

## **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 2020, 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

In response to the COVID-19 pandemic, the Directors, along with senior management, considered how attraction and office closures would impact employees. Accessing government support packages meant that the Company was able to minimise the impact on employees.

Throughout the year, lines of communication with our employees were maintained, ensuring that all employees, whether furloughed or working, were kept fully updated on the business operations on a regular basis. Additional occupational support was made available to all employees. Focus on employee welfare has always been a key consideration and in response to the pandemic the Directors ensured that ahead of reopening the attractions, extensive training, using a variety of mediums, was given to all employees.

'The Merlin Way' is the 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 and via our staff wellbeing programme, with a focus during the COVID-19 pandemic on mental health and the available resources and support for our teams. In 2020 we continued with 'Your Voice Counts' (YVC) forums at our attractions, albeit remotely for the majority of the year, to discuss matters which affect employees' immediate working environments and to agree changes.

With the necessary changes in working practices over 2020 we have reviewed the ways in which we communicate with our employees and how they feed back to us. The latest attraction news, company updates from Merlin Executive Management and key business information was made more easily accessible via the relaunched 'MyMerlin' intranet. We also launched a fortnightly company digital newsletter 'The Wizard's News', emailed to our employees and available via SharePoint and on mobile via the SharePoint app. These two new platforms provide access to engaging digital content including the latest reassuring health and safety information, video updates from senior leaders, podcasts and celebratory content from our attractions as they support local food banks and testing initiatives, to help ensure our teams continue to feel engaged and connected with the business.

In 2020, as a result of COVID-19 related closures, many of our staff were on furlough and therefore we did not run our annual employee engagement survey. In 2021 we look forward to updated engagement and feedback tools being launched.

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.

In 2020 the Merlin Group undertook a detailed diversity and inclusion survey. From the results three key focus areas were identified for 2021: gender equality, ethnic diversity and 'inclusion for all'. Taskforces lead by business leaders are sponsored by a member of the Merlin Executive Management team.

### Business partners

Merlin believes a collaborative approach with business partners enables the most mutually beneficial relationship, allowing us to engage on matters that affect both Merlin's and our business partners' key strategies. During the year a great deal of consideration was given to our long term relationships with multiple landlords where detailed negotiations took place.

A further example of collaboration with suppliers included consideration of ride suppliers as part of the new themed land at LEGOLAND Windsor. The final choice of supplier was made based on previous experience and ride supply at other LEGOLAND parks.

#### Guests

We receive constant feedback from our guests through satisfaction surveys and social media. The results of these are monitored by management.

In 2020, consideration was given to how customers might feel about returning to our attractions once pandemic restrictions were lifted. Consumer studies were conducted to assess customer attitudes to our proposed health and safety regimes and the instructive responses helped to shape the implementation of appropriate measures to meet those expectations.

Following extensive consumer research which identified two potentially strong performing concepts, a new land at LEGOLAND Windsor – ‘LEGO MYTHICA’ was approved. Aimed at the core family market, further research with parents and children was conducted to refine the proposition before development commenced. Accessibility and sustainability were also considered as part of the project to ensure that improvement and maintenance of our accessibility standards were met.

#### Communities and the environment

Merlin’s attractions operate responsibly at the heart of their communities, contributing to the local economy. Merlin continues to support the work of our partner charities Merlin’s Magic Wand, that provides children around the world with memorable experiences, and the SEA LIFE Trust, that works to protect the marine environment. Merlin recognises that our operations impact upon the environment and we are committed to minimising the potentially harmful effects of our activities. We are committed to being an environmentally responsible business and have been a long term advocate for reducing plastic pollution.