



# Gender Pay Gap Report Narrative

Macfarlan Smith Limited  
(Trading as Veranova) 2025

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**Macfarlan Smith Limited (trading as Veranova) continues to be a global leader in the development and manufacture of specialist, complex active pharmaceutical ingredients (APIs) for pharmaceutical and biotechnology partners.**

## **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 2025.

## **Our Population**

The total population at the snapshot date was 343 employees, with 245 males (71%) and 98 females (29%). From this population, 331 were deemed to be Full-Pay Relevant (FPR), of which 236 were males and 95 were females. Leaving the remaining 12 employees to be considered as Relevant (R) for calculation purposes, of whom 9 were males and 3 were females. Our total population has increased from the previous reporting period.

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**

The table below summarises our year-on-year gender pay gap results for April 2024 to April 2025. We are pleased to report strong improvements across several measures, particularly within our bonus pay gaps. Our mean bonus pay gap has reduced by 16.4 percentage points, shifting from 13.4% to -3.0%, and our median bonus pay gap has improved to -0.9%. These movements demonstrate that our bonus policy continues to operate fairly and reward employees equitably.

Our hourly pay gaps have also narrowed, with the mean gap reducing by 6.4 percentage points and the median gap reducing by 2.7 percentage points. These improvements reflect progress, though changes in workforce composition have had an influence.

Year-on-year, female representation has shifted within all quartiles, with increases in the upper, upper-middle, and lower-middle quartiles, and a decrease in the lower quartile, these movements provide helpful context for understanding the remaining hourly pay gaps.

We remain committed to improving female representation across our Edinburgh and Cambridge branches. Doing so will be essential to further reducing both mean and median hourly pay gaps and to ensuring a more balanced and inclusive workforce going forward.

<i>Measure (%)</i>	April 2024	April 2025	YOY Change
Hourly Pay Gap (Mean)	15.0%	8.6%	-6.4%
Hourly Pay Gap (Median)	13.3%	10.6%	-2.7%
Bonus Pay Gap (Mean)	13.4%	-3.0%	-16.4%
Bonus Pay Gap (Median)	0.0%	-0.9%	-0.9%
Proportion of <b>females</b> receiving a bonus payment	94.9%	81.2%	-13.7%
Proportion of <b>males</b> receiving a bonus payment	89.4%	75.5%	-13.9%

## Quartile Analysis

From the snapshot date, our lower-middle quartile has seen the largest increase in female representation, rising by 3.8 percentage points year-on-year. We have also seen positive movement in the upper quartile (+2.6 percentage points) and the upper-middle quartile (+1.7 percentage points), indicating a gradual shift towards a more balanced distribution of females across the pay structure. The only area showing a decline is the lower quartile, where female representation decreased by 4.9 percentage points, suggesting fewer females are occupying the lowest-paid roles compared with the previous year.

Since the 2023 reporting period, we have introduced an apprenticeship scheme within the engineering sector. Although still in its early stages, this initiative aims to support long-term improvements in gender balance, particularly when combined with greater promotion of early-career opportunities for women leaving school or university within STEM fields. We anticipate that, as the scheme develops, it will play a key role in attracting more female talent into the business and further improving representation across all quartiles over time.

<i>Proportion of females in each pay quartile (%)</i>	April 2024	April 2025	YOY Change
<b>Upper quartile</b>	27.8%	30.5%	+2.6%
<b>Upper-middle quartile</b>	11.5%	13.3%	+1.7%
<b>Lower-middle quartile</b>	20.3%	24.1%	+3.8%
<b>Lower quartile</b>	51.9%	47.0%	-4.9%

## **Our Commitment**

**At Veranova, we are committed to attracting and developing a workforce that reflects the diversity of the world around us. Our people are our greatest strength, and it is through their expertise and dedication that we are able to make a meaningful impact.**

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We foster a culture that encourages continuous learning, growth, and curiosity. By challenging ourselves to improve every 30 days, we empower employees to seek new ways of enhancing the service and value we deliver to our customers. Our values of People, Patients and Innovation are brought to life through the actions and contributions of our teams.

As such, we are dedicated to supporting the wellbeing, development, and progression of our employees. Our ambition is to build one of the most diverse and highly skilled workforces in the industry, and we have a range of initiatives in place to help us achieve this goal.

## **Development and Support**

We recognise that meaningful progress on gender equality stems from fostering an inclusive culture. As a team, we are committed to creating positive, practical change in the everyday experiences of our employees. The recent launch of the Veranova Inclusion Council (VIC) reflects this commitment. As an employee-led volunteer group, the VIC is still developing but is already shaping a series of initiatives designed to support a more inclusive and diverse workplace. One early example was our panel discussion celebrating International Women's Day, which provided a valuable platform for women to share their experiences within what has traditionally been a male-dominated industry.

We are also focused on strengthening our STEM outreach activities through our STEM Ambassadors programme. This initiative encourages employees to volunteer their time to inspire students and broaden early exposure to careers in science, technology, engineering and mathematics. Through school visits, mentoring sessions and sharing personal career journeys, our ambassadors help young people gain a clearer understanding of the opportunities available within STEM fields.

Looking ahead, we believe that expanding apprenticeships and internships will play a key role in addressing wider industry challenges around female representation. By offering more accessible entry points into STEM careers, we hope to encourage greater participation from women and support long-term improvement in gender balance across the sector.

## **Policies**

We provide a range of benefits designed to support our employees at key stages of their lives, including Enhanced Maternity Pay and paid domestic leave. By offering financial support beyond statutory requirements, we aim to reduce the pressures associated with taking time away for childbirth, childcare and family responsibilities. This approach allows our employees to focus on their families when it matters most, without feeling that their career progression is put at risk.

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



**David Payne**

**Director**

# Contacts

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