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MERLIN  
ENTERTAINMENTS  
**GENDER PAY  
REPORT 2018**

# FOREWORD



**Natalie Bickford**  
Group Human Resources Director

Offering an inclusive working environment where difference is valued and celebrated is an important part of our business strategy and is consistent with our values. While we operate in the visitor attraction and entertainment sector employing many in customer facing roles, there are a considerable number of jobs within Merlin that have been traditionally dominated by men, such as engineering. This has an effect on our gender pay gap along with the larger proportion of men in senior leadership roles.

Gender diversity and inclusion is not a new focus for Merlin but a subject we continue to enhance and extend. Therefore, to ensure progress at all levels of our business, we have recently established a Diversity & Inclusion Council which extends ownership for diversity and inclusion beyond the remit of HR, with representatives from across our business. Working together with the Diversity & Inclusion Council, we recently created our 'All. Together' Diversity and Inclusion strategy to ensure that "Merlin will be the most inclusive and flexible employer within our industry, truly international in its make-up" and which retains focus on gender but incorporates all aspects of overall diversity including cultural and ethnic leadership and disability.

In recent years we have worked hard to achieve a more balanced workforce and better female representation across occupational fields. Several development programmes have been underway to provide reinforcement from 'Managing Inclusively' training for our managers and recruiters, to ensuring balanced shortlists for external recruitment, to offering greater support and development to talented women within our organisation through our Women@Merlin programme; a company-wide programme which gives women the support and opportunities they need to achieve their ambitions and develop into senior roles.

We're pleased that the representation of women on the company's Board is recognised in the 2018 Hampton Alexander Review with Merlin ranking 7th overall. At Board level, four of our nine Board members are female. Additionally we now have three women on the Executive Committee, including a female Managing Director for one of our Operating Groups.

We know we still have work to do to bridge the pay gap, but we are on our way to embedding a culture of inclusivity across the business that is mindful of unconscious bias, open to different thoughts, perspectives and experiences, and celebrates the diversity of our people.

# UNDERSTANDING THE GENDER PAY GAP

The gender pay gap figures in this report show the average difference in pay between men and women using various statistics. It takes in to account all jobs, at all levels and all salaries within the organisation.

This is distinct to equal pay which is when men and women receive the same pay for the same or similar jobs.

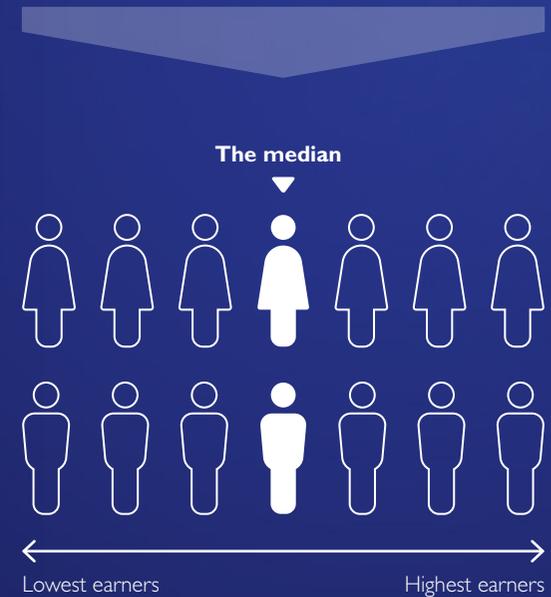
## UNDERSTANDING THE MEAN

**The mean gender pay gap is calculated by adding together all the hourly pay rates for full-pay relevant employees and dividing this figure by the number of employees.** This is calculated separately for both male and female employees. The difference between the male and female figure is then given as a percentage of the men's mean hourly pay rate.



## UNDERSTANDING THE MEDIAN

**The median gender pay gap is calculated by arranging all the hourly pay rates of full-pay relevant employees from highest to lowest and then finding the hourly pay rate that is in the middle of the range.** Again this is calculated separately for male and female employees. The difference between the male and female figure is then given as a percentage of the men's median hourly pay rate.

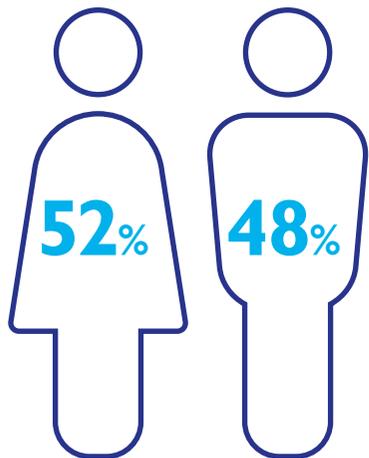


# GENDER PAY GAP AT MERLIN

Merlin is the UK's leading location-based entertainment company employing 8,401 people within its business operations in the UK\*. These roles are across its attractions, support functions and global headquarters.

\* As at 5 April 2018

## Gender split at Merlin



## MEAN GENDER PAY GAP:

# 15.68%

 (2017: 16.55%)

The headline mean gender pay gap of 15.68% is below the UK average of 17.1%. (source: ONS).

## MEDIAN GENDER PAY GAP:

# 2.67%

 (2017: 2.60%)

## The key reasons behind our gender pay gap are:

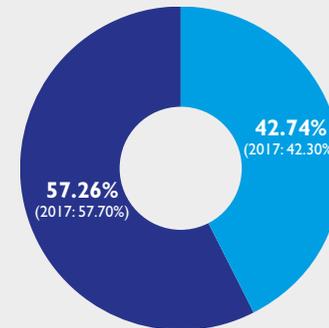
- A large proportion of females taking up roles in the lower quartile pay bands giving them greater flexibility in their working hours.
- Lower numbers of female representation in senior, higher paid roles (which also impacts on the gap in bonus pay).
- Relatively large populations of employees in male dominated professions e.g. engineering and electricians.

## GENDER SPLIT PER QUARTILE PAY BAND:

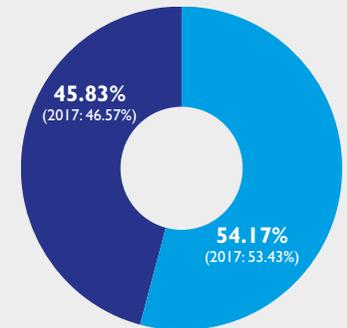
The following tables/graphics sets out a summary of the total gender pay gap data for all our employees across the UK at the snapshot date of 5 April 2018. Analysis of the two legal entities that employ more than 250 employees and so require separate disclosure is set out in the statutory disclosures at the end of this report.

■ Women  
■ Men

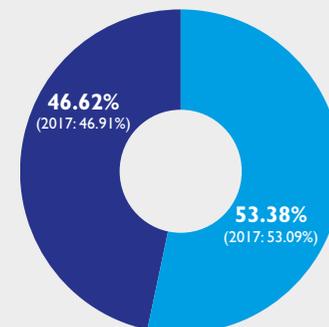
### Upper Quartile



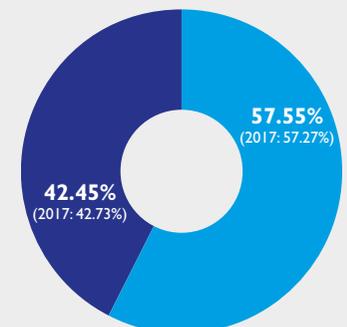
### Upper Middle Quartile



### Lower Middle Quartile



### Lower Quartile



# GENDER PAY GAP AT MERLIN



Our goal as an organisation is for everyone to access and enjoy our attractions, which is why we need diverse experiences and thinking to help drive new ideas and solutions. I'm personally keen that we support the development of female leaders in attraction management as well as encourage more women into operational roles so that they can share their insights and experiences for the benefit of Merlin.



**Fiona Eastwood**  
Managing Director, Resort Theme Parks

We are continuing to strive to increase our female representation at both Board and Senior Management level. Merlin was ranked 7th in the 2018 Hampton Alexander Review of FTSE 250 for Women on Boards and in Leadership with 44.4% of women on the Board. Since the publication of this Merlin has made an additional female appointment to the Executive Committee. This focus from the top in hand with our ongoing initiatives and our approach to flexible working supports our drive to both promote and hire an increased proportion of women into senior positions.

## Hampton Alexander Review ranking 7th



## MEAN GENDER PAY GAP IN BONUS PAY

The mean gender pay gap in bonus pay is calculated by adding together the bonus payments made to all relevant employees in the 12 months leading up to 5 April 2018 and dividing this by the number of relevant employees.

This calculation is done for both male and female employees and then the difference is stated as a percentage of the mean bonus amount for men.

Merlin's mean gender bonus gap of 44.75% is heavily skewed by the share awards given under the Performance Share Plan incentive programme which form part of the remuneration packages of some senior management, and are therefore predominantly paid to male employees. The vesting of these awards is conditional upon performance and is restricted from exercising for three years. The mean gender bonus gap can be segmented further into its constituent parts of Long Term Incentive Plan (LTIP) payments which constitute a mean gender pay gap of 61.78% and profit related bonuses which have a mean gender pay gap of 15.73%.

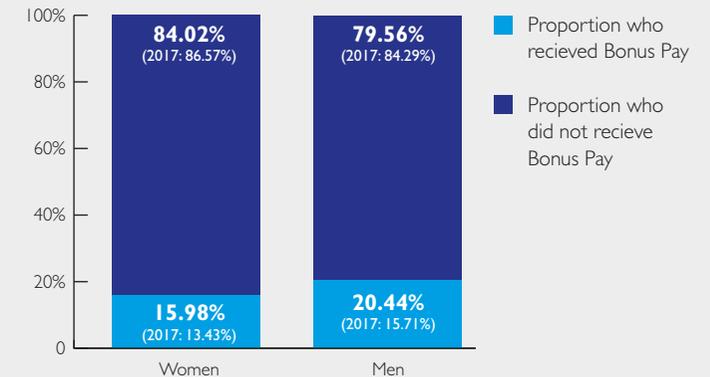
Difference in Mean bonus pay:

**44.75%** (2017: 59.12%)

Difference in Median bonus pay:

**16.62%** (2017: 9.41%)

## Proportion of men/women who received bonus pay:



# REDUCING THE GAP

We continue to be proud of the inclusive environment we create for all the people who work at Merlin and focus significant effort in driving a culture of accountability and fairness. It's part of who we are and we adopt a number of approaches to attract and retain a diverse talent base, representative of the communities in which we operate. There is as always more we can do to encourage and promote more females into senior roles and, where possible, influence change in the labour market to encourage greater participation in less female populated occupations.

## Progress Merlin has made on actions set out in our 2017 Gender Pay Gap Report:

- We have set up a Diversity and Inclusion Council which is led by two of our Executive Committee members to ensure senior business leader support.
- Through talent reviews to ensure we recognise the potential in our female employees, we have promoted individuals into key roles during the last year, including Fiona Eastwood as Managing Director of Resort Theme Parks on the Executive Committee.
- 73% of our hires in 2018 were women with all grades seeing a positive increase in female representation with the largest increases at the most senior levels.
- 36% (2% increase year on year) of all senior roles at the end of 2018 now being held by women.
- 50/50 balanced shortlists are now required for all management vacancies and we continue to work with our recruiters and agencies to ensure we achieve this.

## Steps Merlin continues to take to improve gender diversity:

- We conduct female specific talent reviews and pride ourselves on investing in women by promoting them into stretching, development roles.

- We encourage the over-sampling of women on to our key training programmes e.g. Leadership and have female specific programmes in place for more junior employees.
- We encourage women into non-traditional roles and have mentoring in place for women to specifically aid their succession.
- We continue to drive and expand our 'Women @ Merlin' community which gives women the support and opportunities they need to achieve their ambitions and develop into senior roles.
- The Diversity and Inclusion Council will continue to promote and build activity around our All Together strategy to be an inclusive and flexible employer.
- We encourage flexible working and specifically encourage women to return to work following maternity leave and consider part time and job-share possibilities wherever practical. This is assisted by our parental leave policy which offers a benefit to both parents in line with maternity leave.
- We have partnered with an industry programme with a view to launch a women returners programme in the near future. The project which is supported by a number of private sector companies in hospitality aims to access a key capability resource while providing a flexible platform for leavers to re-enter the workspace.



I started my career with Merlin Entertainments over 10 years ago, following 20 years working within the drinks industry. I was attracted by breadth and diverse nature of the business and the opportunities that might present. Starting as the Head of Marketing at the London Eye and then Midway London Marketing Director, I was responsible for sales and marketing within one of Merlin's largest business units, helping drive revenue growth while negotiating the challenges of a London Olympic year and the re-launch of SEA LIFE London post acquisition. In 2014 I took on the role of General Manager, Shrek's Adventure London, project managing a £14m build, alongside launching and operating a new experience for the company. For the past three years, in my role as General Manager, SEA LIFE London, I devised a cross-functional business plan delivering improvements across safety, culture, product marketing and KPIs leading to 8% uplift in guest satisfaction levels. I have cherished the opportunity to experience so many different roles in so many different businesses, which is a great foundation from which to begin the next exciting chapter in my career at Merlin as Divisional Director of Thorpe Park Resort.

**Helen Bull**, Divisional Director Thorpe Park Resort

# STATUTORY DISCLOSURES

The UK Government's Gender Pay Gap regulation requires companies in the UK with over 250 employees to disclose their gender pay gap annually.

We had two legal entities with over 250 employees in the UK – Merlin Entertainments (Sea Life) Limited and Merlin Attractions Operations Limited – at the snapshot date of 5 April 2018. Our gender pay data for each entity is set out here.

## Merlin Entertainments (Sea Life) Limited:

The difference between men and women	Mean (Average)		Median (Middle)	
	2018	2017	2018	2017
<b>Gender Pay Gap</b>	<b>18.42%</b>	11.38%	<b>12.68%</b>	4.77%
<b>Gender Bonus Gap</b>	<b>7.48%</b>	37.58%	<b>-17.80%</b>	11.82%

Proportion of women who received bonus pay in the relevant period		Number of men who received bonus pay in the relevant period	
2018	2017	2018	2017
<b>20.98%</b>	13.95%	<b>29.60%</b>	18.61%

Number of men and women in the quartile pay bands:	Women		Men	
	2018	2017	2018	2017
<b>Upper</b>	<b>47.41%</b>	49.18%	<b>52.59%</b>	50.82%
<b>Upper Middle</b>	<b>52.14%</b>	57.72%	<b>47.86%</b>	42.28%
<b>Lower Middle</b>	<b>67.52%</b>	59.02%	<b>32.48%</b>	40.98%
<b>Lower</b>	<b>72.65%</b>	63.41%	<b>27.35%</b>	36.59%

## Declaration

We confirm the information and data reported is accurate as at 5 April 2018.



**Nick Varney**

Chief Executive Officer



**Natalie Bickford**

Group Human Resources Director

## Merlin Attractions Operations Limited:

The difference between men and women	Mean (Average)		Median (Middle)	
	2018	2017	2018	2017
<b>Gender Pay Gap</b>	<b>14.09%</b>	14.64%	<b>1.10%</b>	2.72%
<b>Gender Bonus Gap</b>	<b>14.87%</b>	17.93%	<b>19.28%</b>	14.53%

Proportion of women who received bonus pay in the relevant period		Number of men who received bonus pay in the relevant period	
2018	2017	2018	2017
<b>14.93%</b>	8.25%	<b>18.99%</b>	14.53%

Number of men and women in the quartile pay bands:	Women		Men	
	2018	2017	2018	2017
<b>Upper</b>	<b>40.92%</b>	39.05%	<b>59.08%</b>	60.95%
<b>Upper Middle</b>	<b>54.78%</b>	50.66%	<b>45.22%</b>	49.34%
<b>Lower Middle</b>	<b>51.12%</b>	54.62%	<b>48.88%</b>	45.38%
<b>Lower</b>	<b>56.82%</b>	57.19%	<b>43.18%</b>	42.81%