

Sirius XM Canada Inc.'s Supply Chain Report in accordance with Canada's Fighting Against Forced and Child Labour in Supply Chains Act

A. INTRODUCTION

Sirius XM Canada Holdings Inc. and Sirius XM Canada Inc. (together, "SiriusXM") is committed to doing its part in preventing forced and child labour in supply chains in Canada. As required by section 11 of the *Fighting against Forced Labour and Child Labour in Supply Chains Act* (the "Act"), this report outlines the steps SiriusXM has taken during calendar year 2023 (its "Previous Financial Year") to prevent and reduce the risk that forced labour and/or child labour had been used at any step of production of goods imported into Canada by SiriusXM. The report further provides: SiriusXM's structure, activities, and supply chains; its policies and due diligence processes in relation to forced labour and child labour; the parts of its business and supply chains that carry a risk of forced labour and child labour and the steps it has taken to assess and manage that risk; and the manner in which SiriusXM assesses its effectiveness in ensuring that forced labour and child labour are not being used in its business and in its supply chains.

By collecting this information and regularly monitoring its business practices, SiriusXM expects to improve its capacity to identify, prevent, reduce, and address forced labour and child labour risks throughout its supply chain by demonstrating leadership and responsibility and providing transparency to the public.

B. STEPS TAKEN IN THE PREVIOUS FINANCIAL YEAR TO ASSESS, PREVENT AND REDUCE THE RISK OF FORCED LABOUR AND/OR CHILD LABOUR

In its Previous Financial Year, SiriusXM reviewed its activities and supply chains and conducted an internal assessment of risk of forced labour and/or child labour in its own activities and those of its tier 1 suppliers ("**Direct Suppliers**"). Currently, SiriusXM only has a limited number of Direct Suppliers, which are subject to change over time. In reviewing its internal activities, SiriusXM gathered information on its internal recruitment processes, its policies, and its contractual clauses with its vendors. Additionally, SiriusXM gathered information on its Direct Suppliers' various policies on human rights, their remediation processes for victims of forced labour and child labour, and whether gaps remain that require further investigation.

As part of its due diligence process, SiriusXM engaged with its Direct Suppliers and was provided reports describing their policies for upholding human rights and expressly barring and eradicating slavery or human trafficking within their respective operations as described in each Direct Suppliers' reports and policies. Additional commitments from SiriusXM's Direct Suppliers include contractually enforcing a supplier corporate social responsibility audit program, which assesses risk within labour,

ethics, health and safety, environment, training, and management systems. Further, SiriusXM has received the implementation of responsible minerals initiatives by its Direct Suppliers. Such initiatives stipulate that metals and minerals are to be prevented from being used if they are determined to be illegally obtained from areas of conflict.

SiriusXM also undertook a review of the measures its suppliers have in place to address principles of social justice and human rights based on public information. We discovered during this review that a significant majority of our suppliers have supply chain code of conduct statements, charters, and policies already available on their websites, which are readily accessible to the public.

C. SIRIUSXM'S STRUCTURE, ACTIVITIES AND SUPPLY CHAINS

In accordance with definitions set out in section 2 of the Act, SiriusXM is an “entity” and is, therefore, subject to the reporting requirements of the Act because it sells and distributes goods in Canada and imports into Canada goods produced outside Canada. SiriusXM is a corporation that has a place of business in Ontario, Canada, and does business across Canada.

The reporting year for this report is January 1, 2023, to December 31, 2023. This is SiriusXM's first report, and no previous report has been submitted for its previous financial year.

This is a joint report of Sirius XM Canada Holdings Inc. and Sirius XM Canada Inc.

SiriusXM is not subject to reporting requirements under supply chain legislation in any other jurisdiction.

As a federally licensed broadcasting undertaking, SiriusXM operates in the Satellite Broadcasting, Data and Streaming Services sector. While SiriusXM's main activities involve audio subscription and data services, it is also involved in selling and distributing goods in Canada. Such goods include various radio receiver hardware, and chip sets designed to be included in the manufacture of vehicles that are equipped with SiriusXM receivers. SiriusXM's Direct Suppliers' headquarters are located in Taiwan with manufacturing facilities in China, Vietnam and Taiwan.

D. POLICIES AND DUE DILIGENCE PROCESSES

SiriusXM has policies and due diligence processes in place related to forced labour and/or child labour in its job postings and hiring processes. As part of its due diligence process, SiriusXM verifies each successful applicant's identification and performs educational and criminal background checks before each successful applicant is on-boarded. For each posting, SiriusXM states it is an equal opportunity employer and free from any discriminatory practices as defined in the *Canadian Human Rights Act* and it promotes health and safety by implementing the requirements of Part II of the *Canada Labour Code* and the Canadian Occupational Health and Safety Regulations.

Additionally, SiriusXM employees must annually sign off and confirm their compliance with SiriusXM's Code of Business Conduct & Ethics, and Employee Equity Policy, to assist with SiriusXM's commitment to building a workplace that treats its employees with respect, fairness and dignity all while promoting equity initiatives. Such policies embed responsible business conduct into SiriusXM's management systems and provide for remediation wherever appropriate.

In reviewing its direct internal operations, SiriusXM has not identified significant risks of forced labour or child labour in its activities and, therefore, has determined it does not require any measures to remediate such risk.

In addition to its internal policies, SiriusXM has also reviewed its Direct Suppliers' policies, which are detailed below.

E. THE PARTS OF ITS BUSINESS AND SUPPLY CHAINS THAT CARRY RISK OF FORCED LABOUR OR CHILD LABOUR BEING USED

As noted above, SiriusXM's Direct Suppliers' headquarters are located in Taiwan with manufacturing facilities in China, Vietnam and Taiwan. Currently SiriusXM has a limited number of Direct Suppliers which is subject to change over time. It has requested and obtained from these Direct Suppliers their respective reports detailing their respective corporate structure, activities, and policy compliance programs.

Upon reviewing these reports, SiriusXM has identified the following commitments from each of its Direct Suppliers to eliminating forced labour and child labour:

- to pursue conformance to the Responsible Business Alliance ("RBA") Code of Conduct as a condition of doing business;
- to hold annual employee training on the prohibition of child labour and forced labour in order to raise awareness of employee rights in the workplace;
- to review and assess the effectiveness of forced and child labour policies; and
- to take measures to remediate any forced labour or child labour.

Upon review of its supply chains, SiriusXM has started the process of identifying potential risks, but there are still gaps in its assessments. For example, SiriusXM identified that potential risks of the use of forced labour or child labour by its suppliers may relate to: the sector or industry its suppliers operate in; the location of its suppliers' factories; the types of products its suppliers produce; and the size of its respective suppliers (tier 2 and below). SiriusXM also determined that its suppliers' use of migrant labour was another potential risk of forced labour and child labour because the production of radios and chipsets are manufactured in jurisdictions where legislation and mandatory record-keeping with respect to human rights records may not exist.

To begin addressing these potential risks, SiriusXM has begun engaging with its Direct Suppliers, requesting regular reporting of their compliance plans, requiring updates to their policies to include the obligations set out in the Act in their list of international human rights standards, and requesting information from such suppliers' internal audits as they relate to potentially high-risk areas of forced labour or child labour.

F. REMEDIATION

In its assessment of risk, SiriusXM did not identify any evidence of forced labour or child labour in its internal activities or the activities of its suppliers, and so no measures of remediation such as remediation for loss of income, were applicable. However, remediation measures are available at

SiriusXM's Direct Suppliers level, and SiriusXM itself is available to cooperate in remediation measures with the Direct Supplies, when deemed appropriate.

G. TRAINING

SiriusXM currently does not provide specific training to its immediate employees with respect to the prevention or reduction of the risk of forced labour and/or child labour. However, SiriusXM's Direct Suppliers have each indicated through publicly available reports that they provide mandatory training for all their employees on the RBA Code of Conduct, and through an annual anti-corruption code of conduct online course. Additionally, SiriusXM's Direct Suppliers' procurement staff must receive sustainable procurement practice training, and supply auditors must receive RBA Code of Conduct audit training. A complaint and violation reporting system has been established, and an integrity office task force exists, specially trained to handle investigations and reporting, including those with respect to the risk of modern slavery and human trafficking. While the identities of reporting parties are kept confidential and free from reprisals, a failure to complete the mandatory training is subject to disciplinary action.

H. ASSESSING EFFECTIVENESS

SiriusXM has obtained from its Direct Suppliers each of its respective procedures and practices used to assess the effectiveness of their training. For example, one Direct Supplier's human resources team assesses its hiring processes through identification and verification measures of its employees, including those of migrant workers. There is also an anonymous whistleblower portal for employees and suppliers to report violations to business policies. Unannounced audits of sub-suppliers are also conducted to verify compliance with supply codes of conduct and policies. SiriusXM has received a commitment from its Direct Suppliers to track relevant performance indicators, including the number of cases reported where forced labour and/or child labour was used, and how such cases were resolved, including the applicable remediation or compensation to victims.

SiriusXM is committed to continuing its regular review, both internally and with external suppliers, to prevent and eradicate forced labour and child labour from its line of business.

In accordance with the requirements of the Act, and in particular section 11 thereof, I attest that I have reviewed the information contained in the report for the entity listed above. Based on my knowledge, and having exercised reasonable diligence, I attest that the information in the report is true, accurate and complete in all material respects for the purposes of the Act, for the reporting year listed above.

Name: Mark Redmond, on behalf of the Boards of Sirius XM Canada Holdings Inc. and Sirius XM Canada Inc.

Title: President and Chief Executive Officer

Date:

Signature: *"Mark Redmond"*

'I HAVE THE AUTHORITY TO BIND SIRIUS XM HOLDINGS INC. AND SIRIUS XM CANADA INC.'