



Bright Horizons Gender Pay Gap Report



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At Bright Horizons, we recognise that our people are the heart of our organisation. One of our ambitions is to be the number one Employer of Choice within the childcare sector and we are extremely proud to have been recognised on the Great Place to Work Institutes's Best Workplaces list, for 16 years in succession. We were also placed in the top 15 of the UK's Best Workplaces for Women 2020 and have been recognised in this category since the award was created: this award identifies Bright Horizons as, and inspires us to continue being, a leading employer in creating equal opportunities for women in the workplace.

Our company history spans over three decades and throughout that time we have been guided by our HEART principles of Honesty, Excellence, Accountability, Respect and Teamwork. Created by a diverse cross-functional team, these principles form the basis of our supportive, respectful and professional workplace culture. The HEART principles foster growth and allow our people to bring their unique personalities and perspectives to work, encouraging their light to shine even brighter with us.

We made the decision to share the results of our gender pay gap analysis ahead of the required date in October, as we place great importance on recognising and addressing the gap. Our gender pay gap figures for 2020 have been significantly impacted by Covid-19, meaning our figures are based on a much smaller population of Bright Horizons employees than in previous years. However, the impact of the pandemic does not take away from the importance of sharing our gender pay gap data and, more importantly, our actions going forward.



Ros Marshall
Managing Director
Bright Horizons UK

What is the Gender Pay Gap?



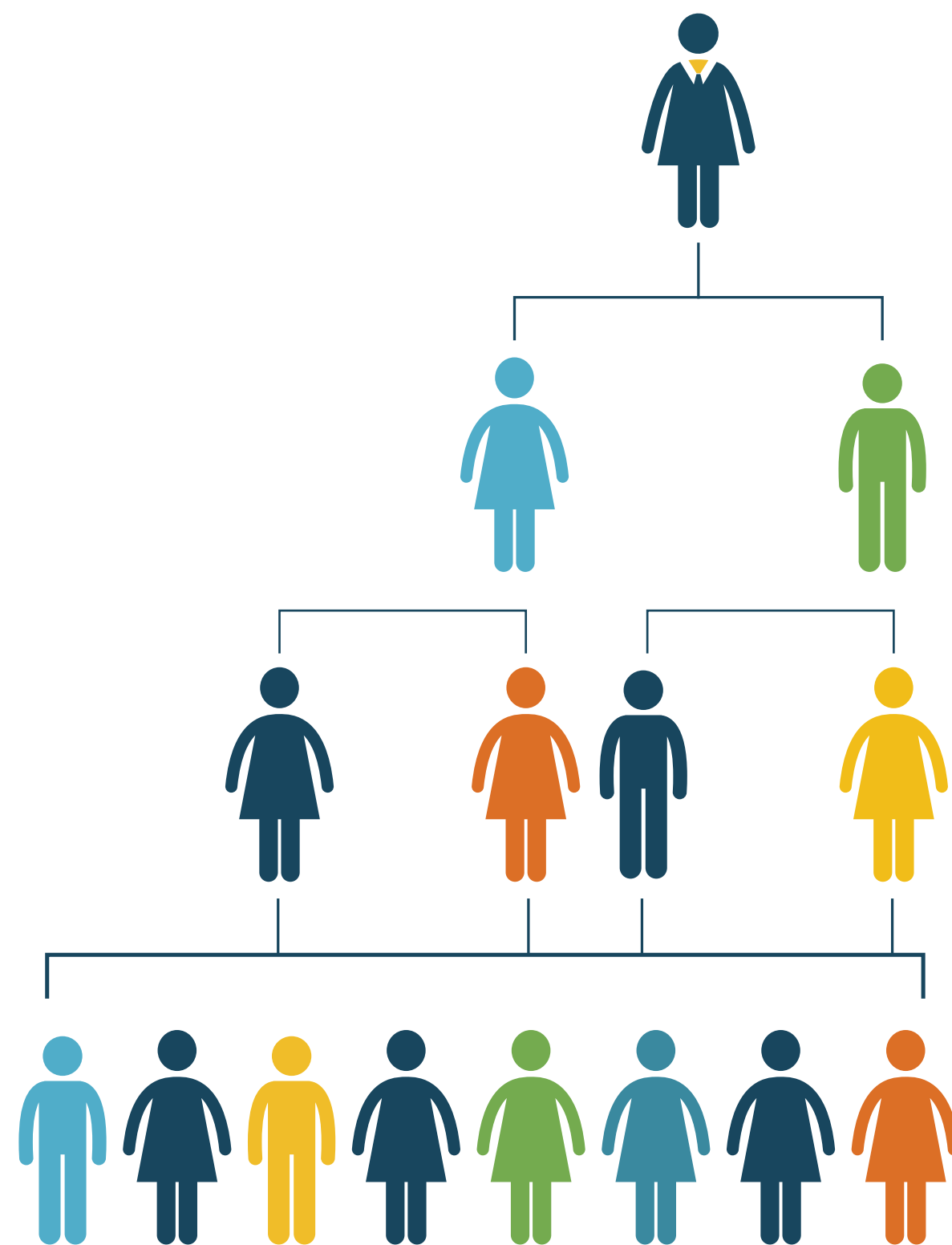
Most organisations in the UK, and elsewhere, have a gender pay gap. The government and employers are working together to change this as everyone stands to benefit from women and men having equal access to a full range of career paths.

Having a gender pay gap does not mean that women and men are paid differently for the same role. That would be an 'equal pay' issue. The gender pay gap is much broader and compares the average female pay with the average male pay across a whole organisation.

So if a sector, for example airlines, tends to attract men into higher paid roles (such as pilots) and women into less highly paid roles (such as cabin crew), the result will be a pay gap comparing the averages overall.

The solution is not necessarily to pay everyone the same whatever their roles, but to ensure women and men, and of course all people, have equal access to different career paths, and that they are able to make choices that enable them to reach their career goals.

Addressing the gender pay gap can mean attracting men and women in equal numbers to all types of roles, as well as removing any barriers that might prevent either gender from taking up, or progressing, in certain roles.



What do our numbers mean?

Bright Horizons continues to be a primarily female workforce organisation, which is not uncommon in the childcare sector. We recognise that there is a pay gap within Bright Horizons and improvements still need to be made.

Our approach to being an inclusive organisation directly translates into the care provided for our children within our nurseries.

Our gender pay gap had fallen in recent years, having been around 15% when reporting began in 2017 and then around 6% in 2018 and 2019. The requirement to report was removed for all employers in 2020 due to the pandemic. The figures reported here are based only on non-furloughed employees in 2020, and are therefore much less representative.

As you will see below, the median pay gap was 35.5% among the non-furloughed employees. We fully expect the figures reported in 2022 to return to a much better position. That said, we take any gap seriously and are working hard to close it.

Why do we have a Gender Pay Gap?

The majority of our colleagues are Early Years practitioners working in our nurseries. These colleagues are predominantly female, and paid sector market rates reflecting their experience and qualifications. Within our support and employer services functions, there is a relatively higher percentage of male colleagues and salaries reflect market

expectations for those functions, such as, for example, accounting or business development.

That said, we now have a high percentage of female colleagues in senior posts with all but three [out of 9] of our Board Executives being female, so we are moving towards a more balanced gender profile. Another factor affecting the pay gap is that

at Bright Horizons the benefits we offer include measures to help colleagues balance family commitments, such as salary sacrifice for childcare vouchers or nursery fees, as well as options for flexible working. Salary sacrifice effectively leads to a reduced basic pay once it has been applied and the salaries considered for the purposes of this report are the

net salaries after the “sacrificed” elements are taken out. Many more female than male colleagues utilise salary sacrifice.

In relation to bonuses, a larger proportion of our female than male workforce selects part-time working as their preferred option and since bonuses are calculated on base salary this also has a noticeable impact on the difference between average male and female bonus payments.

We continue to have a range of bonus schemes

that were still in effect between April 2019 and 2020 (the time frame for this report), with a range of bonus award values. The higher bonus gap compared with previous years is due to a high take up of our referral bonus scheme by our nursery-based employees, which is a predominantly-female profile, and this bonus being of relatively lower value. The higher figure was also impacted by exercised share awards taken during this period by senior members of the team under our share plans during the year prior to April.



What have we done?



Introduced the *Work+Family Space* Platform

Since the Gender Pay Gap Regulations came into effect, we have been proactive in addressing this area. Our actions include the introduction of a pay architecture for our nursery staff, which supports the alignment of pay rates, ensures consistency and recognises the qualifications and responsibilities required of different roles in our nurseries, regardless of gender. We continue to evaluate this approach every year, developing it where necessary, to support our people regardless of gender or identity.

A Remuneration Committee was created to assess our pay architecture and overall pay principles. This Committee reviews all pay decisions, ensuring the integrity of our pay principles is maintained. The Committee follows formal procedures and advocates these across the business, to make sure that our people are fairly rewarded for their valuable contribution to Bright Horizons. Continuing to challenge pay fluctuations outside of our standard annual review period helps to ensure consistency and fairness when deciding pay scales.

A full review of all bonus schemes was recently carried out, looking across the whole company. We aim to ensure that the schemes remain fit for purpose and allow people to develop, and be rewarded for driving the business forward.

We have also been active in promoting careers in childcare, and in our employer services, to all genders, to remove any barriers experienced by men in accessing nursery staff roles.

Further, we have introduced the Work+Family Space platform to all our employees. This is a Bright Horizons service provided to client organisations and is now available to our own people. It offers a range of practical support, advice and development services to empower people of all genders to blend work and family successfully.

Balancing childcare or adult care with home life has historically fallen more heavily on women than men in general. Services such as this aim to 'level the playing field' so that more men feel able to be visibly involved in family life and more women feel enabled to achieve career goals while also being the parent or carer they want to be.

What will we do?

1. Culture

We are fully committed to building on the work we have already done. We will be focusing on creating and sustaining a culture of diversity and inclusion, providing equal opportunities for all our people. We want them to feel confident that they can develop with us and bring their full selves to work each day, as well as making the career choices that are right for them.

2. Transparent Pay Framework

Alongside our nursery pay architecture, we will develop a transparent framework for our support office and employer services teams. This endorses fairness and consistency, while also enabling our people to understand where their role fits within the wider business and how their careers can progress. We will also be looking to introduce performance-related pay as part of our next annual pay review.

3. Flexibility

We acknowledge that Covid-19 has had a huge impact on the way we work. We need to encourage and promote improved flexible and agile working for both men and women, by offering a variety of flexible working options. We will continue to encourage our male, as well as female, staff to work flexibly and to share their experiences to help attitudes move away from seeing flexible working as a 'female benefit'.

4. Gender-Inclusive Family Support

We also acknowledge that the gender pay gap widens dramatically after women have children and return to work. To help address this, we will be promoting and encouraging the use of Shared Parental Leave, which is not yet widely taken up by our staff. Further, we will promote family support services inclusively across

genders. We already work with employers to make available to their employees services and advice that enable a successful blend of work and family. By having made these available also to our own employees we aim to ensure that those of every gender with family and care-giving responsibilities have encouragement and practical support.

5. Diversity

A Diversity, Equity and Inclusion Action Group will be introduced to help monitor and review the talent management processes and diversity and inclusion within Bright Horizons. This group will have the power to implement diversity and inclusion strategies and policies, enabling our internal teams and our nurseries to reflect the changes seen within family demographics. The impact of Covid-19 has also increased unemployment rates. We are committed to investing in people who are looking to make new career moves, in turn sustaining a

diverse workforce.

6. Training

Alongside our Diversity, Equity and Inclusion Action Group, we will continue to build on our internal Diversity and Inclusion training, creating specific training and support on challenging unconscious bias behaviours. We will be developing equal opportunities that nurture a culture of inclusion and respect. Our policies will also be regularly reviewed, as these underpin our people's actions and should be encouraging inclusive behaviours.

7. Men in Childcare

We will be stepping up our focus on encouraging and increasing the number of men in childcare, which is a sector-wide issue. The pandemic has seen men adopting a more prominent caregiver role within the home and we hope to build on this shift

positioning childcare as a career of choice for all genders.

An increased number of men taking the same roles as women has the scope to enhance the development of our children, promoting an equal view of gender from an early age. It will support them in making less constrained choices about their own careers and gender roles within families as they grow older. International Men's Day is 19th November 2021, and we will use this as a platform to share stories around men in childcare to our external audience, as well as to promote the childcare sector as a career option for men.

8. Mentoring

We will be looking to launch a mentoring programme to help support our people to develop personal skills, specifically confidence building and the tenacity to strive for their leadership goals.

9. Employee Insights

We will continue to listen to our people by using employee insights from our engagement surveys, implementing action groups to understand what they find important, and using this information to ensure our decisions are reflective of our diverse workforce.

10. Influencing Future Generations

Our Early Childhood team is committed to equality of every kind in our nursery settings. We are also working with the Fawcett Society on a broader campaign to challenge gender stereotypes in early childhood. Removing the limiting impact of bias in early childhood paves the way for more equal career choices and opportunities for future generations; and for the employers these young people will go on to work for.

Our Figures...

The Gender Pay Gap Regulations ask employers to show the number of men and women at different pay levels in the organisation. These are known as Quartiles because all organisations have to show four different levels.

The table and infographic of our Quartiles are based on the employees who were not on furlough at the time of this analysis in 2020.

The figures from these employees show that - at that time - more of the men were in more senior roles. This results in a pay gap when average salaries are compared overall.

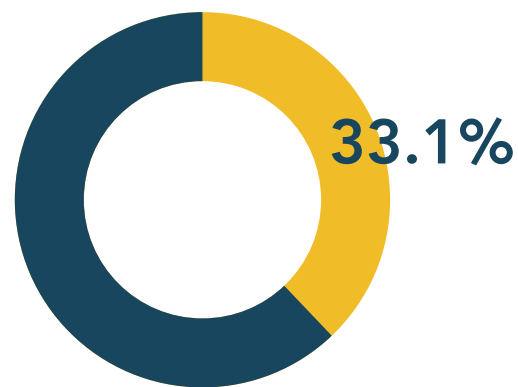
*We confirm that Bright Horizons Family Solutions' gender pay gap calculations are accurate and meet the requirements of the regulations

*All figures are representative of Bright Horizons UK



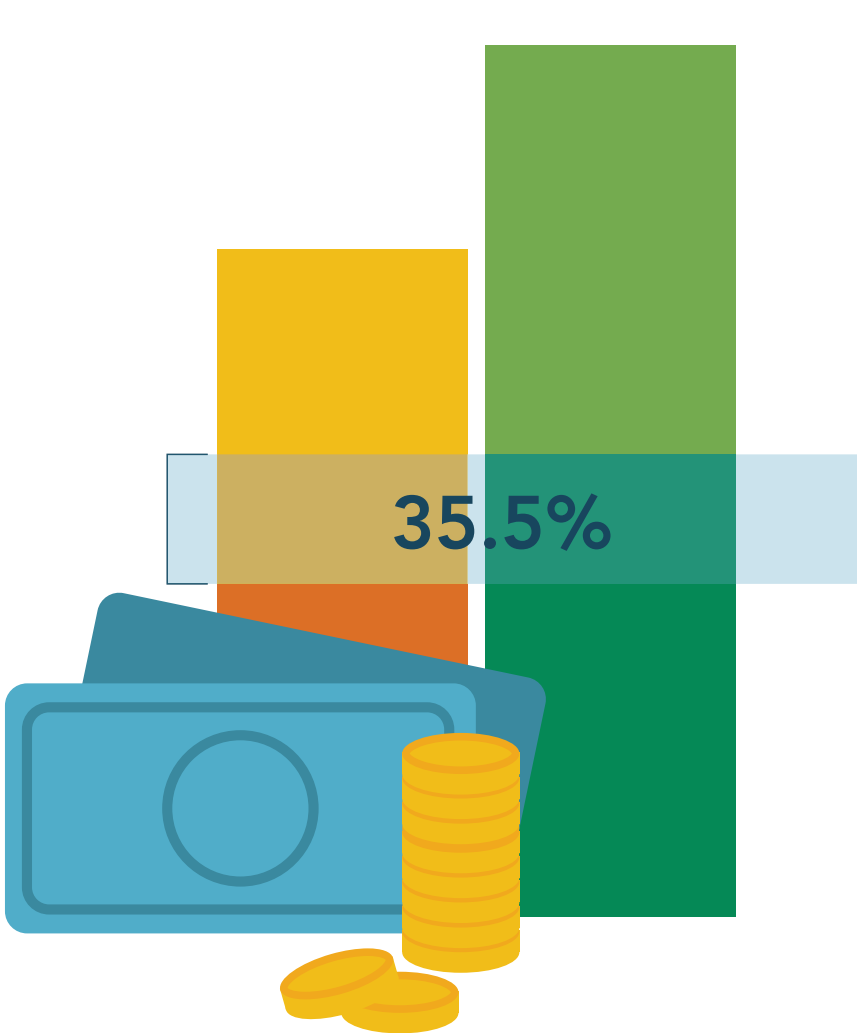
	2020	
	Males	Females
Upper Quartile (highest hourly rate)	17%	83%
Upper Middle Quartile	7%	93%
Lower Middle Quartile	3%	97%
Lower Quartile (lowest hourly rate)	3%	97%

Employers also need to report the average pay and bonus gaps between all men and all women. Again the 2020 figures reported here are based on the small percentage of Bright Horizons employees who were not on furlough at the time.



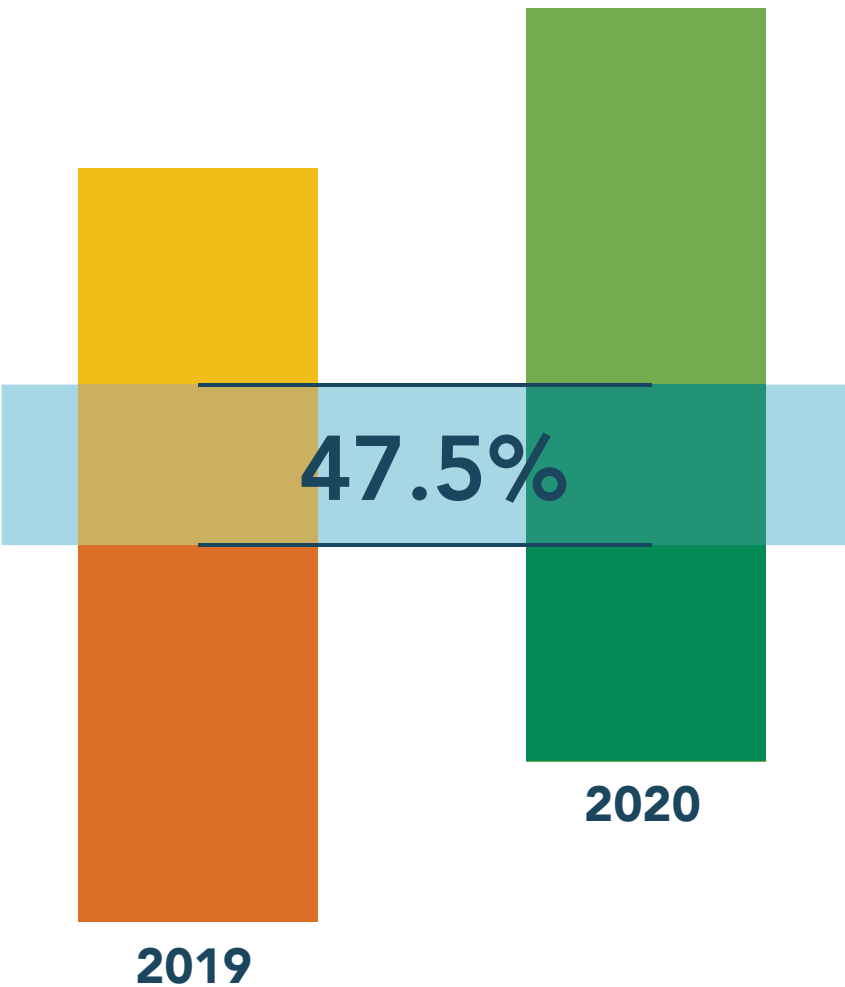
	2020	2019	2020 vs 2019
Mean Pay Gap	33.1%	9.8%	23.3%

This is the difference between the average rate of pay across all women, and the average rate of pay across all men in Bright Horizons.



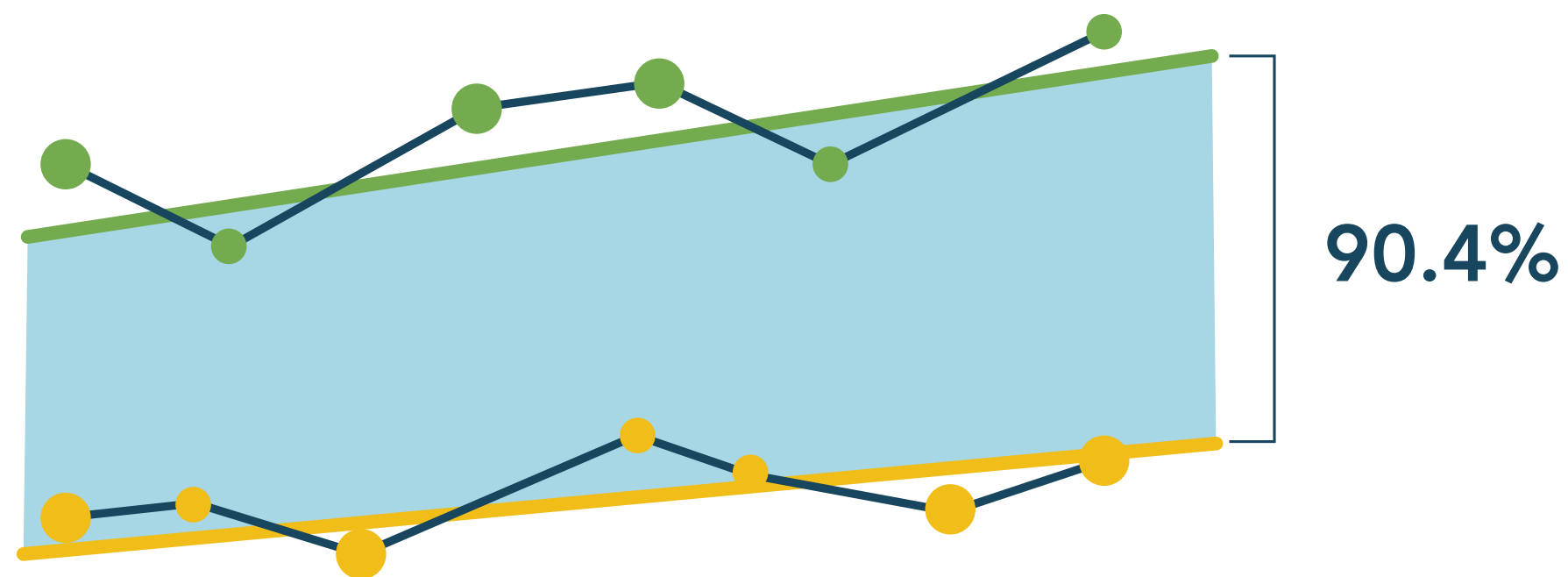
	2020	2019	2020 vs 2019
Median Pay Gap	35.5%	6.1%	29.4%

This is the difference in the mid-point rate of pay across all women and the mid-point rate of pay across all men within Bright Horizons.



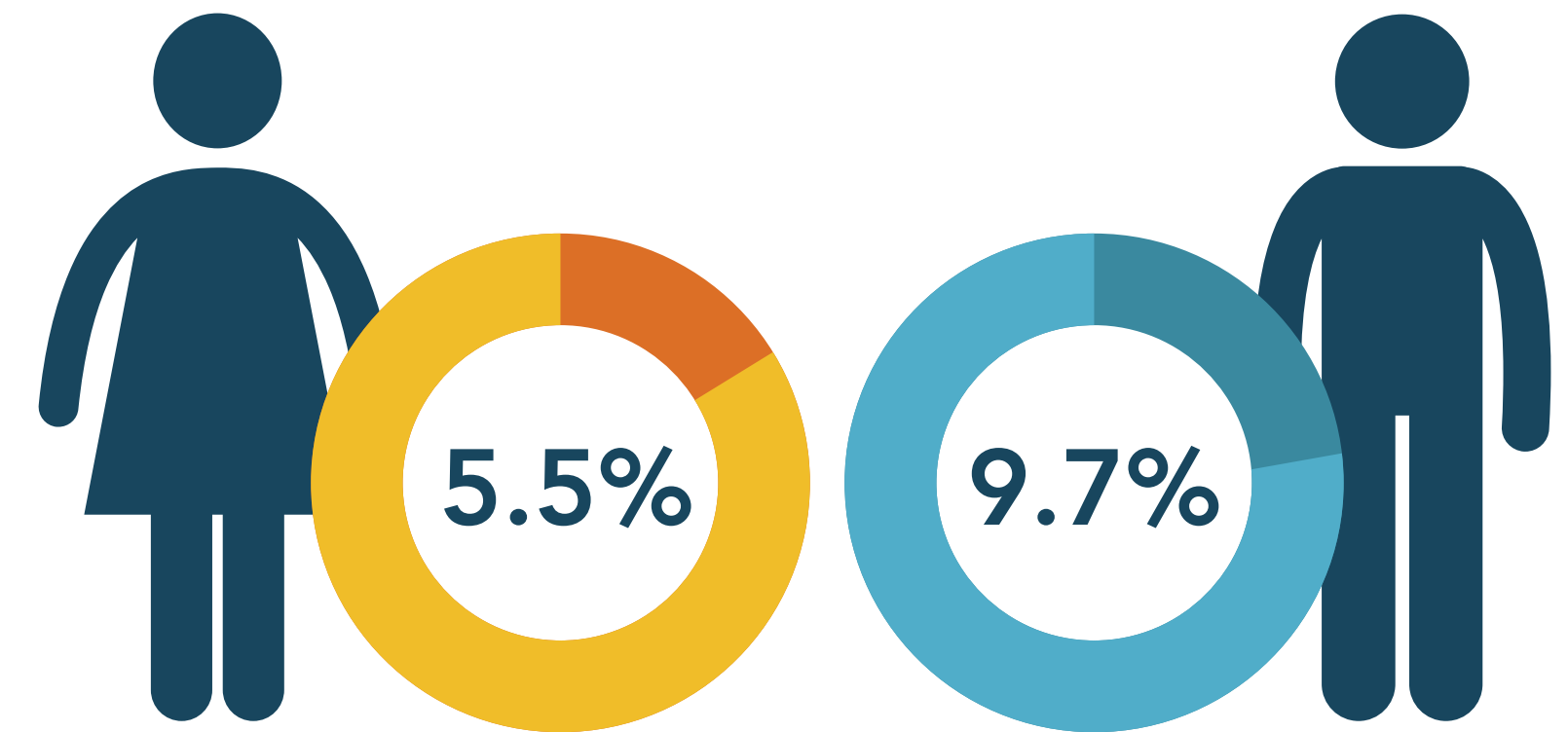
	2020	2019	2020 vs 2019
Median Bonus Gap	47.5%	33.3%	14.2%

This is the difference in the mid-point bonus earned for all women and the mid-point bonus earned for all men in the 12 months preceding 5th April 2020.



	2020	2019	2020 vs 2019
Mean Bonus Gap	90.4%	48.9%	45.1%

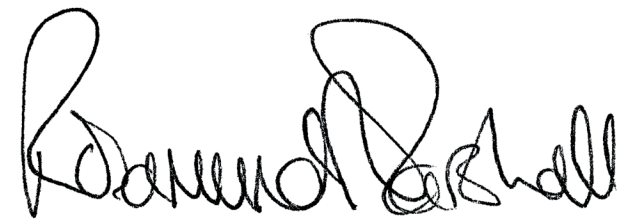
This is the difference in the average bonus earned for all women and the average bonus earned for all men in the 12 months preceding 5th April 2020.



	2020	2019	2020 vs 2019
Male receiving bonus	9.7%	7.6%	2.1%
Female Receiving bonus	5.5%	8.3%	-2.8%

This is the percentage of men and women who earned a bonus payment in the 12 months preceding 5th April 2020.

I confirm that Bright Horizons Family Solutions gender pay gap calculations are accurate and meet the requirements of the regulations. The calculations, data and assertions contained within this report have been made in line with the methodology contained in The Equality Act 2010 (Gender Pay Gap Information) Regulations.



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