

Bright Horizons Gender Pay Gap Report 2023





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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, employers and employees work together to be their very best. We are committed to providing the highest-quality early years education, childcare 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 and sense of belonging provided for our children within our early years settings and our employer services which support leading organisations' Diversity, Equity and Inclusion Agenda. We are very proud of our whole workforce, and their positive impact in the wider world.

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 in the Great Place to Work Institute's top 30 Best Workplaces list in the Super Large category, now for 17 years in succession. In 2022, we were also recognised in their very first 'Best Workplaces for Wellbeing' list and again in 2023. We were also placed in the top 15 of the UK's Best Workplaces

for Women 2022 and have been recognised in this category since the award was created. This recognition 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, inclusive 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.



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 – indeed people of all genders – 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.

Why do we have a Gender Pay Gap?

The majority of our colleagues are Early Years practitioners working in our nurseries. They are also predominantly (nearly 95%) female. Sector market rates for these roles are traditionally not in the higher earnings brackets, especially for our many colleagues who are starting out in their professional journeys and beginning their career with us. That said, our own early years practitioner colleague salaries are at the upper end of sector market rates.

Within our support and employer services functions, there is a more mixed gender profile with a relatively higher percentage of male colleagues (21%). Salaries

in these roles also reflect market expectations for those functions, such as finance, facilities, or business development, and are often higher. Further, the majority of our male colleagues in support and employer services teams have also joined us in more senior roles. This means our small male colleague population (currently 5.4% of our workforce) has overall higher average pay levels than our larger female population. This will remain true until more men take up front-line roles in childcare.

Further, the benefits we offer at Bright Horizons include measures to help colleagues balance family commitments, such as salary sacrifice for

childcare vouchers or nursery fees. The salaries considered for the purposes of a gender pay gap report are the gross figures before tax etc but after reductions for salary sacrifice. Many more female than male colleagues utilise salary sacrifice, lowering the overall female salary levels counted in this report.

The figures also show a gender bonus gap. 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. 50% of women in our workforce work part time, compared to 18% of men.

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.



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, inclusive 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 is the lack of men in front-line early years educator roles. We continue to run positive social media campaigns featuring men in our field, we have carried out targeted recruitment campaigns and we ensure images we use in recruitment and elsewhere represent all aspects of diversity including gender. Our figures this year show a modest increase in our male colleague population from 5.2% in 2021 to 5.4% in 2022. In an organisation of over 7,000 employees, this is an uplift worth noting.

Leadership Competency Framework:

Our 2022 Annual Performance Review 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 also introduced very well-received leadership development programmes to support talented employees with leadership potential to progress in well-defined and supported ways.

Fair pay:

We continue to take consistent action to increase pay transparency and parity. During 2022, our Remuneration Committee continued to build on our transparent pay architecture for our nursery staff, support staff and employer services teams, supporting the alignment of pay rates, ensuring consistency and recognising the qualifications and responsibilities required of different roles. The Remuneration Committee reviews all pay decisions, follows formal procedures and advocates these across the business, to make sure our people are fairly rewarded for their valuable contribution to Bright Horizons.

Reducing possible biases in recruitment:

We have actively reviewed the language used in job adverts to remove any gender bias. Having signed up to the Fawcett Society #EndSalaryHistory pledge in 2021, we continue our commitment 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.

Employee Forum:

Our 'Be Heard' forum launched in early 2022 with elected representatives from across different areas and regions. The Forum has become a vital and trusted voice in raising our colleagues' concerns and aspirations, stimulating solutions and advising on the rollout of policy and practice.

DEIB:

We launched our Diversity, Equity, Inclusion and Belonging Council in 2022 to identify and challenge barriers and maximise inclusion and sense of belonging for all colleagues and stakeholders.

Investment in Early Years practitioners:

In February 2022, we invested £10 million in our frontline workers to enhance reward and benefits. Among other enhancements, this brought everyone up to at least the National Living Wage (whether or not they are over 23 years old) and the minimum salary in our London-based nurseries to above the Voluntary Living Wage. This also saw the introduction of new pay bands for all other nursery roles including housekeeper, chef and kitchen assistants.

Wellbeing:

During 2022, an internal working group fully reviewed and refreshed our wellbeing strategy, including expanding our programme from Physical, Emotional and Financial Wellbeing to include Physical, Emotional, Financial and Social Wellbeing. We became signatories to the Mindful Business Charter, alongside many of our employer clients but the first in the childcare sector to do so. Further examples of wellbeing support include joining the Employers Initiative on Domestic Abuse and launching organisation-wide awareness training and support on domestic abuse. We also launched our menopause policy and guide. All of these support those colleagues facing specific issues in life or work and tackle potential barriers to career progression that can be experienced across genders.

What will we do?

Investment in the Early Years as a Profession:

In addition to continuing with our transparent pay framework and the work of our remuneration committee, we will continue our investment in Early Years Practitioner salaries and benefits, segmenting our employee population to address greatest need. This means offering some of the most competitive Early Years salaries in the UK. We will continue our commitment to bringing all colleagues, including those aged under 23, up to at least the National Living Wage. Having given colleagues more control over their earnings through our partnership with Salary Finance, we will continue to empower colleagues to access earned salary within-month, to consolidate debt and gain financial wellbeing advice.

Men in Childcare:

We will continue our campaigns to attract men into front-line childcare roles, including our Apprentice population of over 500, and to highlight male role models.

Culture:

We are fully committed to continuing 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. We continue to place emphasis on celebrating all our employees and their achievements and contributions including through regular Employee Appreciation Weeks and annual Awards of Excellence.

Influencing Future Generations and investing in the wider community:

Our Bright Horizons Foundation charitable arm will continue to provide 'Bright Spaces': enriching play environments in locations such as police stations and refuges for children impacted by domestic violence, abuse, homelessness, parental imprisonment and ill health.

And further on supporting future generations, our unique Bright Beginnings early years curriculum is centred on well-being, nurturing the resilience and agency of the future generation as well as helping them to recognise and care for the world around them. We believe this will contribute to raising citizens able to move beyond gender – and other – biases and stereotypes.

Diversity, Equity, Inclusion and Belonging:

Our recently-established DEIB action group is raising awareness of both barriers and opportunities regarding diversity and inclusion in their widest sense, including gender. As well as taking extensive input from our own colleagues, the group consults with DEI leaders from across our employer client organisations to ensure we are at the cutting edge of DEIB practice. In 2023 we will be laying foundations for analysis of other pay gaps, such as ethnicity.

Supporting families in times of need:

We are committed to improving the world in which we live and work, through the activities of the Bright Horizons Foundation.

Gender-Inclusive Family Support:

We will continue to provide our employees with a range of practical services to support in combining work and family, such as information, events, and working arrangements, promoted to all genders. We will continue to encourage the men who work for us to work in ways that support them with their caring responsibilities, such as salary sacrifice for childcare, flexible working etc. These arrangements are currently taken up far more widely by female colleagues which reinforces the gender pay gap.

Future Earth:

Our sustainability programme, Future Earth, is already taking practical steps in reducing our carbon footprint and ensuring equipment is re-used and upcycled. As evidence shows that employees place increasing emphasis on environmental sustainability, our Future Earth programme – as well as being the right thing to do in itself – also ensures we attract and retain the widest pool of engaged talented colleagues.

Employee Forum & Internal Comms:

In early 2022, we established 'Be Heard' our Employee Forum with elected representatives from across different areas and regions. The Forum now has established influence and voice and will continue to ensure the employee voice is heard and that leaders are held accountable for responding and explaining how matters raised will be addressed. We have also

strengthened our Internal Comms team as we further build our ecosystem of communications including BrightNow, our internal news channel, and quarterly leadership business updates. These touch points increase the opportunities for our colleagues to speak up, share ideas and solutions.

Wellbeing:

We are proud to have been identified as one of the Top Employers for Wellbeing in both of the first two such years of this listing by Great Place to Work and we will continue to build and innovate in this area. Our programme, revised in 2022, covers Physical, Emotional and Financial and Social Wellbeing. We will continue to build on both general and specific wellbeing supports, as described under the previous page. In 2023, we will be introducing the wellbeing app Thrive for all our colleagues. Paying attention to wellbeing maximises the scope for all to be able to progress their careers as they would wish.

Leadership Development:

We will continue to build on our successful Leadership Development Programme including formalised assessment centres to select and prepare those with leadership potential in a way which minimises any bias. We are looking to introduce a Women's Leadership Workshop to strengthen the support for female colleagues to reach their career potential.

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 (or quarters) of their pay scale.

Our 2022 figures show that more of the men in Bright Horizons were in more senior roles. This results in a gender pay gap when average salaries are compared overall.

When comparing 2022 figures to 2021 we see that we have exactly the same proportion of women and men in the Lower Quartile as last year. A positive note is that we have more men in the Lower Middle Quartile (4.5% in 2022 compared with 2.7% in 2021). A balanced representation of men throughout the quartiles would be the aim in terms of closing the gap.

The data also show that overall in 2022 we had slightly more men in the business: our 2022 workforce was 5.4% male, whereas in 2021, it was 5.2% male.

Our most senior team, the UK Executive Leadership Team, has three female and two male members.

*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



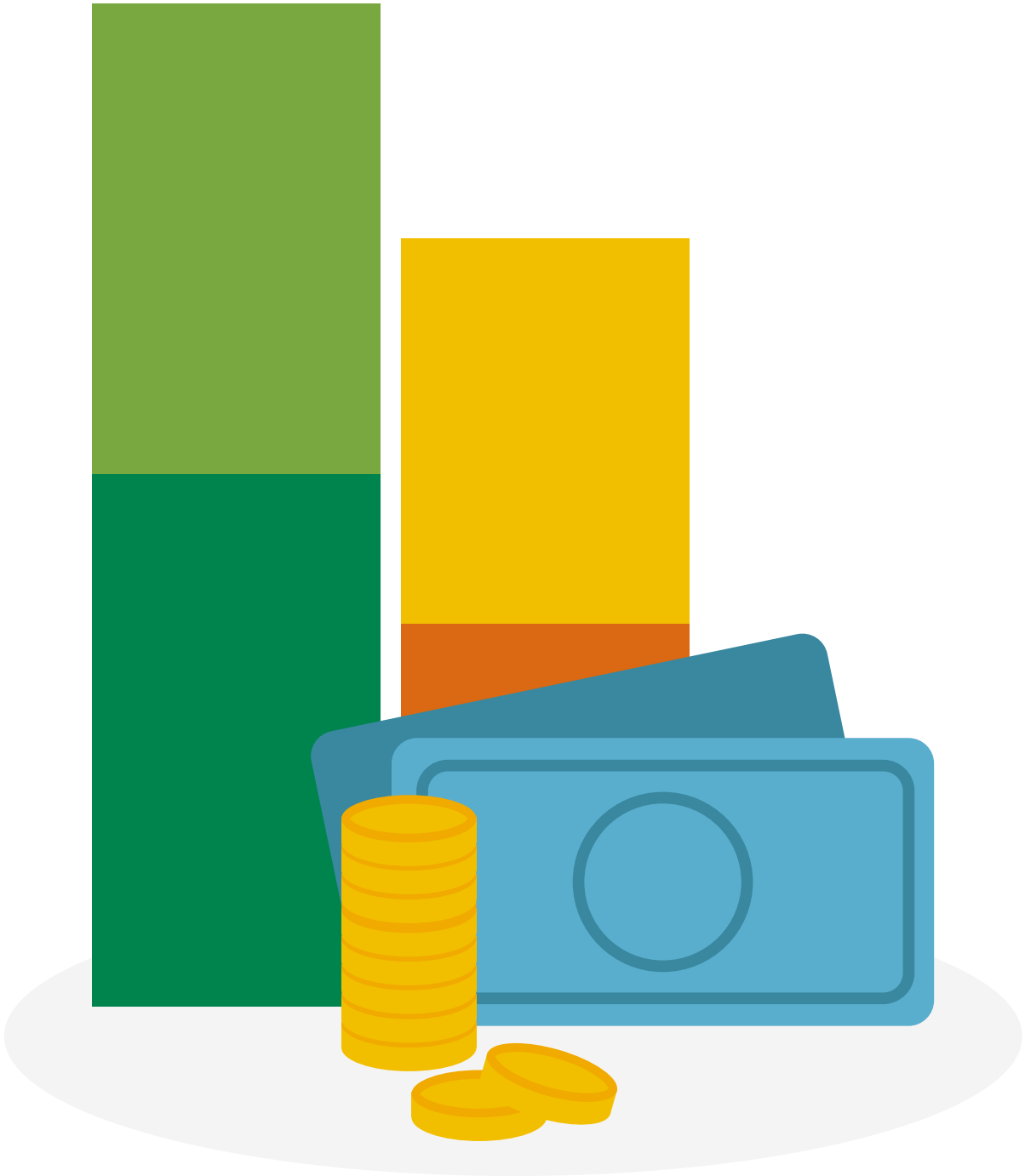
	2022	
	Males	Females
Upper Quartile (highest hourly rate)	10.1%	89.9%
Upper Middle Quartile	4.4%	95.6%
Lower Middle Quartile	4.5%	95.5%
Lower Quartile (lowest hourly rate)	2.5%	97.5%

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. However, we are pleased to report that our 2022 pay gap was smaller than the previous year, particularly the median pay gap of 9.3% compared with 16.6% in 2021. The median is the difference between the middle-earning woman and the middle-earning man if we stood all our employees in two male/female lines.

However, although the data here show an improvement, we know we still have more work to do in recruiting men in the lower quartiles and in continuing to ensure that those women who wish to, progress their careers to the higher quartiles.

	2022	2021	2022 vs 2021
Mean Pay Gap	28.3%	28.4%	-0.1%
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.			
	2022	2021	2022 vs 2021
Median Pay Gap	9.3%	16.6%	-7.3%
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 the previous year, we see that the difference in the number of women and men receiving bonuses in 2022 was higher than the difference in 2021.

We also see that the median bonus gap in 2022 is much smaller than in 2021, while the median bonus gap is bigger.

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 smaller median gap shows that the middle of the line-up of men receiving bonuses is not at a greatly higher level than the women. The mean bonus gap was however quite a lot higher in 2022 than in 2021. As explained earlier in this report, more of our male employees are receiving management bonuses rather than smaller referral bonuses (for introducing candidates to apply for jobs). So although the middle of the 'bonus line-up' described above, is not so much higher, a lot of the women in that line are receiving the lower referral bonuses, bringing the average (mean) bonus down, even though women similarly earn management bonuses.

	2022	2021	2022 vs 2021
Mean Bonus Gap	62.2%	3.3%	58.9%
This is the difference in the average bonus earned between men and women in the 12 months preceding 5 th April 2022			

	2022	2021	2022 vs 2021
Median Bonus Gap	11.1%	79.4%	-67.3%
This is the difference in the middle bonus value earned between men and women in the 12 months preceding 5 th April 2022			

	2022	2021	2022 vs 2021
Male receiving bonus	9.6%	6.0%	3.6%
Female Receiving bonus	5.7%	4.3%	1.4%
This is the percentage of men and women who earned a bonus payment in the 12 months preceding 5 th April 2022			

I confirm that Bright Horizons Family Solutions UK 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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