



Ethnicity Pay Gap Report 2021



Together we will beat cancer



Introduction from Michelle

At Cancer Research UK we share a belief that by putting equality, diversity and inclusion at the heart of our charity, we will make faster progress against our mission of beating cancer. It is only by setting ourselves ambitious targets and scrutinising our work that we will be the best charity we can be and beat cancer together.

We are therefore pleased to publish our ethnicity pay gap report. Whilst this is not a legal requirement, we welcome the opportunity to share our progress, and are working hard to ensure we are a truly diverse organisation. This year, our mean (average) ethnicity pay gap is -9.3%, meaning staff from an ethnic minority background are paid on average more than white employees. This gap has narrowed marginally since the previous year, when it was -9.5%. Our median (middle) ethnicity pay gap is -32% and shows the difference between the salaries of the middle-ranking ethnic minority and white employees.

It is important to note that Cancer Research UK has a relatively low proportion of ethnic minority colleagues given many of our staff are based in

London, at 13% of the total number of people who have disclosed their ethnicity. Therefore, the gap and data we report may not tell the full story. What we do know is that we have fewer colleagues from an ethnic minority background in our retail roles; these tend to be lower paid roles, and also many of our shops are located in areas that are not very ethnically diverse.

We know we still have more to do to improve the diversity of our team at Cancer Research UK. We published our first cross-organisational Equality, Diversity and Inclusion strategy in January 2021 which outlines the steps we will take to make positive change in this important area. It is only by setting ourselves ambitious targets that we will become the best charity that we can be, a leader in diversity and inclusion, and make the greatest progress in our collective fight against cancer.

Michelle Mitchell OBE
Chief Executive, Cancer Research UK

What are the measures and who is included?

The ethnicity pay gap is calculated by comparing the average pay of white employees and ethnic minority employees in an organisation, regardless of the roles they do. The same methodology as the gender pay gap has been used in the calculation of this data:

1. Mean ethnicity pay gap in hourly pay.
2. Median ethnicity pay gap in hourly pay.

Differences between equal pay and the ethnicity pay gap

The ethnicity pay gap is an overall measure across all employees and not the same as equal pay, which is a measure of the pay of white and ethnic minority employees who do the same or similar work.

Ethnicity pay gap

The difference in average pay between white staff and ethnic minority staff regardless of the work they perform.

Equal pay

Being paid the same for like/similar work.

What is the ethnicity pay gap at Cancer Research UK?

The figures published in this report are from 5 April 2021.

88% of all Cancer Research UK staff have disclosed their ethnicity data, and **13%** of these are from

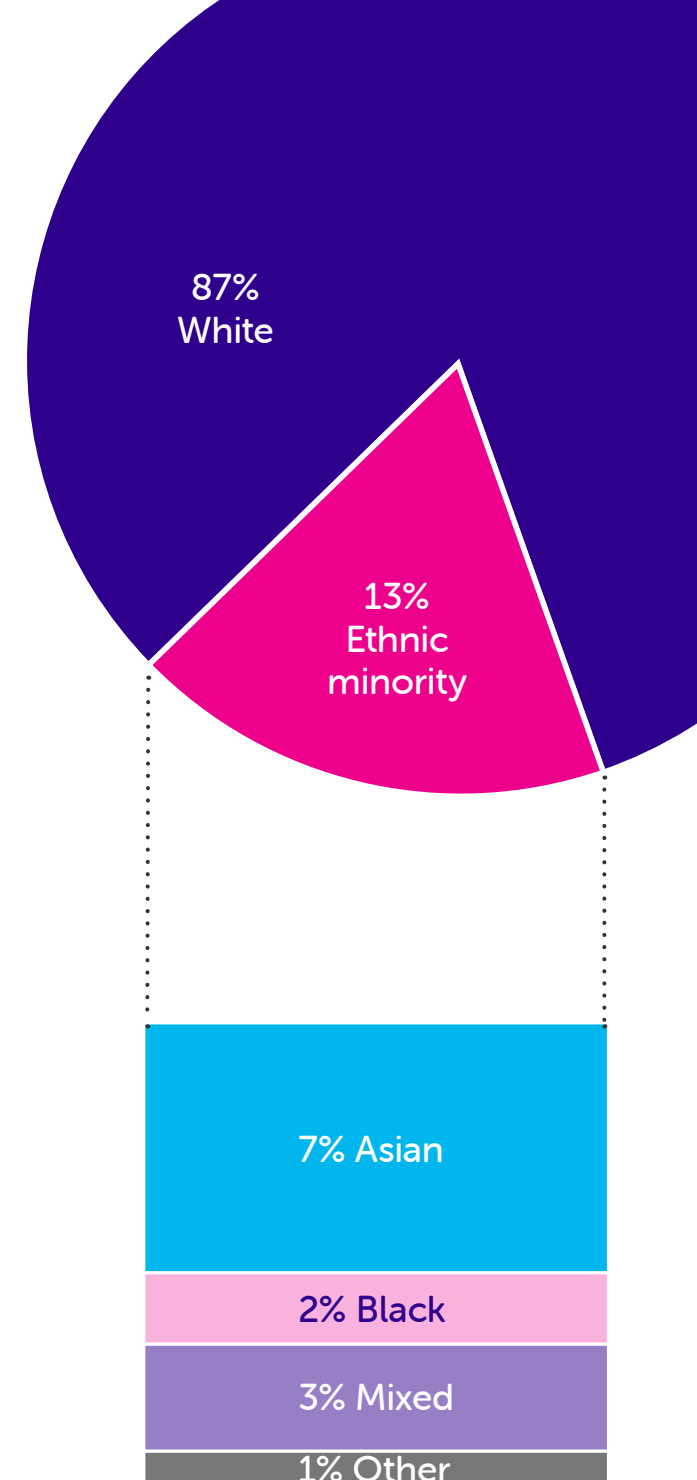
an ethnic minority background. Our aim is to increase the proportion of ethnic minority staff to **16%** across the charity by 2023, recognising that we have a high proportion of our staff based in London which is much more ethnically diverse than the UK overall.

For context, the ethnic minority population, according to the last Office of National Statistics (ONS) 2011 Census, is 14% in the UK and 40.2% in London.

Cancer Research UK Ethnicity Data

Ethnicity	Percentage
Asian	7%
Black	2%
Mixed	3%
Other	1%
White	87%

The calculations are based upon all eligible employees that have shared their ethnicity with us. This includes staff employed by Cancer Research UK and the National Cancer Research Institute. This does not include Cancer Research Technology as it is a separate entity.



Pay quartiles

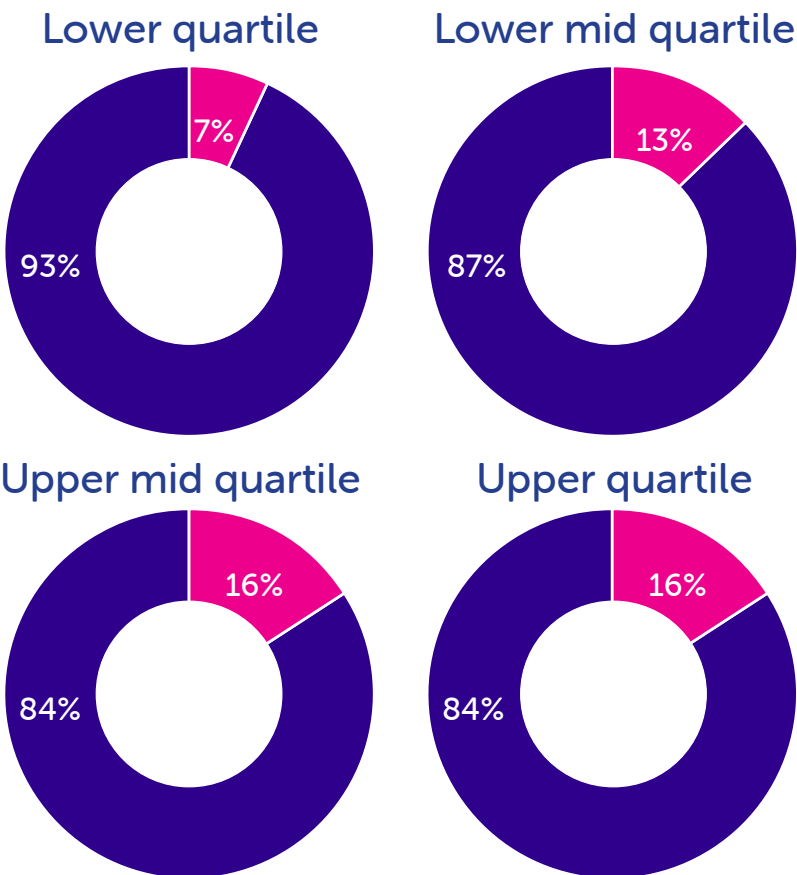
Pay quartiles sort employees into four equal sized groups ('quartiles') from the lowest paid to the highest paid. The pay quartiles then show the proportion of white and ethnic minority employees in each, ranging from the lowest paid quarter to the highest paid quarter.

The number of ethnic minority employees is lowest in the lower pay quartile and increases as you go up the pay quartiles. Whilst there have been some small shifts across the quartiles, these are very small changes in the first two quartiles, with the proportion of ethnic minority employees in the upper two quartiles remaining the same as the previous year.

Headcount



Distribution by pay quartile



Distribution by pay quartile	Lower quartile	Lower mid quartile	Upper mid quartile	Upper quartile
Ethnic minority	7%	13%	16%	16%
White	93%	87%	84%	84%



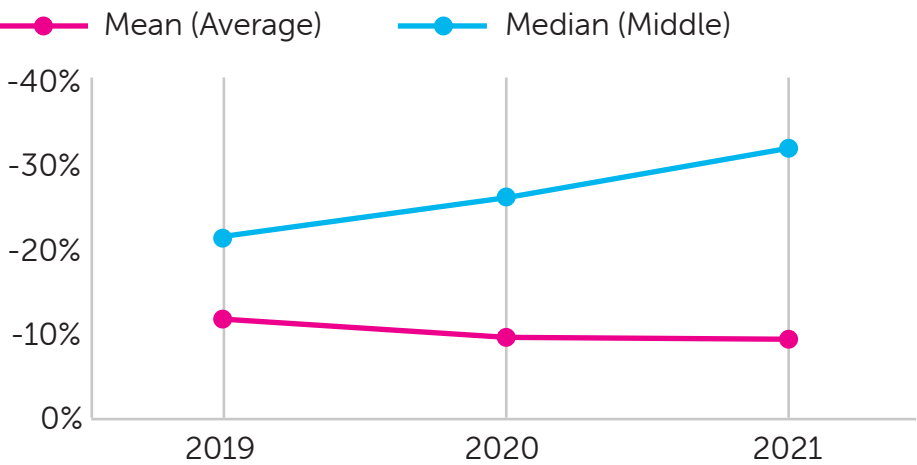
Ethnicity pay gap

Our mean (average) ethnicity pay gap has remained similar in 2021 at -9.3% in favour of ethnic minority employees. This means, on average, our ethnic minority colleagues are paid 9.3% more than their white colleagues.

The median (middle) ethnicity pay gap saw a widening in favour of ethnic minority employees from -26.4% in 2020 to -32% in 2021, and shows the difference between the salaries of the middle-ranking ethnic minority and white employees.



The mean and median ethnicity pay gap by year



Ethnicity pay gap	Mean (average)	Median (middle)
2021	-9.3%	-32.0%
2020	-9.5%	-26.4%
2019	-12.0%	-22.3%

Key point to note

As described above, it's important to note that although our ethnicity pay gap shows that the average pay of our ethnic minority staff is higher than that of our white employees, we recognise that the data doesn't show the full picture, and we have further work to do to improve inclusion and ethnic diversity.

What is causing the ethnicity pay gap?

While our ethnicity pay gap is in favour of ethnic minority staff, it is based on small numbers, and it would be wrong to assume that it doesn't need exploring. We are working hard to ensure we are a diverse and inclusive organisation.

There are a number of factors influencing our ethnicity pay gap: the low numbers of ethnic minority colleagues employed across all levels and roles in the charity, the lower proportion of ethnic minority colleagues employed in our retail stores, and the significantly higher proportion of ethnic minority colleagues in higher paid parts of the charity, primarily Technology.

During the year, the headcount across Cancer Research UK has reduced and that means the proportion of staff in lower paid retail roles has increased. The majority of employees in the retail part of the charity are white, whilst there has been an increase in the proportion of ethnic minority colleagues in higher paid parts of the charity, including Technology and Research.

We have 3,585 employees across Cancer Research UK and over half (1,897) work in our retail stores. Whilst our retail salaries are in line with the rest of the charity sector, this is an area where the rates of pay are lower than non-retail parts of

the charity. 10% of employees in retail are from an ethnic minority, compared with 17% in non-retail operations. The ethnicity pay gap is significantly reduced when excluding our retail operation to +3.3% (mean) and +1.7% (median).

We have 600 retail stores across the UK and in Jersey and Guernsey and we're working to increase ethnic diversity in the charity, including in our shops. 2011 census data shows that racial diversity in different areas of the UK is vastly different. For example, London is the most ethnically diverse region in England and Wales with 40.2% of residents from an ethnic minority background. In comparison, only 8.2% of residents in the South West of England are from an ethnic minority background [1].

We know that as we fulfil our ambitions to diversify our workforce and have more ethnic minority staff at all levels of the charity, we will see changes with our ethnicity pay gap. We set ethnicity targets in 2018 and are disappointed not to have made more progress to increase the ethnic diversity of our workforce, but are confident the actions we have set out in our Equality, Diversity and Inclusion (EDI) strategy 2021-2023 will help us to increase our ethnic diversity and reduce our ethnicity pay gap.

[1] <https://www.ethnicity-facts-figures.service.gov.uk/uk-population-by-ethnicity/national-and-regional-populations/regional-ethnic-diversity/latest>



What we are doing to increase ethnic diversity and inclusion

1. EDI Strategy

At the beginning of 2021, we published our first organisation-wide Equality, Diversity and Inclusion strategy, and ambitious action plan. The strategy includes two key strategic priorities that will help us make progress in our ethnicity pay gap: to build an inclusive and diverse culture for all our people – staff and volunteers – to succeed and feel like they belong, and to improve diversity across our governance, advisory and leadership structures.

To support the implementation of our EDI strategy, we currently have nine Employee Networks, two of which were launched in 2021, and EDI Champions in all directorates.

2. Targets for increasing proportions of staff from an ethnic minority background

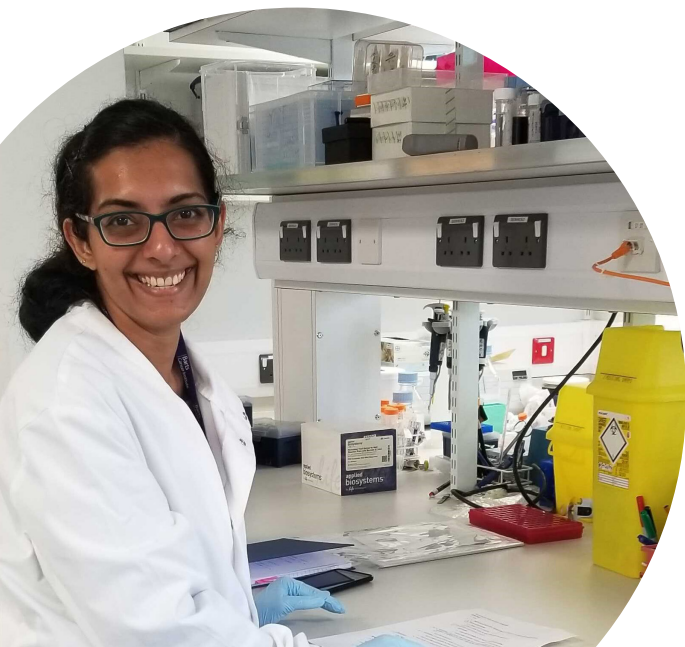
We set ethnicity targets in 2018 and we report on our progress quarterly. We made significant strides towards the target to increase the proportion of ethnic minority colleagues in the first 18 months, increasing from 11.1% to 13.6% or half of our target to increase by five percentage points over three years. However, the pandemic has impacted our progress. We've extended the time period to achieve this target. We have seen the proportion of ethnic minority staff decline to 12.8% at the end of November 2021. We are currently working to identify and address barriers in recruitment, progression and development that have prevented us from making more progress. Over the past 12 months we've implemented a number of changes to improve the attraction and retention of ethnic minority colleagues, with many more actions planned for the coming year.



3. Talent programmes

Due to COVID-19, our talent development programmes were temporarily placed on hold. However, in 2020, we conducted an Equality Impact Assessment on our talent review process to identify and remove bias from our process. Our commitment to remove bias in our decision-making process still stands and we'll make the necessary changes to do this.

We are scoping out a progression scheme for our ethnic minority colleagues to support their development and establish a leadership pipeline, and we're redesigning the application and selection process for our existing talent programmes, which are set to relaunch in 2022. This will ensure that we identify talent across all groups and give those colleagues the support to develop and progress.



4. Inclusive recruitment and selection practice

Following a hiring freeze in 2020, we are seeing recruitment activity return to pre-pandemic levels, and we remain committed to developing our recruitment methods to attract, recruit and retain talent from a wide range of backgrounds.

We've continued to support our hiring managers to remove bias during the recruitment process, and have designed and delivered inclusive recruitment training sessions, along with additional guidance and tools.

We rolled out anonymous CVs on our recruitment platform in June 2021, to mitigate bias at shortlisting stage, and we now publish salary ranges in job adverts to provide greater transparency. This is intended to reduce the impact of some groups feeling more comfortable negotiating their salary than others and helps to create a more level playing field.

For all senior leadership roles (executive director, director and head) we set targets and are working to achieve balanced shortlists of candidates with a specific focus on gender and ethnicity.



Statement

I confirm that the information and data provided is accurate.

A handwritten signature in black ink, reading "M. Mitchell", written over a dotted line.

Michelle Mitchell
Chief Executive Officer