement our Policy in FY26.

Base salary

The date for the pay review for the Executive Directors was aligned to the review date for all colleagues in April this year and the Committee approved an annual pay review of 1.5% for each of the CEO and the CFO, effective from the start of FY26. The wider workforce pay review was 4%.

When reviewing the Executive Directors' base pay, the Committee will continue to benchmark against relative market comparisons to ensure that the package is considered competitive and does not pose a risk to retention and succession planning, whilst at the same time taking into consideration the salary increase to the broader colleague population and external impacts on the business. The Committee may over time approve salary increases that are ahead of the wider colleague population, if this is indicated by a significant gap in market benchmark.

Benefits

The Committee sets benefits in line with the Policy and there are no proposed changes to the benefits policy for FY26 other than anticipated standard inflationary increases on premiums.

Pensions

Executive Directors already receive a Company pension contribution capped at the rate provided to colleagues in Support Office functions.

Currently this is up to 6.5% of base salary and consistent with pension contribution rates paid by other retailers. The Company continues to actively review the employer contribution rate to the tier two pension scheme members which includes our retail hourly paid colleagues.

Annual bonus

The maximum annual bonus opportunity for Executive Directors in respect of FY26 will continue at 170% for the CEO and to 150% for the CFO. A third of bonus will be awarded in shares in line with the Bonus Deferral Policy. The shares will not be released until a two-year holding period is complete. This will continue to remain in place in FY26. We believe this will support in maintaining the alignment of executive and shareholder interests.

For FY26, the bonus will be based on Underlying PBT with targets split equally between the Vet and Retail divisions. Although the Committee consider Normalised Pre Tax Free Cash Flow and sustainability to remain important, the Committee considers it appropriate that for FY26, Executive Directors and other colleagues have a simple set of targets which encourage them to maximise shared resources, work together to drive overall performance and to have a metric that colleagues can contribute to directly. The targets are considered commercially sensitive and will be disclosed in the FY26 Annual Report.

As with previous years, the Committee retains discretion to determine the annual bonus outcome to ensure the formulaic outcome is a fair reflection of underlying performance and the broader stakeholder experience. Any annual bonus paid is also subject to malus and clawback provisions which provides the Committee with the ability to take back amounts previously paid out for a period of up to two years under certain circumstances, including misstatement and misconduct.

Long-term incentive awards

It is proposed that awards under the RSP will be made in FY26 following the preliminary results announcement at 100% of salary for the CEO and 75% of salary for the CFO in line with the Policy and subject to a judgement-based underpin which will allow the Committee to take share price performance into account in addition to business, individual and wider Company performance during the vesting period. The three-year vesting schedule and two-year post-vest holding period will apply to these awards.

SAYE

The Company will consider the continued operation of the SAYE scheme in FY26, as part of the benefit and reward review work being undertaken.

Non-Executive Director remuneration

The fees paid to the Non-Executive Directors will continue to be reviewed in line with the annual pay reviews for all other colleagues in April each financial year and benchmarked against relative market comparisons to see whether there have been any changes in the market and to establish if the fees need a further adjustment. The NED fees were increased by 1.5% with effect from 28 March 2025, to ensure that this fee does not fall behind market benchmarks.

The table below shows the Non-Executive Director fee structure for FY26:

	FY26 £
Chair (all inclusive fee)	224,011
Basic Non-Executive Director Fee	56,028
Senior Independent Director Fee	10,150
Board Committee Chair Fee	11,267
NED responsible for colleague engagement fee	11,267

There are no fees paid for membership of Board Committees.

Remuneration Committee

Shareholder context for the Committee's activities

During the year, the Committee received independent advice on executive remuneration matters from WTW. WTW is a member of the Remuneration Consultants Group (RCG) and, as such, voluntarily operates under the code of conduct in relation to executive remuneration consulting in the UK. The Committee has reviewed the advice provided by WTW during the year and is comfortable that it has been objective and independent. Total fees received by WTW in relation to the remuneration advice provided to the Committee during FY25 amounted to £107,038.70 (FY24: £93,770) based on the required time commitment.

During FY25 the Committee also received support from Travers Smith LLP on the terms of the discretionary and all-colleague share plans.

Annual report on remuneration continued

Committee membership and meetings

The Directors listed below in the table served on the Committee during the year. The Committee met four times during FY25, plus additional ad hoc calls, and the Committee members' attendance is also shown in the table below:

Member	Period from	Period to	Meetings attended
Roger Burnley	29 March 2024	27 March 2025	4/4
Zarin Patel	29 March 2024	27 March 2025	4/4
Angelique Augereau	11 July 2024	20 January 2025	1/1
Natalie-Jane Macdonald	24 January 2025	27 March 2025	2/2
Susan Dawson	29 March 2024	11 July 2024	1/1

The individuals listed in the table below, none of whom were Committee members, attended at least part of a meeting by invitation during the year.

Attendee	Position
Lyssa McGowan	CEO
Mike Iddon	CFO
Lucy Williams	Chief People and Legal Officer
Matthew Corr	Head of Reward
Lesley Lazenby	Company Secretary
Alex Chesworth	Head of Legal Vets & Deputy Company Secretary
Ian Burke	Chair of the Board
Garret Turley	Non-Executive Director
Adam Wyman	Travers Smith LLP
Alex Little	WTW
Paul Townsend	WTW

None of the individuals were involved in making decisions at meetings regarding their own compensation.

Governance

The Board and the Committee consider that, throughout FY25 and up to the date of this report, the Company has complied with the provisions of the UK Corporate Governance Code relating to Directors' remuneration.

Shareholder voting

At the Annual General Meeting on 11 July 2024, the total number of shares in issue with voting rights was 467,420,023. The resolution to approve the DRR received the following votes from shareholders:

To approve the Directors' Remuneration Report for the year ended 28 March 2024 and 2023 Remuneration Policy	2023 Policy Votes	FY24 DRR Votes
Votes for[1]	327,218,238	331,100,225
%[2]	90.17%	94.69%
Votes against	35,658,683	18,561,019
%	9.83%	5.31%
Votes total	362,876,921	349,661,244
% of issued share capital[3]	75.18%	74.81%
Votes withheld[4]	23,804	69,971

1 Votes 'for' include discretionary votes.
2 Percentages above are rounded to two decimal places.
3 Issued share capital at meeting date: 467,420,023.
4 A vote withheld is not a vote in law and is not counted in the calculation of the proportion of votes 'for' and 'against' a resolution.

Annual General Meeting

As set out in my statement on pages 61 to 62, our Directors' Remuneration Report will be subject to an advisory vote at our AGM to be held on 10 July 2025.

Approved by the Board and signed on behalf of the Board.

Roger Burnley
Chair of the Remuneration Committee
28 May 2025

Directors' Report

The Directors are pleased to share the following Directors' Report for FY25. As permitted by section 414C(11) of the Companies Act 2006 (Companies Act), a number of sections of the Directors' Report have been presented elsewhere in the Annual Report and Accounts, where the context provides a clearer view on the disclosure provided. Any such information has not been replicated in this Directors' Report and appropriate cross references have been provided below.

Information located in the Strategic Report:

- Principal activities – pages 4 to 6
- Matters of strategic significance and future developments – pages 2 to 5 and 7 to 8
- Profits, dividends and shareholder returns – pages 16 to 18
- Stakeholder engagement – pages 9 to 12

Information located in the Governance Section:

- Directors during FY25 and up 28 May 2025 – page 32 to 33 and 34
- Board and Group diversity policies – page 37 to 38 and 41
- Colleague information relating: to colleague numbers, diversity statistics, listening and engagement, share plans and remuneration, disability information – page 9, 14 to 15, 24, 34, 37 to 38, and 61 to 70
- Corporate Governance Code statement – page 34
- Internal controls and risk management arrangements – pages 19 to 20, 36 and 44 to 45
- Information relating to greenhouse gas emissions – pages 57 to 58
- AGM information – page 41
- Key policies: Anti-Bribery, Modern Slavery, Whistleblowing – page 36
- Conflicts of interest and related party transactions – page 34

Information located in the Financial Statements:

- Financial instruments information – Note 9
- Dividend waivers – Note 9
- Share capital – Note 22
- Acquisition of own shares – Note 22

Additional Information

Branches outside the UK

The Company has no branches outside the UK.

Political donations

The Group made no political donations and incurred no political expenditure during the year (FY24: nil). It remains the Company's policy not to make political donations or to incur political expenditure, however the application of the relevant provisions of the Companies Act is potentially very broad in nature and, as with last year, the Board is seeking shareholder authority to ensure that the Group does not inadvertently breach these provisions as a result of the breadth of its business activities. The Board has no intention of using this authority.

Shareholder information

Information provided to the Company pursuant to the Disclosure Guidance and Transparency Rules is published on a Regulatory Information Service and on the Company's website. As at 27 March 2025, the following information had been received, in accordance with DTR5.1.2R, from holders of notifiable interests in the Company's issued share capital. These figures represent the number of shares and percentages held as at the date of notification to the Company. It should be noted that these holdings may have changed since notified to the Company however, notification of any change is not required until the next applicable threshold is crossed.

Name of Shareholder	Number of Ordinary Shares as at 27 March 2025	Percentage of issued share capital (%)	Nature of holding (Direct/ Indirect)
Neuberger Berman LLC	34,796,468	7.6	Indirect
Schroder Investment Management Ltd (SIM)	34,676,633	7.5	Indirect
Fidelity Management & Research Company LLC	33,831,488	7.4	Indirect
Marathon-London	20,857,742	4.5	Indirect
The Vanguard Group Inc	17,836366	3.9	Indirect
Allianz Global Investors GmbH	16,597,445	3.6	Indirect
Dimensional Fund Advisors LP	14,517,799	3.2	Indirect

Significant agreements with change of control provisions

The only significant agreements to which the Company is a party that take effect, alter or terminate upon a change of control of the Company following a takeover bid, and the effect thereof, are as follows:

- The Group has a revolving credit facility with a total facility amount of £300m. This senior facilities agreement expires on 30 September 2028 and contains customary prepayment, cancellation and default provisions including, if required by a lender, mandatory prepayment of all utilisations provided by that lender upon the sale of all or substantially all of the business and assets of the Group or a change of control. In addition the Group has a £23.3m loan facility to fund the purchase of capital items which expires on 27 March 2030 and mirrors the terms of the senior facilities agreement.
- The Company's subsidiary, Companion Care (Services) Ltd (CCSL), has an existing £26m facility agreement with Santander for a reducing basis (non-revolving) loan facility with a three-year availability period. CCSL also has an agreement with Lloyds and, along with Vets4Pets Limited (V4P), a further facility with HSBC. Both the HSBC and Lloyds facilities are capable of being reborrowed and contain clauses that vary the maximum facility limits over their availability periods. Both facility agreements were extended to June 2025. As at 27 March 2025, the maximum facility limit on the HSBC and Lloyds facility agreements were £10m and £18.5m respectively. CCSL is currently in discussions with HSBC and Lloyds regarding new facility agreements.
- Alongside the above facilities, certain joint venture practices have existing loans in place with NatWest (RBS) and Lloyds under historic agreements. These agreements are no longer active, however the loans drawn down under them are still being repaid over time.
- Pursuant to certain of the vet business facility agreements, CCSL and V4P provide guarantees in respect of a certain fixed proportion of the outstanding facility loans provided to the joint venture practices which borrow under the facility. The facility agreements contain customary prepayment, cancellation and default provisions which include the event of a change of control (direct or indirect) of CCSL or V4P.

Directors' Report continued

Director insurance and indemnities

The Company maintains Directors' and officers' liability insurance cover for its Directors and officers (and those of other Group companies) as permitted under the Articles and the Companies Act. Such insurance policies were renewed during the period and remain in force as at the date of this Annual Report. Each Director and officer of the Company also has the benefit of a qualifying indemnity, as defined by section 236 of the Companies Act, and as permitted by the Articles and such indemnities were in force during the financial year. An indemnity deed is entered into by a Director at the time of his or her appointment to the Board. No amount was paid under any of these indemnities or insurances during the financial year other than the applicable insurance premiums.

Directors' information to auditors

In accordance with section 418 of the Companies Act, each Director who held office at the date of the approval of this Directors' Report (whose names and functions are listed in the Board of Directors on pages 32 to 33) confirms that, so far as he or she is aware, there is no relevant audit information of which the Group's auditor is unaware, and that each Director has taken all of the steps that he or she ought to have taken as a Director in order to make himself or herself aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

Research and development

Over the past year the Veterinary Services team have continued their work within the regulatory, legislative and research spaces. The partnership with Royal Veterinary College (RVC) Vet Compass team on their project 'Improved stewardship to protect veterinary antimicrobial usage in UK cats and dogs' continues and results are expected to be published in FY26. These results will form the final elements of the Vets for Pets Antimicrobial Stewardship Guidance. The business also continued to share anonymised clinical data with Vet Compass to support their research. Membership of RUMA CA&E (Responsible Use of Medicines in Companion Animal & Equine Alliance) continued, to actively participate in efforts to promote the responsible use of antibiotics. With continued focus on advocacy, engagement continued relating to improving animal welfare and supporting the development of veterinary and pet care professionals. The business provided support on providing background research information on the 'Puppy Smuggling' Bill, submitted by MP Danny Chambers. In late 2024, Vets for Pets organised a discussion Roundtable, chaired by Lord Trees, with representatives from RCVS, BVA, BVNA, and EFRA to address the modernisation of the 1966 Veterinary Surgeons Act. The Veterinary Leadership team continue to hold a number of meetings with MPs to discuss the Veterinary Surgeons Act. Within the advocacy approach, of particular focus is the work of Registered Veterinary Nurses (RVN) and the RVN and Skills Programme will be launched in FY26.

In addition, the relationship with and support of Meatly continued, as noted on pages 15 and 53.

Director changes, powers of directors and the articles of association

The appointment and replacement of directors is governed by the Company's Articles of Association ('Articles'), the Code and the Companies Act 2006. Subject to the Articles, the Companies Act and any directions given by special resolution of the shareholders from time to time, the directors may exercise all the powers of the Company. In accordance with the Companies Act 2006, the Articles may be amended by a special resolution of the shareholders. No changes to the Articles were made during FY25.

Disclosures required under the UK Listing Rules

In accordance with Listing Rule 6.6.1R(1), the information required to be disclosed in the Annual Report under Listing Rules 6.6.1R and 6.6.6R is disclosed on the following pages of this Annual Report:

Disclosure	Page number
Long term incentive schemes	61 to 65 and 68 to 69
Significant contracts	71
Dividend waivers	Note 9
Statement of capitalised interest	n/a
Climate related financial disclosures consistent with TCFD	49 to 60

Post balance sheet events

There are no post balance sheet events that are non-adjusting requiring disclosure.

Approved by the Board and signed on behalf of the Board.

L. Lazenby

Lesley Lazenby
Legal Director & Company Secretary
28 May 2025

Statement of Directors' Responsibilities in Respect of the Annual Report and the Financial Statements

The Directors are responsible for preparing the Annual Report and the Group and Parent Company financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare the Group and parent Company financial statements in each financial year. Under that law they are required to prepare the Group financial statements in accordance with UK-adopted international accounting standards ('UK-adopted IFRS') and applicable law and have elected to prepare the Parent Company financial statements under FRS 101 Reduced Disclosure Framework ('FRS 101') and applicable law.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Group and Parent Company and of the Group's profit or loss in the period. In preparing each of the Group and Parent Company financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable, relevant and reliable;
- State whether they have been prepared in accordance with UK adopted international accounting standards;
- Assess the Group and Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- Use the going concern basis of accounting unless they either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the Parent Company and enable them to ensure that its financial statements comply with the Companies Act 2006.

They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report, Directors' Report, Directors' Remuneration Report and Corporate Governance Statement that complies with that law and those regulations.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In accordance with Disclosure Guidance and Transparency Rule (DTR) 4.1.16R and 4.1.14R, the financial statements will form part of the annual financial report prepared under DTR 4.1.17R and 4.1.18R using the single electronic reporting format under the TD ESEF Regulation. The auditor's report on these financial statements provides no assurance over the ESEF format or whether the Annual Report has been prepared in accordance with those requirements.

Responsibility statement of the Directors in respect of the Annual Financial Report

We confirm that to the best of our knowledge:

- The financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and
- The Strategic Report includes a fair review of the development and performance of the business and the position of the issuer and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

We consider the Annual Report and Accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy.

Approved by the Board and signed on its behalf by:

Lyssa McGowan
Chief Executive Officer
28 May 2025