

## **UNIVERSAL MUSIC GROUP MODERN SLAVERY STATEMENT FOR FINANCIAL YEAR ENDING DECEMBER 2022**

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 (the “**Act**”) and constitutes the modern slavery and human trafficking statement for the financial year ending 31st December 2022 for the Universal Music Group’s (“**UMG**”) business in the United Kingdom.

This statement is made by UMG’s UK holding company Universal Music Holdings Limited on behalf of the following entities, each of which meets the criteria requiring it to publish a modern slavery statement:

- Universal Music Operations Limited
- Calderstone Productions Limited
- Virgin Records Limited
- Bravado International Group Limited
- Universal Music Group International Limited
- UMG Supply Chain Limited
- Universal Music Publishing Limited
- Universal Music Publishing International Limited
- UMG Music Publishing MGB Limited

The purpose of this statement is to set out UMG’s policies in relation to slavery and human trafficking and to identify the actions that we have taken to prevent slavery and human trafficking from taking place in all elements of our business.

We confirm that we did not identify any specific instance of modern slavery in our operations or supply chains and no specific instance of modern slavery was reported to any of the above-mentioned companies for financial year ending 31 December 2022.

### **INTRODUCTION TO OUR BUSINESS**

UMG’s operations cover a broad spectrum of activities relating to the business of recorded music. These activities include the development, production, distribution, manufacture, marketing, promotion and sale of all forms of recorded music as well as providing other services such as the design and sale of merchandise, film production, archiving and publishing services.

### **STRUCTURE AND SUPPLY CHAINS**

As the focus of the recorded music industry has shifted to digital forms of distribution, our supply of physical goods has reduced. However, we do continue to manufacture and distribute recorded musical on physical carriers and manufacture and distribute merchandise via Bravado.

The physical supply chain for recorded music manufactures and distributes physical music carriers including CD, DVD and vinyl. Almost all the manufacture of physical product takes place within the UK or the European Union. This physical product is sent to our main distribution warehouse in Germany, before being dispatched to UMG operational companies worldwide. UMG also distributes physical product on behalf of some third-party companies. Our international central distribution partner in Europe is Optimal Media, which is audited by Ernst and Young. UMG is provided with annual audit reports which review the business practices and control environments of Optimal Media. For UK sales, the physical product is sent

to our UK distribution partner, Utopia Distribution Services. The digital supply chain for recorded music maintains a number of digital platforms used by UMG companies for the digital distribution of music.

UMG's merchandise arm, Bravado, sources and arranges distribution of physical merchandise including apparel, paper products, and other accessories. The majority of physical product is sourced from suppliers based within the European Union and the United Kingdom, with the products themselves being a mix of both bespoke and 'ready-made/ off-the-shelf' garments. These garments are manufactured in a variety of countries including Turkey, China, and India, with finishing (i.e. printing) of the ready-made garments generally occurring in the UK. The company primarily sells its products at music concerts throughout Europe and to UK high street retailers.

## **OUR POLICIES ON MODERN SLAVERY AND HUMAN TRAFFICKING**

UMG fully supports the aims of the Act and is committed to carrying out its business fairly and honestly. We understand the importance of carrying out business in an ethical manner and we endeavour to constantly improve our systems and processes to ensure that we adhere to ethical business practices.

We celebrate the creativity, dignity and equality of all human beings—a dedication reflected in our diverse workforce. Practices that degrade other people including discrimination, slavery, sex trafficking, forced child labour, unfair and unsafe working conditions, or any other form of workplace abuse have no place in our company, industry or society. We take steps to protect human rights in our business by choosing business partners who share our commitment to human rights and by carrying out our business with fairness, honesty and integrity. This statement reflects our commitment to acting ethically in our business relationships and our stance against any form of slavery, human trafficking, child labour or other human rights violations. These standards are reflected by the following commitments, which are also reflected in the UMG Supplier Social Responsibility Policy.

- not using any form (nor contracting with suppliers using any form) of forced, bonded or compulsory labour, slavery or human trafficking.
- compliance with all applicable national laws and regulations regarding working hours, minimum wages and benefits.
- having appropriate processes and due diligence procedures in place to highlight any possible risks.

The UMG Supplier Social Responsibility Policy is anchored in internationally recognised standards including the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, the UNESCO Convention on the Protection and Promotion of the Diversity of Cultural Expressions, the Children's Rights and Business Principles established by UNICEF, the UN Global Compact and Save the Children Principles.

## **OUR SUPPLIERS AND DUE DILIGENCE**

Our procurement process involves initiatives to identify and mitigate the risk of modern slavery. All suppliers are expected to comply with the principles set out in the UMG Supplier Social Responsibility Policy (as well as ensuring compliance within their own supply chains) and are expected to evidence their adherence at least annually.

Our distribution partner in the recorded music and physical supply chain is audited externally and UMG is provided with annual audit reports which review its business practices and control environment. With respect to Bravado, our larger retail partners generally have their own supply chain audit procedures and reports, which we are able to review. Where Bravado engages smaller suppliers, we endeavour to use

suppliers that are SEDEX registered, which requests that they undergo annual third-party audits (SEDEX Members Ethical Trade Audit (SMETA)). When Bravado engages a new supplier, we always request their most recent audit report and ask them to sign our Bravado Manufacturing Agreement, which requires the supplier to comply with all applicable labour laws for manufacturing operations. Bravado mandates that all critical manufacturing suppliers are up to date with social compliance audits and are timely in resolving any corrective actions and certification renewals. Bravado's licensees are also contractually obliged to comply with our Supplier Social Responsibility Policy.

Prior to the pandemic, Bravado was able to conduct supplier site visits in the UK on a regular basis and, where practicable, visits to our overseas suppliers to inspect their premises and procedures. Unfortunately, these visits had to be suspended in 2020 and for much of 2021 due to the COVID-19 pandemic and related restrictions. In 2022, Bravado recommenced these visits and carried out visits to 10 supplier sites.

## **RISK ASSESSMENT**

At the global level, UMG's Ethics and Conflicts Committee meets regularly to discuss international issues, which would naturally include any concerns around modern slavery.

In relation to the recorded music side of our business, we consider there to be a very low risk of slavery and human trafficking in both our own business and our supply chains. Our group wide hiring procedures and employment policies ensure that the risk of slavery and human trafficking in our business is kept low. Our suppliers and manufacturers of physical products, the majority of whom are based in Europe, are subject to careful due diligence and the requirement to comply with our Supplier Social Responsibility Policy.

Given the nature of Bravado's merchandise business (i.e. the sale and manufacture of apparel and other goods), we are cognisant that here there is a greater risk of modern slavery and human trafficking in our supply chains due to the fact that textiles is globally recognised as a high risk industry. We minimise such risks by selecting suppliers who share our commitment to human rights and incorporating the UMG Supplier Social Responsibility Policy into our manufacturing agreements.

With regard to the third-party businesses that we work with, our due diligence and ongoing monitoring procedures (as set out in this statement) ensure that we keep the risk of modern slavery in our supply chain as low as possible.

## **MEASURING EFFECTIVENESS/ONGOING MONITORING**

As mentioned above, Bravado's larger retail partners have their own audit procedures and require us to use their own audited supply chains to minimise any supply chain risks relating to products that they buy from us and sell to their own customers. We are able to review audit reports from these partners to confirm that they are taking appropriate measures to protect their staff. Where our smaller retail partners are SEDEX registered, they should be subject to annual SMETA audits. We encourage our staff to be alive to the risks of modern slavery and provide guidance on how to assess and identify risks in our supplier operations.

Our standard contractual arrangements allow us to terminate the relationship with Bravado's suppliers if a site visit or audit identifies any problem areas which are not remedied within a reasonable time period.

UMG also has a 24/7 Global Compliance and Ethics Hotline which is operated by an independent third party and allows employees, artists, suppliers and third parties to raise any concerns about our business practices either online or by telephone. Reports to the Hotline are investigated and addressed by the UMG Compliance function, as appropriate. We also have a whistle blower policy for employees to utilise. During

the period covered by this report, no reports were made to the Compliance and Ethics Hotline in relation to either modern slavery or human trafficking.


## **TRAINING**

Our Code of Conduct identifies the risks of modern slavery in our business, makes it clear that we do not tolerate human rights abuses like modern slavery or unsafe work practices, are committed to working with partners, suppliers and customers who share our commitment to human rights, and do not tolerate bribery and corruption.

In 2022, we required all our employees globally to complete training on combating slavery and human trafficking in supply chains, which explained how our staff can properly identify and prevent modern slavery risks. All employees located in English speaking countries were also required to complete a follow-up knowledge check on human trafficking and coercion prevention.

All employees are also periodically required to participate in online training in relation to the Code of Conduct and certify that they have understood and will comply with it. Bravado staff also periodically attend training on modern slavery offered by our retail partners.

This statement has been approved by the board of directors of Universal Music Holdings Limited and has been signed by Simon Carmel, Director of Universal Music Holdings Limited.

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Signature

**Simon Carmel**

**Director, Universal Music Holdings Limited**

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Date