

## **UNIVERSAL MUSIC GROUP MODERN SLAVERY STATEMENT FOR FINANCIAL YEAR ENDING DECEMBER 2021**

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 2021 for the companies of the Universal Music Group (“UMG”) located 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

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 any of our operations or supply chains and no specific instance of modern slavery was reported to any of the above-mentioned companies for the financial year ending 31 December 2021.

### **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 and 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. 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 merchandise 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 labour child labour, unfair and unsafe working conditions, or any other form or 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.

## **OUR SUPPLIERS AND DUE DILIGENCE**

At a global level, UMG has continued to conduct corporate social responsibility supplier surveys of key suppliers. This survey asked those key suppliers about where their facilities are located, as well as their policies and procedures to meet national or industry labour standards and ensure goods are produced free from child labour, modern slavery, discrimination, harassment or intimidation.

Our procurement process also 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.

Both of our distribution partners in the recorded music physical supply chain are audited externally and UMG is provided with annual audit reports which review the business practices and control environments of these partners. 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 engage a new supplier, we always request their most recent audit report. Bravado's licensees are also contractually obliged to comply with our Supplier Social Responsibility Policy.

Prior to the pandemic, Bravado were 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. However, Bravado were able to recommence site visits in November of 2021, and carried out three visits to existing suppliers and one to a prospective supplier that month. We hope to increase the frequency of these visits going forward.

## **RISK ASSESSMENT**

At the global level, UMG's Governance, Risk and Compliance Committee meets monthly to assess and minimise the risks in our business, which naturally includes 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. Reports to the Hotline are investigated and addressed by the UMG Compliance function, as appropriate. We have also implemented a new global Whistleblowing policy. During the period covered by this report, no reports were made to the Compliance and Ethics Helpline 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.

All employees are periodically required to participate in online training and certify that they have understood and will comply with the Code of Conduct. 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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*Simon Carmel*

**Simon Carmel**  
**Director Universal Music Holdings Limited**

**Date** \_\_\_\_\_