



Bright Horizons Gender Pay Gap Report



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At Bright Horizons, we recognise that our people are the heart of our organisation. We are a mission-led organisation and our mission is to provide innovative solutions that help children, families, employees, and employers work together to be their very best. We are committed to providing the highest-quality childcare, education and work/life solutions in the world. We know that the difference we make is down to the quality, commitment and passion of our people. Our approach to being an inclusive organisation directly translates into the care provided for our children within our nurseries and our employer services. We are very proud of our whole workforce, and particularly the ways we have all pulled together during these last two years.

One of our ambitions is to be the number one Employer of Choice within the childcare sector and we are delighted that our people have again given their vote of confidence with our recognition on the Great Place to Work Institute's Best Workplaces list, now for 17 years in succession.



Ros Marshall
Managing Director
Bright Horizons UK

We are also on their very first Best Workplaces for Wellbeing list and our Trust Index© has improved year on year. We were also placed in the top 25 of the UK's Best Workplaces for Women 2021 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. Bright Horizons is committed to fair pay and career progression opportunities for everyone, irrespective of gender. 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.

What is the Gender Pay Gap?



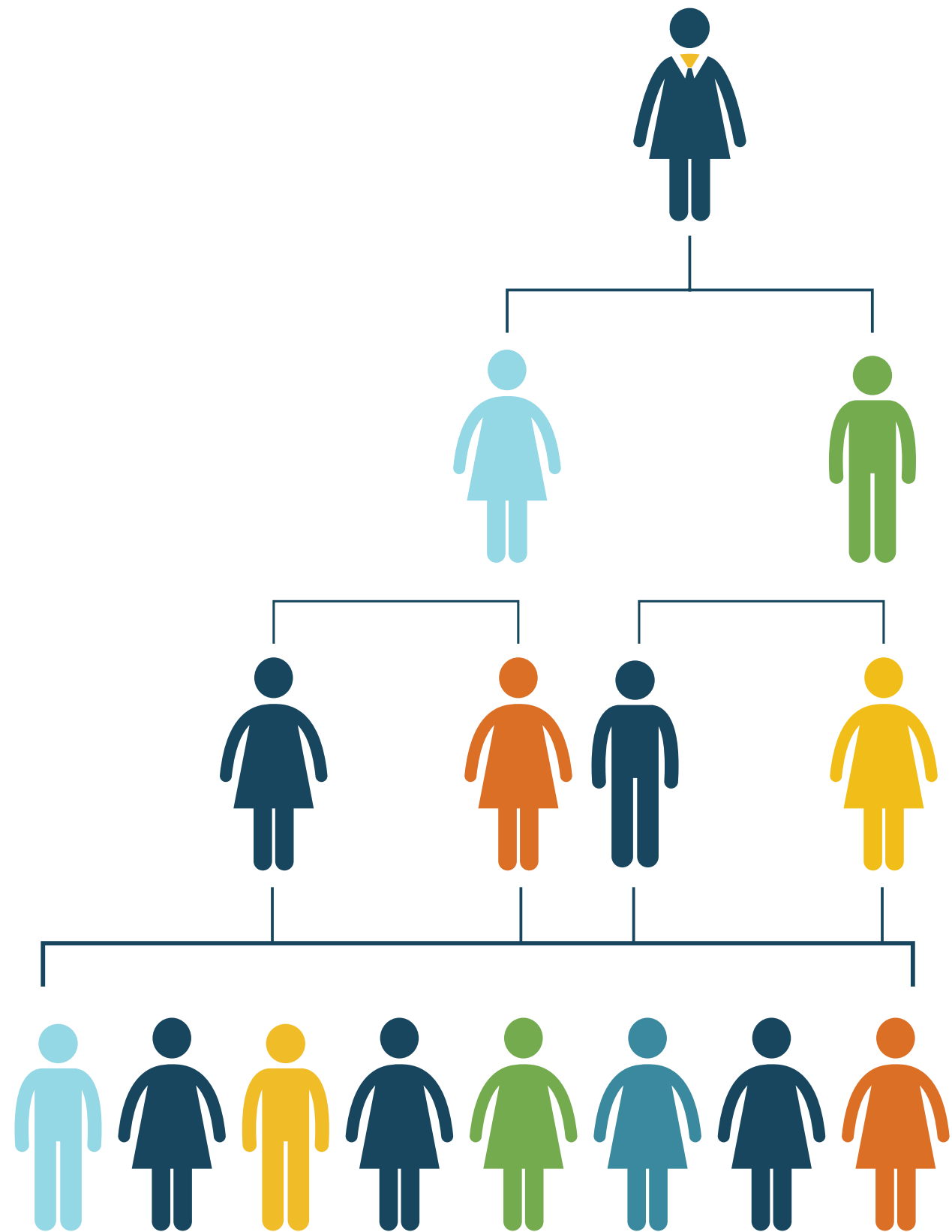
Most organisations in the UK, and elsewhere, have a gender pay gap. The government and employers are working together to change this as everyone stands to benefit from women and men having equal access to a full range of career paths.

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?

For all employers, each year's Gender Pay Gap Report reflects on a snapshot from the previous year. So this year's report is all about figures from 5th April, 2021.

Bright Horizons continues to be a primarily female workforce organisation, which is not uncommon in the childcare sector, our largest area of work. We recognise that there is a pay gap within Bright Horizons and improvements still need to be made. A large part of this would involve attracting more men to join us in our lower pay bands.

Our gender pay gap had fallen in recent years, with the median gap having been 15.1% when reporting began in 2017 and then around 6% in 2018 and 2019. Our 2020 figures, based only on non-furloughed employees, were much less representative at 35.5%. In this year's report, the median pay gap for our 2021 figures was 16.6%. We will explore the reasons behind this in the following pages and what we are actively doing to address 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 their salaries reflect sector market rates as well as their experience and qualifications. Within our support and employer services functions, there is a more mixed gender profile with a relatively higher percentage of male colleagues. Salaries in these roles also reflect market expectations for those functions, such as finance, facilities, or business development, and are often

higher. This means our small male staff population (which is currently only 5.2% of our workforce) has higher average pay levels than our larger female population, and this will remain true until more men take up front-line roles in childcare.

The figures also show a gender bonus gaps. We have a range of bonus schemes, with a range of bonus award values. This includes lower financial value, non-performance-related schemes, including a candidate 'referral' bonus. This scheme

rewards individuals who recommend a candidate who is successfully recruited into the company and it is available to all colleagues. It is most often claimed by nursery-based colleagues, who are predominantly female. Our performance-related management bonuses that are available to our nursery managers and some support office and employer services roles tend to be of a relatively higher financial value and are also reflective of a mixed gender profile in these roles. As we are required to report on these two very different

schemes as one combined bonus offering, it influences our overall gender bonus pay gap.

Another factor relates to the importance we place on being a family-friendly employer, continuing to offer flexible working within all areas of the business, enabling our people to balance home and work life, regardless of gender. Of those whose flexible working preference is to work part-time, 98% are female. Part-time work means that base salary is lower (i.e. pro rata) and since performance-

related bonuses are calculated on base salary, the high proportion of female part-time contracts has a noticeable impact on the difference between average male and female bonus payments.

Finally, the gender bonus gap was also impacted by share awards exercised by some senior members of the team under our share plans during the year prior to April 2021.

What have we done?

Since the Gender Pay Gap Regulations came into effect, we have been proactive in addressing this area, as part of ensuring our systems are fair and encourage people of all genders to progress their careers as they would wish.

Men in Childcare:

One of the biggest contributors to the gender pay gap in the childcare sector generally is the lack of men in front-line early years educator roles. We have been active in promoting careers in childcare, and in our employer services, to all genders, aiming to remove any barriers experienced by men in accessing nursery staff roles. We ran a particular campaign for International Men's Day 2021 promoting careers in childcare to men.

End Salary History Pledge:

In 2021, we signed up to the Fawcett Society #EndSalaryHistory pledge where employers commit not to ask job candidates about previous salary in order to remove gender-based (and other) biases and link pay more clearly to the job role itself.

Fair pay:

Our actions in previous years have included the introduction of a robust pay architecture for both our nursery staff and support staff in 2021, supporting the alignment of pay rates, ensuring consistency, and recognising the qualifications and responsibilities required of different roles in our nurseries, regardless of gender. We will continue to evaluate this approach each year, developing it where necessary, to support our people regardless of gender or identity. During 2021, our Remuneration Committee continued 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.

Work+Family Webinars:

As part of the Work+Family Space platform, introduced during 2021, employees have access - among other resources - to a series of live online events with a range of topics on combining work and family. During the last year, we have made a special point of promoting these webinars actively to all employees through BrightNOW, our internal comms platform. These aim to equip people of all genders with skills and knowledge for integrating career and family. These webinars are also provided to Bright Horizons' clients' employees, where they are regarded as part of supporting female, as well as male, career development. 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.

Shared Parental Leave:

Another aspect of supporting gender equality is to encourage shared parenting. We have promoted and encouraged shared parental leave (SPL) as a gender-inclusive option for new parents.



Taking SPL has been brilliant for our family. We took time off work together and separately with our son. Whilst I was on leave I was able to really focus on time with my son, and when my husband and I were off together we got to have some great quality time together. The biggest benefits were that we both got to experience how the other lived: my husband experienced first-hand what it is like to care for a baby full-time, while I experienced what it is like to go to work leaving my son at home. We had a greater appreciation of what life was like for the other, and have both been able to build amazing relationships with our son. I also found that being on leave for a few months at a time, my return to work was much easier than if I had been away for 12 months, and that my career has continued to develop as I wanted it to.



What will we do?

Enhanced Family Leave Policies:

In 2022, we will be enhancing our family leave policies for all genders, investing in supporting family leave for all parents in a way which is sector-leading.

Leadership Competency Framework:

Our 2022 Annual Review has introduced our new Leadership Competency Framework which defines clear and practical pathways for development in five areas: Commercial Mindset, Future Focus, Driving High Performance, Developing Self and Others, Accountability & Resilience. We will be providing leadership development programmes to support talented employees with leadership potential to progress in well-defined and supported ways.

Men in Childcare:

A key goal for us is to increase the number of men working as practitioners in our nurseries. As well as lessening the gender pay gap, this will provide children with role models of caring adults of both genders. We will continue with campaigns directed at attracting men into front-line childcare roles. We will also re-emphasise our internal Men in Childcare Group,

Diversity, Equity, Inclusion and Belonging:

A DEIB Action Group has been introduced and has already carried out an extensive listening exercise taking input from a wide range of groups across the business in a confidential, externally-facilitated setting. This Group will inform our future working practices and ensure we are at the leading edge of DEI practice and responding directly to input from our own people.

Gender-Inclusive Family Support:

As a family-friendly employer, we provide our employees with a range of services to support in combining work and family. We will continue to ensure these are promoted to all genders. We will also encourage the men who work for us to take advantage of arrangements which could support them with their caring responsibilities, and which are currently taken up far more widely by female colleagues.

Wellbeing:

We are proud to have been identified as one of the Top Employers for Wellbeing in the first such listing by Great Place to Work and we will continue to build and innovate in this area. Our current programme covers Physical, Emotional and Financial Wellbeing. In 2022, an internal working group will fully review and refresh our wellbeing strategy. Supporting wellbeing should support career progression for women and men.

Influencing Future Generations:

Our Early Childhood team continues to be committed to equality of every kind in our nursery settings and communicates externally about challenging gender stereotypes and other biases. Our Bright Beginnings Curriculum with its core focus on wellbeing demonstrably enhances skills in communication and emotional intelligence, giving future generations more scope for mutual appreciation and collaborative working across differences of all kinds.

Employee Forum:

In early 2022, we established an Employee Forum with elected representative from across different areas and regions. The Forum will be an important voice in raising any issues and concerns our people are experiencing and in advising on the rollout of policy and practice.

Culture:

We are fully committed to building on the work we have already done and will continue to build our empowering and flexible culture driven by our HEART values (Honesty, Excellence, Accountability, Respect and Teamwork) enabling all our people to feel confident that they can develop with us, find the right working pattern and bring their full selves to work each day, while making the career choices that are right for them.

Investment in the Early Years as a Profession:

In addition to continuing with our transparent pay framework, remuneration committee and other commitments to pay transparency and fairness, we are delighted to have been able to announce in February 2022 our biggest ever investment in Early Years Practitioner salaries and benefits, that will enable us to offer some of the most competitive Early Years salaries in the UK.

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. Our 2021 figures show that more of the men in the Bright Horizons were in more senior roles. This results in a gender pay gap when average salaries are compared overall.

When comparing 2021 figures to 2019 (rather than 2020 as so many people were furloughed in 2020), we see that we now have more women in the lower quartiles. In 2019, the lower quartiles were 91.6% and 92.4% female whereas now those lower quartiles are 97.5% and 97.3% female, meaning the lower pay bands have more women in relation to men than previously.

The data also show that overall in 2021 we had fewer men in the business: our 2021 workforce was 5.2% male, whereas in 2019, it was 9.6% male. That said, we are pleased that at the UK Leadership Team Level, our gender balance is healthy with 6 out of 8 of people on our most senior team being women.

*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



	2021	
	Males	Females
Upper Quartile (highest hourly rate)	11.4%	88.6%
Upper Middle Quartile	4%	96%
Lower Middle Quartile	2.7%	97.3%
Lower Quartile (lowest hourly rate)	2.5%	97.5%

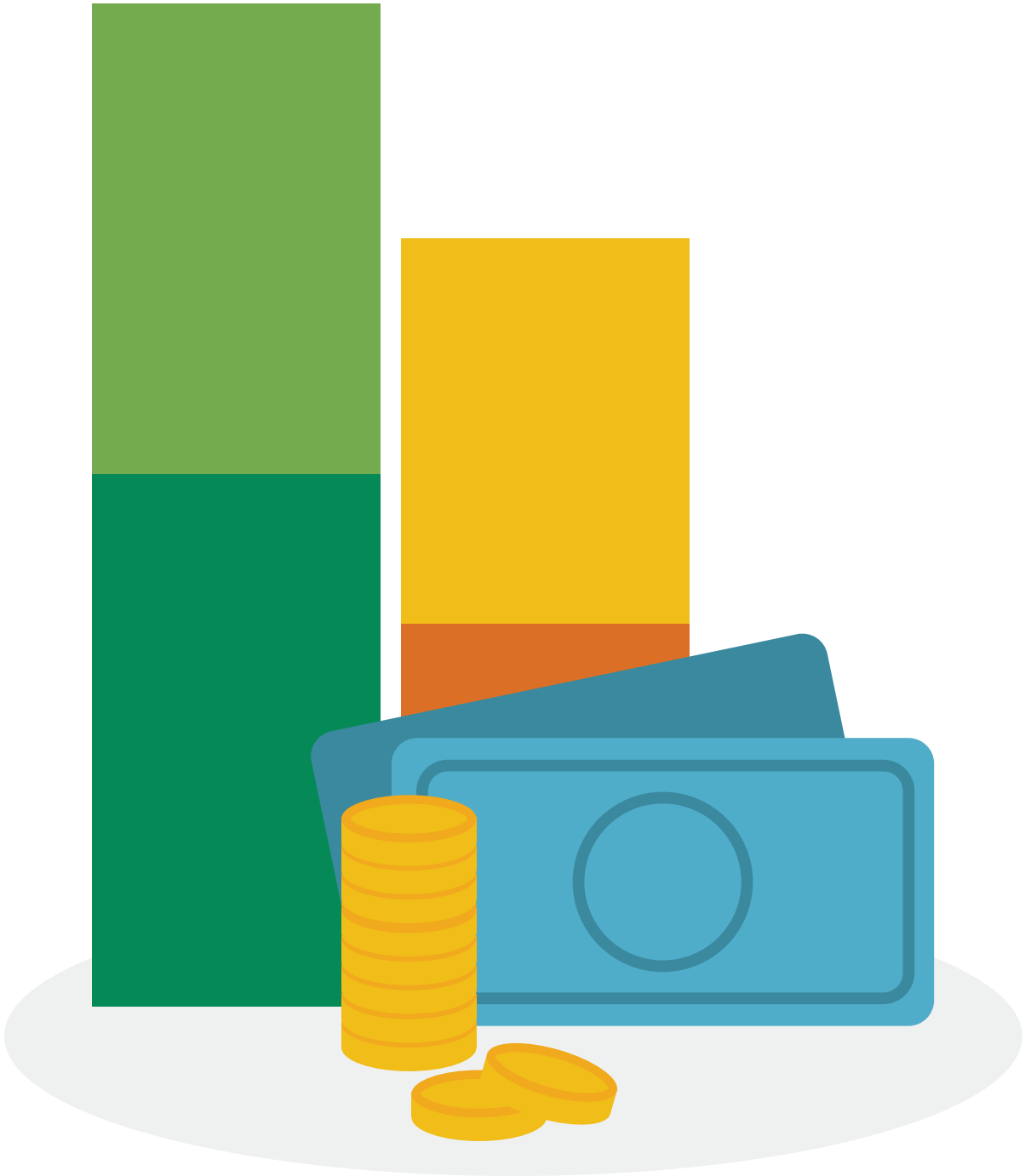
Employers also need to report the average pay and bonus gaps between all men and all women.

When the small number of men in the organisation are in more senior roles, this does result in a pay gap.

In our Gender Pay Gap reports so far, we have looked back at the previous year to track any movement. The data from 2020 are unusual as they show only those people who were not furloughed. This made an exaggerated gender pay gap since the great majority of people furloughed were our nursery staff.

So although the data here show an improvement, we are not celebrating because if we look back pre-pandemic, we had a smaller mean gender pay gap of 9.8% and median gender pay gap of 6.1% in 2019. This shows we have more work to do in recruiting men in the lower quartiles and in ensuring that those women who wish to, progress their careers to the higher quartiles.

	2021	2020	2021 vs 2020
Mean Pay Gap	28.4%	33.1%	-4.7%
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.			
	2021	2020	2021 vs 2020
Median Pay Gap	16.6%	35.5%	-18.9%
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.			



In comparing our Bonus payments across women and men, and comparing with previous years, we see that the difference in number of women and men receiving bonuses in 2021 was smaller than the difference in 2020.

We also see that the mean bonus gap in 2021 is much smaller than in 2020, while the median bonus gap is quite a bit bigger. Comparing this with 2019 again, we see that there was a mean bonus gap of 48.9% and median bonus pay gap of 33.3% in 2019.

To understand these numbers a little more, the mean bonus gap shows the difference in average bonus pay-out whereas the median gap is what you’d see if you lined up everyone who received a bonus, in order of bonus size and compared the middle of each line. The bigger median gap shows that the line-up of men receiving bonuses starts at a higher level, since more are receiving management bonuses, as explained earlier. Meanwhile, a lot of the women in that ‘bonus line-up’ are receiving the lower referral bonuses, bringing the middle point down.

The mean bonus gap is much lower this year than in either 2020 or 2019 as a high number of low bonuses weigh positively against the few larger pay-outs when the average is calculated.

	2021	2020	2021 vs 2020
Mean Bonus Gap	3.3%	90.4%	-87.1%
This is the difference in the average bonus earned between men and women in the 12 months preceding 5 th April 2021			

	2021	2020	2021 vs 2020
Median Bonus Gap	78.4%	47.5%	30.9%
This is the difference in the middle bonus value earned between men and women in the 12 months preceding 5 th April 2021			

	2021	2020	2021 vs 2020
Male receiving bonus	6%	9.7%	-3.7%
Female Receiving bonus	4.3%	5.5%	-1.2%
This is the percentage of men and women who earned a bonus payment in the 12 months preceding 5 th April 2021			

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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