

Universal Music Canada's Supply Chains Act Report (2023)

ABOUT THIS REPORT

Universal Music Canada Inc. has prepared this report (the "**Report**") pursuant to the requirements of the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the "**Act**") for the financial year ending December 31, 2023 (the "**Reporting Period**"). All references in this Report to "**Universal Music Canada**", "**we**", "**us**" or "**our**" refer to Universal Music Canada Inc. unless otherwise indicated. This Report has not been externally assured.

This Report describes Universal Music Canada's policies and procedures applicable during the Reporting Period that are intended to enhance transparency in our supply chains and that assist to prevent and reduce the risk that forced labour or child labour ("**Modern Slavery**") is used at any step of the production of goods in Canada or elsewhere, or of goods imported into Canada. This has been done in accordance with the mandatory reporting criteria outlined in Sections 11(1) and 11(3) of the Act.

Universal Music Canada does not report under similar legislation in any other jurisdiction. However, other entities under our parent company, Universal Music Group, report under similar legislation in Australia, found [here](#), and the United Kingdom, found [here](#).

INTRODUCTION

Universal Music Canada 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 Modern Slavery, discrimination, sex trafficking, 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 Report reflects our commitment to acting ethically in our business relationships and our stance against any form of Modern Slavery or other human rights violations.

STRUCTURE, ACTIVITIES AND SUPPLY CHAINS

Company Structure

Universal Music Canada is incorporated under the *Business Corporations Act* (Ontario) and operates out of our head office in Toronto, Ontario. Universal Music Canada is a wholly owned subsidiary of Universal Music Group ("**UMG**"), headquartered in Amsterdam, the Netherlands.

UMG operates at 48 offices across 40 countries and employs approximately 10,290 people globally. Of these employees, approximately **203** are employed in Canada by Universal Music Canada.

Activities and Operations

Universal Music Canada's operations cover a broad spectrum of activities relating to the business of recorded music. These activities include the development, production, distribution, manufacturing, marketing, promotion and sale of all forms of recorded music as well as providing other services such as the design and sale of merchandise, and publishing services.

Our digital business creates commercial opportunities for our artists and new experiences for fans with the development of services, platforms, and business models.

Our 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 music on physical carriers, such as CDs and vinyl, and manufacture and distribute merchandise.

What we do?	Where from?
Produce marketing materials	Canada, US and Europe
Procure products such as CDs, DVDs and vinyl	Canada, US and Europe
Design, source and sell a range of merchandise	Canada, US and Europe
Support services	Canada, US and Europe

POLICIES AND DUE DILIGENCE¹

UMG Code of Conduct

As a subsidiary of UMG, our staff, officers, directors and third-party contractors and advisors must adhere to the UMG Code of Conduct. This Code of Conduct makes it clear that we do not tolerate human rights abuses such as 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. We have a process for individuals to report concerns and investigation of reported suspected violation. Breaches of the Code of Conduct can result in disciplinary action. Each year, staff members undertake training, take a test on the Code of Conduct and certify that they agree to it.

UMG Supplier Social Responsibility Policy

As part of UMG, we benefit from the global procurement process that involves initiatives to identify and mitigate the risk of Modern Slavery. UMG 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 provide evidence of their adherence at least annually.

¹ The policies and due diligence processes set out in this section are implemented at the Universal Music Group, parent corporation level, and are imposed upon and adopted by its subsidiaries, including Universal Music Canada.

The policy sets out the expectation that no Modern Slavery will be used and that we expect our suppliers to share our commitment to ethical behaviour. If a supplier is subject to the policy and is found to be in breach of this policy, the relevant Universal Music Group member will request the supplier to implement corrective action.

The Supplier Social Responsibility Policy is anchored in internationally recognised standards including the United Nations 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 United Nations Global Compact and Save the Children Principles.

UMG Whistleblowing Policy

The Whistleblowing Policy, as incorporated in the UMG Code of Conduct, encourages all Universal Music Canada employees and other stakeholders to report genuine concerns or complaints about unethical behaviour, malpractices, illegal acts or failure to comply with regulatory requirements, without fear of retaliation should they act in good faith when reporting such concerns or complaints.

We prohibit any retaliation against anyone who reports a concern or complaint in good faith. Carrying out retaliation in any form – threats, harassment, intimidation, discrimination, violence, reassignment, demotion or firing – has no place at our company. Anyone who threatens or otherwise engages in any act of retaliation will be disciplined, up to and including termination of employment in accordance with applicable local laws. The benefit of the protection against retaliatory measures is also extended to any natural or legal person helping the whistleblower to report and disclose information and legal entities controlled by the whistleblower, for which they work or with which they are linked in a professional context.

UMG Global Compliance and Ethics Hotline

UMG has a Global Compliance and Ethics Hotline (the "**Hotline**") that allows anyone to confidentially raise a concern or complaint or report any matters covered by the Whistleblowing Policy, including a violation of the Code of Conduct. Such a report may be made anonymously when local laws permit doing so. A report or question can be made online or by telephone 24 hours a day, 365 days a year. Translators are available for all languages spoken where we conduct business. Reports are taken by an independent company and then sent to the Chief Compliance Officer of UMG for review, investigation and appropriate action.

During the period covered by this Report, no reports were made to the Compliance and Ethics Hotline in relation to Modern Slavery as part of our business or operations.

POTENTIAL RISKS IN OUR OPERATIONS AND SUPPLY CHAINS

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. Universal Music Canada participates in this process by submitting any potential conflicts or concerns for guidance and direction.

Potential Risks in Our Operations

Universal Music Canada considers the risk of Modern Slavery occurring within our operations to be low. Not only does the large majority of our workforce exist only in Canada, which has comprehensive and strict labour, employment, and human rights laws, but our group-wide hiring procedures and employment policies ensure that the risk of Modern Slavery in our business is kept low.

Potential Risks in Our Supply Chains

We recognize that there is a risk of Modern Slavery occurring within supply chains. We understand that geographic considerations, and the nature of the raw material and particular industries can be associated with a higher risk of Modern Slavery. There are also risks linked to certain industries even in countries considered to have lower risks of Modern Slavery.

We also recognise that there are third party suppliers and sub-suppliers within our supply chain where Universal Music Canada has less visibility. For example, sub-suppliers who supply inputs for our merchandise or third-party suppliers for transport or clothing who may use sub-contractors or labour recruiters in the supply chain, can make it more difficult for us to identify Modern Slavery risks.

In relation to the recorded music side of our business, we consider there to be a very low risk of Modern Slavery in our supply chains. Our suppliers and manufacturers of physical products, the majority of whom are based in Europe, Canada and the US, are subject to due diligence.

Given the nature of merchandise (i.e., the sale and manufacture of apparel and other goods), we are cognizant that here there is a greater risk of Modern Slavery and human trafficking in our supply chains due to the fact that textiles are globally recognized as a high-risk industry. We seek to minimize such risks by selecting suppliers who share our commitment to human rights. As a whole, we view the risks of Modern Slavery in Universal Music Canada's supply chains as low to moderate.

In 2023, we did not identify any instances of Modern Slavery in our operations and are not aware of any in our supply chains. Accordingly, no steps were taken to remediate Modern Slavery, or the loss of income associated with remediation efforts.

Management and Mitigation of Potential Risks

At Universal Music Canada, we believe in the power of music to inspire action. Using the collective strength of our community – including everyone from employees to artists and songwriters to fans – UMG, on behalf of the organization as a whole, supports organizations around the globe that are making strides to address social and environmental issues and create positive, systemic change.

One initiative includes the Task Force for Meaningful Change ("**TFMC**"). This is a voluntary group of music executives and employees from UMG's corporate centre, labels and global companies. Because it was established in the wake of global uprisings against systemic racism, criminal justice reform is an ongoing priority of TFMC, in addition to advancing equity in the music industry. TFMC leverages UMG's position in the industry to uplift, amplify, and support community organizations, policies and initiatives working to protect and contribute to long-term change. In Canada specifically, TFMC's global giving program supported local organizations that focus on

education, music and zero hunger including Haven on Queensway, North York Harvest Food Bank and Productions Rever en Couleurs.

TRAINING

In 2023, all employees globally were expected to complete training on combating Modern Slavery in supply chains, which explained how employees can properly identify and prevent Modern Slavery risks as well as how employees can address the problem of Modern Slavery. 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 expected to participate in online training in relation to the Code of Conduct and certify that they have understood and will comply with it.


ASSESSING EFFECTIVENESS

We presently intend to continue to re-evaluate the need to implement measure to assess the effectiveness of the processes we have in place based on the evaluation of our risks as described in this Report.

APPROVAL & ATTESTATION

This Report was approved by the Board of Directors of Universal Music Canada Inc. pursuant to section 11(4)(a) on May 30, 2024.

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 or entities 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.

DocuSigned by:

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I have the authority to bind Universal Music Canada Inc.

Antonio Pedro Ferreira
Universal Music Canada Inc.
May 30, 2024