



Gender Pay Gap

April 2021 Report



Foreword

CVS proudly strives to be the veterinary company that people most want to work for. We are committed to making CVS a great place to work and providing equal opportunities for all. We recognise the importance of having a diverse workforce and want to increase the level of diversity in our sector.

The gender pay gap legislation requires UK employers with 250 employees or more to publish a gender pay gap report on the snapshot date of 5 April 2021.

The CVS (UK) Ltd gender pay gap reflects the average pay for men and women across our UK business. It is not a comparison of pay rates for men and women doing work of equal value, and is influenced by the mix of men and women in the various roles across our organisation.

In line with the sector, our UK workforce is made up of a high proportion of female veterinary nurses, patient care assistants and receptionists, which is reflected by 85% of our overall UK workforce being female.

The overall UK-wide median gender pay median gap for April 2021 was estimated to be 15.4%, an increase from 14.9% in 2020 but a decrease from 17.4% in 2019.

The CVS (UK) Ltd median gender pay gap on the snapshot date of 5 April 2021 was 42.85%. The previous reporting period for April 2020 was impacted by COVID-19, with CVS reporting a median gender pay gap including furloughed staff of 44.78% in 2020 (29.44% excluding furloughed staff), compared to 45.26% in 2018.

We have taken this reporting opportunity to provide further information on our key areas of focus to drive future progress, including further improvements in salary banding, recruitment practices and training and development as well as our ongoing commitment to equity, diversity and inclusion.

I look forward to reporting on further progress in a year's time.

Richard Fairman
Chief Executive Officer, CVS (UK) Ltd

Reporting requirements

CVS (UK) Ltd will report and publish results using the following six calculations

- 1 Mean gender pay gap in hourly rate
- 2 Median gender pay gap in hourly rate
- 3 Proportion of male and female employees in each quartile
- 4 Mean bonus gender pay gap
- 5 Median bonus gender pay gap
- 6 Proportion of male and female employees in each quartile

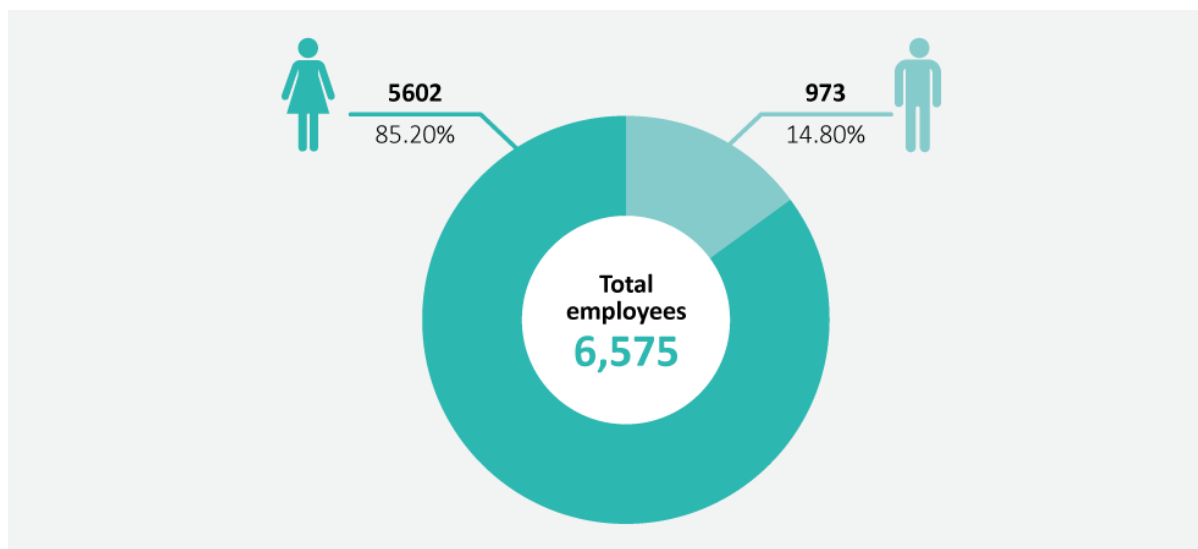


Understanding our gender pay gap

Employees included in the gender pay gap

This report includes UK based employees and excludes those that were in receipt of statutory maternity/adoption pay or statutory sick pay at the snapshot date of 5 April 2021.

Employees outside of the UK in the Republic of Ireland and the Netherlands are not included in this report.



CVS demographics

The gender split in CVS is shown above. In the veterinary profession in general, the number of female employees outweighs the number of male employees by 6:1.

We have considerably more women working in our key roles such as veterinary surgeons, nurses, patient care assistants and receptionists. Male staff represent a considerably smaller proportion of our overall workforce, with most of them working as vets or in specialist clinical roles as well as IT, property and facilities, warehousing and logistics and managerial roles. This is changing and it has been encouraging to see an increasing number of women appointed or promoted into senior clinical, managerial and executive roles.

Throughout this report we refer to mean and median

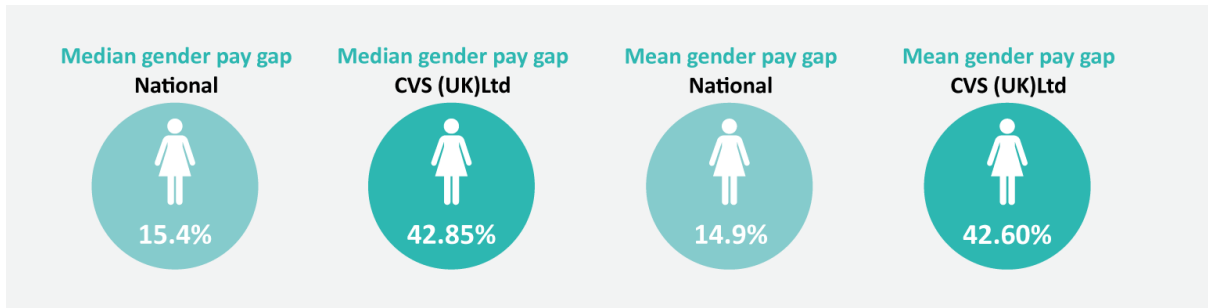
The mean, commonly known as the average, is calculated when you add up the basic pay of all employees and divide the figure by the number of employees. The mean gender pay gap is the difference between mean male basic pay and mean female basic pay.

The median is the figure that falls in the middle of the ranges when all employees' basic pay is arranged from the smallest to the largest. The median gender pay gap is the difference between the employee in the middle of the range of males' basic and middle of the range of females' basic pay.

Salary

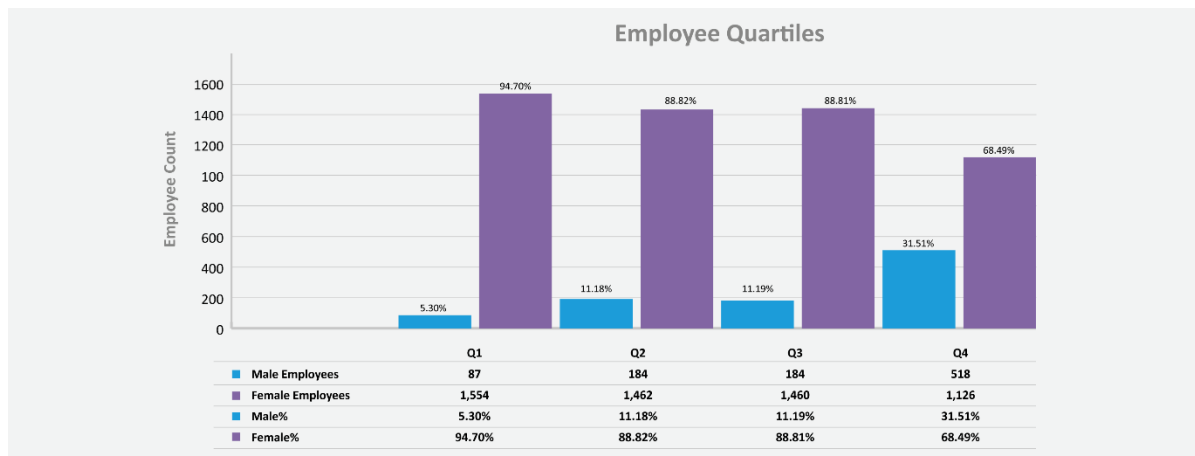
Salary: CVS gender pay gap

Gender pay calculations are based on basic pay excluding anyone receiving statutory maternity pay or statutory sick pay. The calculations exclude any overtime payments, including part-time staff working extra hours, which are mainly paid to front-line staff where there are more women than men.



Salary Quartiles: CVS (UK Ltd)

The chart below shows the full pay of the relevant employees, by quartile, from lowest to highest paid and the percentages of males and females in each quartile.



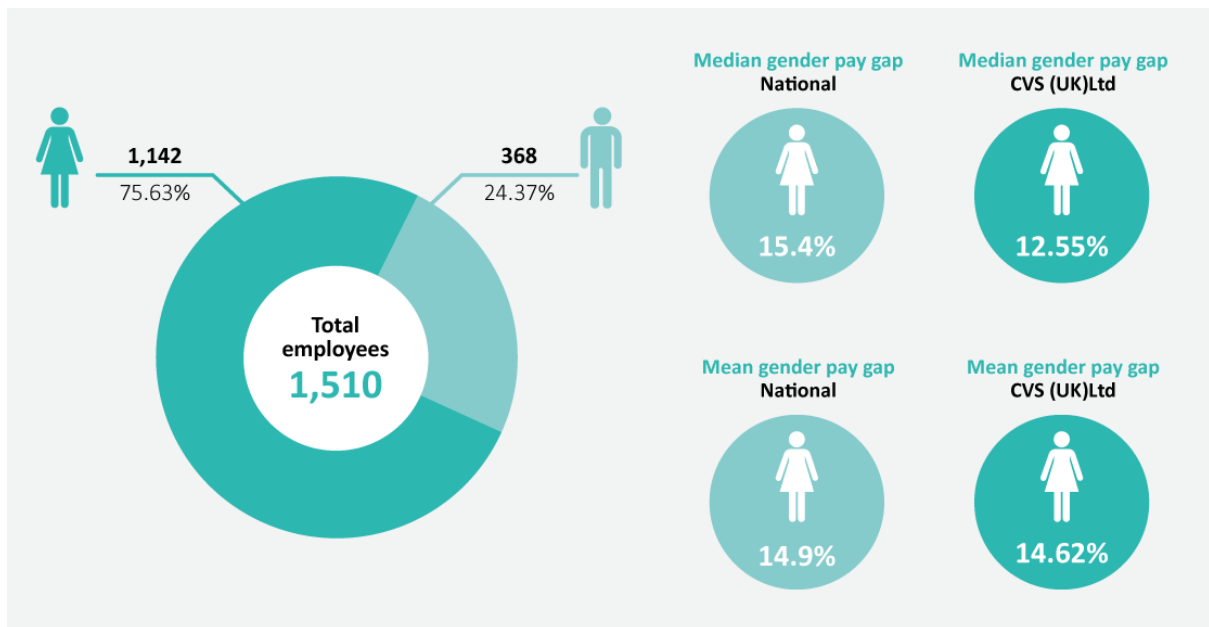
This demonstrates the high number of women compared to men in every quartile. Men remain under-represented in many roles in the first three quartiles industry wide and as such recruitment of men continues to be more challenging than for women.

On a more positive note, the recruitment of women has been helped by a continued increase in part-time contracts. Flexible working is an essential part of our recruitment and retention strategy, especially to encourage women back to work after maternity leave.

Veterinary Surgeons and Nurses

As part of our overall action plan we have continued to focus on ways to eliminate any gender imbalance in pay within key roles such as veterinary surgeons and veterinary nurses as these are two of the largest and most critical job categories within CVS.

Veterinary Surgeons

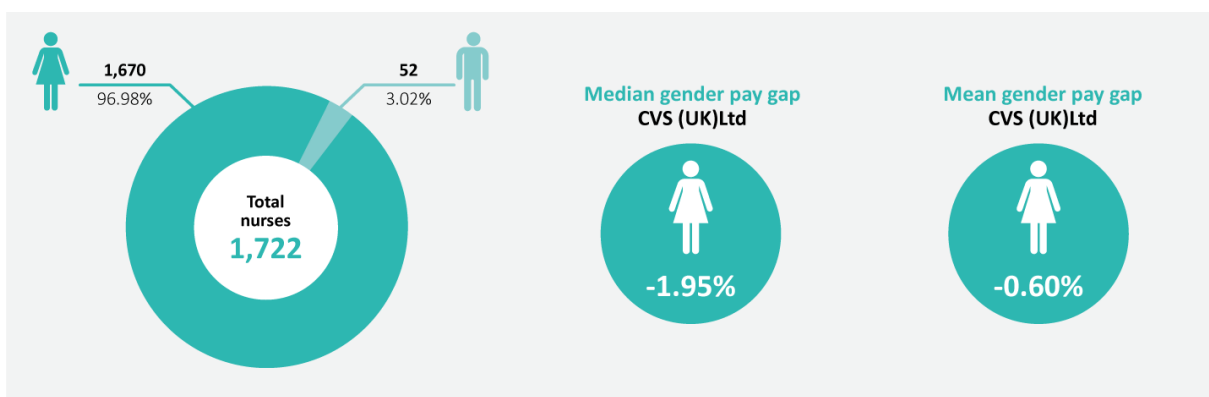


The data above is calculated based on the data for relevant employees in April 2021.

For veterinary surgeons the data demonstrates that the gender pay gap is considerably better than the overall company average and also the national UK-wide gender pay gap.

The information above does not include specialist veterinary surgeons as this is a separate category. We are keen to attract more women into these specialist roles and this remains a priority.

Nurses



A negative gender pay is apparent in this category and whilst there is a common salary banding scheme in place, the data is skewed by the very small number of male veterinary nurses.

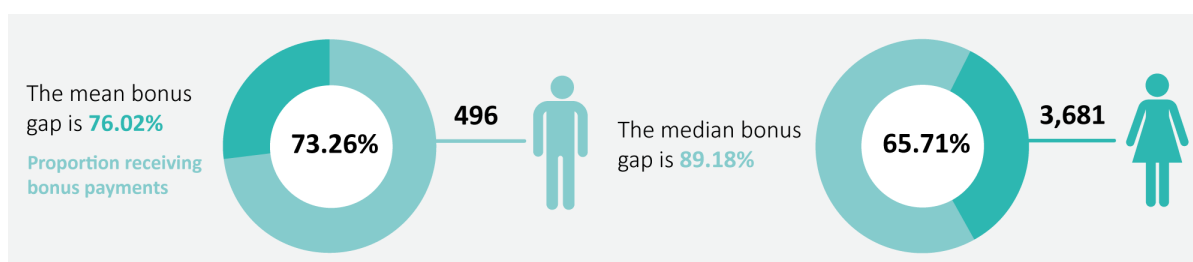
Bonus Pay

Bonus payments are inclusive of rewards related to profit sharing, incentives, productivity, performance and commission.

Over the last year, across all the various types of bonus schemes, more women received bonuses which reflects the demographic mix of employees working in front-line roles. The mean average value of individual bonuses received was higher for men than women and although smaller in number, men receiving bonuses were often in senior managerial roles.

Included in the annual bonus pay calculation are bonuses paid to senior executives including long term incentive plans and whilst this was a small number, more men than women were eligible to receive them.

Annual bonus pay gender gap May 2020 – April 2021



The annual bonus calculations include a large number of payments made as part of schemes which cover a number of employees at each veterinary practice. These payments are relatively small and spread across a range of employees, the majority of which are female.

Bonus payments are available within the practice division and in some other operational areas but they are generally not used, for example, in support and administrative areas.

Interpreting the data

The CVS (UK) Ltd median gender pay gap for the year ending April 2021 was 42.85% in favour of males compared to the national average of 15.4%.

As explained throughout this report, the gender pay gap is influenced significantly by the demographic mix of employees across the company.

The company uses a variety of different bonus schemes especially in areas which deliver client service. Mid-to-senior management are often incentivised based on business results and operational performance.

The company recognises that the gender pay gap is a measure that must receive constant focus and attention and improvement in the gender pay gap is a long term commitment.

The company continues to focus on ensuring that there are fair and consistent policies and practices relating to equal pay for work of equal value in each job category

What have we done leading up to March 2022?

In this report we have published our gender pay gap data as it was in April 2021. The initiatives that have been implemented since then therefore will not be reflected in the data in this report but we hope will improve our gender pay gap data in future reports.

Our priority has been to reduce the gender pay gap specifically relating to vets and nurses and this will continue in the years ahead.

Engaged with employees by creating EDI groups from across CVS

We have recently refreshed our approach to Equity, Diversity and Inclusion (EDI). For the first time, we are closely involving colleagues from across the company in our work to improve EDI. Our colleague EDI Groups are feeding directly into our EDI Committee, which is sponsored by our Chief Operating Officer. One group has gender as their focus and will lead on new strategies to address our gender pay gap.

Provided improved guidance and support for our managers

We have continued to apply and embed our salary bands, with our published pay ranges creating a transparent approach to pay and reward. This enables our managers and our employees to understand where salaries are within the range and encourage a more consistent approach to base pay.

We have continued to apply greater scrutiny to the annual pay review especially in terms of performance and pay differentials between men and women. We have encouraged regular check-ins for managers and their team members which include a regular review of performance linked to our competency frameworks which were introduced in 2021. Calibration across teams has taken place for management roles to ensure a consistent approach to measuring and rewarding performance.

Re-designed our largest bonus scheme to recognise more than just financial performance

We have made a significant change to our bonus scheme for our small animal practices. Company and practice performance will determine the bonus pot available and managers will have discretion to make awards based on individual performance and the demonstration of CVS values. The move away from productivity bonuses means that employees can be recognised for their wider contribution, which in turn supports their personal development and provides opportunities to share knowledge to help progress careers.

From July 2021 our small animal bonus scheme includes a target to encourage the number of nurse consultations at our practices, which is supported by consultation training being provided to our nurses. This target will help to develop the nurse role and provide development opportunities for employees in these roles.

Continued to promote and encourage flexible working

We have continued to promote and encourage flexible working and to improve the opportunities for women returning from maternity leave. The flexible working approaches we implemented during the covid pandemic have remained in place, we have integrated these with hybrid working patterns for



our support teams that enable our employees to benefit from face to face team working along with the flexibility of working from home. In February 2022, 40% of our employees were working reduced working patterns of less than 35 hours per week.

Female representation at a senior level

Female representation on our senior leadership group as at 21st March 2022 was 45%. We continue to ensure our candidate pools for all senior roles are as representative as possible including the practice that for all senior appointments there is female representation on the recruitment panel.

Created opportunities for career development through learning, education and development

We have continued our commitment to invest and support career development through our learning, education and development programmes. Between April 2020 and February 2022 we enrolled over 140 staff into career development apprenticeships, supporting their full tuition fees whilst in salaried employment. This includes sector specific veterinary nursing courses, which provide a first step in a career to become a registered veterinary nurse. The career progression into veterinary nursing is typically from a patient care assistant role.

We have also supported veterinary surgeons through career development apprenticeships in the Advanced Clinical Practitioner Programme (ACPP). The ACPP is a degree apprenticeship specifically targeted as a career pathway for our future leaders in general practice. As our flagship future leaders programme it has attracted employees and accessibility to this programme is reflected in 70% of delegates being female.

CVS has supported career development apprenticeship programmes for its staff, spending over £2,300,000 in tuition fees and committing a further £3,500,000 for the completion of their apprenticeship programmes. These apprenticeship schemes have had significant uptake for career development, with over 80% committed for female staff. The apprenticeship levy is in addition to the CPD development fund available to all veterinary surgeons and veterinary nurses.

As planned, we have released a range of coaching and mentoring courses which are delivered entirely online and at the learner's own progression pace to ensure maximum accessibility, including for part time and out of hours working. This flexible approach is more likely to suit many of our female employees to access learning whilst maintaining work life balance. These include a bespoke Level 3 and a Chartered Management Institute (CMI) level 5 programme, along with a dedicated level 3 coaching and mentoring programme for our HRBPs to support and develop staff in practice.

Similarly, our leadership and management courses are online and designed to be progressed at the learners' pace. Several of these are tailored for the equine and farm practitioners specifically to ensure diversity for all our learners, and include the Training Qualifications UK endorsed level 3 and level 5, through to our master's degree level leadership and management programme through CMI.

We continue to deliver our webinar series in both clinical and professional development and these are available for our staff to listen to in bite-sized sections to maximise availability to our flexible or part-time working staff.



What are we planning to do next?

We recognise there is ongoing work to further improve fair and transparent reward policies, recruitment practices and employee training & development.

Sharpening our focus on EDI

The work of our new gender colleague EDI Group will include:

- initiatives to support and develop opportunities for colleagues from underrepresented groups, including women.
- strategies for encouraging the appointment of more women into senior roles
- strategies for encouraging more balanced representation of gender across our roles
- initiatives to remove barriers faced by women in the workplace
- raising awareness of the impact of micro discrimination and unconscious bias

As part of the work of our wider EDI committee, we will review our policies in relation to equal opportunities and bullying and harassment in the workplace to make sure that we are fostering an environment in which all employees can thrive.

Embedding gender pay gap considerations in everything we do

We will continue to increase awareness of the gender pay gap especially amongst our leaders when they make recruitment, promotion and salary review decisions.

We will review how we can introduce more rigour to recruitment and promotion decisions. This will include more involvement from our HR Business Partner team and a review of policies and training material for managers.

We will continue to apply greater scrutiny to the annual pay review especially in terms of performance and pay differentials between men and women; we will encourage decisions that reflect individual performance, skills and experience, applied within the salary ranges to ensure a fair and unbiased approach to pay. Our HRBPs will take a lead role in supporting our managers with their planning and decision making to ensure fair allocation of their pay budgets. Calibration of individual performance will be extended to all roles to ensure a consistent approach to measuring and rewarding performance.

Work will continue on our reward and benefits policies and the extension of published salary bandings, alongside consistent bonus and incentive schemes that remove any gender bias.

We are committed to offering flexible working opportunities for all employees and see this as a particularly effective way of attracting more people to join CVS, particularly vets and nurses, and retaining all staff that want a greater work-life balance. We will review the flexible working policy to ensure it is accessible and effective and to support employees returning to work after any form of parental leave or career break.

Role-specific work to improve our overall gender pay gap

We have a number of role categories where we currently have an extremely high percentage of women in role, including: registered veterinary nurses (98%), student veterinary nurses (97%),



patient care assistances (94%) and receptionists (98%). To support the closing of our gender pay gap, we are working hard to ensure colleagues in these roles have access to development opportunities that will enable them to achieve higher salaries through promotion.

We will enhance our pay approach for receptionist and nurses to provide more structured progression within our salary bands for these roles to reflect an individual's growth in experience and responsibilities.

Providing opportunities for development

We are committed to increasing the number of females in senior roles and will continue our focus on career pathways to provide greater opportunity, flexibility and variety of career choices.

We also remain committed to further enhance and support the growth and development of women in all career pathways within CVS, and to create targeted development plans to help structure multi-year progression.

Role specific development

Career support plans will be available for our receptionists, with dedicated and accredited courses being created to support their development, starting with the TQUK level 2 for client care. These courses will be online and tailored to species-specific roles for both small animal and equine receptionists. The client care course will form part of the longer-term career pathway which will develop into an accredited level 4 course to promote a structured progression.

We will continue to develop and release a range of training and development programmes for staff in the patient care assistant role that will advance their ongoing contributions to clinical practice, further securing this important career. These will form the basis of our longer-term plans for career pathway development for patient care assistants including their progression into veterinary nursing.

We will continue to support the development of our registered veterinary nurses, particularly through the certificate and advanced diploma in veterinary nursing. We will continue to incentivise practices to grow the nurse role through the small animal bonus scheme with each practice given a target to achieve of 90% nurse consultations.

We will diversify and increase our provision of in-house training programmes for veterinary surgeons to focus on their desired areas of clinical or professional development. This will include an increased provision for the advance clinical practitioner programme and other future leaders' schemes.

We will set ourselves an ambitious plan to commit to enrol a further 150 new learners per year, from existing staff, into apprenticeships across the business. These will all be focused on career development and progression, supporting employees' career aspirations.

