



# Gender Pay Gap Report Narrative

Macfarlan Smith Limited  
(Trading as Veranova) 2024

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**Macfarlan Smith Limited (trading as Veranova) is a global leader in the development and manufacturing of specialist and complex active pharmaceutical ingredients (APIs) for pharmaceutical and biotechnology customers.**

## **Our Gender Pay Gap**

Veranova is committed to the promotion of gender equality in the workplace. The UK Equality Act 2010 (Gender Pay Gap Information) Regulations requires that we calculate and publish our gender pay gap results for our team throughout the UK, in respect of April 2024.

## **Our Population**

The April 2024 reporting period was the first since the closure of our Annan site, where there were a small number of females in leadership positions. The total population at the snapshot date was 330 employees, with 236 males (72%) and 94 females (28%). From this population, 315 were deemed to be Full-Pay Relevant (FPR), of which 227 were males and 88 were females. Leaving the remaining 15 employees to be considered as Relevant (R) for calculation purposes, of whom 9 were males and 6 were females. Our total population has decreased from the previous reporting period (-11.1%). This is reflective of the closure of our Annan site, where a number of female leaders were employed. The decision to close the Annan site was not taken lightly and reflected excess manufacturing capacity relative to demand.

It is worth noting that Veranova operates in both the UK and the US, and for the purposes of these calculations it is only our UK population, with sites in Edinburgh and Cambridge, that is considered. Our leadership team has a number of female leaders who are not included within these calculations due to being employed in the US. Across Veranova, our roles are predominantly within research and development, manufacturing, engineering and maintenance teams. There are challenges faced around attracting female talent, as reflected in our smaller overall population of females, in comparison to our male population.

## **Results Summary**

These results are reflective of the closure of the Annan site, where females who were previously in the upper quartile are now no longer employed. The table below summarises our year-on-year results. We are pleased to have made significant improvements in our bonus pay gap in favour of females. We are proud our median bonus pay gap has decreased by 15.7% to achieve the equitable 0.0%. Given the median is less influenced by extremes, this is a great indicator that our bonus policy is fair and rewards all employees for their contributions.

We have seen some widening of the gender pay gap, which is reflective of the closure of the Annan site. As previously mentioned, a small number of females were employed at this site, whom are now no longer employed by the Company. This appears to have widened the gap with fewer females represented in the upper quartile, and thus impacted the mean hourly pay gap. This seems to have been largely due to our changes in representation within the lower quartile, where a 16.3% increase has occurred. Upon reflection of these figures, we are committed to improving female representation across both the Edinburgh and Cambridge branches to help close the gap in the mean and median hourly pay gap. Further to this, several of our employees are paid shift premium pay due to working day and night shift pattern. In the snapshot period, a larger proportion of males were in receipt of shift premium pay. This significant gender disparity reflects broader industry, and largely societal, wide challenges in attracting female talent to night shift roles.

<i>Measure (%)</i>	<b>April 2023</b>	<b>April 2024</b>	<b>YOY Change</b>
Hourly Pay Gap (Mean)	3.0%	15.0%	+12.0%
Hourly Pay Gap (Median)	8.2%	13.3%	+5.1%
Bonus Pay Gap (Mean)	-6.1%	13.4%	+19.5%
Bonus Pay Gap (Median)	15.7%	0.0%	-15.7%
Proportion of <b>females</b> receiving a bonus payment	93.3%	94.9%	+1.6%
Proportion of <b>males</b> receiving a bonus payment	96.4%	89.4%	-7.0%

## Quartile Analysis

From the snapshot date, our lower-middle quartile has seen a small increase (3.1% ) in female representation. While only a 4% decrease has occurred in the total female population preceding the Annan site closure, there were several females in the upper and upper-middle quartiles within this site which reflected in the quartiles.

Since the 2023 reporting period, we have introduced an apprenticeship scheme in the engineering sector. This is still in its infancy and as it develops, we hope it will attract female talent, when partnered with active promotion of early career opportunities for women leaving school or university within STEM sectors.

<i>Proportion of females in each pay quartile (%)</i>	<b>April 2023</b>	<b>April 2024</b>	<b>YOY Change</b>
<b>Upper quartile</b>	32.2%	27.8%	-4.4%
<b>Upper-middle quartile</b>	12.8%	11.5%	-1.3%
<b>Lower-middle quartile</b>	17.2%	20.3%	+3.1%
<b>Lower quartile</b>	35.5%	51.9%	+16.3%

## Our Commitment

**At Veranova, we are dedicated to seeking diverse talent that is representative of the world we live in. We see our employees as our most important asset, who will allow us to make a difference.**

At Veranova, we cultivate a mindset of continuous growth and development. We strive to be better every 30 days and challenge all employees to find ways of improving our service delivery to customers. Our values of People, Patients and Innovation are driven entirely by our workforce. Therefore, we are committed to the growth and wellbeing of our team, whereby we aim to build the most diverse and talented workforce in the industry. In order to do this, we have a number of initiatives in place to support our ambitions.

## Development and Support

We believe that gender equality is driven by cultural change. As a team, we are dedicated to making impactful change to the day-to-day lives of our employees. Our Veranova Inclusion Council (VIC), which has recently been established, is testament to our dedication to narrowing the gap. The VIC is an internal employee-led group of volunteers, which although still in its infancy is working towards establishing several initiatives throughout the firm. One example of such an initiative showcased women in industry through a panel discussion event to celebrate International Women's Day. This allowed female voices to be heard within a male-dominated organisation and industry.

Further to this, we are looking to strengthen our Science, Technology, Engineering and Mathematics (STEM) activities through our STEM ambassadors and how we can establish programmes to improve early exposure to careers in science and engineering. Our STEM employee ambassadors volunteer their time to inspire and educate students about careers in STEM. Our employees participate in school visits and mentoring sessions. By our employees sharing their experiences, young people will begin to have a greater understanding of the opportunities available to them in STEM fields.

It is our hope that, through apprenticeships and internships, the larger industrial issues with female representation can be narrowed as more females are able to gain insight to a career in STEM than before.

## Policies

We offer a number of benefits aimed at supporting employees such as our Enhanced Maternity Pay and paid domestic leave. This policy provides additional financial support beyond the statutory requirements, we aim to alleviate the financial pressures associated with taking time off for childbirth and childcare, allowing our employees to focus on their families without compromising their career progression.

## Policies

I confirm that the information contained in this gender pay gap report is accurate.



**David Payne**

**Director**

# Contacts

**Christian Fell**

Director, Forvis Mazars

Christian.Fell@mazars.co.uk

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