
Section 172 statement

The Directors acknowledge the need to maintain high standards of business conduct and recognise the importance of stakeholder engagement within any decision making process. The Directors understand their obligations under section 172 of the Companies Act 2006 and in order to ensure that this is fulfilled, delegate their authority to senior managers within the Merlin Entertainments Group. During the decision-making process management ensure they have regard for the impact of their decisions on the Company's stakeholders, as required in section 172 of the Companies Act 2006, taking into account the likely consequences of any decision in the long term. Management ensures that they understand the views of stakeholders seriously and strives to build productive business relationships with them. During 2019, Merlin has engaged significantly with stakeholders throughout the year and will look to further the inclusion of stakeholders' interests within the decision-making processes.

Employees

During the year management has considered engagement with our employees in a constructive way to enable consideration of employees effectively when making decisions and designing strategies. In order to better understand the levels of engagement and how our working environments can be improved, we conduct an annual 'Wizard Wants to Know' survey. In 2019 we updated the approach as a 'temperature check' pulse survey, focusing on our three core Merlin engagement areas - being a Great Place to Perform; a Great Place to Work; and a Great Place for Customers. 'The Merlin Way' is our set of values which embody everything we do, and which provide the basis for our goals and objectives. We advocate The Merlin Way through many of our global engagement activities such as our 'STAR' peer to peer recognition programme, our 'All.Together.' diversity and inclusion strategy and our employer brand ethos 'Love your Work. Work your Magic'.

'Your Voice Counts' (YVC) forums across the UK has been put in place to discuss matters which affect the immediate working environment and to agree changes. Since 2019 these local forums have had the opportunity to discuss important topics with a member of the Merlin Executive Management Team on an annual basis via the 'UK Your Voice Counts' information sharing meeting.

Offering an inclusive working environment, where differences are valued, is a crucial part of our strategy, so we are committed to ensuring that diverse groups are fully and properly represented at all levels of our organisation. We strive to ensure we have the best people for every role, regardless of gender, race, disability, sexual orientation, or any other factor. We are proud of the inclusive environment we create for everyone who works at Merlin and are actively encouraging and promoting more females into senior roles. Wherever possible, we encourage greater female participation in traditionally male orientated occupations such as engineering where there are proportionally fewer female employees, and host a number of initiatives to educate and inspire career progression within Merlin among female staff.

Suppliers

Merlin believes a collaborative approach with suppliers enables the most mutually beneficial relationship, allowing us to engage on matters that affect both Merlin's and our supplier's key strategies. An example is the return in 2019 of our partnership with Coca-Cola Great Britain, offering consumers 50% off entry to Merlin attractions, in exchange for their used plastic bottles.

Guests

The satisfaction of our guests is consistently monitored at each attraction with a centralised product excellence team who help to drive improvements. Management understands that the key to Merlin's continued success is to maintain high levels of guest satisfaction. This is therefore monitored through business updates and a detailed annual report on guest satisfaction is presented by Merlin's customer excellence team.

Merlin aims to provide magical and memorable days out for everyone, including the many guests with disabilities that visit our attractions. This is something management take very seriously. In May 2019 Merlin became the first company in the leisure sector to join the 'Valuable 500' campaign which aims to raise awareness and unlock the business, social and economic value of people living with disabilities across the world. We work with many local charities including our charity partner Merlin's Magic Wand to create memorable days out for guests and to work collaboratively to enhance the accessibility of our sites.

Section 172 statement (continued)**Communities and the environment**

Merlin understands that our business has an impact on communities, and we engage with them in a number of different ways. Our strong social conscience informs how the Company operates, including both the people and creatures connected to our business. This is exemplified by our ethical animal husbandry activities, our partnerships with Merlin's Magic Wand and the SEA LIFE Trust, and how we approach visitor accessibility.

In addition to supporting the SEA LIFE Trust in its mission to protect marine life and habitats across the world, we support additional animal welfare initiatives that are not connected to the marine environment. Chessington World of Adventures Resort in the UK maintain their long-standing commitment to animal breeding or managed species programmes.

In addition to our commitments to employees with disabilities, we are focused on improving the accessibility of our attractions. At Merlin we care about creating memorable experiences for all our guests including those with disabilities who choose to visit us each year. This includes making necessary reasonable adjustments to our facilities to ensure all our guests can 'experience the magic'. We understand our obligations and we care about continuously improving accessibility. To that end we are committed to listening to feedback and reviewing our facilities in order to ensure that we continue to meet the needs of all our guests.

We recognise that our operations impact the environment and that effective management, in line with our strategic business goals, is essential for sustainable business success. We are committed to minimising the potentially harmful effects of such activity. Merlin's Executive Management Team is responsible for setting strategy, policy, principles and guidance. Our Chief Executive Officer ensures that the strategic policy is implemented and that our sustainability objectives are aligned throughout the business. We participate in the UK Carbon Reduction Commitment (CRC) energy efficiency scheme and other applicable environmental regulations globally. Specific budgets are made available each year to test and implement environmentally focused initiatives. Each attraction has a sustainability champion who is responsible for the delivery of our sustainability objectives at a local level.