2027 SeaWorld Shareholder Resolution

RESOLVED: Shareholders request that the Board prepare a report assessing the potential long-term business risks associated with continuing to breed cetaceans.

SUPPORTING STATEMENT:

In 2016, SeaWorld stopped breeding orcas following declining attendance, revenue, and stock value, as well as regulatory pressure and shareholder litigation. That decision reflected the business risks associated with cetacean breeding. Then CEO Joel Manby explained that "As society's understanding of orcas continues to change, SeaWorld is changing with it." Shareholders would benefit from an assessment of whether society's evolving views of the needs and interests of other cetaceans such as dolphins at SeaWorld create similar risks.

The Board broadly discloses risks related to business relationships, changing consumer preferences, negative publicity, and regulation. But these disclosures do not specifically assess whether cetacean breeding itself creates these risks.

SeaWorld has already lost business relationships over animal welfare concerns. More than 100 brands have ended promotions, partnerships, sponsorships, or other relationships. Major online ticketing platforms Tripadvisor and Expedia refuse to sell tickets to SeaWorld and Discovery Cove due to the cetacean programs. A report would show whether continued breeding is eroding current commercial relationships and deterring prospective partners, sponsors, and joint marketing opportunities.

Continued breeding also presents strategic risks as consumer attitudes change. A new survey found that 92% of Americans agree dolphins belong in the ocean, not in tanks, and a majority (63%) oppose dolphin breeding programs. Dolphins and whales are naturally wide-ranging, socially complex animals. Breeding creates new generations who will spend their lives circling tiny tanks with no view, no currents, nothing to see, and who cannot escape aggressive or incompatible animals, and never travel anything remotely close to the distances they would in the ocean**.** The animals suffer from chronic stress, aggression, abnormal behavior, injuries, boredom, and premature deaths. A report would assess whether continuing to breed cetaceans creates growing reputational and consumer risks as understanding of cetacean welfare concerns expands.

Breeding also creates recurring reputational risk. Each birth reignites the conversation about confinement, while calf injuries and deaths spark controversy about the breeding program. A report would evaluate whether such scrutiny negatively impacts the company.

Regulatory restrictions reinforce the need for this assessment. Canada, Chile, Costa Rica, Croatia, France, India, and Mexico have banned or are phasing out the use of cetaceans for entertainment, and the UK's last dolphinarium closed more than 30 years ago.

Because many cetaceans live for decades, each new birth extends the company's obligations for specialized facilities, veterinary care, regulatory compliance, and risk management far into the future, and limits business model flexibility.

This report would help shareholders evaluate whether the Board is adequately identifying and managing the commercial, strategic, reputational, operational, and regulatory risks associated with breeding cetaceans. We urge shareholders to vote FOR this ethically and financially responsible proposal.