

## Section 172 statement

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The Board of Directors of the Company (the Board) recognises its responsibility under section 172 of the Companies Act 2006 to maintain high standards of business conduct and consider the impact on all stakeholders when making decisions, including the likely consequences of any decision in the long term. They delegate their authority where appropriate to other senior managers within the Merlin Entertainments Group.

Further information on how the Board has exercised its duty to promote the Company's success during the year with regard to the matters set out in section 172, including examples of how these duties have been applied, are set out below.

The Directors take their responsibility to understand the views of stakeholders seriously and will continue to consider stakeholder interests in its decision-making processes in 2022

### Consequences of decisions in the long term

The Company's strategy is aligned to the wider Merlin Entertainments Group strategy, and which includes long term growth ambitions. Accordingly, the long term consequences for the Company and its stakeholders are always factored into strategic decisions.

### Employee interests

The Directors recognise that employee engagement and a strong culture is important to achieve the Company's vision and objectives. Our people are what makes this Company so special and we continue to be proud of our employees, who once again delivered magical and memorable experiences to millions of guests.

In 2020 Merlin did not run its annual 'The Wizard Wants to Know' employee engagement survey, due to mandated closures and uncertain opening schedules across the Merlin estate. The survey was relaunched in 2021, using the very latest digital technology through a new platform. Re-establishing this important listening tool was an absolute must after the pandemic period. As expected, there were positives and negatives, and differences by attraction, and function. For example natural decreases were seen in areas such as 'being together' and 'work/life balance', while higher scores were recorded around wellbeing, and Managers and teams feeling supported. Overall though, in common with other businesses in our industry, we saw a marked reduction in our typically high overall engagement scores prior to the pandemic. Merlin is a business based around our employees being together, whether customer-facing or in other functions. Management are taking a number of actions to address the issues the survey identified, and believe that these steps, combined with working patterns returning more to normal, will lead to improved employee engagement. Merlin recognises the importance of re-establishing this important listening tool and are delivering another Wizard Wants to Know survey in 2022, to capture the views of as many of our people as possible.

Throughout the year, lines of communication with our employees were maintained, ensuring that all employees were kept fully updated on business operations on a regular basis, including tools such as our 'MyMerlin' intranet and 'The Wizard's News', our fortnightly company digital newsletter.

'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 and our staff wellbeing programmes. More details can be found on our website (at: <https://www.merlinentertainments.biz/about-us/our-values/>).

The importance of diversity, equality, accessibility and non-discrimination to Merlin is highlighted throughout our global HR policies relating to employees; including in our internal global recruitment and equal opportunities policies. Our three key focus areas for 2021 were gender equality, ethnic diversity, and 'inclusion for all'. Merlin's four regional taskforces, led by business leaders and each sponsored by a Merlin Executive Committee member, developed plans to support our global diversity and inclusion goals. Merlin is proud that our commitment to equality is demonstrated throughout our culture and are committed to ensuring we continue to promote diversity and inclusivity.

## **Section 172 statement (continued)**

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### Fostering business relationships with suppliers, customers and others

The Directors are aware of the importance of fostering effective stakeholder relationships to enable the long term success of the Company. The Company believes a collaborative approach with business partners enables the most mutually beneficial relationship, enabling engagement on matters that are in both parties' interests.

The Directors identify guests as key stakeholders. The guest experience is central to the success of our business and in 2021 we continued to focus on delivering memorable experiences to our guests. We continue to monitor our guests' views by engaging with them directly, on social media, and by monitoring online reviews.

Guest accessibility has seen increased focus in 2021, with a drive to ensure that we are doing everything that we can to allow all our guests to enjoy as much of the Merlin experience as possible. These efforts are informed by our guests and disability advisors, and have included new training programmes in disability confidence for our teams, reviewing our existing rides to enhance their accessibility, and working with ride manufacturers to improve accessibility on new rides.

The health, safety and security of our guests and employees remains our number one priority and we have maintained a high level of performance across our operations. Throughout the pandemic, Merlin has helped lead the location based entertainment industry in implementing measures to enable attractions to trade safely. We continued this approach through 2021 as the pandemic, and the regulatory responses, evolved and we remain fully committed to ensuring a safe and welcoming environment for our guests and staff.

### Operational impact on community and environment

Merlin has an ethical operating culture and high animal welfare standards, with a commitment to managing environmental impacts. Our attractions operate responsibly at the heart of their communities and contribute to local economies. We partner with two charities. Merlin's Magic Wand provides memorable experiences to children faced with the challenges of serious illness, disability, and adversity. The SEA LIFE Trust works to protect the marine environment.

We recognise that our operations impact upon 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 is committed to being an environmentally responsible business and has been a long term advocate for reducing plastic pollution as well as progressing the positive impact our businesses and teams can make on their local environments and communities. We continue to review all our retail stores to remove unnecessary packaging and plastic across all of our merchandise.

Our commitment initiatives will continue progressing in 2022 and beyond. More details can be found in our environmental policy, which is available on our website (at <https://www.merlinentertainments.biz/responsible-business/environment/>).

### Maintaining a reputation for high standards of business conduct

As senior managers within the Merlin Entertainments Group, the Directors ensure that Merlin's policies and procedures that are in place to support the highest standards of business conduct are followed. They are involved in the management of issues which may have a material impact on the Company's reputation.

Further information is provided in the Corporate Governance section of this Director's Report.

### Act fairly between the owners of Company

The Company is a directly owned subsidiary of another Merlin Entertainments Group company.