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MERLIN  
ENTERTAINMENTS

**GENDER PAY  
REPORT 2019**



# FOREWORD



**Natalie Bickford**  
Group Human Resources  
Director

Creating an inclusive and diverse workplace, where everyone feels valued and is supported is key to our business. I'm encouraged to see that the action we have taken is having a positive impact, and for the second consecutive year our gender pay gap has reduced.

We recognise that to make meaningful and sustainable improvements it will take many years. It is why we place our efforts behind our 'All.Together.' Diversity and Inclusion strategy which retains focus on gender but incorporates the development of all aspects of overall diversity including cultural and ethnic leadership and disability.

We are working hard to achieve a more gender balanced workforce and better female representation across occupational fields. As at the end of 2019, 38% of all senior roles are now held by women (up from 37% in 2018 and 34% in 2017) and we have three women on our Executive Committee. We have appointed three female Divisional Directors directly responsible for attraction operations and one of our Executives, Fiona Eastwood, has recently been promoted to Chief Operating Officer of our largest operating group Midway Attractions.

Later this year, we're launching a social learning programme to be rolled out globally that will deliver targeted development to talented female managers, helping accelerate their career trajectory to senior leadership roles. Through connecting with mentors within Merlin, providing blended learning experiences and highlighting career success stories within the organization, we hope to establish it as a critical Merlin initiative to fast track the female leaders of tomorrow.

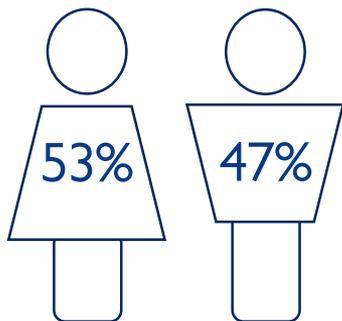
We have more work to do to bridge the pay gap, but we are well on our way to embedding a culture of inclusivity across the business that is mindful of unconscious bias, open to different thoughts, perspectives and experiences, and celebrates the diversity of our people.

# GENDER PAY GAP AT MERLIN

Merlin is the UK's leading location-based entertainment company employing 8,730 people within its business operations in the UK\*. These roles are across its attractions, support functions and global headquarters.

\*As at 5 April 2019

## Gender split at Merlin



## MEAN GENDER PAY GAP:

12.9% (2018: 15.7%)

## MEDIAN GENDER PAY GAP:

2.4% (2018: 2.7%)

The headline median gender pay gap of 2.4% is well below the UK average of 17.3%

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

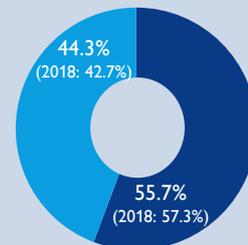
- A large population of females taking up roles in the lower quartile pay bands giving them greater flexibility in their working hours
- Lower numbers of female representation in senior, higher paid roles (which also impacts on the gap in bonus pay).
- Relatively large populations of employees in male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

## GENDER SPLIT PER QUARTILE PAY BAND:

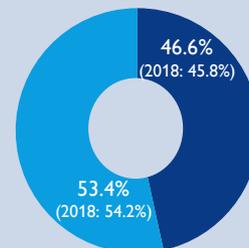
The following tables/graphics sets out a summary of the total gender pay gap data for all our employees across the UK at the snapshot date of April 2019. Analysis of the two legal entities that employ more than 250 employees and so require separate disclosure is set out in the statutory disclosures at the end of this report.

■ Women  
■ Men

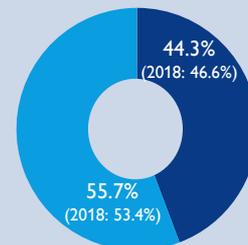
### Upper Quartile



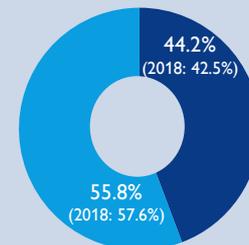
### Upper Middle Quartile



### Lower Middle Quartile



### Lower Quartile



# GENDER PAY GAP AT MERLIN

## 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 2019 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.

In line with market practice, our incentives are structured so that the more senior your role, the higher your bonus potential is, also meaning that more of your total earnings are 'at risk'. In addition our bonus gap is heavily skewed by the share awards given under the Performance Share Plan incentive programme, which forms part of the remuneration packages of some senior management, and are therefore paid to more male than female employees.

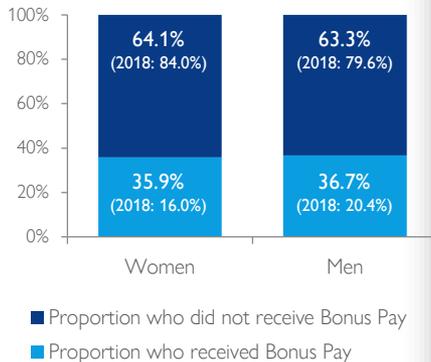
The mean bonus pay gap has increased as Merlin paid out a higher level of bonuses in 2018 and we have a greater proportion of male employees in more senior roles who would have received the higher value bonuses.

The median gender bonus gap is higher this year than last due to the median for male employees falling at a more senior grade level than the female median. This means that the male median bonus would have been an employee on a higher salary with a higher percentage bonus entitlement.

Difference in Mean bonus pay:  
**62.0%** (2018: 44.8%)

Difference in Median bonus pay:  
**44.7%** (2018: 16.6%)

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



I have worked in the leisure industry my whole career – and what a treat it has been to be in businesses that make people smile, from theatres to hotels to pubs. I started in general management and found myself taking on more and more financial responsibility almost by accident: I see finance as fantastic shorthand for how a business is performing. In the end I qualified as an accountant relatively late, at 30 years of age. I have found that combination of operational and financial expertise to be a really strong foundation for my career.

So when the opportunity came up five years ago to join Merlin as Finance Director at the Alton Towers Resort it seemed like a perfect fit. As part of the leadership team at Alton, I was responsible for the financial control and strategic development of many businesses in one – varying from theme park admissions to many different food and beverage and retail concepts on the park; to five different hotels, a waterpark and even a crazy golf course! As well as the day to day business, I also had financial responsibility for major capital investments such as the CBebies Land Hotel and the Wicker Man rollercoaster.

After three years as Alton Finance Director, I took on the role of Senior Finance Director for Merlin's Resort Theme Parks, accountable for the financial affairs of six fantastic businesses, including my first experience of working overseas with the teams at Heide Park and Gardaland, our theme park resorts in Germany and Italy. This role, reporting directly to Merlin's Chief Financial Officer and working as part of Merlin's finance leadership team, gave me great exposure to the corporate side of Merlin and a much deeper understanding of our strategic ambitions.

At the same time, I had not lost my passion for Alton Towers, so I am now delighted to be back at the Resort as Divisional Director, returning to my roots as a general manager. I am now responsible for the overall performance of the Resort, where I'm immensely proud of our great teams who deliver fantastical experiences for our guests every day.

Emma Catterall, Divisional Director, Alton Towers Resort



# REDUCING THE GAP

We are 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 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.

## Summary of the actions and initiatives that we have in place which focus on supporting our female employees:

- The development and launch of our All.Together. approach.
- We have a Diversity and Inclusion Council – led by two of our Executive Committee members and with representatives from across our business, which extends ownership for diversity and inclusion beyond the remit of HR.
- We conduct female specific talent reviews and pride ourselves on investing in women by promoting them into stretching, development roles.
- We encourage women into non-traditional roles and have mentoring in place for women to specifically aid their succession.
- We encourage the over-sampling of women on to our key training programmes e.g. Leadership
- We have specific programmes in place for women and we are developing a women in operational leadership programme.
- We have 50/50 balanced shortlists for all management vacancies.
- We have personal journey webinars hosted by senior women from across our business and a 'Women@Merlin' community which gives women the support and opportunities they need to achieve their ambitions and develop into senior roles.
- 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.

# ALL. TOGETHER.



As a global company, the diversity of our employees helps to fuel our success and continued innovation. We want Merlin to be the most inclusive and flexible employer in our industry, and truly international in its make-up.

To do this, we've developed our All.Together. approach: four commitments that will drive our global efforts to be a more diverse, inclusive and successful employer.



My career with Merlin Entertainments began 25 years ago at Alton Towers in the role we now identify as Product Excellence Manager. I joined from the banking industry which at the time was a very male dominated environment with a prescriptive routine for all delivery, not at all suited to my inner management style and sense of fun. I knew I wanted to move on from banking but had no idea that my first move would be to a business that celebrated my authentic leadership which would enable me to explore new opportunities, travel around the globe and advance my formal training and education.

I am often asked what the secret of my longevity and success with Merlin is and I think put simply it is hard work. You can afford to be your authentic self if you are delivering good results and growing with the changing business world around you, but I acknowledge it is not always as easy as I make it sound. In the time I have been here there have been many different strategies, an increasing number of attractions and competitors and some really challenging macro impacts, but the heart of Merlin remains the same - the people who work here. Therefore my involvement in the Diversity and Inclusion Committee is really important to me – I am fortunate in my current role as Global Trade Strategy Director to work with some of the most dedicated sales people a business could wish for and now my passion lies in supporting them and others in the business to deliver through their authentic selves.

I am involved as a mentor both within Merlin and as part of WiHTL and I am currently supporting one of the Excalibur cohorts to develop a niche business solution. Besides this I am studying part-time for an EMBA in Leadership and Sustainability and enjoying my life outside Merlin as a wife, mother and part-time hobby farmer! Simply put.... the hard work continues.

Dominique Sidley, Global Trade Strategy Director



# 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 2019. Our gender pay gap data for each entity is set out here.

## Declaration

We confirm the information and data reported is accurate as at 5 April 2019.



**Nick Varney**  
Chief Executive Officer



**Natalie Bickford**  
Group Human Resources Director

## Merlin Entertainments (Sea Life) Limited:

The difference between men and women	Mean (Average)			Median (Middle)		
	2019	2018	2017	2019	2018	2017
Gender Pay Gap	<b>15.0%</b>	18.4%	11.4%	<b>9.4%</b>	12.7%	4.8%
Gender Bonus Gap	<b>51.7%</b>	7.5%	37.6%	<b>31.6%</b>	-17.8%	11.8%

Proportion of women who received bonus pay in the relevant period			Proportion of men who received bonus pay in the relevant period		
2019	2018	2017	2019	2018	2017
<b>30.4%</b>	21.0%	14.0%	<b>43.4%</b>	29.6%	18.6%

Number of men and women in the quartile pay bands:	Women			Men		
	2019	2018	2017	2019	2018	2017
Upper	<b>50.5%</b>	47.4%	49.2%	<b>49.5%</b>	52.6%	50.8%
Upper Middle	<b>55.6%</b>	52.1%	57.7%	<b>44.4%</b>	47.9%	42.3%
Lower Middle	<b>61.1%</b>	67.5%	59.0%	<b>38.9%</b>	32.5%	41.0%
Lower	<b>67.6%</b>	72.7%	63.4%	<b>32.4%</b>	27.4%	36.6%

## Merlin Attractions Operations Limited:

The difference between men and women	Mean (Average)			Median (Middle)		
	2019	2018	2017	2019	2018	2017
Gender Pay Gap	<b>12.8%</b>	14.1%	14.6%	<b>3.4%</b>	1.1%	2.7%
Gender Bonus Gap	<b>56.5%</b>	14.9%	17.9%	<b>43.6%</b>	19.3%	14.5%

Proportion of women who received bonus pay in the relevant period			Proportion of men who received bonus pay in the relevant period		
2019	2018	2017	2019	2018	2017
<b>33.9%</b>	14.9%	8.3%	<b>35.2%</b>	19.0%	14.5%

Number of men and women in the quartile pay bands:	Women			Men		
	2019	2018	2017	2019	2018	2017
Upper	<b>41.6%</b>	40.9%	39.1%	<b>58.4%</b>	59.1%	61.0%
Upper Middle	<b>53.7%</b>	54.8%	50.7%	<b>46.3%</b>	45.2%	49.3%
Lower Middle	<b>53.9%</b>	51.1%	54.6%	<b>46.1%</b>	48.9%	45.4%
Lower	<b>55.9%</b>	56.8%	57.2%	<b>44.1%</b>	43.2%	42.8%