
MERLIN
ENTERTAINMENTS
MODERN SLAVERY STATEMENT
FOR 2022



FOREWORD

At Merlin Entertainments we have a **zero-tolerance** approach to modern slavery of any kind within our operations and supply chain. As such we are committed to conducting business responsibly and will always endeavour to ensure that no modern slavery or human trafficking occurs in the operation of our 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.

Part of our core values as a company is based on the respect and care of human rights and we will always take decisive action to do the right thing. As a business we believe that everyone matters and have always strived to create environments where our offices, attractions and resorts are safe, inclusive and diverse, and where everyone has the same opportunities and respect.

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.



Scott O'Neil
Chief Executive Officer
June 2023



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 140 attractions, 23 hotels and six holiday villages in 25 countries and across four continents. The company aims to deliver memorable experiences to millions of visitors worldwide, through global and local brands, and employs over 30,000 employees during 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 (“MMM”), 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.

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 exploitation and discrimination, 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' strategy, we have also renewed our commitment to diversity, equity and inclusion. We have created a global steering group and four regional Diversity and Inclusion Taskforces which are charged with leading positive change to increase diversity and inclusion within our workforce and better reflect the diversity of our millions of guests. In 2022 and 2023, much of our focus in this area has been on driving internal change through increasing the diversity of our employee population and continuing to foster a culture of inclusion for all. Alongside this we have, and will continue to, increase externally-facing activity and introduce more ways of showcasing our culture of inclusion and belonging.

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 use of 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.

POLICIES



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.

POLICIES



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.

POLICIES



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:

- prevention of child labour;
- prevention of forced labour;
- prevention of slave and trafficked labour;
- ensuring safety;
- health and hygiene;
- associations, discrimination and coercion;
- working hours and wages; and protection of the environment

POLICIES



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 (currently under review and due for relaunch in H2 2023) 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.

SUPPLY CHAIN



As our supply chain is global in nature, we regularly work with local and national, as well as international, business partners. The Company will not knowingly do business with any 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.

In keeping with our stated aims for 2022, we have also engaged a third party provider to conduct certain due diligence on all Tier 1 suppliers (ie. those over £500,000 in value). Suppliers are assessed against six key risk areas: finance, cyber, sanctions, geopolitical, operations and ESG.

SUPPLY CHAIN



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 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 procedures 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. Moreover, staff in the Central Procurement Team; MMM Project Directors and Managers; and Global HR Directors and Recruitment Managers (i.e. those with the greatest exposure to modern slavery risks) received modern slavery training in December 2022. That training is being rolled out to a wider audience, predominantly of procurement and HR staff, throughout 2023.

In addition to the policies and procedures that underpin monitoring and compliance, the Company 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, during 2023 we intend to:

- formalise and document a short-form modern slavery risk assessment for each of the key internal departments (previously this was an informal process);
- update and enhance various modern slavery-related policies including the Human Rights Policy, Contract Policy, Risk Profiles, Whistleblowing Policy and Ethical Dealing Principles;
- expand the existing supplier due diligence provided by our third party vendor to include all suppliers in the Material Contracts category (ie. over £250,000 in value); and
- roll out the existing modern slavery training module to a wider group of internal recipients, predominantly made up of HR and procurement staff who have not yet received the training.

MERLIN ENTERTAINMENTS



This statement is made pursuant to section 54(1) of the UK Modern Slavery Act 2015 and section 14 of the Australian Modern Slavery Act 2018. It constitutes our modern slavery statement for the financial year ending 31 December 2022. This is a Group statement which covers the subsidiaries that apply to the disclosure criteria of the UK Act, namely Merlin Attractions Operations Limited and Merlin Entertainments (SEA LIFE) Limited. In respect of the Australian Act, it also covers Merlin Entertainments (Australia) Pty Ltd. It was approved by the Board of Directors of Merlin Entertainments Limited on 30 June 2023 in its capacity as the principal governing body of each reporting entity.