



Gender and ethnicity pay gap report 2023

FURTHER FASTER TOGETHER We are beating cancer

A word from Iain

Cancer Research Horizons is the innovation engine for Cancer Research UK. We bring together the brightest minds, boldest ideas and best partners to translate cutting-edge innovations from the lab into effective treatments and diagnostics for people with cancer. Our vision is to bring forward the day when all cancers are conquered. This is a long-term goal – and one we can only achieve by being a diverse and inclusive organisation that's reflective of the people and communities we serve.

We welcome the opportunity to publish our gender and ethnicity pay gap data for the first time. Here, you'll find our headline figures, why we have pay gaps and what we're going to do to become a more inclusive and diverse organisation.

Gender and ethnicity pay gap reporting is not the same as the requirement to pay all staff equally for equal work. We're confident we do that. Gender and ethnicity pay gap reporting shows the difference in average pay between male and female employees, and White and ethnic minority employees. And it reflects a combination of internal and external factors.

Cancer Research Horizons is wholly owned by Cancer Research UK, and our Equality, Diversity and Inclusion (EDI) objectives are aligned. We're making good progress against these shared objectives, which were published in 2021. But there's more to do. As Cancer Research UK, we're currently evaluating our progress and performance and will publish a refreshed EDI strategy in 2024.



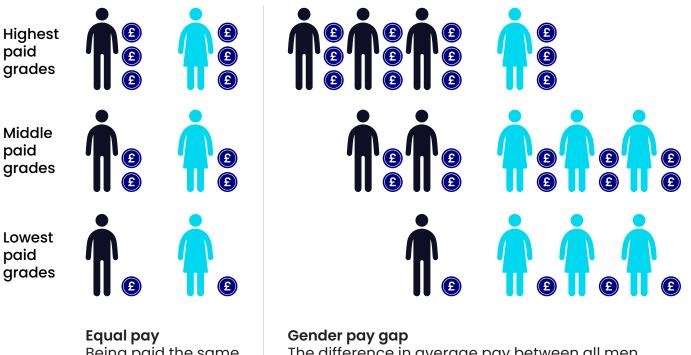
Context

What information is included in this report and the differences between equal pay and the gender and ethnicity pay gaps

What's the difference between equal pay and the gender and ethnicity pay gap?

Equal pay isn't the same as the gender or ethnicity pay gap. Equal pay means paying people the same for like-for-like work and it has been a legal requirement for nearly 50 years. We're confident that we do this. The pay gaps shown in this report are a comparison between average hourly rates of pay for different groups of staff, and they reflect a combination of internal and external factors.

Figure 1: Equal pay and the impact of the distribution of male and female staff on the gender pay gap calculation



Being paid the same for like/similar work.

The difference in average pay between all men and women regardless of the work they perform.

Male

emale

What information is included in this report and who is included?

Gender pay gap legislation was introduced in April 2017. It requires UK employers with 250 employees or more to publish data about their gender pay gap on 5 April each year. As of 5 April 2023, Cancer Research Horizons hit this headcount threshold for the first time.

The gender pay gap legislation requires employers to report information including the:

- mean gender pay gap in hourly pay
- median gender pay gap in hourly pay
- mean bonus gender pay gap
- median bonus gender pay gap
- proportion of male and female employees in each pay quartile
- proportion of male and female employees receiving a bonus payment

Even though it's not a legal requirement, in this report we're also publishing data about our ethnicity pay gap as we welcome the opportunity to be open and transparent about our gap and the reasons for it.

The figures published in this report are from 5 April 2023 and based on 256 employees.

Cancer Research Horizons is a private limited company wholly owned by Cancer Research UK. You can find the gender and ethnicity pay gap reports for Cancer Research UK on their website.





Gender pay gap

Gender identity and the gender pay gap

While we use the term 'gender pay gap' throughout this report, we understand that, for some people, the data used will be in relation to their sex but not their gender. Also, the data used for the calculations comes from HM Revenue & Customs records, meaning all staff are categorised as either 'male' or 'female' for the purpose of calculating our gender pay gap. We acknowledge this means people who are intersex, trans or non-binary will be reported in line with their legal sex in our data and this may not be the same as their gender identity.

For this report, we've chosen to use 'male' and 'female' rather than 'man' and 'woman'.



How do we calculate the gender pay gap?

We follow the methodology set by the Government in its gender pay gap reporting guidance for employers.

Mean (average) gender pay gap:

To calculate the mean hourly pay for female staff, the hourly pay for all female staff is added together and divided by the total number of female staff. The same is done for male staff. The mean gender pay gap is the difference (shown as a percentage) between the mean hourly pay for female and male staff.

Median (middle) gender pay gap:

If all female employees were lined up in order of their hourly pay, and so were all male employees, the median would be the hourly rate of pay of the individual female and male employee in the middle of each line. The median gender pay gap is the difference (shown as a percentage) between the hourly pay of the middle female employee compared to the middle male employee.

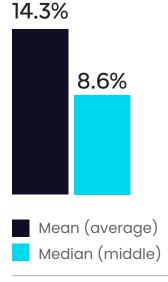
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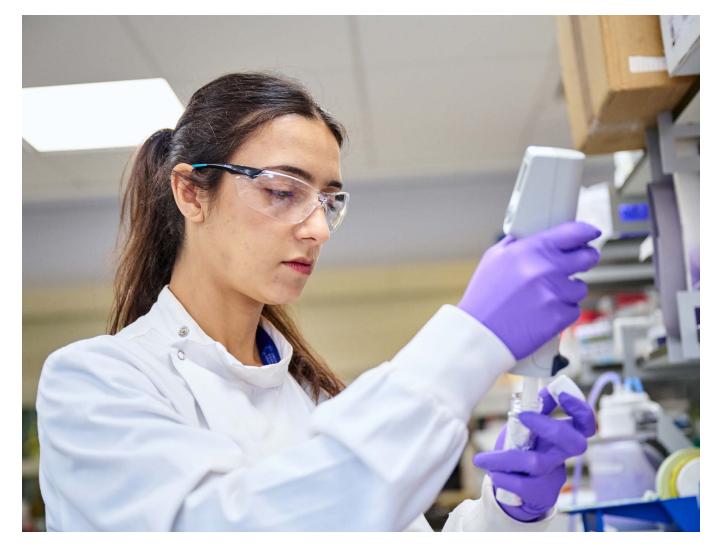
What is the gender pay gap at Cancer Research Horizons?

In 2023, our mean (average) gender pay gap was 14.3% in favour of male staff. This means that male staff are paid on average 14.3% more than their female colleagues.

Our median (middle) gender pay gap was 8.6% in favour of male staff. This means that the salaries of middle-ranking male staff are 8.6% higher than the salaries of middle-ranking female staff.

Figure 2: Gender pay gap 2023

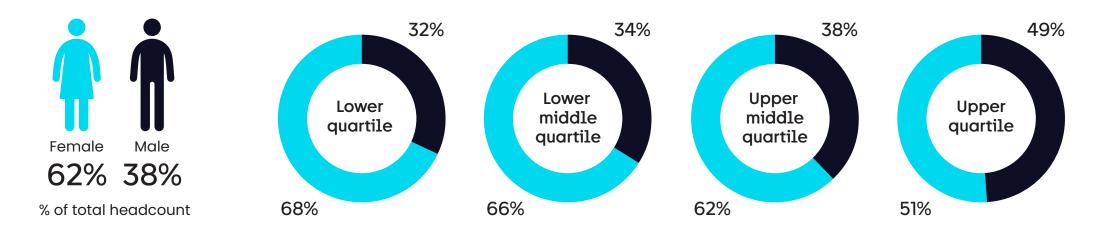




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Proportion of employees in each pay quartile

We create 'pay quartiles' by organising employees into a list from the lowest paid to the highest paid, then dividing the list into four equal sized groups, or quartiles. We then look at the proportion of male and female employees in each quartile.



Gender	Lower quartile	Lower middle quartile	Upper middle quartile	Upper quartile
Female	68%	66%	62%	51%
Male	32%	34%	38%	49%

Why do we have a gender pay gap?

Our gender pay gap is mostly driven by the distribution of male and female employees in different parts of the organisation. While we employ more female staff than male staff, we employ proportionately more female staff in the lower and lower-middle pay quartiles than in the upper-middle and upper quartiles.



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Spot awards at Cancer Research Horizons

We operate a spot award scheme that recognises teams or individuals 'on the spot' for exceptional performance or an exceptional demonstration of our ways of working. This aligns with common practice in the sector that we operate in. These one-off payments, along with our peer-to-peer recognition scheme 'A little thank you' and our Unsung Heroes event, meet the requirements for reporting bonuses.

In 2023, 39.6% of female staff and 25.8% of male staff received a payment through one of these schemes. Our mean and median bonus pay gaps were both 0.0%.

39.6% of female staff received a bonus payment **25.8%** of male staff received a bonus payment

O.O% Mean bonus pay gap 0.0% Median bonus

pay gap

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Ethnicity pay gap

Ethnicity pay gap reporting

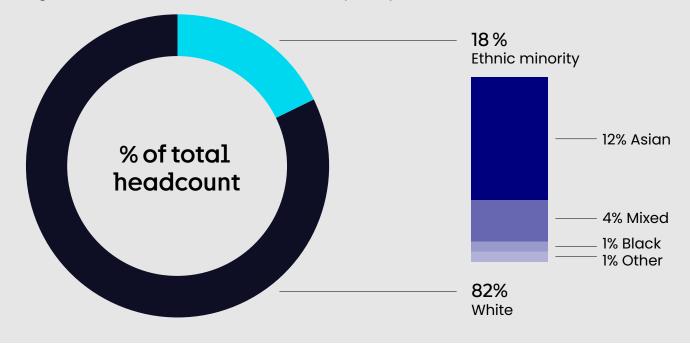
The ethnicity pay gap is calculated by comparing the average pay of White employees and ethnic minority employees in an organisation, regardless of the roles they do. We follow the same methodology as we do for gender pay gap reporting to calculate the mean ethnicity gap in hourly pay and the median ethnicity gap in hourly pay.

For the purpose of this report, anyone who has shared that they are White, regardless of their ethnicity (for example, people who have shared their ethnicity as being 'White – Other') is included as a White employee and not an ethnic minority employee.

What is the ethnicity composition of staff at Cancer Research Horizons?

As of 5 April 2023, of the 87% of Cancer Research Horizons staff who had shared their ethnicity data 18% were from an ethnic minority background.

Figure 3: Cancer Research Horizons ethnicity composition



Cancer Research Horizons

What is the ethnicity pay gap at Cancer Research Horizons?



In 2023, our mean (average) ethnicity pay gap was 11.3% in favour of White staff. This means that White employees are paid on average 11.3% more than their ethnic minority colleagues.

Our median (middle) ethnicity pay gap was 15.8% in favour of White staff. This means that the salaries of middle-ranking White staff are 15.8% higher than the salaries of middle-ranking ethnic minority staff.

Figure 4: Ethnicity pay gap 2023

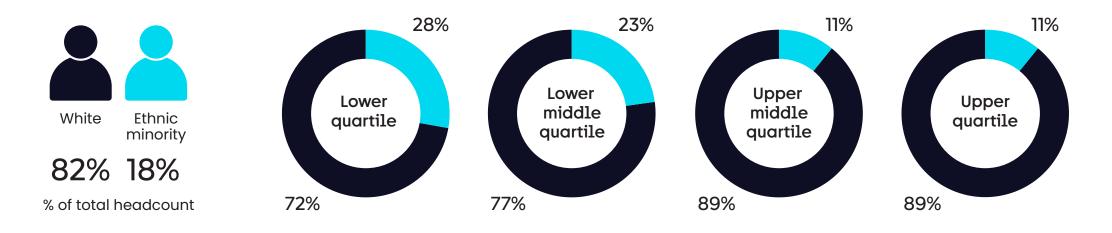
15.8%

Mean (average) Median (middle)

11.3%

Proportion of employees in each pay quartile

We create 'pay quartiles' by organising employees into a list from the lowest paid to the highest paid, then dividing the list into four equal sized groups, or quartiles. We then look at the proportion of White and ethnic minority employees in each quartile.

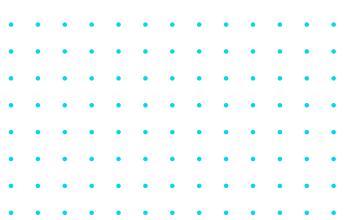


Gender	Lower quartile	Lower middle quartile	Upper middle quartile	Upper quartile
White	72%	77%	89%	89%
Ethnic minority	28%	23%	11%	11%

Why do we have an ethnicity pay gap?

Our ethnicity pay gap is mostly driven by the distribution of ethnic minority staff in different parts of the organisation. We employ proportionately more ethnic minority staff in our lower and lowermiddle pay quartiles than in our uppermiddle and upper quartiles.



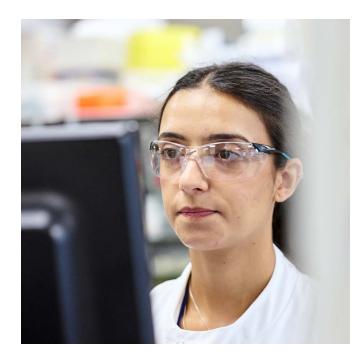


What are we doing to narrow the pay gaps?

We're confident we pay everyone equally for doing like-for-like work. And as an organisation with a wide range of different roles and skills, we aim to reward all our people fairly and as competitively as we can based on the external market, while balancing our need to continue funding our research.

Our grading framework and pay guidelines are applied consistently at all stages of the employee lifecycle to ensure that pay is set fairly for similar roles across the charity. We have appropriate checks in place to make sure this remains consistent, and we look at things like average pay increases by key demographics, such as ethnicity and male and female, when undertaking any largescale pay changes.

As this is the first year we've reported our gender and ethnicity pay gaps, we know we have more work to do to understand what's driving these gaps. We'll continue interrogating our data and engaging with staff to identify areas where we could make more targeted interventions. We also intend to produce and publish our 2024 pay gaps earlier in the reporting year. We're working hard to create an inclusive environment for all staff, guided by the objectives set out in Cancer Research UK's EDI strategy. You can read more about some of the work we're delivering in the gender and ethnicity pay gap reports for Cancer Research UK.



Statement

I confirm that the information and data provided is accurate.

Dr Iain Foulkes Chief Executive Cancer Research Horizons



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