

Section 172 statement

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 (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 2023.

Consequences of decisions in the long term

The Company's strategy is aligned to the wider Group strategy, 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 Board recognises that employee engagement, diversity, inclusion 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 2022.

More than 18,000 people completed the Group's 'The Wizard Wants to Know' staff engagement survey in 2022, a significant increase on the 2021 survey and with a high response rate of 84%. The Group's overall engagement score was 68%, an encouraging increase of 5% on the previous year. Following the survey results, each business unit within the Company held follow-up sessions to discuss areas of focus and improvement.

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. Tools such as the new 'CEO Townhall' sessions, our 'MyMerlin' intranet and 'The Wizard's News', our monthly company digital newsletter, continued to celebrate successes and effectively communicate across all our sites.

In 2022 we continued our focus on gender equality, ethnic diversity and our inclusion strategy 'Everyone Matters at Merlin'. Regional task forces encompassing the Company's employees delivered plans to support the Group's global diversity and inclusion goals as well as driving meaningful change to our teams and wider communities at a site level. We are proud that our commitment to equality is demonstrated throughout our culture and are focussed on creating the greatest place to work and a true sense of belonging.

'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 Company's employees participate in the Group's long term incentive plans. These provide incentive structures for our management teams and include outstanding contribution and long service awards that are available to all employees.

Fostering business relationships with suppliers, customers and others

The Board believes a collaborative approach with suppliers and business partners provides mutually beneficial relationships, enabling engagement on matters that are in both parties' interests.

Section 172 statement (continued)

The health, safety and security of our guests and employees remains our number one priority. During 2022, we maintained a high level of performance across our operations, with our COVID-19 countermeasures remaining dynamic and able to adapt to differing states of government restrictions. We remain fully committed to ensuring a safe and welcoming environment for our guests and staff.

The Board identify guests as key stakeholders and the guest experience is central to the success of our business. In 2022 we maintained our focus on providing a high quality of experience for our guests and continued to monitor their views, engaging with them directly and on social media to measure the quality of their experience and drive improvements.

Senior management undertake regular site visits to ensure that the guest experience is in line with guest expectations, and we also use the 'Yext' platform to monitor online guest reviews and help inform how we improve our attractions. Customer insight has also helped us as we make significant progress on guest accessibility.

In 2022 we continued our commitment to disability inclusion to ensure guests with disabilities can access the magic of Merlin. We understand our obligations and we care about continuously improving accessibility. The Accessibility Steering Group continued to drive improvements across the business and launched an 'Internal Intel' group to bring together employees with lived experiences of disability to inform and guide changes we are making to disability inclusion. During the year we also commissioned mystery visits with disabled guests to further understand the guest experience and where improvements can be made.

Operational impact on community and environment

The Board promotes an ethical operating culture and is committed to managing environmental impacts through our sustainability strategy. Our attractions operate responsibly at the heart of their communities, maintaining high animal welfare standards and contributing 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 marine life and habitats across the world, also operating two marine sanctuaries.

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. The Group 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 2023 and beyond, including working with our global supply chain to remove unnecessary plastic packaging from our shops; providing opportunities for all our staff and guests to become involved at our attractions; and supporting the SEA LIFE Trust in campaigning across the global for greater protection for our marine environment and its creatures. 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 Group, the Directors ensure that the Group'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.

Act fairly between the owners of Company

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