

BluetreeGroup

2024

Pay and Inclusion Report



INTRODUCTION

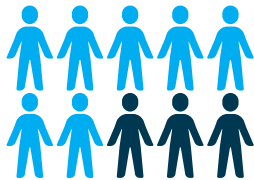
At Bluetree Group, we are committed to creating a diverse and inclusive work environment, where all employees are treated equally. We are publishing our Gender Pay Gap figures for the 5th year in a row, and for the first time, are voluntarily publishing our diversity data alongside this report.

This year's figures show a step back in progress in our goal for an inclusive workforce. However, we believe that our new reporting structure has given us insight in order to remedy these setbacks and move towards a more equitable and diverse future for Bluetree Group. In this report, we have publicly set targets for improving the balance of our team and have outlined specific actions to help us to achieve our goals. As a business, we remain committed to continually improving the diversity of our workforce.

GENDER PAY GAP REPORT 2023/24

This report provides an overview of Bluetree Group's Gender Pay Gap figures (year ending 05/04/2023) which we are submitting in line with the UK Government's Gender Pay Gap reporting legislation. At the time of writing, 32.1% of our workforce are women (153 out of 477). This is a 6.5% decrease in the number of women working in the business year on year.

Bluetree Group at a Glance



32.1% of our workforce are women

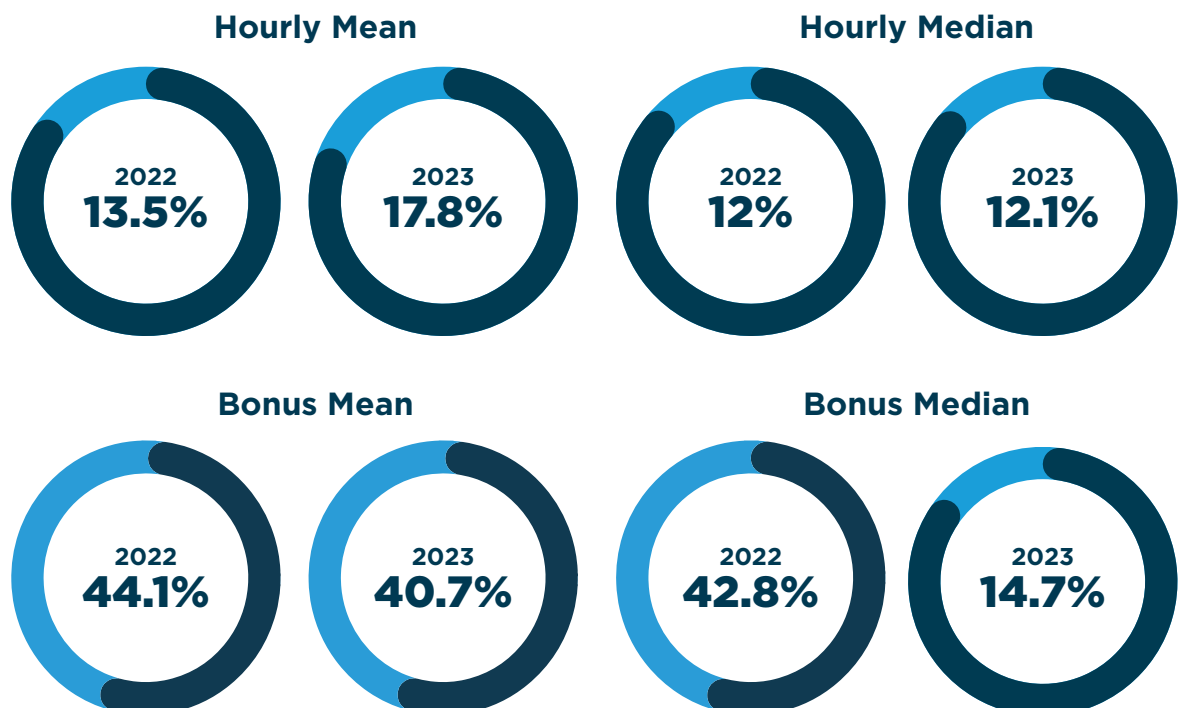


Women earn **82.2p** for every **£1** that men earn.

Key Metrics as of April 2023

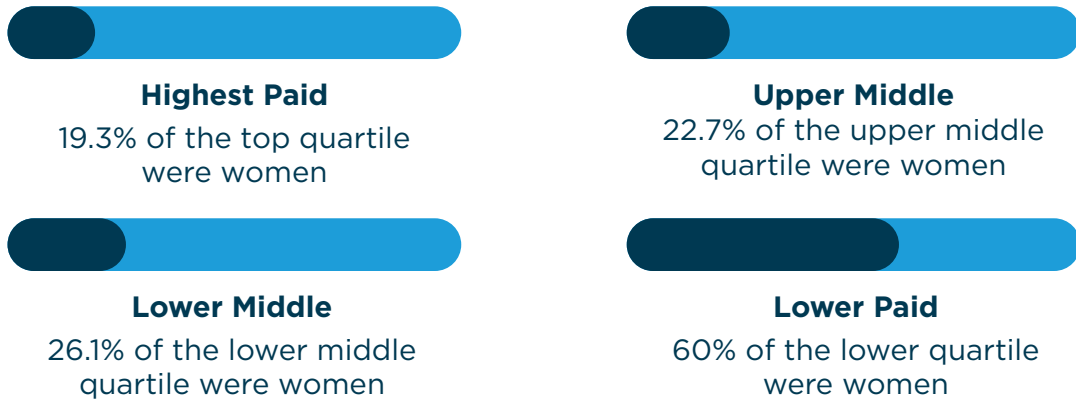
Current Metrics - 2022 vs 2023

The visuals below depict the mean gap and median gap between the hourly rate of male and female pay, as well as the bonus pay gap between male and female colleagues.



Quartile Overview

All employees have been split 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 within Bluetree.



Understanding the Gap

Department Deep Dive

Following on from the information in this report, we have taken a further look into the gender pay gap by department. This is the first step to understanding why our gap exists, so that we can make informed decisions about where to take our diversity, inclusion and equality strategy.

To do this, wages paid for each employee have been taken from the business each week, in order to give a more authentic picture of our gender pay gap for the whole year. Weeks where people were paid in lieu, sick pay, maternity and paternity pay have been taken out. Also taken out, were any amounts paid in respect of bonus and awards.

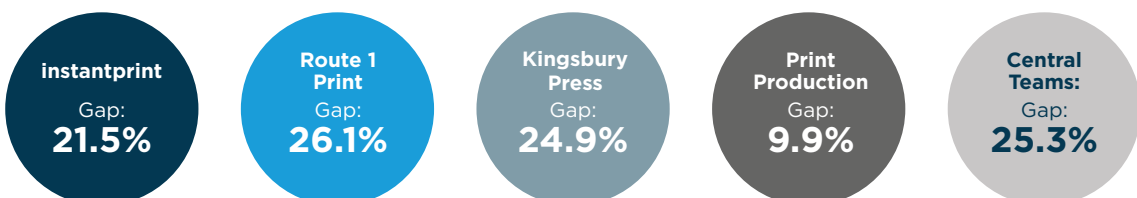
Looking at the 52 weeks is a more comprehensive data set, thus providing a better indication of the gap than the single week used for government statistics.

Overall average weekly wages were:



Gap = 17.0% (i.e. In the business as a whole, Females earn 17.0% less than Males)

Looking at the splits by area:



This data illustrates that the issue of the gender pay gap exists predominantly among our office teams, as opposed to production.

While this disparity between office and operational roles is surprising, due to the dominance of men in our production teams, this figure is reassuring. We put a lot of effort earlier in the year into our production pay matrix, which outlined clear routes for progression within production based on skill and merit. This has evidently helped to reduce the pay gap amongst our production teams. There is still work to be done in production to reduce this gap further, however, we have made a promising start.

What is clear, is that the main issue within pay disparity in Bluetree resides in a lack of women in senior leadership positions or highly-paid specialised roles. 28% (6/21) of the senior management team are women, a figure which we aim to increase to 40% by 2030. It is worth noting that while we have a predominantly male board, a recent internal promotion will help the statistics to see the board bringing in a third female. While this is not the final goal, it is a step in the right direction. This promotion will be reflected in next year's figures.

There is also a trend that women within Bluetree often fulfil stereotypically female roles, with all administrative, and cleaning positions being filled by women. Within the broader market, these roles tend to be lower paid.

Our company vision is to be the very best at what we do, and we cannot be the best without being industry-leading in our diversity and inclusivity reporting.

Action Plan for closing the gap in 2024

As a business, we are committed to closing the gender pay gap. We believe that our Bluetree values are the key to building a successful business, and central to these values is the belief that our workplace should be inclusive and equitable. Achieving gender equality is integral to this. By following the below actions and reviewing them on a regular basis, we aim to increase the number of women in our workforce to 40%, with this also translating to having women in 40% of our senior leadership positions. We aim to do this, and close the gender pay gap, by 2030.

- Recognising the intersectionality of diversity reporting, we will begin including ethnicity and disability reporting alongside our annual gender pay review in a 'Pay & Inclusion Report.'
- We will conduct an internal audit of job titles, to ensure that women are paid fairly for similar (not equal) roles across the business.
- Ensure that all gendered wording is removed from role profiles and job adverts.
- Ensure that, where possible, interviews are conducted by diverse panels.
- Conduct a review of internal promotion approaches.
- Review internal training offerings to ensure that they cover inclusion training.
- Ensure that women are signing up to the training we do offer.

Diversity Report

After compiling our Gender Pay Gap report for the last fiscal year, we committed to including diversity reporting in our annual reports moving forward. As there is no time like the present, we began collecting demographic data at Bluetree off the back of that report, and our findings are outlined below.

Diversity and Inclusion data is not something that we had collected before at Bluetree. In light of this, we had a 2-week data collection period in which we asked employees to anonymously fill in their demographic data for the purpose of Equality, Diversity and Inclusion Reporting (EDI). Over the 2-week period, 106/471 (22.5%) employees provided their EDI information via UKG. Of these employees, 100 consented for us to use their data for monitoring and reporting purposes, which equates to a percentage of 21.2% of employees. Currently, we do not have enough demographic data to translate these findings to a Pay Gap Report, however we hope to have this data in the future.

In summary, the results of the first round of data collection illustrates that minority groups are currently underrepresented at Bluetree Group. This under representation exists across all ethnic groups, religion, sexual orientation and disability. Bluetree Group would benefit from looking at its internal processes in relation to recruitment, policies, and procedures, to determine what could be improved and implemented, in order to attract a more diverse workforce to the organisation.



Demographic Representation: building a better picture of diversity at Bluetree

While we have begun our business wide campaign to encourage our team to share their personal characteristics with us, we are still a long way off where we would like to be. We hope to see our disclosure rate rise year on year, with new starters all being asked to complete their demographic data as part of the onboarding process.

Collecting this data helps us to better understand the current diversity of our business and ensures we are building a team that is reflective of our society. By being aware of the diversity of our colleagues, we are able to make more informed decisions that support our team and inform business-wide activities, to help us continue to build a more open and inclusive environment at Bluetree.

Action Plan

Based on our findings from the initial information gathering and data collection, there are many things that could be implemented in order to improve representation from minority groups at Bluetree Group;

- We will conduct a comprehensive review of our recruitment and onboarding processes, to ensure that Bluetree Group are providing equal opportunities, and to prevent unconscious bias.
- We will design and roll out a formal EDI training plan, and ensure that this training is incorporated into our leadership development pathways. This will help to build EDI awareness across all levels of employees across the organisation, and help to ensure a minimum standard of EDI knowledge across the management team.
- We will look into establishing a small forum of EDI representatives, who can ensure the voices are heard from those from minority groups across Bluetree Group. These groups are put together so that they can influence strategy, policy, and raise issues that may arise in relation to EDI.
- We will work with the charity and events committee to increase awareness of religious holidays and celebrations across the business. Currently, all of the Bluetree Group's celebrations and events are steered towards typically Christian celebrations, such as Easter and Christmas. This may also create more awareness for managers generally who may have, or come to have, employees in their teams from minority groups. Embedding flexibility into Bluetree's EDI policy around religious and cultural celebrations would also be of benefit to guide managers through this subject when it arises.
- We will continue to develop and improve our EDI reporting, including increasing the scope of our Equity data collection to include lower socio economic background (to monitor social mobility) and caring responsibilities.

Cost of Living / Living Wage Employer

At Bluetree, we are aware that numerous economic factors at play impact our team, and wider society. We endeavour to support our colleagues to help them cope with these pressures.

- On an annual basis, we make adjustments to our internal salary bands to reflect movement in the external salary market and increase pay to minimise the impact of inflation.
- We continue to offer our team wellbeing support through internal campaigns, inviting in external visitors who are experts on things such as mortgages to talk to our team, a free cycle hub and a cycle to work scheme and other internal resources to help navigate economic challenges.
- Through our partnership with Westfield Health, our colleagues have 24/7 access to a dedicated advice line that provides support on a wide range of wellbeing and mental health concerns.

Bluetree is proud to be a Real Living Wage employer, accredited by the Living Wage Foundation, meaning all our colleagues are paid above the national minimum wage.



BOARD COMMENT

At the heart of Bluetree Group, is ambition and drive to do better. We recognise that Bluetree has gone backwards in our drive for gender equality across the business, and the recent gender pay gap report has illustrated a key area of the business in which we need to put our energy and focus into improving. As a Board, we take our Gender Pay Gap reporting and results very seriously, and we are committed to further closing our Gender Pay Gap by 2030.

We are proud to have made the first step in developing an Equality, Diversity and Inclusion Strategy, by voluntarily collecting and reporting on the Diversity data of our colleagues. While we acknowledge we have a long way to go to create a diverse and inclusive workforce, I am excited to see what progress we can make from our current position.

I can confirm that our data is true and accurate,

A handwritten signature in black ink, appearing to read 'A. Carnell', written in a cursive style.

Adam Carnell, Co-CEO

APPENDICES

Gender Pay Gap Reporting Explained

What is the Gender Pay Gap?

The gender pay gap illustrates the difference in the average hourly earnings between the median man and the median woman in an organisation (excluding overtime). This figure is expressed as a percentage of the median man's earnings. A gender pay gap can be driven by a number of factors, including a dominance of men in a certain sector and a lack of women in senior positions.

It is important to note that the gender pay gap is different to the issue of equal pay for the same work, which as governed by the Equality Act, outlines the legal requirement to pay men and women for the same work.

Nationally, among full-time employees the gender pay gap in April 2022 was 8.3%; this was 7.7% in April 2021 and 9.0% in April 2019 (pre-COVID-19 pandemic). Here, Bluetree has a larger disparity between the pay of male and female employees than the national average.

Difference in Hourly Rate

Women's mean hourly rate is **17.8% lower** than men's.

In other words, when comparing mean hourly rates, **women earn 82.2p for every £1** that men earn. In 2022, our female colleagues earned 85.7p for every £1 that men earned, meaning that **we have increased this gap by 4.3% in the last year**, and by 11% in the last two years.

Women's median hourly rate is **12.1% lower** than men's. This figure has remained constant and only increased by 0.1% in the past year, meaning women at Bluetree continue to earn 88p for every £1 that men earn. In the past two years we have increased this gap by 7.8%.

About MEAN

The mean hourly rate is calculated by adding up the wages of all employees and dividing the figure by the number of employees across the entire organisation. The mean gender pay gap is calculated based on the difference between mean female pay and mean male pay.

About MEDIAN

The median hourly rate is calculated by ranking all employees from the highest paid to the lowest paid, and taking the hourly wage of the person in the middle; so the median gender pay gap is the difference between women's median hourly wage (the middle paid woman) and men's median hourly wage (the middle paid man).

Proportion of Women in Each Pay Quartile



Top Quartile (highest paid)

19.3% of the top quartile were women.

In 2022 this was **21.7%**



Upper Middle Quartile

22.7% of the upper middle quartile were women.

In 2022 this was **22.1%**



Lower Middle Quartile

26.1% of the top quartile were women.

In 2022 this was **29%**



Lower Quartile

60% of the upper middle quartile were women.

In 2022 this was **55.6%**

About Quartiles

Pay quartiles are calculated by splitting all employees in an organisation 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 organisation.

Mean Gender Pay Gap in hourly rate per quartile:

Top quartile - **10.7%**

Upper middle quartile - **0.4%**

Lower middle quartile - **1.3%**

Lower quartile - **-1.3%**

Median Gender Pay Gap in hourly rate per quartile:

Top quartile - **4.4%**

Upper middle quartile - **0.5%**

Lower middle quartile - **2.3%**

Lower quartile - **-1.1%**

Who Received Bonus Pay?

21.5% of women receive bonus pay, while 20.2% of men receive bonus pay. In 2022, the percentage of women who received bonus pay was **25.5%**.

Difference in Bonus Pay

Women's mean bonus pay is **40.7% lower** than men's. In 2022 the gap was **44.1%**.

Women's median bonus pay is **14.7% lower** than men's. In 2022 the gap was **42.8%**.

Summary

- Since 2022, the gap between men and women's **mean hourly rate grew by 4.3%**.
- Since 2022, the gap between men and women's **median hourly rates has increased by 0.1%**.
- Since 2022, the number of women in the top pay quartile has **decreased by 2.4%**.
- Since 2022, the number of women in the upper middle pay quartile has **increased by 0.6%**.
- Since 2022, the percentage of female employees who receive a bonus has **decreased by 4%**.
- Since 2022, the gap between men and women's mean **bonus pay has closed by 3.4%**.
- Since 2022, the gap between men and women's median **bonus pay has closed by 191%**.

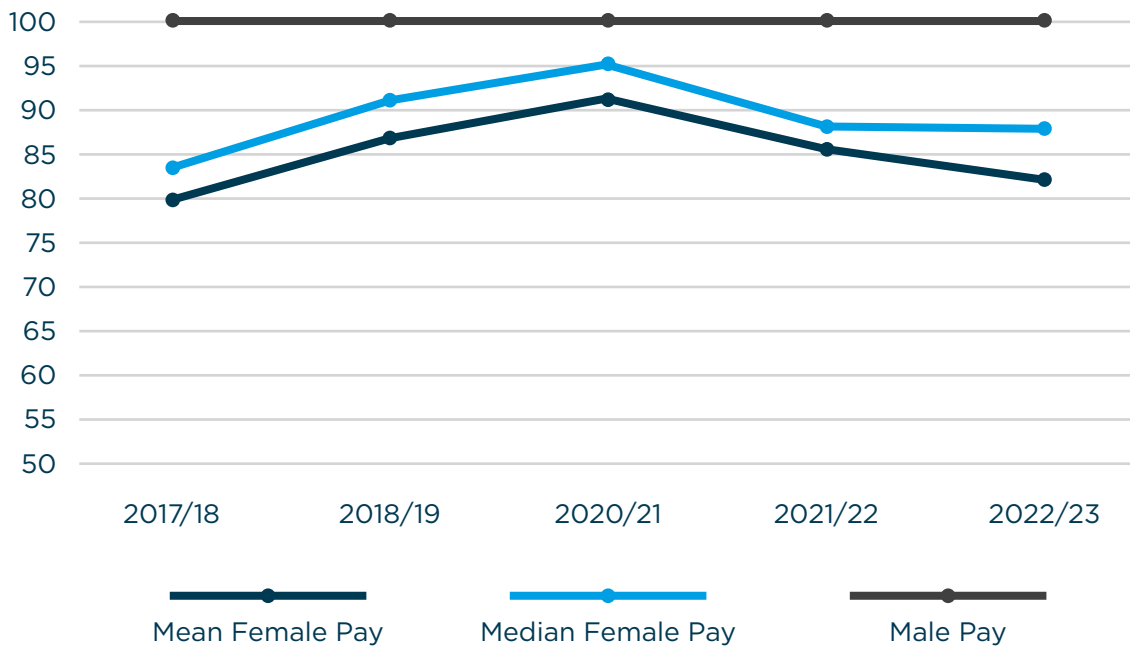
Ranking within the Print Industry

The manufacturing industry is one of the sectors with the largest gender pay gap in the UK. Within the printing sector, Bluetree stands average in our gap between the median earnings of our male and female employees. We do perform above average in our number of female employees in upper pay quartiles, but this figure is still below the national average. It is worth noting, however, that few of our competitors have made their recent gender pay data accessible to the public.

The Longer Term Trend

Reporting on the gender pay gap has been mandatory since 2018. Since we began reporting, there has been fluctuation in the gender pay gap, with 2017/18 reporting being the worst year and 2020/21 being the best year to date. What is evident from this fluctuation is that the actions we have implemented in the past to tackle the gap are not having the longer term impact that we expected. The trends of this data are not progressing in the right direction. From this we will conduct a review of the business and establish a list of actions designed to improve the gap moving forward.

Bluetree Gender Pay Gap

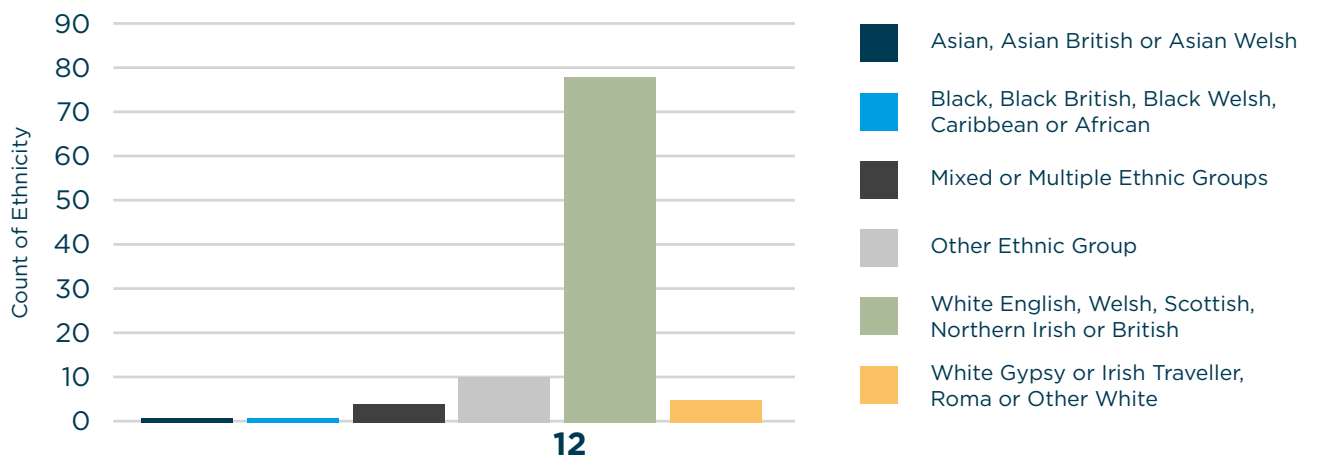


Gender Pay Gap	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Mean	20.1%	13.1%	N/A	8.6%	14.3%	17.8%
Median	16.6%	8.8%	N/A	4.3%	12%	12.1%

Diversity Data Collection Explained

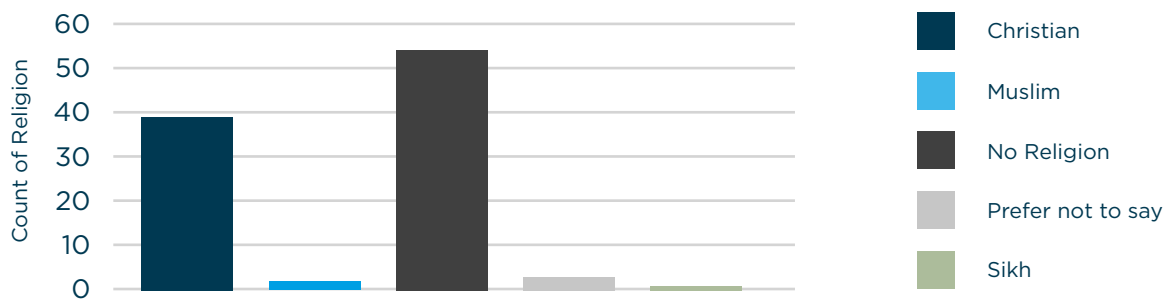
The graph below shows the current representation of ethnic groups across Bluetree Group. The graph shows that 78/100 of those who consented to their data being used identified themselves as White: English, Welsh, Scottish, Northern Irish or British. 5/100 identified themselves White: Gypsy or Irish Traveller, Roma or Other White. 10/100 identified themselves as part of another ethnic group. 4/100 identified themselves as being Mixed or Multiple ethnic groups. 1/100 identified themselves as Asian, Asian British or Asian Welsh and 1/100 identified themselves as Black, Black British, Black Welsh, Caribbean or African. 1/100 left the box blank.

Ethnicity Representation at Bluetree Group



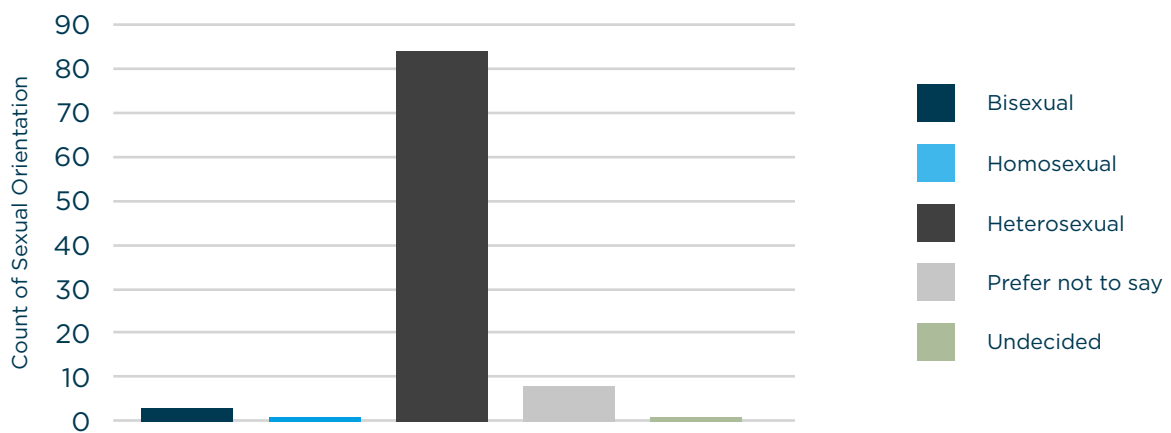
The below graph shows the current representation of Religious Groups across Bluetree Group based on the data provided. 54/100 employees identified as having no religion, and 39/100 identified as being Christian. 3/100 preferred not to say, 2/100 identified themselves as Muslim, and 1/100 identified themselves as Sikh. 1/100 left the box blank.

Religious Groups Representation at Bluetree Group



The graph below shows the current representation of sexual orientation across Bluetree Group. 84/100 employees who consented for Bluetree Group use their data identified as Heterosexual. 3/100 identified themselves as Bisexual, 1/100 as Gay, 1/100 as undecided and 8/100 preferred not to say. 3/100 left the box blank.

Sexual Orientation Representation at Bluetree Group



The graph below shows the current representation of employees identifying as having a disability across Bluetree Group. 90/100 employees did not identify themselves as having a disability. 5/100 identified themselves as having a disability, and 4/100 preferred not to say. 1/100 left the box blank.

Disability Representation at Bluetree Group

