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MERLIN  
ENTERTAINMENTS

**GENDER PAY  
REPORT 2020**



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# FOREWORD



**Matt Jowett**  
Chief Corporate Officer

At Merlin we welcome the world to our magical attractions and resorts every day and we want to reflect that same multicultural and gender mix inside our business too. Creating an inclusive and diverse workplace, where people can be themselves and have the same opportunities to thrive, is business critical.

2020 was a year like no other, and we have all had to respond to the unique challenges brought about by the COVID-19 pandemic. We could not have predicted all the ways in which it has impacted our lives. This unprecedented year is therefore reflected in some of the figures published in this report, which in comparison to previous years, clearly reflects either the number of months our attractions were closed or the amount of staff which were on furlough.

Despite the global difficulties I'm particularly proud that we have continued to develop our plans and make progress against our **Diversity and Inclusion strategy**. This work has been continued by so many of our teams, who have had to adapt to the various new measures and ways of working across the world, whilst still delivering the magic we are known for.

Our primary objective at Merlin throughout this pandemic period has been to protect the wellbeing of our employees across our footprint of 129 attractions in 24 countries around the world, which has meant we put an extra focus on driving global change but with real local and tangible actions. With so many staff working from home or on furlough, we also put additional emphasis on communication, which allowed us more regular and informal conversations as well as giving the opportunity for feedback.

One of our priorities in 2020 was the creation of regional taskforces to continue to support the localisation of our activities, enabling our global workforce to participate even more in informing and driving the change. We have focused on key diversity and inclusion initiatives, including putting in place specific female development programmes.

Whilst this particular report focuses on gender, Merlin wants to create a truly diverse and inclusive workplace, regardless of race, gender, social background, or ethnicity. We have a number of active programmes across this strategy, including new Kick-Start/apprenticeship schemes, reverse mentoring and our regular 'Women in Merlin' activity programme which sees a range of talks, podcasts and live mentoring sessions on offer to all staff.

Our Dynamic Working Policy also continues to support a smooth transition to working more flexibly, often from home and adapting to balancing work/life commitments.

From a survey conducted this year across 4,266 employees globally, we know that the feeling of inclusion is slightly higher amongst our women than men. Globally the gender balance in the workforce is a 50:50 split, however we recognise there is more to do as women are still underrepresented in our senior leaders, which is a key focus for us to drive in 2021.

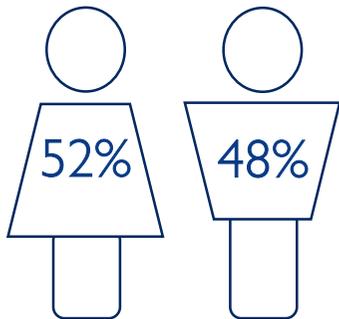
We continue to work hard to achieve a more gender balanced workforce and better female representation across occupational fields. As at the end of 2020, 38% of all senior roles continue to be held by women (compared to 38% in 2019, 37% in 2018 and 34% in 2017).

# GENDER PAY GAP AT MERLIN

Merlin is the UK's leading location-based entertainment company employing 8,050 people within its business operations in the UK\*. These roles are across its attractions, support functions and global headquarters.

\*As of 5 April 2020

## Gender split at Merlin



## MEAN GENDER PAY GAP:

4.7% (2019: 12.9%)

## MEDIAN GENDER PAY GAP:

3.5% (2019: 2.4%)

The headline median gender pay gap of 3.5% is well below the UK average of 15.5%

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

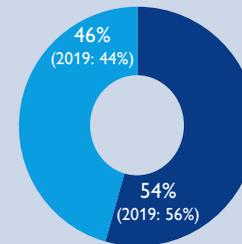
- Lower numbers of female representation in senior, higher paid roles (which also impacts on the gap in bonus pay).
- Relatively large populations of employees in male dominated professions e.g. engineering and electricians.
- Only 'relevant full pay' employees can be included in these calculations. As the significant majority of our UK workforce were furloughed at this time, our 2020 pay gap and quartiles are not a direct comparison to 2019.

## GENDER SPLIT PER QUARTILE PAY BAND:

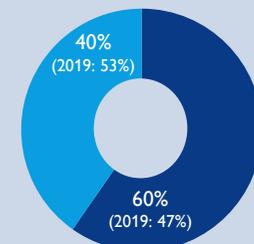
The following tables/graphics sets out a summary of the total gender pay gap data for all our 'full pay' employees across the UK at the snapshot date of 5 April 2020. Analysis of the two legal entities that employ more than 250 employees and so require separate disclosure is set out in the statutory disclosures at the end of this report.

■ Women  
■ Men

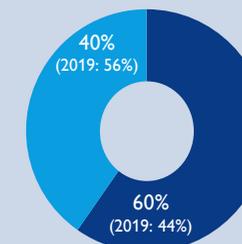
### Upper Quartile



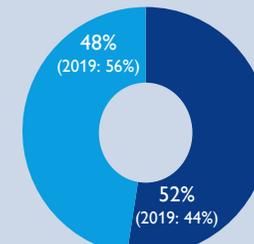
### Upper Middle Quartile



### 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 2020 and dividing this by the number of relevant employees.

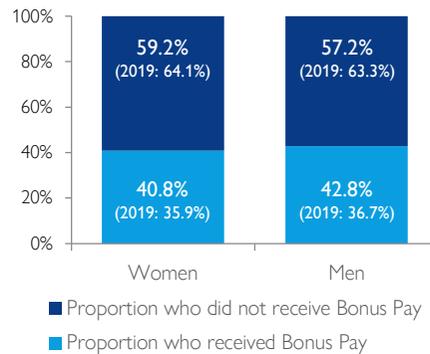
This calculation is done for both male and female employees and then the difference is stated as a percentage of the mean bonus amount for men.

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 that were given under the Performance Share Plan incentive programme, which formed part of the remuneration packages of some senior management, and were therefore paid to more male than female employees.

Difference in Mean bonus pay:  
**50.3%** (2019: 62.0%)

Difference in Median bonus pay:  
**36.4%** (2019: 44.7%)

Proportion of women/men who received bonus pay:



I joined Merlin in January 2017 having worked in HR operational roles for over 25 years within retail, financial services, outsourcing and hospitality.

Throughout my career I have thrived on working in customer facing, fast paced environments and I am most at home in an organisation that has a direct correlation on the guest experience and the activities it has in place to manage its people. This is most apparent at Merlin, and there is nothing more rewarding than seeing a highly engaged and well-trained employee delighting our guests.

For the first 3 years of my time at Merlin I oversaw the HR operational leadership across the 3 operating groups, by connecting 20 divisional HR directors to lead and deliver consistent HR operations. In addition to coordinating key activities and driving best practise sharing across the global HR teams, we successfully implemented a shared service model for our North America divisions and implemented an organisation model approach to reduce layers and increase spans of control.

I was appointed as Group People Director to head up the HR function in the middle of 2020, which I recognised was an excellent opportunity to not only develop myself, but also continue to lead the team and function. A key priority for me and the HR community is to drive the progress against our Diversity and Inclusion strategic objectives and along with the Executive team and other senior leaders I am taking part in the reverse mentoring programme. This will ensure I better understand the lived experience of our employees, and to ensure we can learn and make change.

I am extremely proud to work at Merlin, where else could you work where we employ such an amazing range of talents, from a Penguin Keeper at SEA LIFE Sydney Aquarium to a Project Manager for LEOGLAND Park new opening in New York.

Emma Pankhurst, Group People Director



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## 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:

- We have a Diversity and Inclusion strategy with a clear objective to increase gender balance and drive inclusion across the business.
- We have a Diversity and Inclusion steering group – which oversees activity across four regional taskforces, 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 have specific development programmes in place for women and we encourage the over-sampling of women on to our key training programs such as Leadership.
- We have 50/50 balanced shortlists for all management vacancies.
- We have personal journey webinars hosted by 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.
- International Women's Day is celebrated annually.
- We are launching a reverse mentoring programme with our executive committee to drive awareness of challenges faced by both men and women from ethnic minority groups.

# 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.

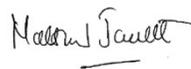
We had two legal entities with over 250 employees in the UK – Merlin Entertainments (Sea Life) Limited and Merlin Attractions Operations Limited – at the snapshot date of 5 April 2020. Our gender pay gap data for each entity is set out here.

## Declaration

We confirm the information and data reported is accurate as of 5 April 2020.



**Nick Varney**  
Chief Executive Officer



**Matt Jowett**  
Chief Corporate Officer

## Merlin Entertainments (Sea Life) Limited:

The difference between men and women	Mean (Average)			Median (Middle)		
	2020	2019	2018	2020	2019	2018
Gender Pay Gap	<b>24.3%</b>	15.0%	18.4%	<b>10.6%</b>	9.4%	12.7%
Gender Bonus Gap	<b>71.4%</b>	51.7%	7.5%	<b>41.6%</b>	31.6%	-17.8%

Proportion of women who received bonus pay in the relevant period			Proportion of men who received bonus pay in the relevant period		
2020	2019	2018	2020	2019	2018
<b>40.7%</b>	30.4%	21.0%	<b>53.5%</b>	43.4%	29.6%

Number of men and women in the quartile pay bands:	Women			Men		
	2020	2019	2018	2020	2019	2018
Upper	<b>32.1%</b>	50.5%	47.4%	<b>67.9%</b>	49.5%	52.6%
Upper Middle	<b>42.9%</b>	55.6%	52.1%	<b>57.1%</b>	44.4%	47.9%
Lower Middle	<b>57.1%</b>	61.1%	67.5%	<b>42.9%</b>	38.9%	32.5%
Lower	<b>59.3%</b>	67.6%	72.7%	<b>40.7%</b>	32.4%	27.4%

## Merlin Attractions Operations Limited:

The difference between men and women	Mean (Average)			Median (Middle)		
	2020	2019	2018	2020	2019	2018
Gender Pay Gap	<b>2.2%</b>	12.8%	14.1%	<b>0.2%</b>	3.4%	1.1%
Gender Bonus Gap	<b>53.4%</b>	56.5%	14.9%	<b>43.6%</b>	43.6%	19.3%

Proportion of women who received bonus pay in the relevant period			Proportion of men who received bonus pay in the relevant period		
2020	2019	2018	2020	2019	2018
<b>39.7%</b>	33.9%	14.9%	<b>41.5%</b>	35.2%	19.0%

Number of men and women in the quartile pay bands:	Women			Men		
	2020	2019	2018	2020	2019	2018
Upper	<b>46.1%</b>	41.6%	40.9%	<b>53.9%</b>	58.4%	59.1%
Upper Middle	<b>40.5%</b>	53.7%	54.8%	<b>59.5%</b>	46.3%	45.2%
Lower Middle	<b>47.0%</b>	53.9%	51.1%	<b>53.0%</b>	46.1%	48.9%
Lower	<b>40.1%</b>	55.9%	56.8%	<b>59.9%</b>	44.1%	43.2%

Only 'relevant full pay' employees can be included in these calculations. As the significant majority of our UK workforce were furloughed at this time, our 2020 pay gap and quartiles are not a direct comparison to 2019.