

## **Frequently Asked Questions about Modern Slavery and what Universal Music Australia is doing to combat Modern Slavery**

### **A bit about us...**

Universal Music Australia (**UMA**) is a division of Universal Music Group. The Universal Music Group is engaged in recorded music, merchandising and audio-visual content in over 60 countries. Our key activities are identifying and developing recording artists. We produce, distribute and promote sound recordings (digitally and on physical formats such as CDs and vinyl), audio visual content (including on DVDs) and merchandise (such as T-shirts and keyrings). You may have heard of our labels in Australia such as Island and EMI. Through its digital business, the Universal Music Group creates commercial opportunities for our artists and new experiences for fans with the development of services, platforms and business models.

### **Purpose of these FAQs**

Universal Music Australia has reporting obligations under modern slavery laws in Australia. The aim of the modern slavery laws is to encourage organisations to identify and mitigate modern slavery risks in their businesses and supply chains, and require organisations like UMA to report on these modern slavery risks and what they are doing to deal with those risks. We take our obligations under the modern slavery laws seriously and aim to act in an ethical manner in the conduct of our business.

We have put together these FAQs to tell our suppliers, customers and other key stakeholders about how UMA is identifying and addressing modern slavery risks in our business and broader supply chains.

#### **1. What is modern slavery?**

Modern slavery is when coercion, threats or deception are used to exploit victims and undermine or deprive them of their freedom. It describes serious exploitation, including human trafficking; slavery; servitude; forced marriage; forced labour; debt bondage; deceptive recruitment for labour or services; and the worst forms of child labour. An example of modern slavery is if an organisation engages a third party contractor for cleaning services and the cleaning staff of that contractor live in a dormitory provided by their employer but are only allowed to leave the dormitory to work.

#### **2. Where does Universal Music operate?**

Universal Music Australia has offices in Sydney and Melbourne and a presence in Brisbane. We are focused on providing recorded music, merchandise and audio-visual content in the Australian market. We produce our marketing materials in Australia and New Zealand. We contract with studios and producers in Australia, the United States, European Union and Asia to create and deliver content for our artists.

#### **3. What types of goods and services does UMA procure and where are UMA's key suppliers located?**

UMA procures its CDs, DVDs, vinyl and Blu-ray discs through the Universal Music Group supply chain. Our key suppliers for those goods are in Australia and the Czech Republic. These goods are manufactured in Australia and the Czech Republic. Our CDs, DVDs and Blu-ray discs are assembled in Australia but we obtain the CD and DVD cases from China.

In Australia, we operate the merchandise part of our business using the Bravado Asia Pacific trading name. We procure our clothing merchandise items from various suppliers located in Australia, the United Kingdom, the United States, China and Bangladesh. Those suppliers manufacture their clothing products in China, Bangladesh, Turkey, India and Australia. As part of our merchandising, we have mugs, eskies and keyrings, which we obtain from a supplier based in Australia - we understand the majority of these goods are made in China.

We also obtain posters and printed materials from suppliers based in Australia. Our printing supplies come from Australian paper mills and the Czech Republic.

UMA uses shipping and freight services to transport our products to Australia. Some of these providers are based in Australia and China, and one provider has global operations.

We procure legal, recruitment and learning and development services from providers in Australia. We buy our IT equipment from suppliers in Australia but mostly under the Universal Music Group global procurement processes.

#### 4. **Has UMA identified areas of higher modern slavery risks in its supply chains?**

The Australian Government has issued guidelines for organisations that are required to report under the Australian modern slavery laws. These guidelines suggest that certain sectors, products and services and countries may carry higher risks of modern slavery.

Through our internal processes, we have identified that our merchandise business may carry higher modern slavery risk because textiles is recognised as a high risk industry globally and cotton is considered a high risk material. Some of the countries where our products are manufactured like Bangladesh and India have been recognised by some human rights organisations as carrying higher modern slavery risks.

#### 5. **How does UMA deal with modern slavery risks?**

UMA is taking a local approach to addressing modern slavery risks while following global policies as a division of Universal Music Group.

We have carried out an internal survey of our key stakeholders within UMA to identify modern slavery risks and existing procedures to address modern slavery risks. We have also designed an external supplier survey that we have asked our key suppliers to complete in order for us to identify possible modern slavery risks and further investigate the measures our key suppliers have in place to address those risks.

At a global level, the Universal Music Group has conducted CSR supplier surveys of some key suppliers as part of its US 2019 CSR program. This survey asked those key suppliers about where their facilities are located, as well as their policies and procedures to meet national legal or industry labour standards and ensure goods are produced free from child labour, modern slavery, discrimination, harassment or intimidation.

UMA is also subject to global policies that support our efforts to identify and address modern slavery risks:

- **Our suppliers:** The Universal Music Group has the **UMG Supplier Corporate Responsibility Policy** which has been implemented by some Universal Music Group members. The policy sets out the Universal Music Group's expectations that no forced, bonded or involuntary labour will be used and for our suppliers to share our commitment to ethical behaviour. We communicate this policy to our suppliers. 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.
- **Our people:** Our staff, officers, directors and third party contractors and advisors must adhere to the **Universal Music Group Code of Conduct**. This Code of Conduct 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. We have a process for individuals to report concerns and promptly investigate each report of suspected violation. Breaches of the Code of Conduct will result in disciplinary action. Each year, staff members undertake

training, take a test on the Universal Music Group Code of Conduct and certify that they agree to it.

**6. How do we measure our progress on combatting modern slavery?**

The Modern Slavery Act requires UMA to measure the effectiveness of our actions. We will continue to report on the outcomes of our actions every year.

For more information on what we are doing to identify and address modern slavery risks, please see our latest modern slavery statement at <https://www.umusic.com.au/wp-content/uploads/sites/2/2021/07/Universal-Music-Australia-Modern-Slavery-Statement1.pdf>