
MERLIN
ENTERTAINMENTS

**GENDER PAY
REPORT 2021**



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.

Much like the previous year, 2021 was a disrupted year due to ongoing issues around the Covid pandemic. Our 2021 figures therefore reflect the ongoing situation, which in comparison to pre-Covid years, clearly reflects either the number of months our attractions were closed or the amount of staff which were still on furlough.

Although still being in a state of business recovery, I'm incredibly proud that our business has continued to forge ahead and make real progress against our long-term **Diversity and Inclusion strategy**. We have set ourselves ambitious overall targets and ensured that we kept delivering tangible actions, which are visible to all our workforce. As part of that process, we have continued to work with our regional taskforces (created in 2020) who were able to implement new D&I targets and activities at a local level. These enabled our global workforce to participate even more, whilst also informing and driving the change and feedback to our central team.

We have continued to focus on key gender and inclusion initiatives, including specific female development programmes. These have been put in place to support our 2025 targets, which are firmly focused on increasing gender balance in leadership both in Exec-A2 senior manager roles, as well as middle management grades of B1-B3.

Our primary focus in 2021 was on ensuring we get teams back together whilst maintaining staff wellbeing across all 138 attractions, in 24 countries around the world. As part of that focus we brought back our global staff engagement survey (previously run in 2018). The Wizard Wants to Know survey gave us an opportunity to hear from all staff, looking at valuable data and comments which enabled a more detailed view across our grades, regions, brands and gender. This data is invaluable in measuring change and engagement but also informs the learning and development plans which are put in place. Plans are already in place for the 2022 survey this summer.

A new set of global 'Working Principles' will be launched shortly, which complement the UK Flexible Working Policy. Both our principles and policy continue to support our teams, offering flexibility around childcare/home working and adapting to balancing work and life commitments.

Globally, the gender balance in the workforce is a 51:49 split (male vs female), however we recognise there is more to do as women are still underrepresented in our senior leadership and this remains a key focus for us in 2022. We continue to work hard to achieve a more gender-balanced workforce and better female representation across occupational fields.

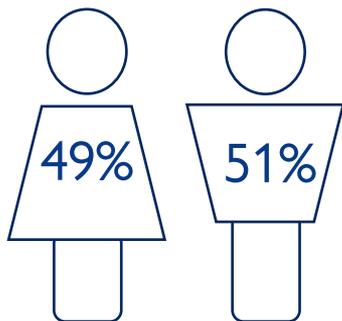
Whilst this particular report focuses on gender, Merlin is focused on creating a truly diverse and inclusive workplace, regardless of race, gender, social background, or ethnicity. We have a number of active programmes which support our strategy, including a new 'Return to Work' programme, a Kick-Start Apprenticeship scheme, reverse mentoring and our regular activity programme which sees a range of talks, podcasts and live mentoring sessions on offer to all staff.

GENDER PAY GAP AT MERLIN

Merlin is the UK's leading location-based entertainment company employing 6,352 permanent people within its business operations in the UK*. These roles are across its attractions, support functions and global headquarters.

*As of 5 April 2021

Gender split at Merlin



MEAN GENDER PAY GAP:

14.2% (2020: 4.7%, 2019: 12.9%)

MEDIAN GENDER PAY GAP:

3.2% (2020: 3.5%, 2019: 2.4%)

The headline median gender pay gap of 3.2% is well below the UK average of 15.5%

The key reasons behind our gender pay gap continue to be:

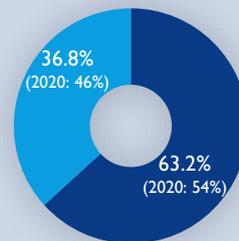
- Lower numbers of female representation in senior, higher-paid roles (which also impacts the gap in bonus pay).
- Relatively large numbers of employees in male-dominated professions e.g. engineering and electricians.
- Importantly only 'relevant full pay' employees can be included in these calculations. Due to the nature of the business, a number of our employees were on still on furlough for the 2021 snapshot date, so the pay gaps and quartiles are still not a direct comparison to 2019.

GENDER SPLIT PER QUARTILE PAY BAND:

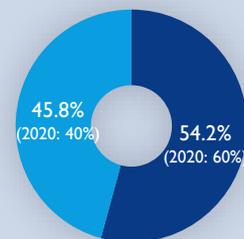
The following graphics set out a summary of the total gender pay gap data for all our 'full pay' employees across the UK at the snapshot date of 5 April 2021. Analysis of the two legal entities that employ more than 250 employees and so require separate disclosure is set out in the statutory disclosures at the end of this report.

■ Women
■ Men

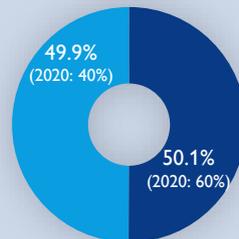
Upper Quartile



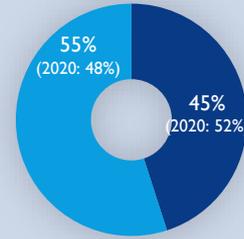
Upper Middle Quartile



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 taking the total bonus amount received by relevant full pay employees in the 12 months leading up to 5 April 2021 and dividing this by the number of bonus receivers.

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 March 2021 bonus payment were only made to our most senior UK employees in respect of the 2020 bonus year. This was a result of this population working throughout 2020 whilst the majority of the workforce were on furlough as a result of the pandemic. Due to the large proportion of male employees in our senior population, these targeted payments have resulted in a larger median bonus pay gap for the year.

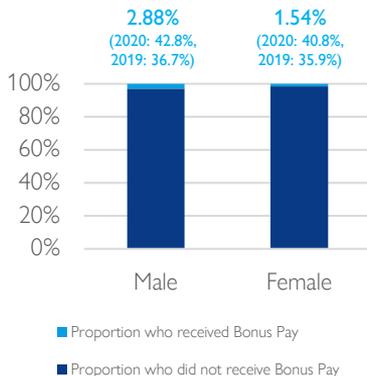
Difference in Mean bonus pay:

46.2% (2020: 50.3%, 2019: 62.0%)

Difference in Median bonus pay:

64.6% (2020: 36.4%, 2019: 44.7%)

Proportion of women/men who received bonus pay:



Case Study - Kate Shane, Regional Director

I joined Merlin in June 2011, having worked in Finance for over 20 years within leisure, retail, construction and managed services. I started my Merlin career as General Manager of the iconic Blackpool Tower.

I found the move to working with large teams and the public very rewarding and it was a significant change from my previous roles. I thrived on the fast-paced environment of a large-scale, diverse visitor attraction and enjoyed the challenge of delivering high-profile events such as BBC's Strictly Come Dancing annual visit and the 2012 Olympic Torch Relay.

After five years at the Tower, I was appointed as Head of Blackpool Cluster. I relished the challenge of driving key financial and guest KPI targets for seven very different attractions, including four of the key Merlin Midway Brands.

After a short period of time, I identified significant opportunities to develop the Cluster and deliver substantial growth in the Merlin portfolio, growing volume, revenue and EBITDA. Investment would come from the main stakeholder, Blackpool Council, and over the last six years I have actively participated in key groups working on improving the future for the resort, including becoming a Board Member and Chair of the Blackpool Tourism BID.

In 2021, my role changed again when I was promoted to Regional Director. Getting to this new role has been underpinned by a range of Merlin mentors (both male and female) and some key training and learning and development opportunities which have supported my leadership skills but also grown areas of my own personal development.

The current role sees me balance our significant business growth with community engagement and leading Merlin's regional SRG activities – one example was making the Blackpool Tower a Food Hub during the pandemic. One of my proudest achievements has been creating the Friends for School initiative, which sees 12 Merlin Managers each mentoring a local primary school pupil through the transition to senior school and beyond (it's a minimum 5-year commitment), inspiring ambition and the desire to achieve in young people.

Overall, my success at Merlin has been down to people, from creating strong and effective external relationships with stakeholders and partners, to recognizing internal talent and developing a supportive and inspiring environment, which in turn creates a passionate, driven and highly-motivated team, who love what they do!

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 several 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 in leadership positions 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 are working to increase gender balance in succession plans for senior 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 encourage flexible working and specifically support- 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 have an established 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.

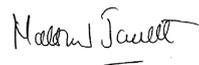
We had two legal entities with over 250 employees in the UK – Merlin Entertainments (Sea Life) Limited and Merlin Attractions Operations Limited – at the snapshot date of 5 April 2021. Our gender pay gap data for each entity is set out here.

Declaration

We confirm the information and data reported is accurate as of 5 April 2021.



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)		
	2019	2020	2021	2019	2020	2021
Gender Pay Gap	15.0%	24.3%	28.8%	9.4%	10.6%	11.6%
Gender Bonus Gap	51.7%	71.4%	46.8%	31.6%	41.6%	0.0%

Proportion of women who received bonus pay in the relevant period			Proportion of men who received bonus pay in the relevant period		
2019	2020	2021	2019	2020	2021
30.4%	40.7%	5.7%	43.4%	53.5%	2.4%

Number of men and women in the quartile pay bands:	Women			Men		
	2019	2020	2021	2019	2020	2021
Upper	50.5%	32.1%	20.8%	49.5%	67.9%	79.2%
Upper Middle	55.6%	42.9%	42.9%	44.4%	57.1%	57.1%
Lower Middle	61.1%	57.1%	52.4%	38.9%	42.9%	47.6%
Lower	67.6%	59.3%	61.9%	32.4%	40.7%	38.1%

Merlin Attractions Operations Limited:

The difference between men and women	Mean (Average)			Median (Middle)		
	2019	2020	2021	2019	2020	2021
Gender Pay Gap	12.8%	2.2%	14.3%	3.4%	0.2%	1.4%
Gender Bonus Gap	56.5%	53.4%	26.9%	43.6%	43.6%	54.4%

Proportion of women who received bonus pay in the relevant period			Proportion of men who received bonus pay in the relevant period		
2019	2020	2021	2019	2020	2021
33.9%	39.7%	2.1%	35.2%	41.5%	1.3%

Number of men and women in the quartile pay bands:	Women			Men		
	2019	2020	2021	2019	2020	2021
Upper	41.6%	46.1%	37.4%	58.4%	53.9%	62.6%
Upper Middle	53.7%	40.5%	44.4%	46.3%	59.5%	55.6%
Lower Middle	53.9%	47.0%	49.4%	46.1%	53.0%	50.6%
Lower	55.9%	40.1%	56.4%	44.1%	59.9%	43.6%

Only 'relevant full pay' employees can be included in these calculations. As the significant majority of our UK workforce continued to be furloughed at this time, our 2021 pay gap and quartiles are not a direct comparison to 2020 or 2019.