

## **SECTION 172 Statement**

The Director has considered the Companies (Miscellaneous Reporting) Regulations 2018 and acted in good faith, with the intention to promote the long-term success of the Company. The Director has had regard to the matters set out in s.172(1)(a)-(f) of the Companies Act. The below paragraphs describe how the Director has specifically considered the matters set out in s.172:

*(a) The likely consequences of any decision in the long term:*

The Director considers how the consequences of any decision in the long term will impact the Company's key stakeholders being its employees, other Netflix Group companies (the 'Netflix Group'), shareholders, the community, environment and suppliers.

Netflix operates globally and our unique culture gives teams the freedom and responsibility to make decisions with confidence. As such, direction and decision-making are decentralized allowing the business to move fast.

*(b) The interests of the Company's employees:*

Employees are regularly consulted and informed during the year through company-wide 'Town Halls,' leadership staff memos, various functional sessions and other briefings, which include a Q&A component.

Employee Resource Groups are vital in creating a more inclusive environment for all employees, specifically those from historically underrepresented and/or marginalized communities. We have numerous active ERGs including: The Village (Parents group), Pride ERG (LGBTQ group), Black@Netflix, Women@Netflix, Mental Health ERG in addition to others, each of which has contributed to employee wellbeing and making Netflix a more open place to work.

Between 1 Jan - 31 Dec 2020 we provided various employee engagement events and resources, such as: unlimited access to mindfulness and meditation content, behavioural health coaching available 24/7 to help guide members on how to reduce stress, reach goals and feel supported, support and vouchers for carers, short-term counselling/ crisis support through our Employee Assistance Program (EAP), coffee & chat sessions where members can drop in to discuss anything in a safe space.

*Inclusion at the company*

We'll find more stories and better improve our service if our employees come from different backgrounds, and we create an environment of inclusion for them.

We're increasing representation by expanding our inclusion recruiting programs team. They train recruiters on how to hire more inclusively, help the company and senior leaders diversify their networks, and create programs to create access to emerging talent.

Once we attract talent to Netflix, we want them to feel represented in all aspects of the company. We work to improve our company practices around pay and benefits to be as equitable and inclusive as possible.

- Equitable Pay - We practice "open compensation," which means the top 1,000 leaders (directors and above) at the company can see how much any employee is paid. This encourages open discussions about pay disparities. Outside of transparency, our talent team routinely analyzes pay across the company to look for disparities, including an annual compensation review. In both cases, when we

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- find pay gaps, we rectify them.
- Inclusive Benefits - Our flexible parental leave policy is gender-blind. We offer a family forming benefit to support employees on their fertility, surrogacy, or adoption journey. It's available to employees regardless of marital status, gender, or sexual orientation. And we cover comprehensive transgender and non-binary care in our U.S. health plans. Outside of the U.S., we're exploring how we can expand transgender coverage.

We want employees to look at every decision with an "inclusion lens," so that they're embracing difference, spotting bias, and considering a decision's impact on marginalized groups. We run workshops to raise consciousness of topics like privilege, bias, intersectionality and allyship, which became important during the pandemic and racial reckoning of 2020.

Issues around inclusion and diversity vary by team, so we have inclusion leaders embedded with the different teams (e.g., marketing, product, and content). Examples: Content, production, and marketing focus on representation issues. Product is focused on increasing employee representation of women, Black and Latinx in technology roles.

### *Additional support for the creative industries in 2020*

When our productions ceased in early 2020 due to the Covid outbreak, we continued to pay the wages of the cast and crew.

We donated over £1.75 million to the Film and TV Charity and the BFI in the UK to jointly establish the COVID-19 Film and TV Emergency Relief Fund, an initiative to support thousands of active workers and freelancers directly affected by the closure of productions across the country.

In July 2020, we helped to establish the new Theatre Artists Fund, with a £500k donation. Spearheaded by Sam Mendes, the fund provided relief to theatre workers in the UK, particularly those from underrepresented groups that were disproportionately affected by the crisis.

We are committed to investing in the UK creative industry by playing a leading role in bridging the skills gap, upskilling the UK creative community, and improving diversity head-on. Through Grow Creative, and despite the pandemic, we are proud to have already supported the careers and development of over 600 people in 2020.

*(a) The need to foster the Company's business relationships with suppliers and customers:* In line with the group's decentralized approach to decision making, authority for operational decision making is delegated to management on a day-to-day basis.

### *(b) Community engagement:*

At Netflix, we support our employees to make an impact by giving them the freedom to choose an organisation that is important to them and double matching their contributions through our Employee Giving Programme.

As of March 2020, given the pandemic and worldwide events, Netflix's matching gift rate increased from 100% to 200%. Netflix retroactively topped up all matching gifts for donations made between January 1, 2020, and March 30th, 2020 with an additional 100% match to ensure all donations benefited from the increased rate. During this period we also worked with a number of UK charities including Beat, Brook, Sands, Women's Aid, Samaritans and Stonewall to create resources and raise awareness around where to find help and support for sensitive topics raised in our shows.

*(d) The impact of the Company's operations on the environment:*

The Company reports the environmental impact of its business in the United Kingdom through its streamlined energy and carbon reporting ("SECR"). This is available in full in the Director's Report.

*(e) The desirability of the Company's maintaining a reputation for high standards of business conduct:*

We are committed to managing our business ethically and with integrity. Our Code of Ethics sets out our expectations for conduct among our employees and management. We encourage reporting of breaches of our Code or any unethical or inappropriate conduct to our Chief Legal Officer or, in the case of misconduct by a senior financial officer, to the Chair of our Audit Committee. We also provide access to a third-party operated service where reports of misconduct can be made confidentially and, if desired, anonymously, 24 hours a day, seven days a week, 365 days a year. Reports made through this service are elevated and investigated until they are resolved, and updates are provided annually to the Audit Committee.

As part of our commitment to managing our business ethically and with integrity, we seek to identify and mitigate risks that could lead to potential legal and/or regulatory violations. Our Global Anti-Corruption Policy requires our employees and contractors to abide by global anti-corruption and anti-bribery laws. We provide regular training on compliance with this policy, in addition to conducting regular and ongoing risk assessments. A copy of our practices and policies, which includes the Global Anti-Corruption Policy and Code of Ethics, has been translated into numerous languages and remains available to all employees throughout their employment with us. Other areas of focus include commitments to compliance with applicable government mandated sanctions regimes (with leadership provided by a designated Sanctions Compliance Officer) as well as human rights legislation such as the UK Modern Slavery Act.

*(d) The need to act fairly as between members of the Company:*

The Company is a wholly owned subsidiary within the Netflix Group, with Netflix Inc. being the ultimate parent company. All interactions with other Group companies are governed by established intercompany arrangements.