

**MACMILLAN
CANCER SUPPORT**



Katriana, Macmillan Client Services Executive

Gender Pay Gap Report 2023

1. Introduction

We are in a period of transformation at Macmillan. It is increasingly clear that we need to evolve to make sure we are meeting the needs of people with cancer, both now and in the future – and to make sure we do this in the most impactful and sustainable way, we are also looking at how we work as an organisation and in partnership. We need to be reflective and representative of the broad range of people across the UK who are diagnosed with cancer – and it is essential that everyone working here feels that they are a valued member of the team and that they are treated equally well. Reporting on our gender pay gap is just one of the ways in which we are working to understand the progress we are making, and hold ourselves to account for continuing to improve.

Our 2023 report is based on data captured on 5 April 2023 and highlights both positive and negative changes. Our median pay gap (which measures the difference in pay between the middle-ranking female colleague and the middle-ranking male colleague) decreased from 11.9% in 2022 to 9.7% in 2023, which is encouraging. This measure is starting to be used more widely in pay reporting as it is less likely to fluctuate with salaries at either end of the scale and so it provides a more consistent benchmark for progress. In the same period, however, our mean gender pay gap (which measures average hourly pay) increased from 11.3% to 12.2%, which is a disappointing reminder of how much work we still have to do.

We have scrutinised the data we have available to get to the root of the issues behind our gender pay gap. The priorities set out in this report help focus our efforts where we can have the greatest impact. Some of the factors influencing the gap, like market conditions, are out of our control. But we know we can improve our understanding of the data we have; we can create more opportunities for flexible working; we have more to do to improve our recruitment practices; and we can step up our efforts to facilitate fair conversations about salaries. Our aim throughout all these actions is to ensure that female colleagues can access the same opportunities as male colleagues at every level of the organisation – and that everyone is rewarded for their hard work in a consistent way.

As we work together to transform Macmillan, I am determined that we will do everything we can to address our gender pay gap. It is the responsibility of all of us to face into this and understand the actions that we need to take – both as individuals and collectively – to create a culture where everyone is empowered to deliver their best work for people living with cancer.



Gemma Peters,
Chief Executive

2. Calculating our gender pay gap

What is the gender pay gap and how is it calculated?

Organisations with more than 250 colleagues are legally required to report on their 'gender pay gap' – or the difference in average earnings between female and male colleagues – in the following ways each year.

- **The median pay gap:** the difference in pay between the middle-ranking female colleague and the middle-ranking male colleague.
- **The mean pay gap:** the average amount earned by female colleagues compared to the average amount earned by male colleagues each hour.
- **The proportion of female and male colleagues in each pay quartile:** this is calculated by splitting the overall workforce into four equal-sized groups based on hourly pay and ranking them from highest to lowest paid. The percentage of female colleagues and male colleagues in each quartile is then calculated.

- **The pay gap between female and male colleagues who receive bonus payments:** we do not make bonus payments at Macmillan, so we do not report on this.

It is worth noting that gender pay is different from 'equal pay' which deals with the pay differences between male colleagues and female colleagues who carry out the same jobs or work of equal value.

We publish our Gender Pay Gap Report on our website and on the dedicated Government website.

A note on language – sex and gender

Despite being called the 'Gender Pay Gap Report', the analysis is based on a binary definition of sex (which is assigned at birth – female, male), rather than gender (which is largely culturally and socially determined – women, men, people who are non-binary – and is often expressed in terms of how people act, dress or behave). This is because the regulations require us to report in this way and categorise our colleagues as either female or male, based on the sex stated on their passport. However, as part of our ongoing commitment to actively embrace colleagues of all gender identities, we want to acknowledge that some individuals may not identify with either 'gender' (sex) referenced in this report.

3. High level summary

Our median gender pay gap has decreased, while our mean gender pay gap has increased

This report is based on data that we captured on 5 April 2023. Since our 2022 report, we have seen a 2.2% decrease in our median gender pay gap, which is positive. The median gender pay gap looks at the salary of the middle-ranking female colleague vs the salary of the middle-ranking male colleague. It is a helpful benchmark of progress, as it is less likely to fluctuate with movement of colleagues at each end of the scale.

Unfortunately, we have also seen an increase of 0.9% in our mean gender pay gap in the same time period. This marks an increase in the difference of average hourly earnings between female and male colleagues.

We are committed to reducing our gender pay gap at Macmillan and we have three priorities for achieving this. We first shared these priorities in our 2022 report and our analysis of our 2023 data confirms that we will have the greatest impact in addressing our gender pay gap in focusing on these areas. We have updated the wording to be more specific about what we are working to achieve and how.

Our top three priorities to reduce our gender pay gap

- 1** Enable flexible working for our senior leaders, to facilitate working from any location, alongside increased flexible working opportunities such as job shares, to ensure colleagues face fewer barriers moving into more senior roles.
- 2** Increase representation of female colleagues in roles that are typically held by male colleagues and tend to attract higher salaries, such as technology roles, with a particular focus on advertising any new roles within spaces that target female candidates.
- 3** Ensure equitable salary negotiation with both new colleagues at the point of hire, and with existing colleagues when moving into promotions or secondments. Develop further guidance for our people managers to ensure they are equipped to do this more consistently, equitably and fairly.

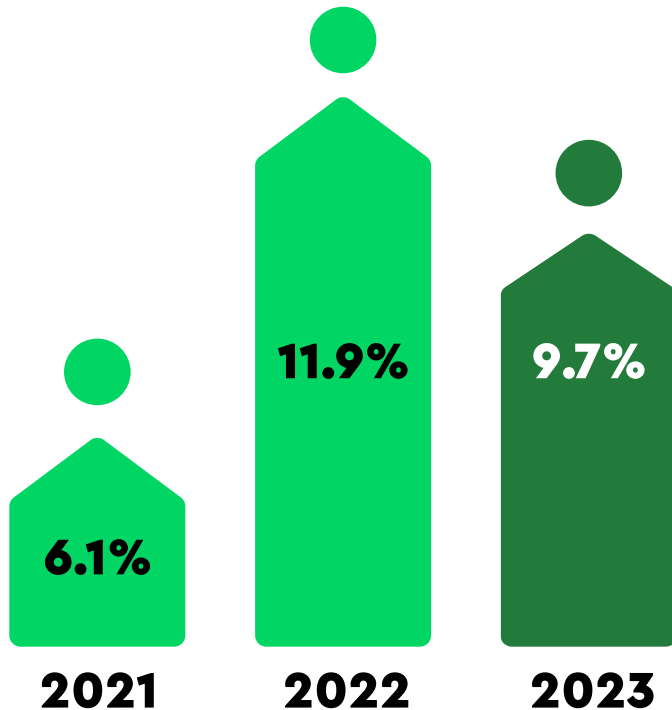
4. The data

Our median gender pay gap

Our median gender pay gap is the difference in salary between the middle-ranking female colleague and the middle-ranking male colleague.

On 5 April 2023, our median gender pay gap was 9.7%. This means that the middle-ranking female colleague's salary was 9.7% lower than that of the middle-ranking male, or that for every £1 that the middle-ranking female colleague earned, the middle-ranking male earned approximately £1.10.

Compared to the data we captured on 5 April 2022, this is a decrease of 2.2%.

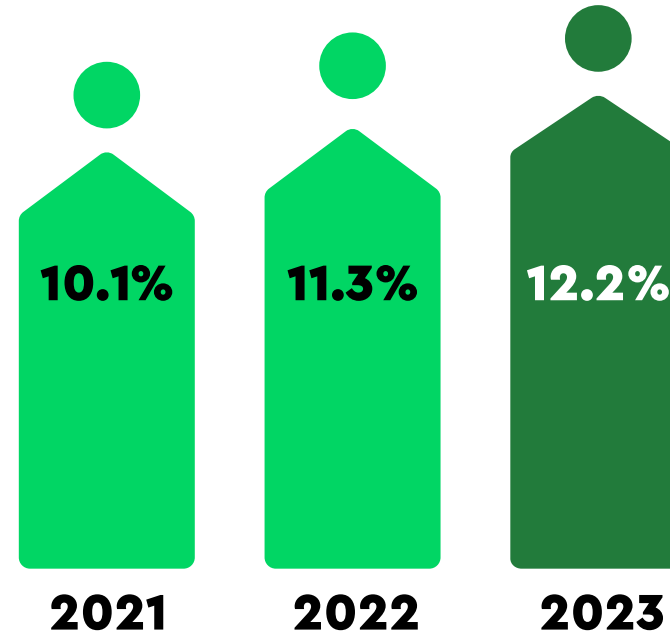


Our mean gender pay gap

Our mean gender pay gap is the difference between the average amount earned by female colleagues and male colleagues each hour.

On 5 April 2023, our mean gender pay gap was 12.3%. This means that on average, male colleagues earned 12.3% more than female colleagues per hour, or that for every £1 a female colleague earned per hour, a male colleague earned approximately £1.12 per hour.

Compared to the data we captured on 5 April 2022, this is an increase of 0.9%.



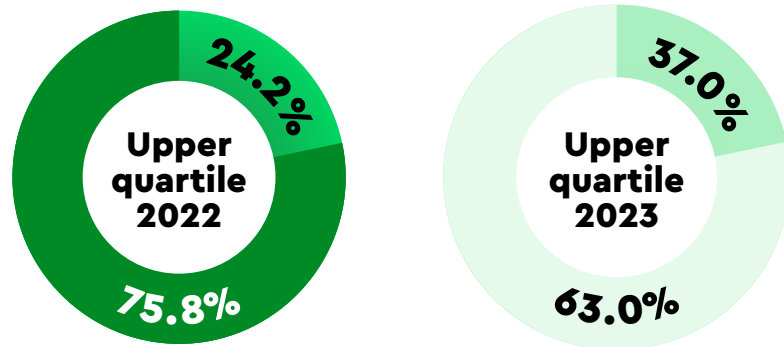
Our Gender Pay Gap Report 2022 focuses on changes between 2022 and 2021.

5. The data

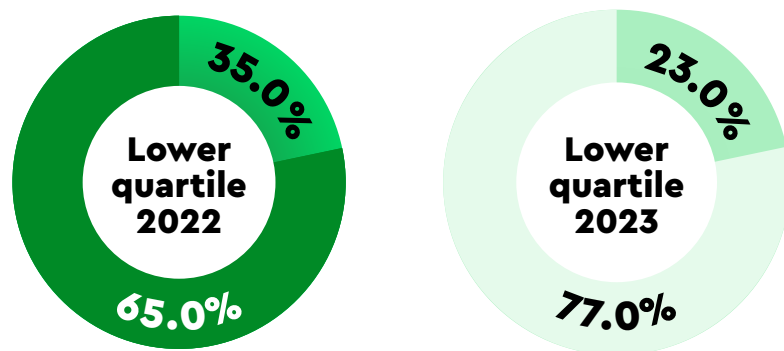
Pay quartiles

Compared to the data we took on 5 April 2022, the data from 5 April 2023 shows a slight change in the percentage of female and male colleagues in each of our four pay quartiles.

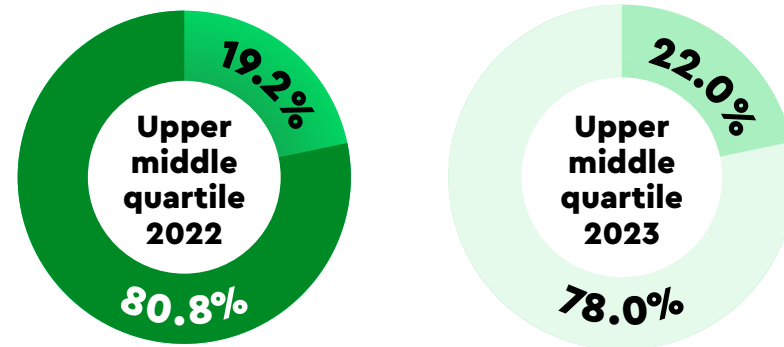
We saw a 12.8% reduction in female representation in roles at our highest levels. This is the first time we have seen a reduction in representation in this quartile since 2019.



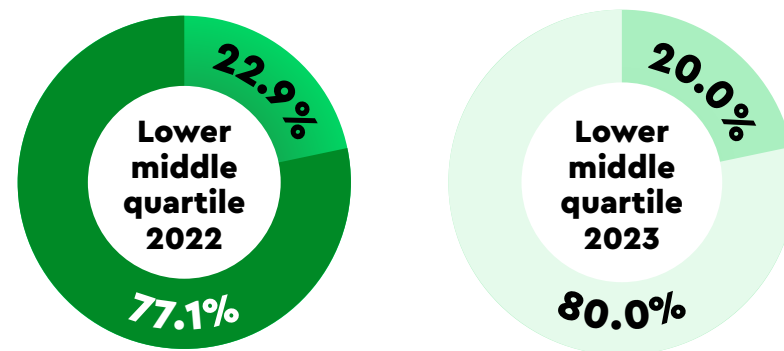
We saw a 12% increase in female representation.



We saw a 2.9% decrease in female representation.



We saw a 2.9% increase in female representation.



6. What has caused our gender pay gap, and how are we taking action?

As an organisation we are committed to addressing our gender pay gap and we have three key priorities for achieving this.

Priority 1 – Enable flexible working, to facilitate colleagues working from any location, alongside increased flexible working opportunities such as job shares, to ensure colleagues face fewer barriers moving into more senior roles.

Part time working

On 5 April 2023, 384 colleagues worked part time, 342 of whom were female. In our most senior roles (job levels 1 – 3) 13 colleagues worked part time, which equated to 3.3% of total part time roles across the organisation at the time.

With this in mind, we know that the number of part time colleagues affects the gender pay gap, as they work reduced hours and have less take home pay as a result. However, we are open to part time working in our senior roles, to create more opportunities for colleagues looking to progress their career while balancing responsibilities outside of work. We know that creating more part time opportunities can have a negative effect on the Gender Pay Gap, but we believe that allowing as much flexibility as is operationally possible will have a positive impact on all colleagues in the longer term.

Flexible working

On 5 April 2023, 992 colleagues had a formal flexible working arrangement, which compares to 769 on 5 April 2022. Out of the 992 colleagues, 174 of these started between 5 April 2022 and 5 April 2023. 80% of the formal flexible working requests submitted by female colleagues between December 2022 and December 2023 were authorised, while it is also worth noting that we do not capture all flexible working arrangements formally.

It is positive that we saw an increase in flexible working and that many new colleagues started at Macmillan on a formal flexible working arrangement, or took advantage of our flexible working policy as soon as they joined. We can however see that our more senior colleagues were less likely to submit flexible working requests, with around 95% of requests coming from job levels 4 – 8. This may be because they were not being captured formally, or because there were fewer opportunities to work with flexibility.

We are working to enable more flexible working to increase the number of opportunities available to colleagues across all levels and reduce any barriers to female colleagues in particular in accessing more senior roles.

Job shares

On 5 April 2023, 22 colleagues worked in job shares, 19 of whom were female. In our most senior roles (job levels 1 – 3), we had no job shares.

Job shares can be beneficial to colleagues as they provide flexibility, allowing them to have a greater balance of work and personal commitments, promoting greater work-life integration and enabling increased participation in Macmillan.

7. What has caused our gender pay gap, and how are we taking action?

Making progress

In April 2023, 58% of colleagues worked remotely full time, or at home, and more colleagues worked a formal flexible arrangement than in previous years. Only 1.3% of the organisation worked permanently from one of our office locations. Furthermore, in our most recent colleague survey, we asked whether colleagues had felt supported if they had chosen to make use of flexible working arrangements.

74% of our colleagues completed the survey and in response to this question, 88% colleagues gave a positive score – 89% female colleagues responded positively, compared to 86% for male colleagues.

We want to create and continue accommodating more part-time opportunities when requested, particularly at a senior level. In 2024, we are continuing to focus on how and where our colleagues work, such as reviewing our policies regularly and making changes to the relevant processes to ensure that colleagues can submit requests more often and that they are reviewed more quickly.

Priority 2 – Increase representation of female colleagues in roles that are typically held by males and tend to attract higher salaries, such as technology roles, with a particular focus on advertising any new roles within spaces that target female candidates.

Looking at the data for different parts of the organisation, the Technology directorate had the lowest representation of female colleagues, and consequently had the biggest impact on our overall gender pay gap. Removing this division from our calculations reduces the median gender pay gap across the organisation by more than 4.1%. This is partly due to most roles in this part of the organisation sitting at a middle management level (job levels 4 and 5) with a higher salary, while there are few lower-level roles. This is then exacerbated by the fact that female representation within the Technology industry is low.

Making progress

We are proud to have improved female representation in our Technology directorate since our Gender Pay Gap Report 2022. On 5 April 2023, 44.5% of the directorate was made up of female colleagues, compared to 40% on 5 April 2022. This is considerably higher than the Technology industry average of 22% based on Office for National Statistics (ONS) data from August 2023.

To make further progress in female representation, we improved our recruitment processes to include partially anonymised recruitment, which helps to eliminate unconscious bias from recruitment decisions, and we introduced inclusive recruitment training for people managers. We also introduced anti-oppression training to help equip all colleagues with the skills to better understand the historic barriers that new and existing colleagues may be facing. We are also starting to think about succession planning to better understand how we can retain diverse talent and promote colleagues internally.

Additionally, leaders across the organisation now have access to pay gap dashboards that are updated monthly, to ensure they can better understand pay disparities in their area and be mindful of these in recruitment decisions.

8. What has caused our gender pay gap, and how are we taking action?

Priority 3 – Ensure equitable salary negotiation with both new colleagues at the point of hire, and with existing colleagues when moving into promotions or secondments. Develop further guidance for our people managers to ensure they are equipped to do this more consistently, equitably and fairly.

Middle management

Looking at the data for different levels of the organisation, our middle management roles (job levels 4 and 5) had the biggest impact on our gender pay gap. Removing these roles from our calculations reduces the median gender pay gap across the organisation to 0.7%.

On 5 April 2023, 65% of colleagues at job level 5 were female compared to 53% at job level 4. As an organisation, around 75% of our colleagues tend to be female and 25% male, so this would suggest that female colleagues are less likely to choose level 4 roles and our priority actions aim to address this.

Leavers and new starters

When looking at colleagues leaving the organisation between December 2022 and December 2023, we can see that female and male colleagues left in line with our typical organisational make up (75% female colleagues, 25% male colleagues).

When looking at new starters joining the organisation in the same period, however, we can see that a higher proportion of the more senior roles that we recruited for went to male colleagues, compared to our typical organisational make-up – 66.6% went to female colleagues, compared to 33.4% to male colleagues. We can also see that, on average, female colleagues coming into the organisation had an average starting salary that was lower than that of male colleagues.

The pay quartile data reinforces this with an increase of 12.8% of male colleagues in the upper quartile and a 2.8% increase of male colleagues in the upper middle quartile, compared to our 2022 report. We also saw a reduction in male representation in our lowest level roles, compared to our 2022 report.

Our priorities for action aim to ensure that we are encouraging and supporting more female colleagues to take on more senior positions. Having more male colleagues in more senior roles, compared to our typical organisational make up, exacerbates our gender pay gap – especially our mean gender pay gap.

Making progress

To help to address this, we have a consistent policy of including salary brackets for all new role vacancies, to facilitate a more open conversation about starting salaries for new colleagues. We also support hiring managers through the recruitment process and offer advice to ensure they are mindful of salaries across their teams, and that they are equipped to facilitate salary negotiation.

9. Our gender pensions gap

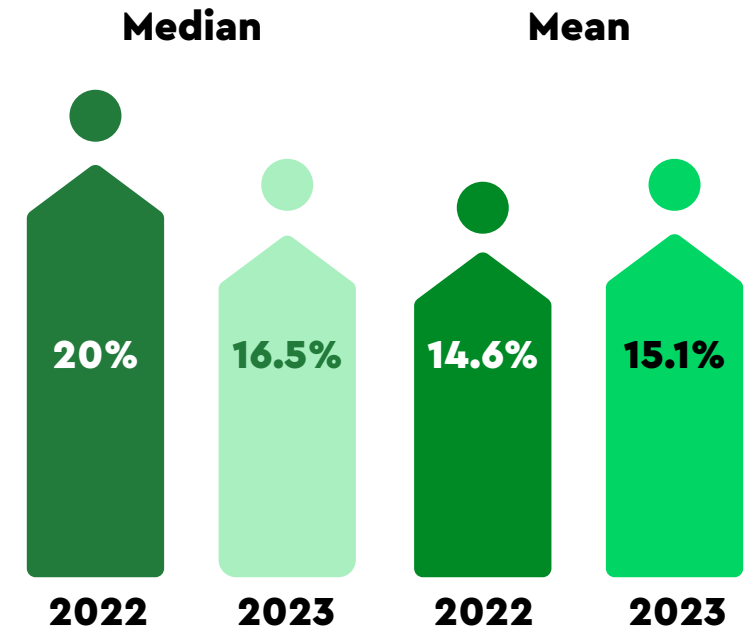
What is our gender pensions gap?

Last year for the first time we carried out some initial analysis of our gender pensions gap. Whilst this is not legally required, it helps us to understand other aspects of pay disparity. It also helps to raise awareness of pensions and encourages colleagues to think earlier about their retirement outcomes.

There is no official measure of the gender pensions gap, but it is generally understood to be the difference in retirement outcomes for female and male colleagues (using the same definitions as for the gender pay gap).

At Macmillan, we can understand this gap by looking at the difference in monthly pension contributions between female and male colleagues. We manage three pension schemes, however only one scheme is open to new members, and this has been the case since 1 January 2020. To calculate the gender pensions gap, we take the data from all colleagues and then exclude any colleagues in the NHS pension scheme. This means the data below represents 96% of our colleagues.

On 5 April 2023, the mean gender pensions gap was 15.1% and the median gender pensions gap was 16.5%. This means, if nothing changes, that when the individuals included in the data snapshot retire, the outcomes for the female colleagues will be less favourable than for the male colleagues. We can also see that the difference in the potential retirement outcomes between female colleagues and male colleagues has increased from 2022, which is disappointing.



In 2024 we will be working with our independent advisor to better understand how colleagues invest into their pension scheme and how we can support colleagues to consider their retirement outcomes. We have been working with our pensions provider to provide webinars on pensions to help educate all colleagues on the importance of thinking about their retirement outcomes.

In 2024 we will also be conducting a holistic review of the benefits we offer and we will consider pensions as part of this, to ensure that all of our colleagues are benefiting from the offer equally, but in a way that works for them.

10. The data

How did we put this report together?



- The report uses a data snapshot taken on 5 April 2023.
- The total number of colleagues on the snapshot date was 1,988.
- The analysis in this report is based on 1,934 colleagues who receive full pay and are relevant.
- In line with legal requirements, 54 individuals were excluded from the report, as they were not in receipt of their normal pay on 5 April 2023, due to reasons such as being on unpaid leave or maternity leave.
- The data does not include Macmillan professionals such as Macmillan nurses, who are employed by partners such as the NHS.
- Macmillan operates throughout the UK and has pay schemes that reflect national requirements, as well as additional market pressures in London and in specific areas of the organisation.

At Macmillan, we give people with cancer everything we've got. If you're diagnosed, your worries are our worries. We will move mountains to help you live life as fully as you can.

And we don't stop there. We're going all out to find ever better ways to help people with cancer, helping to bring forward the day when everyone gets life-transforming support from day one.

For information, support or just someone to talk to, call **0808 808 00 00** or visit **macmillan.org.uk**

Macmillan Cancer Support, registered charity in England and Wales (261017), Scotland (SC039907) and the Isle of Man (604). Also operating in Northern Ireland. MAC19841



From left to right, Andrea, Elise, from the Pineapple Club and Janet a Macmillan Engagement Lead

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