



Gender Pay Gap

April 2022 Report



Foreword

CVS strives to be the veterinary company that people most want to work for regardless of who they are, how they identify, or their background. We are committed to making CVS a great place to work and have a career and we provide equal opportunities for all.

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 2022.

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 and 86% of our overall UK workforce is female. The CVS (UK) Ltd median gender pay gap on the snapshot date of 5 April 2022 was 43.81%, a slight increase from 42.85% in 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 median gender pay gap for this role was 9.87% on the snapshot date 5 April 2022. The overall UK-wide median gender pay gap for April 2022 was estimated to be 14.9%.

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.

We are making a conscious effort to ensure we have an inclusive culture that welcomes everybody and we believe this approach will ensure we continue to make progress.

Richard Fairman
Chief Executive Officer, CVS (UK) Ltd

Reporting requirements

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

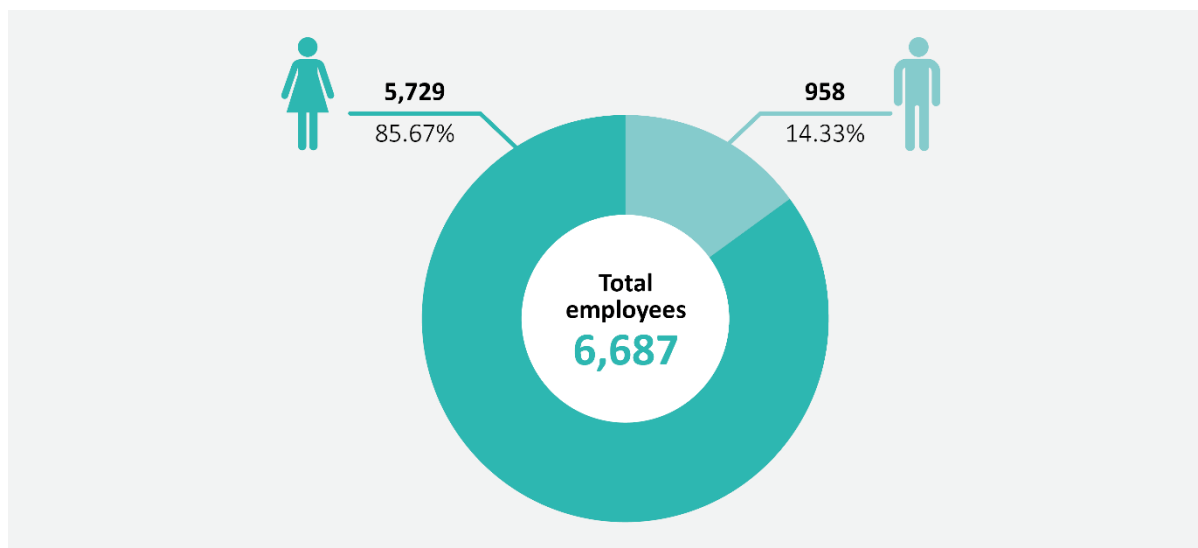
- 1 Mean gender pay gap in hourly rate
- 2 Median gender pay gap in hourly rate
- 3 Proportion of male and female employees in each quartile
- 4 Mean bonus gender pay gap
- 5 Median bonus gender pay gap
- 6 Proportion of male and female employees in each quartile

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 2022.

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

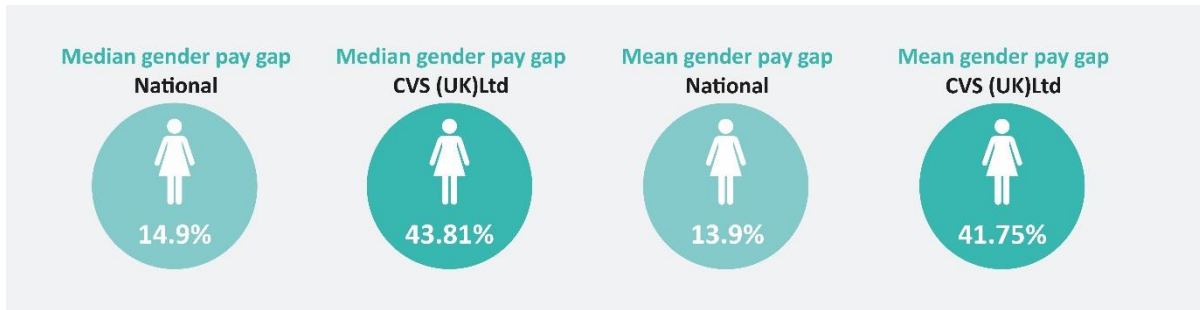
The mean, commonly known as the average, is calculated when you add up the basic pay of all employees and divide the figure by the number of employees. The mean gender pay gap is the difference between mean male basic pay and mean female basic pay.

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

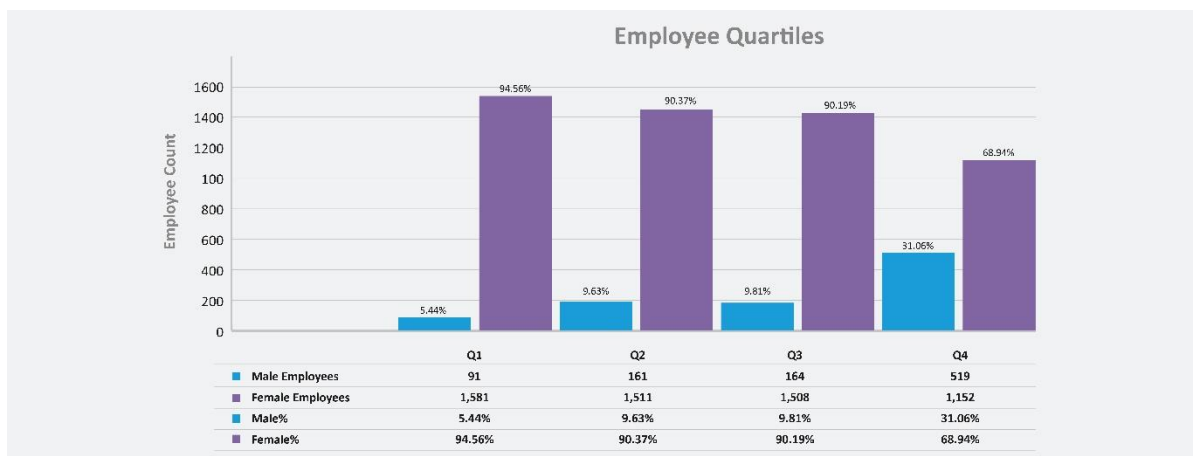
Salary: CVS gender pay gap

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.



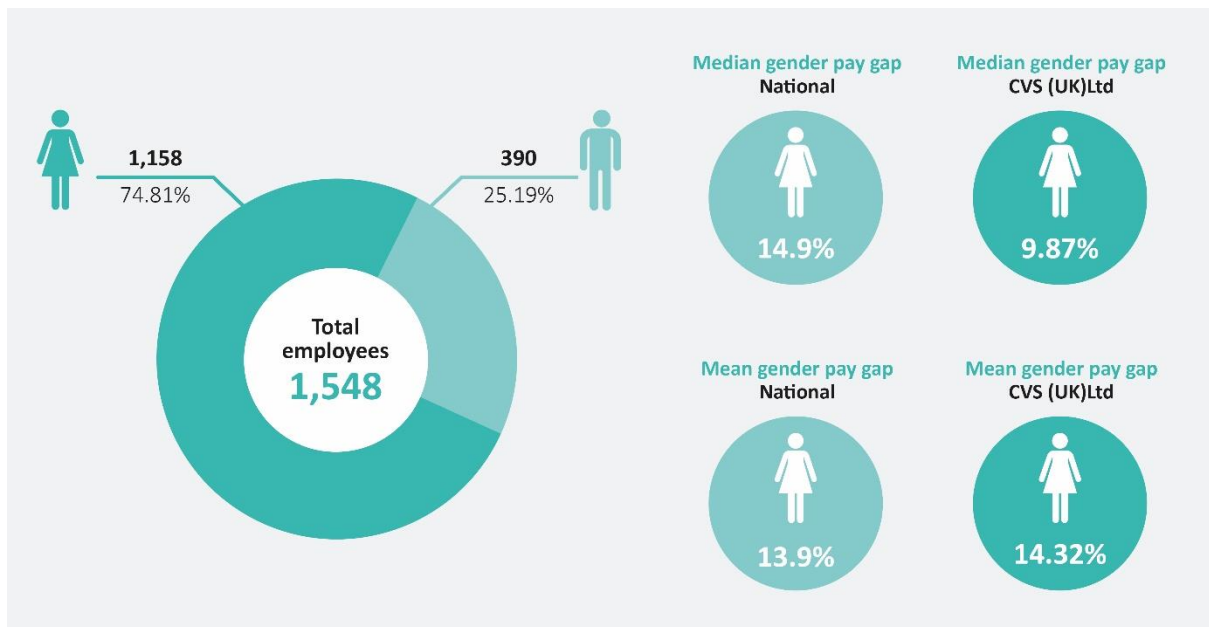
This demonstrates the high number of women compared to men in every quartile. Men remain under-represented in many roles in the first three quartiles industry wide and as such recruitment of men continues to be more challenging than for women. Our EDI committee continue to review how we recruit into these roles for example by minimising gendered language in our job adverts.

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

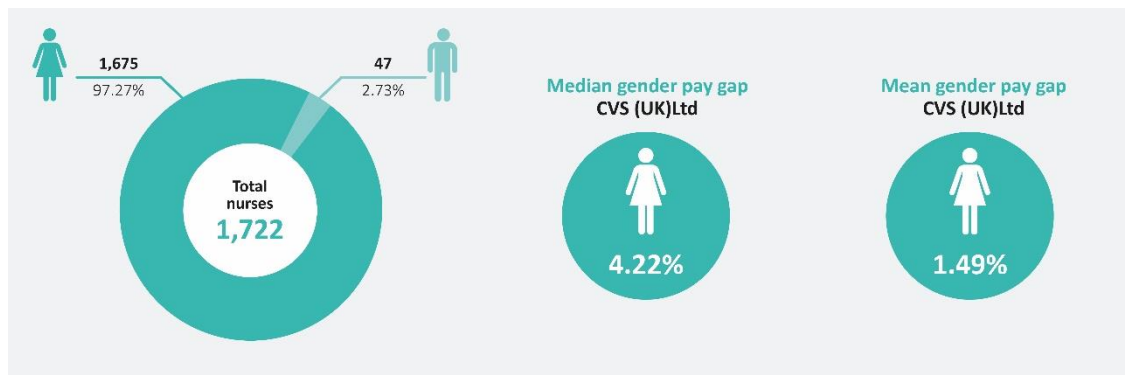


The data above is calculated based on the data for relevant employees in April 2022.

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



CVS has a very high proportion of females in the nurse role, there is a significantly lower gender pay gap in this role than for the wider organisation. The data for male employees is skewed by the very small number of male veterinary nurses.

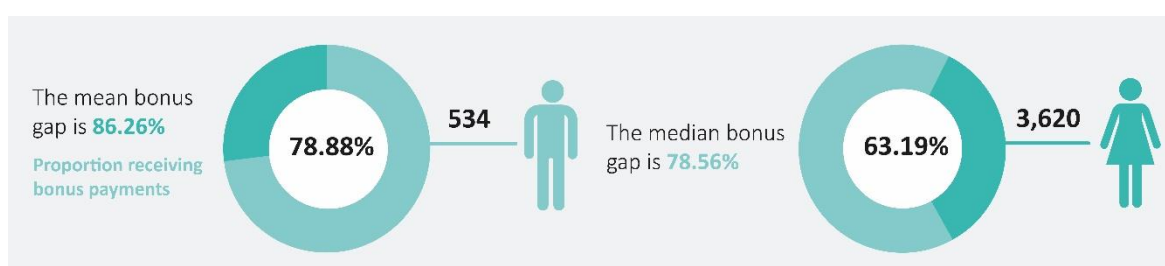
Bonus Pay

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 2021 – April 2022



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

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 2023?

In accordance with the reporting requirement, in this report we have published our gender pay gap data as it was in April 2022. The initiatives that have been implemented since then, which we describe below, will therefore not be reflected in the data in this report but we believe will improve our gender pay gap data in future reports.

Comprehensive strategy for equity, diversity and inclusion

We recognise that ensuring equity across our workforce is a fundamental element to closing the gender pay gap.

In 2022, we established a clearly-stated equity, diversity and inclusion (EDI) strategy. During the first year of this ten year strategy, we have primarily focussed on ensuring foundational understanding of EDI across our workforce. During the year we also introduced a regular survey question to measure whether our colleagues feel equally included at work, in December 2023 84.78% of colleagues said they do.

Last year, we introduced our colleague EDI Groups who feed directly into our EDI Committee, which is sponsored by our Chief Operating Officer. In the first year since the establishment of our Colleague Gender EDI Group, they have contributed significantly to our actions around gender equity.

Delivering on our commitments made last year

In our report last year, we set out our intentions for the year ahead. Here is a reminder of what we said we'd do, and information about what we have done.

We said that we would focus on initiatives to support women, and to remove barriers faced by women in the workplace. We have:

- ✓ introduced new policies on paid fertility leave, and paid compassionate leave in the event of pregnancy loss.
- ✓ introduced menopause support resources including webinar and peer support forum.
- ✓ provided menstrual products in all our sites free for our colleagues.
- ✓ developed a partnership with The Links Group to educate our colleagues regarding domestic abuse.

We said we would review our policies in relation to equal opportunities and bullying and harassment, and raise awareness of the impact of micro discrimination and unconscious bias. We have:

- ✓ introduced new policies covering EDI, bullying, harassment and incivility, to make sure we're setting clear expectations for all colleagues to create environments in which everyone can thrive.
- ✓ launched an original EDI training course for all CVS colleagues. The course is bespoke to the veterinary sector, believed to be the first of its kind, and features bite size, interactive, practically-applicable learning and exercises covering topics including micro-aggressions and bias.

We said that we would encourage the appointment of more women into senior roles and would continue our focus on career pathways to provide greater opportunity, flexibility and variety of career choices as well as introducing more rigour into recruitment and promotion decisions. We have:

- ✓ introduced an informal mentoring scheme to support and encourage colleague development and progression, especially amongst women and minority groups. It enables peer to peer connection across CVS as well as connection across different teams and divisions. Women in senior leadership positions have volunteered as mentors for others under this scheme.
- ✓ continued 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. Representation of women on our senior leadership group in March 2022 was 45% and has increased to 54% in February 2023.
- ✓ supported 2 female enrolments onto a Level 6 Laboratory Science Degree within our Laboratory division.

We said we would continue to support flexible working. We have:

- ✓ continued to promote and encourage flexible working and to improve the opportunities for women returning from maternity leave.
- ✓ integrated our flexible working approaches 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.
- ✓ seen a small increase the percentage of employed working reduced working patterns of less than 35 hours per week from 40% in Feb 22 to 41% in Feb 23.
- ✓ introduced training schemes, targeted at vets, which focus on return to work skills. These training programmes aim to enable our colleagues to focus and enhance their skills into roles with maximal flexibility, for example daytime surgery or consultation focus, or the ECCelerate programme for enhanced skills in working unconventional hours to suit individual preferred patterns.

We said we would extend our published salary bands and scrutinise pay decisions. 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.
- ✓ 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.
- ✓ provided gender pay gap analysis at a regional level when reviewing our summer 2022 pay review to enable a review of the pay recommendations prior to final pay awards being submitted. To accompany this data, guidance was given to all reviewing managers with regard to how to avoid bias in their decisions and HR Business Partners took a lead role in supporting our managers with their planning and decision making.
- ✓ continued to use Willis Towers Watson general industry survey data to benchmark pay for our support office roles and total compensation to ensure salaries are broadly aligned with the market in a consistent way.

We said we would continue work on our reward and benefits policies and have consistent bonus schemes that would aim to remove gender bias. We have:

- ✓ delivered the first bonus awards under our re-designed small animal bonus scheme (applicable to over 70% of our employees). Under the new scheme company and practice performance determines the bonus pot available and managers 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. The first year of this scheme resulted in female and male employees receiving bonus awards that were closely aligned as a percentage of salary.

We said we would continue to incentivise practices to grow the veterinary nurse role. We have:

- ✓ encouraged the number of nurse consultations at our practices with the design of our small animal bonus scheme, with each practice given a target of 90% nurse consultations to achieve. This is supported by consultation training being provided to our nurses, this will help to develop the nurse role and provide development opportunities for employees in these roles.

Created opportunities for career development through learning, education and development

We said we were 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 multiyear progression. We have:

- ✓ greatly enhanced the range and volume of career development opportunities in the last 12 months.
- ✓ launched clinical and professional gyms, which are unique learning formats, to develop colleagues in all areas of the business including leadership and management. These are entirely online and make use of full accessibility criteria including subtitling where appropriate. We are able to offer in excess of 250 internal courses and even more webinars and podcasts to support our internal staff and promote onward progression.

We said career support plans would be available for our receptionists, with dedicated and accredited courses being created to support their development and longer-term career pathway. We have:

- ✓ launched two programmes at Level 2 and Level 4 in Client Care, both of which have been fully subscribed. These are sequentially developmental to provide long term career development specifically tailored to reception skills in veterinary practice and based on broader, transferrable client care principles. The challenging Level 4 qualification is designed to maximise peer to peer support and both are delivered online to ensure accessibility. The Level 4 cohort will continue onward to provide comprehensive induction engagement to new starting reception teams providing the onward view of available career pathways.

We said we would 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. We have:

- ✓ launched a new apprenticeship for patient care assistants. This fully funded level 2 qualification has been developed entirely online to maximise access to all patient care assistant colleagues and has protected time off work to ensure access to study. It is taught by qualified tutors in our own nursing school, Chester Veterinary Training Centre and provides both clinical and non-clinical training for patient care assistants to enhance their skills in the workplace. It also serves as a career progression pathway for those who want to progress into veterinary nursing.
- ✓ developed and released three focused programmes for patient care assistants which cover 12 weeks of learning. These three programmes cover all aspects of PCA careers with a particular focus on clinical and professional development. These programmes increase the collaboration between PCAs and our Registered Veterinary Nurses by enabling the PCAs to better support our nurse utilisation programme.

We said we would continue to support the development of our registered veterinary nurses, particularly through the certificate and advanced diploma in veterinary nursing. We have:

- ✓ doubled our capacity to train student nurses, also through a fully funded apprenticeship and increased the number of locations where colleagues may undertake this training.
- ✓ launched an Advanced Certificate in Veterinary Nursing commencing in early 2023, this level 5 qualification provides a stretching career progression to better prepare nurses for the challenges of advance clinical nurses or in leadership positions.
- ✓ increased the number of nurses who are trained and competent in Schedule 3 or consultations and clinics.
- ✓ provided leadership opportunities for nurses with a dedicated coaching and mentoring programme.

We said we would diversify and increase our provision of in-house training programmes for veterinary surgeons to focus on their desired areas of clinical or professional development. We have:

- ✓ increased our clinical webinar series for Small Animal, Equine and Farm veterinary surgeons and the Clinical Cuppa series so as to provide on demand, up to date, clinical training for our veterinary surgeons in all divisions.
- ✓ increased the number of online clinical gyms for early and mid-career veterinary surgeons. The novel educational format of a clinical gym is specifically designed to reinforce existing knowledge in the 'warm up', to provide clinical training and new information in the 'workout' and to then embed this training into deep learning through assessment in the 'cool down'.
- ✓ provided a broader range of practical and wet lab courses for veterinary surgeons to refine their skills in a safe environment supported by internal experts and specialists. We now offer a range of dentistry, abdominal surgery and ultrasound practical courses within our in-house training facilities at substantially reduced cost. This enables our veterinary surgeons to utilise their training fund more efficiently and gain greater experience than previously available.

- ✓ continued to support veterinary surgeons enrolling onto certificates to become Advanced Practitioners through funding external training routes. We have enhanced this substantially this year by providing internal 'work spaces' and forums for veterinary surgeons on all certificates to cross communicate with each other and share their learning experiences and queries with each other.
- ✓ developed bespoke training for more senior and peripatetic Advanced Practitioners, a two day event was held by clinical specialists to coach these veterinary surgeons in their techniques.

We said we would set ourselves an ambitious plan to commit to enrol a further 150 new learners per year, from existing staff, into apprenticeships across the business. We have:

- ✓ successfully met this target, enrolling 192 apprentices between April 2022 and March 2023. Our spend on career development apprentice learning has increased from £2,300,000 last year to just over £5,000,000 to date.
- ✓ launched a new apprenticeship newsletter and collaborative schedule of events to provide better networking between all of our apprentices in all 20 training opportunities.

What are we planning to do next?

We recognise there is ongoing work needed to close the gender pay over the long term.

Our focus on improving Equity, Diversity and Inclusion will continue

Over the next year, our work will include:

- growing of our informal mentoring scheme especially encouraging take-up amongst women, to enable colleagues to connect with peers or leaders to help them overcome challenges and develop their careers
- supporting the implementation of a new flexible working policy and strategy
- a focus on support for women returning to the workplace, for example after maternity leave or a career break
- introducing more rigour to recruitment and promotion decisions, this includes our commitment to ensure gender representation on all selection panels for senior roles and our training of hiring managers.
- To ensure we are not perpetuating any existing external salary inequities, we will stop asking candidates to tell us their existing salary on our application forms. We will also be working with our recruitment team to review and minimise gendered language in our job adverts.
- 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 make decisions that reflect individual performance, skills and experience, applied within the salary ranges to ensure a fair and unbiased approach to pay.
- 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.

Providing opportunities for development

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

We aim to 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.

Over the next year, we will:

- launch a leadership academy that will be accessible to all colleagues to develop their skills in leadership and management.
- launch an internal peer to peer mentoring programme to provide confidential support to colleagues who seek further personal development opportunities.
- continue to support front of house teams through further cohorts of the Level 2 and Level 4 Client Care programmes and provide additional training in coaching and mentoring to those qualified from the Level 4 to better support colleagues who are new to their career. We are aiming for an 80% occupancy on the programmes.
- exceed 60% of our veterinary nurses being trained to undertake Schedule 3 or consultation training.
- enhance the nurse utilisation training by providing additional development opportunities for those who are already trained to progress into more advanced skills. This will be achieved through commissioned webinar and eLearning opportunities to enable learning to occur with maximum flexibility. Our target is to release one new webinar each month in 2023 to 2024.
- continue Career progression and development for veterinary nurses through an increased diversity of level 5 Advanced Veterinary Nursing Certificates. We aim to train 1% of our RVNs on this challenging qualification every year, and increase the number of disciplines that the certificate is delivered in.
- launch a nurse career pathway to demonstrate and support the career progression opportunities for our employees in this role.
- double the number of seats available for student veterinary nurses to train under apprenticeship to become Registered Veterinary Nurses.
- increase the number and frequency of clinical training opportunities for veterinary surgeons to improve the accessibility of the courses for all working patterns. This will include increases in dentistry, dermatology, diagnostic imaging, emergency and critical care, exotics and surgery practical courses.
- diversify our clinical training programmes for veterinary surgeons into bespoke arrangements to better facilitate both return to work training and increase inter-species diversification enabling greater flexibility of career pathways to suit all work patterns.
- increase the number and breadth of online learning resources for clinical veterinary surgeons in small animal, equine and farm work to accommodate entirely asynchronous learning through webinars and audio only learning opportunities, enabling complete flexibility in learning styles.
- increase the number of pre-certificate courses, like ECCelerate, to enable in-depth learning opportunities for colleagues without the commitment required for full certification
- provide support for a further 150 apprentices in all areas of the business in the next 12 months. We aim to support 15 colleagues to embark on the second apprenticeship to mark lifelong learning and development.