



MERLIN ENTERTAINMENTS MODERN SLAVERY AND HUMAN TRAFFICKING STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

Introduction

Merlin Entertainments Limited (“Merlin” or “the Company”) recognises its moral and legal responsibility with regard to modern slavery and human trafficking and will always endeavour to ensure that no such activities arise in the operation of its business. We expect all areas of our business and all suppliers and contractors to comply with internationally recognised codes of practice on human rights, employment practices and working conditions. For certain procurement categories, we undertake further reviews to assess suppliers against requirements as set out in international standards such as SA8000 or similar.

COVID-19 Impact

The impact of COVID-19 on our business has been severe and caused a significant amount of business disruption, primarily due to the closure of our attractions around the world for varying periods, in accordance with local government restrictions.

Our primary objective throughout this period has been to protect the well-being of our guests and employees by taking necessary steps to ensure that all applicable health and safety guidance is implemented within our attractions and offices worldwide. These steps included the mandating of social distancing, restrictions on venue capacity, use of PPE, enhanced cleaning regimes, hand sanitisation stations and temperature checks.

The effect of COVID-19 has meant that a large number of business and procurement activities that may have been associated with modern slavery risks were suspended, deferred or ceased. This includes, for example, capital development projects, procurement activity and operational contracts, products and/or services and recruitment of seasonal workers.

Business Structure

Merlin is a global leader in location based, family entertainment. As Europe's Number 1 and the world's second-largest visitor attraction operator, Merlin now operates over 135 attractions, 20 hotels and six holiday villages in 24 countries and across four continents. The company aims to deliver memorable experiences to 67 million visitors worldwide, through global and local brands, and employs c.26,500 employees (peak season).

The business is split into three main operating groups: Midway Attractions, LEGOLAND Parks and Resort Theme Parks. The three operating groups are supported by a central corporate team and Merlin Magic Making, our unique internal creative and production resource.

Procurement policies and strategy are centrally led and locally implemented, with commitments to suppliers made by each attraction and operating under the delegated authority principle.

Our policies

We are committed to identifying and addressing modern slavery and human trafficking risks in our business and our supply chains. As an organisation operating in multiple jurisdictions, we will

always comply with local laws and regulations, however where these fall short of our own global standards and policies, we will always aim to go above and beyond local legislation to maintain a high common ethical standard.

Our Human Rights Policy reflects our commitment to acting ethically and with integrity in our business activities and relationships. We strive to prevent discrimination and to value diversity and inclusion throughout our business, and to provide a safe, secure and healthy environment within which to work. As part of our 'Everyone Matters at Merlin' initiative, we are renewing our commitment to diversity and inclusion by creating a new global Diversity & Inclusion Taskforce which is charged with leading positive change to increase diversity and inclusion within our workforce and better reflect the cultural-mix of our millions of guests.

In addition, and in line with our commitment to act with integrity and address the risk of modern slavery and human trafficking in all our business dealings, we also operate the following policies:

- **Whistleblowing Policy.** The Company encourages all employees to report any concerns relating to the direct activities, or supply chains of the Company. The policy is designed to make it easy for employees to make disclosures without fear of retaliation through using an independent externally hosted Whistleblowing Hotline. This service is available to all employees, temporary workers and agency staff in all languages, regardless of where they are in the world. This service is also available to external consultants and contractors employed to work on behalf of Merlin.
- **Employee Code of Conduct.** The Code of Conduct makes clear to employees the actions and behaviour expected of them at all times when representing the Company. The Company strives to maintain the highest standards of employee conduct and ethical behaviour in all its operations and the Code of Conduct makes clear that breach of any policy will not be tolerated. All employees are required to formally acknowledge that they have read, understood and will adhere to the content of the Code of Conduct. Their declaration also serves as formal acknowledgement of all Company policies referred to within the Code (including policies that have relevance to modern slavery). Through the Code of Conduct employees are made fully aware that breach of any policy, or failure to raise concerns, may lead to disciplinary action and ultimately lead to dismissal.
- **Equal Opportunities Policy.** Available to all UK employees and extended to other regions based upon local laws. It states all employees should be treated with dignity, respect and

consideration at work and does not discriminate against them because of sex, age, gender reassignment, marital or civil partner status, sexual orientation, disability, race, colour, nationality, religion or belief, ethnic or national origin, maternity or pregnancy. The Company aims to treat all employees, former employees, clients, suppliers and other members of the public with whom the Company comes into contact, with dignity and respect.

- **Recruitment Policy and Code of Practice.** These global policies uphold the Equal Opportunities and Human Rights policies through ensuring that all candidates are treated with dignity and respect, and that all applications are handled equally.
- **Protection of Children and Young Workers.** This global policy states our commitment to protecting children and younger workers under the age of 18. It clearly states the Company does not tolerate unfair treatment of children or young workers in the workplace and that maximum working hours, working conditions and fair treatment be adhered to at all times. Risk assessments are carried out before employing young workers, and the Company takes all measures to ensure that child welfare takes priority over business concerns.
- **Anti-Bribery and Fraud Policy.** The Company has zero tolerance towards fraud or bribery. Facilitation payments by anyone representing Merlin are prohibited anywhere in the world. This policy extends to anyone acting on behalf of the Company as well as to suppliers, consultants and contractors. Such third parties are required to agree compliance with Merlin's Ethical Dealing Principles, or equivalent. (which include a contractual requirement to comply with applicable anti-bribery legislation) . The application of the policy is underpinned by an employee training regime that provides a record of responses to a series of questions to demonstrate that a user has understood the policy and its application.
- **Retail Merchandise Code of Conduct.** The Code of Conduct and Global Sourcing Principles establish the standards for commercial retail suppliers working for Merlin. We expect suppliers to comply with internationally recognised codes of practice on Human Rights, employment practices and working conditions. These documents specifically require suppliers to achieve and maintain standards in relation to the following:
 - o prevention of child labour;
 - o prevention of forced labour;
 - o prevention of slave and trafficked labour;
 - o ensuring safety;

- o health and hygiene;
- o associations, discrimination and coercion;
- o working hours and wages; and
- o protection of the environment.

· **Contract Policy and Risk Profile.** The Contract Policy sets out the process for placing contracts on behalf of Merlin from start to finish and applies globally to all employees who place contracts within their role. The Policy requires employees to utilise Merlin's standard contract templates where possible. Our templates require suppliers to adhere to Merlin's Ethical Dealing Principles which are relevant to eliminating the risk of modern slavery and contractually require suppliers to confirm compliance with the Modern Slavery Act 2015. In addition, Merlin's Risk Profile on Supply Contracts identifies the most important contract risks for our business and sets out our risk profile on each risk in accordance with a Red-Amber-Green traffic light system. The Risk Profile also applies globally to all employees placing contracts on behalf of Merlin. The risk of unethical conduct features as an important risk and our preferred or 'green' risk profile requires suppliers to comply with Merlin's Ethical Dealing Principles.

Suppliers

Our supply chains include local, national and international business partners and the Company will not knowingly do business with parties who do not comply with applicable laws and regulations, including local, environmental and employment laws.

Unless a higher or equivalent standard is applied, suppliers are required to agree, as a condition of doing business with Merlin, that Merlin's Ethical Dealing Principles will apply. Any requests for amendment must be escalated to senior management in accordance with Merlin's Risk Profile. Our Ethical Dealing Principles require suppliers to be compliant with international conventions in relation to forced labour; freedom of association; right to organise and collective bargaining; equal remuneration; abolition of forced labour; discrimination; minimum age and child labour; the European Convention on Human Rights and European Money Laundering Convention. They also require suppliers to be compliant with applicable legislation in relation to bribery and modern slavery.

Suppliers providing certain construction related goods and/or services to Merlin Magic Making are required to participate in a due diligence and tender process and if successful, agree Merlin's standard framework agreement or other appropriate template before they are admitted to our

Preferred Suppliers List. As above, they will be required to agree Merlin's Ethical Dealing Principles.

The Company has several systems in place to identify and assess potential risks in our supply chain, mitigate these risks and protect whistle-blowers. These include:

- binding suppliers to ethical dealing clauses in all contract terms and conditions;
- holding regular review meetings with all major commercial suppliers and brand partners which focus on the delivery of goods and services in line with the terms of our agreement;
- invoking strict sanctions on suppliers who do not meet our performance expectations or uphold the terms of our agreement (for example, any evidence of child labour results in the immediate delisting of a supplier); and
- use of an independent externally hosted Whistleblowing Hotline which all employees, workers and external consultants/contractors working on behalf of Merlin are made aware of upon induction and encouraged to use whenever appropriate, commissioned by the Company's Audit Committee which receives regular reports.

Furthermore, Merlin continually reviews its policies and practices based on lessons learned from the above initiatives in order to proactively maintain an informed approach to preventing modern slavery in our society.

Training

All staff regularly involved in the procurement of goods and services understand the detail of our Ethical Dealing Principles.

In addition to the policies and procedures that underpin monitoring and compliance Merlin also operates an induction programme tailored to incorporate the Employee Code of Conduct and the relevant policies relating to specific roles.

As our business expands, we are mindful of the increased risks relating to modern slavery associated with new market entry and high volume employment sectors such as accommodation, food and beverage operations and large capital development projects. We ensure we abide by all local labour laws and that the policies that relate to modern slavery are an essential part of any induction programme.

Effectiveness / Performance Review

The Company understands that modern slavery risk is continually evolving and will remain vigilant to slavery and human trafficking in its supply chains. We will always comply with local legislation and adopt global standards in the way we work with our people and our suppliers. We continue to monitor the performance of our measures to detect and prevent modern slavery in our supply chains.

In particular, we are taking steps to:

- clarify requirements and provide training and support to employees, to ensure we remain alert to potential risks associated with slavery or trafficking when entering into material contracts with any new supplier;
- undertake a preliminary risk assessment across major categories of spend assessing risk levels within the supplier base based on territory, product type or service; and
- enhance training and awareness specific to modern slavery given to all staff involved in managing the supply chain, leveraging the development of Merlin's global HR platform, 'The People Portal'.

Merlin will always seek to do the right thing by its employees and its communities and operates within a framework of continuous self-assessment and improvement.

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes our slavery and human trafficking statement for the financial year ending 31 December 2020. This is a Group statement which also covers the subsidiaries that apply to the disclosure criteria of the Act, namely Merlin Attractions Operations Limited and Merlin Entertainments (SEA LIFE) Limited. It has been approved by the Board of Directors of Merlin Entertainments Limited.

Nick Varney

Chief Executive Officer

MERLIN ENTERTAINMENTS LIMITED

June 2021