



Gender Pay Gap

April 2023 Report

Foreword

Like the rest of the veterinary sector, within CVS there is a significant skew towards female employment within certain roles. CVS' workforce is made up of a high proportion of female veterinary nurses, patient care assistants and receptionists. As the British Veterinary Association said last year, "Calculating the gender pay gap is complicated, particularly in workplaces where some roles are predominantly carried out by women."

This is the primary reason why we have a gender pay gap, despite aiming to pay the same amount for people with the same skills and experience, regardless of their gender. Nonetheless, our aim is to reduce the gender pay gap within our organisation and we will do this by providing all of our colleagues with opportunities to develop and progress their career with CVS. We aim to support this by having fair and transparent policies and processes in place to ensure equal access to opportunities for learning and development, promotion and recruitment of external colleagues into CVS.

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 women and men 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 2023 was 42.22%, a decrease from 43.81% in 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 median gender pay gap for this role was 7.96% on the snapshot date 5 April 2023. The overall UK-wide median gender pay gap for April 2023 was estimated to be 14.3%. For nurses in CVS the gender pay gap is more favourable to women than to men with a median gender pay gap for this role of -1.08%.

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

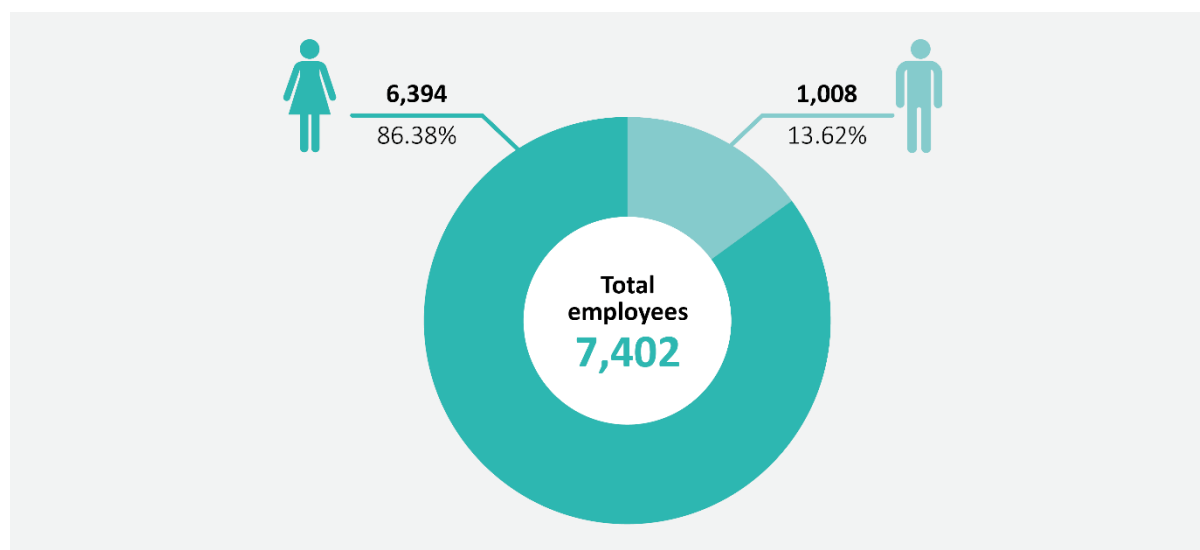


Understanding our gender pay gap

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 2023.

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



CVS demographics

The gender split in CVS is shown above. As for the veterinary profession in general, the proportion of female employees in CVS is significantly higher than the number of male employees. The ratio of female to male employees within CVS is 6:1.

The CVS median and mean gender pay gap figures are behind the UK figures because 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 in 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

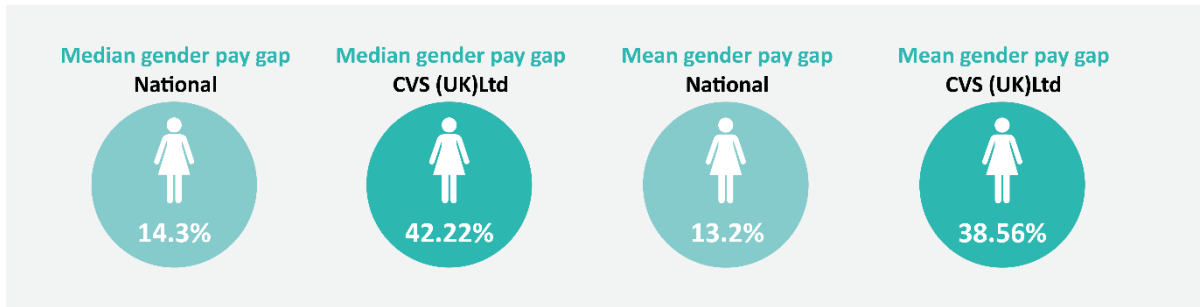
The mean, commonly known as the average, is calculated when you add up the basic pay of all employees and divide the figure by the number of employees. The mean gender pay gap is the difference between mean male basic pay and mean female basic pay.

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

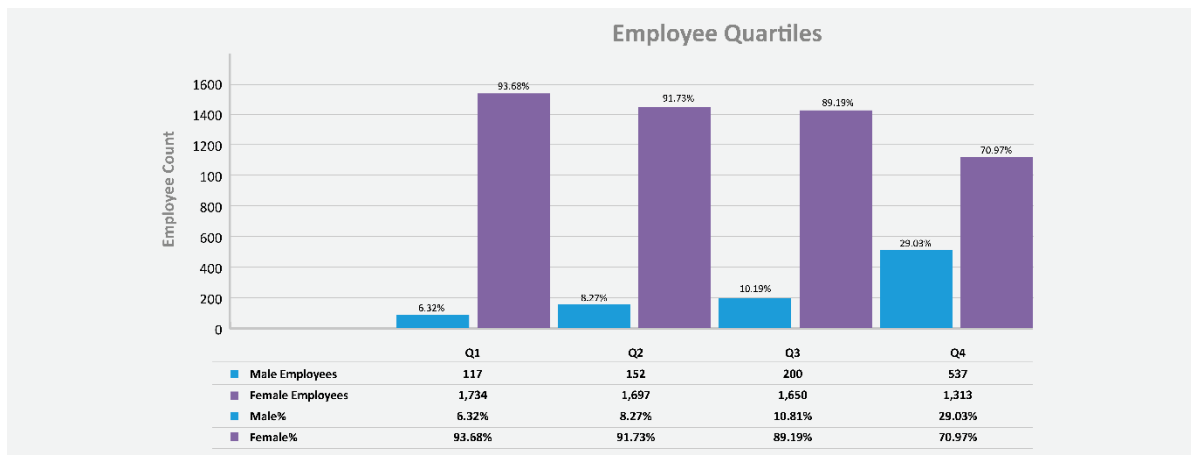
Salary: CVS gender pay gap

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.

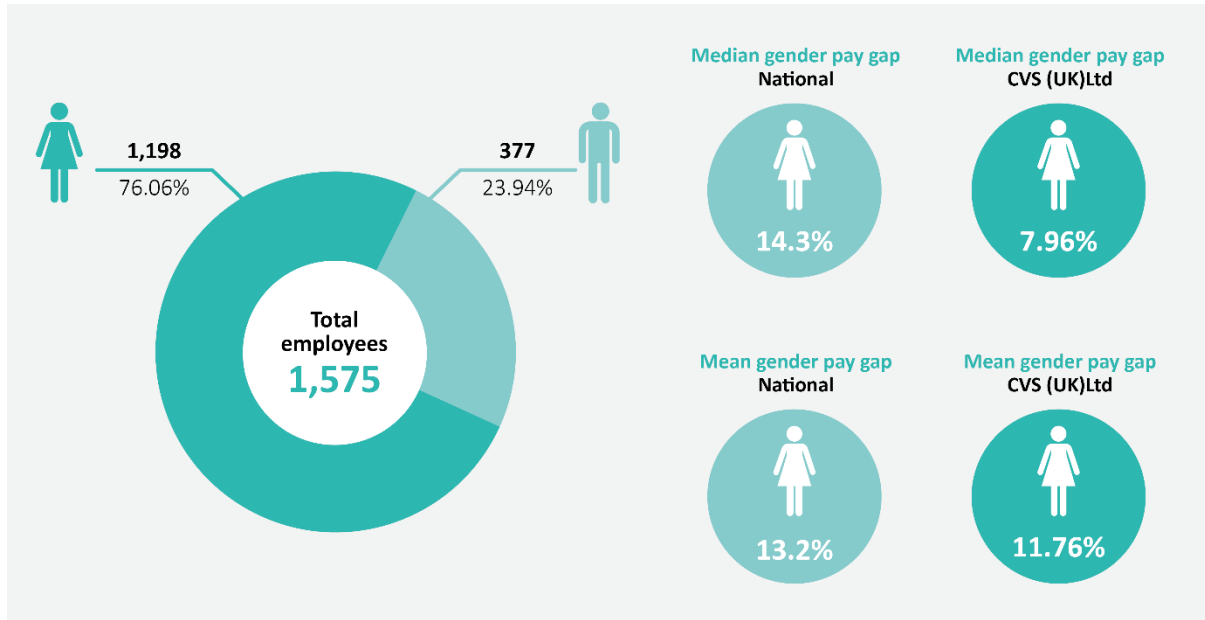


This demonstrates the high number of women compared to men in every quartile. Men remain under-represented in many roles in the first three quartiles industry wide and as such recruitment of men continues to be more challenging than for women. Our EDI committee continue to review how we recruit into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



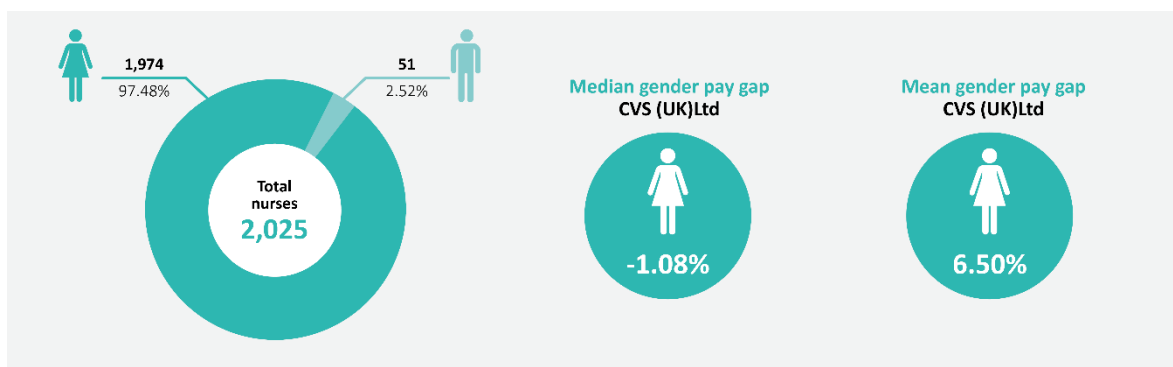
Veterinary Surgeons

The data above is calculated based on the data for relevant employees in April 2023.

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. However there is a gender pay gap amongst our veterinary surgeons and our target is to continue to reduce this gap further.

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.

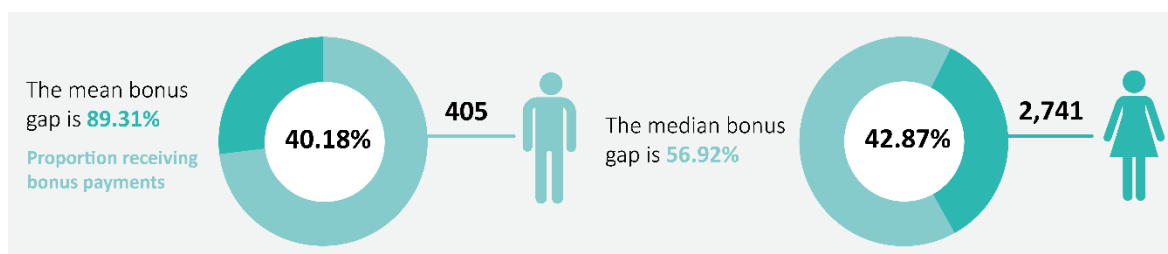
Bonus Pay

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 because 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 2022 – April 2023



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 2023. 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 October 2023 83.35% of colleagues said they do.

Also in 2022, we introduced our colleague EDI Groups who feed directly into our EDI Committee, which is sponsored by our Deputy Chief Executive Officer. In the first year since the establishment of our Colleague Gender EDI Group, they have contributed significantly to our actions around gender equity.

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.

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 we would grow 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. We have:

- ✓ grown our informal mentoring scheme and now have 31 mentors in place of which 80% are women.

We said we would supporting the implementation of a new flexible working policy and strategy. We have:

- ✓ implemented a new flexible working policy, flexibility remains a core aspect of an inclusive workplace where individual needs are always considered and, wherever possible, met.



We said we would focus on support for women returning to the workplace, for example after maternity leave or a career break. We have:

- ✓ established a working group to lead this project working with the Gender EDI Committee to implement key initiatives and changes during 2024.

We said we would introduce 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. We have:

- ✓ Where possible, encouraged Hiring Managers to have a diverse selection panel at interview stage

We said we would 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 have:

- ✓ removed the question of current salary from our application forms.
- ✓ continued to focus on improving gender neutral language in our job adverts.

We said we would 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. We have:

- ✓ provided support to our leadership teams through guidance on pay decisions ensuring this reflects performance, competency and level of experience and is linked to our published salary bands. Detailed analysis and moderation of recommendations enables us to review any salary differentials across the team equally.

We said work would 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 have:

- ✓ implemented & published salary ranges within our Equine & Referral Divisions.
- ✓ aligned bonus schemes across our companion animal divisions
- ✓ reviewed and updated the guidance given to leaders to support them to make fair and unbiased bonus award recommendations.

Created opportunities for career development through learning, education and development

We said we would launch a leadership academy that will be accessible to all colleagues to develop their skills in leadership and management. We have:

- ✓ launched an academy in Spring 2023 that provides focused learning & development for our leaders & managers, including accredited and endorsed certificate programmes, short bite sized learning modules, a webinar series and short standalone courses. These courses have been developed to cover various aspects of leadership & management from coaching & mentoring to engagement, people and operational skills.

We said we would launch an internal peer to peer mentoring programme to provide confidential support to colleagues who seek further personal development opportunities. We have:

- ✓ piloted an introduction to career development and planning your CPD for our new graduate programme.
- ✓ introduced a careers day event at the end of the new graduate programme to showcase opportunities within CVS and network with peers/senior clinical and non-clinical leaders.
- ✓ piloted a career focused check-in process for the off-boarding of new graduate vets into their year 3 as a vet within CVS.

We said we would 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. We have:

- ✓ continued to encourage open enrolment for our level 2 programme, so that our front of house teams can enrol onto this programme at any point in their career.
- ✓ achieved three cohort dates for the level 4 programme on a yearly basis. This provides an opportunity for our front of house teams with more experience, or those who have completed the level 2 programme to enrol onto a higher-level certificate.
- ✓ achieved 88% occupancy on the programmes with participation ratio of 97.5% women and 2.5% men.
- ✓ introduced reception support sessions on our dedicated client care hub, providing opportunities for those who have completed the level 4 programme to support new receptionists in their role.
- ✓ introduced a reception working group to support our front of house teams, which includes receptionists who have completed the level 4 programme.

We said we would exceed 60% of our veterinary nurses being trained to undertake Schedule 3 or consultation training. We have:

- ✓ trained 56% of our nurses to undertake Schedule 3 or consultation training, of which 96% were women and 4% were men.
- ✓ delivered four Schedule 3 face to face courses to up skill surgical skills of 317 nurses.
- ✓ developed two clinical delegation courses for our small animal veterinary teams to encourage delegation of clinical work to the nursing team where appropriate.

We said we would 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. We have:

- ✓ developed face to face clinical training that trains vets and nurses together as part of the veterinary team. E.g. foundations in dentistry and ultrasound courses.
- ✓ aligned all CPD opportunities to the nursing career development pathway via our new nursing hub, both eLearning and face to face courses for a blended accessible approach to learning.

We said we would 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. We have:

- ✓ trained 13 students through our level 5 Advanced Veterinary Nursing practice nurse diploma so far and aim to start an emergency and critical care diploma in the next year, all of the 13 students were women.

We said we would launch a nurse career pathway to demonstrate and support the career progression opportunities for our employees in this role. We have:

- ✓ launched our nurse career pathway with the aim of demonstrating clear career progression for nurses across first opinion, referral and equine practices. The pathway shows the opportunity of a lifelong career within CVS, it gives structure to nursing careers with the opportunity to progress through either clinical or team leadership. Beyond that the pathway shows how nurses can move into management roles either in practice or in the wider CVS Group.

We said we would double the number of seats available for student veterinary nurses to train under apprenticeship to become Registered Veterinary Nurses. We have:

- ✓ opened a 2nd veterinary nurse training centre in Dereham, alongside the current one in Chester, this offers availability of student nurse training in more locations.

We said we would 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. We have:

- ✓ undertaken a detailed review of the most appropriate courses to run and have designed courses for dentistry, dermatology, diagnostic imaging and emergency and critical care with eleven courses scheduled to run during 2024.

We said we would 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. We have:

- ✓ started to develop a suit of foundational courses for small animal vets in key foundational skills for vets 2-4 years qualified or those returning from a period of leave. These face-to-face practical courses compliment eLearning courses and regular webinars which are ongoing in development. These start to run in 2024 (after a pilot phase in 2023) and will be showcased by subject in the new small animal hub going live later in this financial year. This allows collation of eLearning and face to face courses by subject so busy vets can find CPD relevant to these stages of development.
- ✓ piloted an annual GP conference to act as a learning and networking event for equine and farm disciplines. As well as sharing clinical improvement ideas. For Farm Animal, we also hosted a series of webinars to provide accessible CPD including a webinar on studying flexibly for further clinical qualifications.

We said we would 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. We have:

- ✓ created improved accessibility to eLearning with species specific hubs, CPD days (farm and equine) and regular webinars (Small animal and farm).

We said we would increase the number of pre-certificate courses, like ECCelerate, to enable in-depth learning opportunities for colleagues without the commitment required for full certification. We have:

- ✓ run three ECCelerate cohorts in 2023 with 25 vets participating in total, with a further three cohorts planned for 2024 with space for 34 vets. ECCelerate is a comprehensive training programme equating to 119 hours of CPD, designed to help vets working in general practice develop the confidence and competence they need to deliver the best outcomes for emergency and critical cases. It is also an excellent bridging course for general practitioners who have recently taken on a role with a significant EEC caseload for this first time or a stepping stone for those considering a career as an emergency vet.

We said we would 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. We have:

- ✓ enrolled 169 colleagues (96% women and 4% men) onto apprenticeships ranging from level 2 to level 7 degree.
- ✓ embarked 8 apprentices onto their 2nd apprenticeship. We are mindful that completion of apprenticeships does take time. Approximately 15 months is required between commencing and completing a level 2 apprenticeship. Completion doesn't always directly align with the enrolment onto the next successive apprenticeship and this is determined by college cohort start dates. Whilst our successive apprenticeship enrolments was lower than anticipated during this period, we continue to increase enrolment onto entry level apprenticeships. This provides opportunity for future career progression through consideration of a successive apprenticeship.

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:

- Review and establish clear inclusive behaviour frameworks and reference these within role-related competency frameworks.
- Implement a recognition programme to help embed the new company values and to celebrate and recognise colleagues who demonstrate them.
- Continue to grow our learning content and leadership training for all leaders in respect of EDI issues.
- Providing industry leading leadership training programme with inclusive leadership embedded throughout, tailored for leaders at all levels of the business.
- Produce a new company Recruitment & Selection policy, which sets out principles through which EDI in recruitment can grow.
- Recognising that gender equality is not only a women's issue, we want to increase opportunities for men in our nursing and client experience roles.
- Increasing female representation in specialist clinical roles as well as IT, property and facilities, warehousing and logistics and managerial roles.

Providing opportunities for development

As part of our commitment to increasing the number of women in senior roles and continue the development of women in all career pathways within CVS, over the next year, we will:

- Provide industry leading nurse training, which continues to grow internal talent and support the development of both nurses within CVS and the wider nurse profession
- Build strong foundations for successful and sustainable careers across the veterinary sector.
- Develop a portfolio of high quality courses which align with the learning needs of colleagues across CVS and the business as a whole.
- Continue to develop our EMS support framework to help ensure that we are delivering a consistent and high quality learning experience for students completing EMS placements with CVS and to maximise the availability of EMS opportunities for students across the CVS estate.
- Enrolment with good training providers and continued support in the workplace, with expectation of students to dedicate to their studies. Meet the government target of 67% of apprentices completing their full apprenticeship programme.
- Provide support and development for receptionists across CVS, with clear understanding of the skills required within the role and support to develop and maintain these skills, and to progress within the role. Continue to grow and maintain our portfolio of client care courses to ensure we are delivering a consistently high quality learning experience for all of our receptionists.
- Provide learning and education support and development for our leaders to feel empowered to lead engaged teams. Develop a comprehensive leadership curriculum to align with the learning needs of leaders and managers across the business.