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Date: 30/092020 Page: 1/4

Director's Statement 2020 – Modern Slavery Act 2015 (the 'MSA')

Introduction

This statement sets out MEININGER Hotels' actions to understand all potential modern slavery risks related to its business and to put in place steps that are aimed at ensuring that there is no slavery or human trafficking in its own business and its supply chains. This statement relates to actions and activities during the financial year 1 April 2019 to 31 March 2020.

Meininger Hotels is held by Holidaybreak Limited. Holidaybreak is a non-operational entity and hence forms part of the statement.

As part of the travel industry, MEININGER Hotels recognizes that it has a responsibility to take a robust approach to slavery and human trafficking.

MEININGER Hotels is committed to preventing slavery and human trafficking in its corporate activities, and to ensuring that its supply chains are free from slavery and human trafficking.

Organizational structure and supply chains

This statement covers the activities of MEININGER Hotels:

MEININGER provides accommodations and is an international budget hotel with a combination of regular and multi-bedded rooms, guest kitchens and game zones. Target groups are school groups, families, individual travelers and corporate guests. Within the hotels, housekeeping and catering is outsourced and provided by external suppliers.

MEININGER's headquarter is a service provider for its hotels and is in London and Berlin. It supports all administrative processes such as Sales, Marketing, Revenue Management, Procurement, Risk & Process Control, Reservations, IT, Finance & Controlling, Legal & Compliance, Human Resources Management, In-house Design, Preopening and Facility Management. In the construction and maintenance field we also work with external suppliers.

Countries of operation and supply

MEININGER Hotels currently has 29 hotels in Europe in the following cities/countries: Amsterdam/The Netherlands, Brussels/Belgium, Copenhagen/Denmark, Heidelberg, Frankfurt, Hamburg, Berlin, Munich, Leipzig/Germany, London/United Kingdom, Salzburg, Vienna/Austria, Milan, Rome/Italy, Paris, Lyon/France and Budapest/Hungary.



Risk Assessment Process

The following is the process by which the company assesses whether or not particular activities or countries are high risk in relation to slavery or human trafficking:

MEININGER Hotels' new Procurement policy has been implemented on 26.06.2019, Purchases above 1,000 EUR are supported by clear specifications against which the offers from prospective suppliers of the required goods or services can be objectively evaluated. The procedures and guidelines of the Procurement policy will apply to the purchase of any products/services from existing or new suppliers and to contract renewals, including of maintenance contracts.

MEININGER has updated its General Terms and Conditions in contracts with suppliers to include an implied provision that any company which enters into a contract to provide goods or services to MEININGER, accepts that it is in compliance with the MSA and other international conventions against child labour and human trafficking.

Furthermore, MEININGER reviewed existing contracts with its suppliers to cover and ensure compliance with the Anti-Slavery & Human Trafficking Policy

A Slavery Risk form detailing potential roles and areas within the business where slavery and human trafficking may exist was completed by the MSA Project Team (Risk Consultant and Chief Operating Officer). A risk rating system (1 low risk, 5 high risk) has been allocated to each potential risk.

There is a Compliance Management System and the MEININGER Code of Conduct. A Compliance Officer has also been appointed for the MEININGER Hotel Group.

An anonymous reporting system for compliance violations with Business Keeper (BKMS) AG is in place.

High-risk Activities

Following an analysis of the Slavery Risk form by the Risk Consultant and Compliance Officer, the following activities were identified to be at risk of slavery or human trafficking:

- Potentially high-risk activities were considered as hotel cleaners, housekeeping staff, laundry staff, hotel construction staff, excursion staff, food suppliers and furniture suppliers.
- Potentially medium to high risk activities were considered as tour guide staff.
- Potentially low risk activities were deemed to be kitchen staff, restaurant and bar staff and rubbish disposal staff.

Responsibility

Responsibility for MEININGER Hotels' anti-slavery initiatives is as follows:

- **Policies:** The Compliance Officer advises and informs all MEININGER Hotels' employees of their obligation to comply with the MSA, both in the context of directly hiring staff as well as in conducting any business with third parties.
- **Risk assessments:** A risk assessment in the form of a 'Slavery Risk' form was distributed from MEININGER's parent company's legal and corporate team, however overall responsibility and involvement remains with MEININGER Hotels. Any additional risk assessments of the supply chain will be under the responsibility of the MSA Project Team (Risk Consultant and Compliance Officer) at MEININGER Hotels.



- **Investigations/due diligence:** The Health & Safety team is responsible for the due diligence investigations comprising of ensuring audits are in place. They remain responsible for investigations and due diligence in relation to any suspected instances of slavery and human trafficking.
- **Training:** An anti-slavery and human trafficking training presentation (including an internal group memo, presentation video and supporting guidance documents) has been attended by senior management by means of a workshop, proving the methodology of how MEININGER Hotels can adhere to the Act. This has been circulated to include further relevant MEININGER Hotels' staff, with a view to potentially circulating it to suppliers and other interested parties to better understand and respond to the identified slavery and human trafficking risks, even if they are at a low level.

Relevant policies

MEININGER operates the following policies that describe its approach to the identification of modern slavery risks and steps to be taken to prevent slavery and human trafficking in its operations:

- **Anti-Slavery and Human Trafficking Policy:** In accordance with the MSA, MEININGER has adopted a group led policy relating to anti-slavery and human trafficking. The policy confirms MEININGER's commitment to tackling slavery and human trafficking throughout our supply chains and to ensuring transparency in MEININGER's business partners. We expect the same high standards from all our contractors, suppliers and other business partners. MEININGER includes specific prohibitions against the use of forced, compulsory or trafficked labour, or anyone held in slavery or servitude.
- **Anti-Bribery & Whistleblowing Policy:** MEININGER encourages all its workers, customers and other business partners to report any concerns related to the direct activities, or the supply chains of, MEININGER. This includes any circumstances that may give rise to an enhanced risk of slavery or human trafficking. MEININGER's whistleblowing procedure is designed to make it easy for workers to make disclosures, without fear of retaliation.
- **Code of Conduct:** MEININGER's Code of Conduct is applicable to all its employees and guides them on how to follow the policies of the Company. It includes a provision that commits MEININGER and its employee to never engage in any activities that promote or encourage Bribery, slavery or human trafficking.
- **Data Protection Policy:** A new policy was published in August 2018 in line with GDPR stipulating the principles for data processing as well as requirements to employees and organisation's commitment to compliance.

All policies are available for staff members to view on MEININGER's internal website.

Due diligence

A review process is embedded in the new Procurement Policy at MEININGER.

Key Performance indicators

MEININGER Hotels has started to review its key performance indicators (KPIs) in light of the introduction of the MSA. As a result, MEININGER is creating specific KPIs to measure supplier effectiveness and compliance following the implementation of the MSA by:

- Including in our Terms and Conditions a provision that our suppliers accept their obligations to not engage in business practices that rely on, or encourage the use of slave labour, and
- To review supply chains of all existing and new suppliers



Training

MEININGER Hotels implemented as part of its roll-out of a new Compliance Management System and Code of Conduct, a briefing for all staff on the provisions of the MSA, and the obligation for all our employees to always act in strict compliance with them. Periodic training on Compliances issues will also include reminders for all staff to comply with the MSA.

MEININGER Hotels' modern slavery training and awareness-raising program will cover:

- the basic principles of the MSA;
- a MSA training presentation (including a video presentation, memo and supporting guidance documents), giving the methodology of how we as a business ensure adherence to the MSA;
- MEININGER Hotels' purchasing practices, which influence supply chain conditions, and which should therefore be designed to prevent purchases at unrealistically low prices, the use of labour engaged on unrealistically low wages or wages below a country's national minimum wage, or the provision of products by an unrealistic deadline;
- what steps should be taken if slavery or human trafficking is suspected; and
- what steps the organization should take if suppliers or contractors do not implement anti-slavery policies in high-risk scenarios, including their removal from the organisation's supply chains.

Board approval

This statement has been approved by Holidaybreak's and MEININGER's board of directors, who will review and update it annually.

London, 30th September 2020

Sd/-

Ajit Menon

Interim Chief Executive Officer
MEININGER Hotels Ltd.