

National Veterinary Services Limited

2017 Gender Pay Gap Report



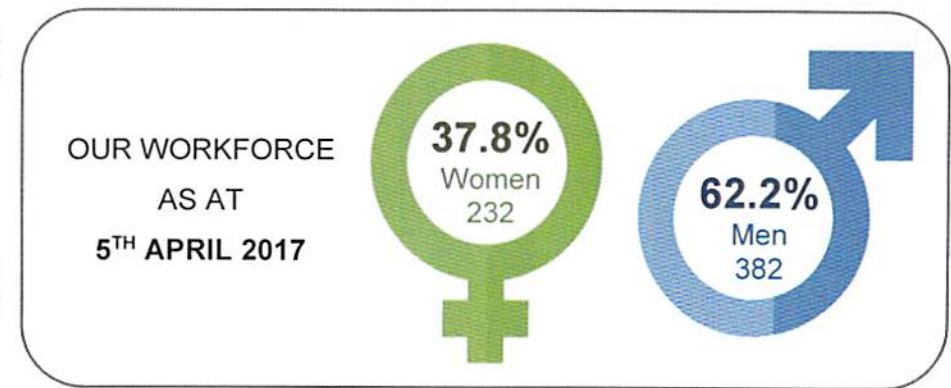
Introduction

In this report you will find our gender pay and bonus gap figures that reflect the gender profile of the workforce across the NVSL group for the calendar year ending 5th April 2017.

In line with new legislation¹ we are required to publish the difference between the average earnings of men and women in our Company. This is to enable us to assess:

- The levels of gender equality in our workplace
- The balance of male and female employees at different levels
- How talent is being celebrated and rewarded

The purpose of publishing this data is to increase pay transparency and to identify ways in which we can continue to drive business success by developing and supporting diversity and inclusion within our workforce.



What is the Gender Pay Gap?

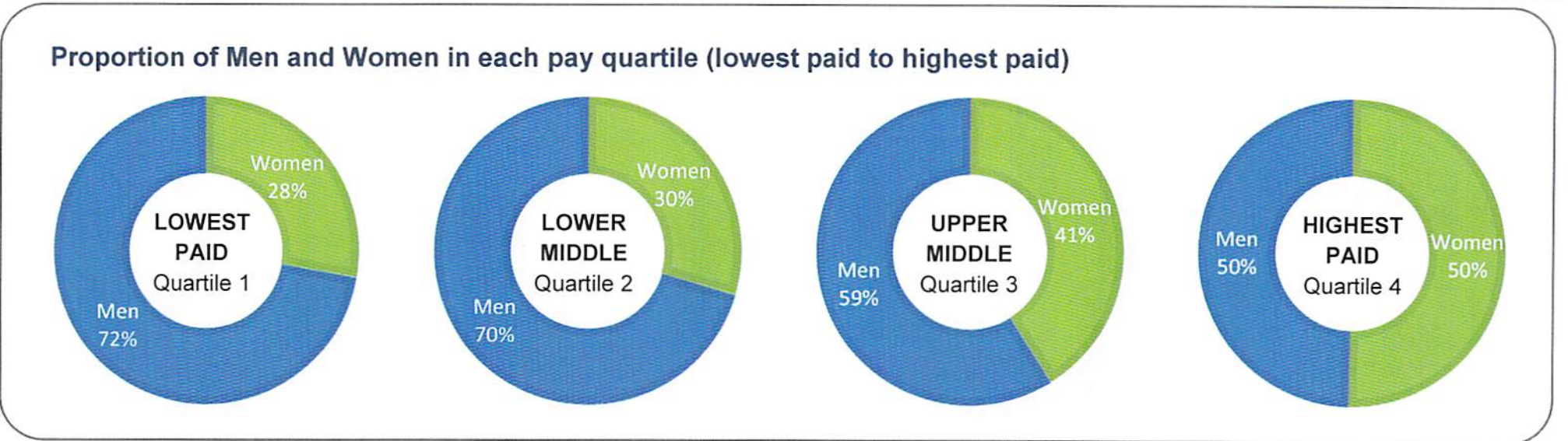
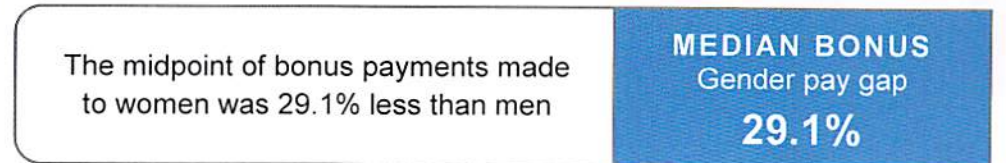
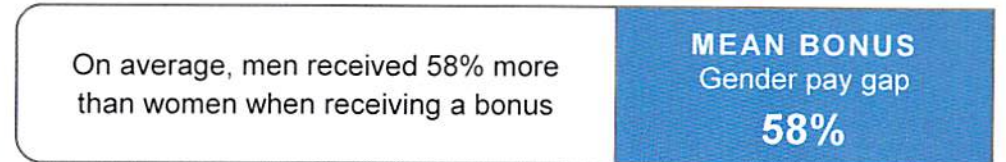
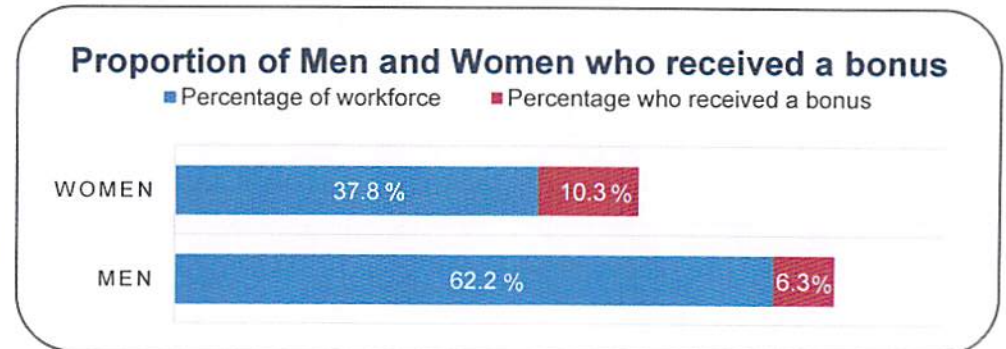
The gender pay gap is the measure that shows the difference between the average earnings of men and women across all roles. It is expressed as a percentage of men's earnings. It does not show the difference in pay for comparable roles at specific bands but is used as a broad measure of earnings across the Company. This differs from equal pay, which measures pay disparity of men and women in roles where they are performing equal work.

How is the Gender Pay Gap Measured?

The legislation sets out six calculations that the Company has to use to measure the gender pay gap, these are:

1) Mean gender pay gap compares the average hourly earnings of men and women	-10.9%
2) Median gender pay gap compares the hourly earnings of the man and woman who are at the midpoint when all the hourly rates are listed from lowest to highest value	-6.8%
3) Mean gender pay gap for bonuses compares the average bonuses of men and women	58.0%
4) Median gender pay gap for bonuses compares the bonus of the man and woman who are at the midpoint when all bonuses are listed from lowest to highest value	29.1%
5) Proportion of men and women who received a bonus	Women 10.3% Men 6.3%
6) Proportion of men and women in each pay quartile (Results detailed overleaf)	

AT A GLANCE - OUR GENDER PAY GAP STATISTICS



Difference in hourly rates of pay

In April 2017, 37.8% of our employees were female. In common with others in our industry, we have a greater number of men in roles that attract lower salaries than women. This means that our overall average hourly rate of pay for women is higher than that of men employed in our Company.

Our gender pay gap, based on a mean of our hourly pay rates, is -10.9%, which is considerably lower than the expected UK average of 18.4%ⁱⁱ. In other words when comparing our hourly rates of pay, on average women in our Company earn £1.11 for every £1 that men earn.

Whilst the overall hourly rate for women is higher than men based on an average of all roles across the Company, when we look at the average pay rates for men and women in the individual pay quartiles the gender pay gap is less favourable for women, with a mean gender pay gap of 5.9% in the highest paid quartile; however, these figures continue to remain considerably lower than the national average.

Difference in bonus pay

A total of 48 employees, which is 7.8% of NVSL's workforce, received an additional payment that is classed as a 'bonus' under the legislation.

24 men and 24 women received a bonus in 2017, this means that a higher percentage of women (10.3%) received a bonus than men (6.3%) due to the gender profile of our Company.

Our bonus gender pay gap, based on a mean of our bonus payments, is 58%, which means that on average men received 58% more than women when receiving a bonus.

Our data tells us that there are a number of reasons for this. In 2017:

- 10% of the employees who received a bonus worked part-time and their bonus payments were pro-rated to reflect the number of hours worked. The bonus pay calculation doesn't recognise that individuals may be working part-time and 80% of part-time employees in this category were women, including the Company's HR Director.
- 62.5% of NVSL's executive Board were men at this point in time, who have a larger overall bonus opportunity
- 70% of the top ten highest paid bonuses were paid to roles that had male incumbents, including the Company's Managing Director.

Proportion of women in each pay quartile

Pay quartiles are calculated by splitting all employees in the Company into four even groups according to their level of pay. Looking at the proportion of women in each quartile gives an indication of women's representation at different levels of the Company.

The proportion of men and women in the two lower pay band quartiles generally reflects the gender proportion split within the whole of the NVSL. Employees in the lower quartiles are a mixture of warehouse operatives, delivery drivers, laboratory scientists and support staff.

Included in the highest pay quartile are our senior laboratory staff, senior support staff, HGV drivers, pathologists, laboratory managers, heads of functions and our NVSL Director population. In 2017, we had an equal gender split in our highest pay quartile.

Our commitments

To ensure that a balanced gender pay gap exists by:

- Giving added focus to succession planning and leadership development in order to promote gender equality and inclusion.
- To monitor pay and recruitment activities by gender.
- To support flexible working patterns, where this can be managed within the Company, for example, offering a range of options such as part time working, compressed working and home working.
- To review and address the lowest rates of pay in our Company, which affect a proportionately higher number of men, in order to improve the gender balance of the overall hourly rate pay gap.

Further information on the calculations

The information below provides an overview of the calculation requirements, as per the regulations. The mandatory reportable figures are a snapshot as at 5th April 2017:

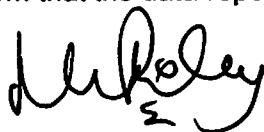
- 'Hourly pay' for the purposes of these calculations includes basic pay, payment for annual leave and allowances, i.e. shift allowance, call-out allowance and first-aid allowance, but excludes overtime, pay in lieu of leave and salary sacrifice amounts (i.e. cycle to work loans, childcare vouchers and pension contributions). These calculations include all permanent and fixed term employees in the UK, except those on reduced or nil pay as a result, for example, of being on sick leave or family leave (i.e. maternity, paternity, parental, shared parental, adoption).
- Additional payments amounting to a 'bonus' under the legislation includes annual incentive schemes, long-service awards, shares and securities. These calculations included all permanent and fixed employees in the UK, irrespective if their pay was reduced at the snapshot date.

How to learn more

You can learn more about the Gender Pay Gap reporting by visiting: www.acas.org.uk/genderpay

DECLARATION

I confirm that the data reported is accurate and meets the requirements under the regulations.



Martin Riley
Managing Director

¹ Equality Act 2010 (Gender Pay Gap Information) Regulations 2017

ⁱⁱ Source: Annual Survey of Hours and Earnings Statistical Bulletin, Office of National Statistics October 2017