

## **Modern Slavery Statement**

**Universal Music Australia Pty Ltd (ABN 21 000 158 592)**

**Reporting period: 1 January 2022 – 31 December 2022 (FY 22)**

**Reporting year: 3 (Third reporting Period)**

**Legislation: *Modern Slavery Act 2018* (Cth)**

## Introduction, Approval and Signing

At Universal Music Australia Pty Ltd (ABN 21 000 158 592) (**UMA**), our passion for music and creativity unites our company.

We aim to act in an ethical manner in the conduct of our business.

The *Modern Slavery Act 2018* (Cth) (**Modern Slavery Act**) is an important measure in addressing the complex problem of modern slavery.

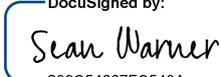
This is our third reporting period under the Modern Slavery Act and this Modern Slavery Statement covers all of the mandatory criteria under the Modern Slavery Act, including the key steps we have taken during the 2022 financial year (**Third Reporting Period**). Pleasingly, all key performance indicators we set out to achieve in FY 21 were progressed during our Third Reporting Period. This includes:

- drafting communications with all 11 suppliers who conducted the Universal Music Australia Supplier Survey to follow up on any identified issues;
- communicating with all UMA staff to continue to build on their understanding of modern slavery issues through a modern slavery training course;
- continuing to track any specific issues regarding modern slavery if they are reported to UMA; and
- progressing a draft of a Modern Slavery Incident Response Guide for UMA which sets out agreed procedures for responding to modern slavery incidents and assignment of roles and responsibilities at UMA in respect of a modern slavery incident.

We are aware that the Modern Slavery Act is currently under review and we are monitoring the progress of this review. We look forward to reporting on the steps we are taking in future years, in accordance with the requirements of the Modern Slavery Act.

### Board Approval and Signing

In accordance with section 13 of the *Modern Slavery Act 2018* (Cth), this Statement was approved by the board of Universal Music Australia Pty Ltd ACN 000 158 592 on 16 June 2023.

DocuSigned by:  
  
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Sean Warner

Director and President

Dated: 20 June 2023

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## 1. Who we are

- 1.1.1 This modern slavery statement (**Modern Slavery Statement**) is made by Universal Music Australia Pty Ltd (ABN 21 000 158 592) (referred to as **we, us, our, UMA** or **Universal Music Australia** in this Modern Slavery Statement).
- 1.1.2 Universal Music Australia is a reporting entity under the Commonwealth *Modern Slavery Act 2018* (Cth) (**Modern Slavery Act**) and this Modern Slavery Statement covers the reporting period from 1 January 2022 and ending on 31 December 2022 (**Third Reporting Period**).

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## 2. Our structure, operations and supply chains

### 2.1 Our Structure

- 2.1.1 Universal Music Australia is an Australian proprietary limited company, incorporated in New South Wales, Australia.
- 2.1.2 Universal Music Australia is part of the global Universal Music Group (**UMG**). The Universal Music Group is headquartered in Amsterdam, the Netherlands.
- 2.1.3 For the purposes of the Modern Slavery Act, Universal Music Australia owns or controls Neon Records Pty Ltd (**Neon Records**), which is one of our music labels.

### 2.2 Our operations

- 2.2.1 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).
- 2.2.2 Through our 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.
- 2.2.3 We operate out of our head office in Sydney which focuses on providing recorded music, merchandise and audio-visual content in the Australian market.
- 2.2.4 Universal Music Australia's labels in Australia include EMI Australia and Island Records Australia.
- 2.2.5 Universal Music Australia employs approximately 165 people across our various labels and operations.

## 2.3 Our supply chains

What do we do?	Where from?
Produce marketing materials	We produce our marketing materials in Australia and New Zealand.
Contract with studios and producers to deliver content for our artists	We contract with studios and producers in Australia, the United States, the European Union and Asia.
Procure products such as CDs, DVDs, vinyl and Blu-ray discs	<p>We generally procure items through the Universal Group supply chain but our key suppliers for these goods are in Australia and the Czech Republic.</p> <p>Our CDs, DVDs and Blu-ray discs are assembled in Australia but we obtain the CD and DVD cases from China.</p>
Design, source and sell a range of merchandise	<p><b>Clothing</b> – We also procure our clothing merchandise items from various suppliers located in Australia, the United Kingdom, the United States, China and Bangladesh via Bravado Asia Pacific. Those suppliers manufacture their clothing products in China, Bangladesh, Turkey, India and Australia.</p> <p><b>Accessories</b> – As part of our merchandising, we have mugs, eskies and keyrings, which we obtain from a supplier based in Australia - the majority of these goods are made in China.</p> <p><b>Printed materials</b> – We obtain posters and printed materials from suppliers based in Australia. Our printing supplies come from Australian paper mills and the Czech Republic.</p>
Shipping and freight to support our operations	Universal Music Australia 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.
Support services	<p>We procure legal, recruitment and learning and development services from providers in Australia.</p> <p>We buy our IT equipment from suppliers in Australia but mostly under the Universal Music Group global procurement processes.</p>

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### 3. Risks we have identified

#### 3.1 No specific instances of 'modern slavery' reported

During our Third Reporting Period, 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 either Universal Music Australia or to UMG.

#### 3.2 Our approach to identifying potential areas of risk

3.2.1 Universal Music Australia has previously taken a targeted risk based approach to determine where the greatest potential areas of risks of modern slavery exist within our operations and supply chains.

3.2.2 In order to identify risks in our first reporting year we:

- (a) reviewed in detail the guidance and mapped our operations and supply chains against the specific known risks factors relating to geographic locations, sectors and industries, products and services, and entities;
- (b) used the Global Slavery Index 2018 by the Minderoo Foundation (**Global Slavery Index**) to increase our understanding of the risk areas in our operations and supply chains;
- (c) undertook a high level thematic review and scoping exercise of our operations and supply chains to identify general areas of modern slavery risks; and
- (d) undertook a targeted modern slavery risk survey.

3.2.3 This initial risk mapping exercise informed our approach during our Third Reporting Period, as we continued to focus on our key priority areas of potential risk.

3.2.4 As a result of the initial risk mapping exercise we identified 11 higher risk suppliers. These suppliers were sent the UMA Supplier Survey, a detailed modern slavery survey further described in section 4.3.

3.2.5 During our Third Reporting Period, we revisited, reviewed and considered the results of these surveys and drafted tailored follow-up communications for each Supplier based on the results of the survey and risk indicators. This process has helped us to identify specific risks for these 11 suppliers.

3.2.6 We continue to refine our approach to identifying risks in our operations and supply chain and our processes for onboarding new suppliers at the Australian level. We are reviewing our internal processes and considering measures we can adopt to improve our mechanisms for identifying potential risks in new suppliers (see section 5.3).

#### 3.3 What risks we identified – our areas of focus

##### 3.3.1 Operational risks

- (a) As the key operational functions of Universal Music Australia involve the employment or engagement of staff in relation to music activities in Australia we have assessed the risk of modern slavery in our operations as relatively low.

- (b) This risk assessment was made on the basis that the legal framework and our own policies and procedures which regulate conditions of employment or engagement of our staff provide a significant barrier to modern slavery. Examples of policies we have include not accepting unpaid internships or work experience, unless such internship or work experience is tied to studies.

### 3.3.2 Supply Chain

3.3.3 **Sector and industry risks:** We understand that certain sectors and their industries may have high modern slavery risks because of their characteristics, products and processes.

- (a) **textiles and fashion** - Through our internal processes, we have identified that our merchandise business Bravado may carry higher modern slavery risk because textiles is recognised as a high risk industry globally. This includes the manufacturing and supply of our Artist and label merchandise; and
- (b) **cleaning** – it is well recognised that the cleaning industry is one which poses a higher risk of modern slavery. We use cleaning services to assist us in cleaning our offices in Sydney, New South Wales and Melbourne, Victoria.

3.3.4 **Product and services risks:** Certain products and services may have high modern slavery risks because of the way they are produced. We know that cotton for example, which is a core input into our merchandise range, is recognised as a high risk product globally. Metals are also used for merchandise like key rings and magnets. Metals such as tin and tungsten are recognised as high risk products.

3.3.5 **Geographic risks:** Some countries are known to have high risks of modern slavery, which can be caused by or attributed in part to poor governance, weak rule of law, conflict, migration flows and socio economic factors like poverty.

We have suppliers or manufacturers located in the following locations, which have been recognised to have medium to higher risks:

- (a) Bangladesh;
- (b) China;
- (c) Czech Republic;
- (d) India; and
- (e) Turkey.

3.3.6 **Entity risks:** Some entities may have higher risks of modern slavery because they have poor governance structures, a record of treating workers poorly or a track record of human rights violations.

3.3.7 We recognise that there are third party suppliers and sub-suppliers within our supply chain where Universal Music Australia 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 the modern slavery risks.

- 3.3.8 Based on the well-known risk factors above, Universal Music Australia identified supply chains in relation to its merchandise and core physical products such as vinyl as key potential areas of risk.
- 3.3.9 Having considered the risk factors, Universal Music Australia developed a supplier survey to better identify specific modern slavery and human trafficking risks at the level of individual suppliers (the **UMA Supplier Survey**).
- 3.3.10 11 suppliers completed the UMA Supplier Survey and in this Third Reporting Period we revisited, reviewed and considered the results from the UMA Supplier Survey.
- 3.3.11 The UMA Supplier Survey covers a range of issues and is aimed at collecting data on topics such as:
- (a) the nature of the goods or services provided to Universal Music Australia, including the locations where those goods or services are provided;
  - (b) the composition of the suppliers' workforces, including the extent to which the suppliers rely on temporary employees, agency workers, or consultants;
  - (c) the extent to which the suppliers are transparent with their workers about the terms and conditions of their employment, including their remuneration;
  - (d) the extent to which suppliers take steps to mitigate risks of child labour, forced labour, or bonded labour within their own operations;
  - (e) the suppliers' approach to recognising labour unions or similar collective representative bodies;
  - (f) the adequacy of the suppliers' policies and procedures relating to modern slavery, human trafficking and related workers' rights issues, including the extent to which the suppliers have in place management systems and controls for their own suppliers (i.e. sub-suppliers); and
  - (g) whether any of the suppliers have previously been subject to investigations, allegations or enforcement actions concerning child labour, forced labour, bonded labour, physical abuse or discipline, threats of abuse, verbal abuse, harassment, other forms of intimidation, discrimination, violation of employment standards, or similar issues.
- 3.3.12 While no actual instances of 'modern slavery' as defined under the Modern Slavery Act were reported in the initial responses from suppliers, as part of this further review we did identify a number of potential issues which require further clarification. We further considered these results during our Third Reporting Period and have determined the best approach to following up these potential issues with these suppliers.
- 3.3.13 The ongoing process of conducting and reviewing the UMA Supplier Survey also made clear there is scope for Universal Music Australia to provide more education and awareness to our suppliers about our expectations and requirements in this space, particularly given that UMA is now in its Third Reporting Period. Acknowledging the importance of supplier engagement, we intend to communicate with all of the 11 suppliers who completed the UMA Supplier Survey to communicate UMA's expectations with these tailored responses.

#### 4. Our present and future actions to address risks

4.1.1 Universal Music Australia is taking a local approach to addressing modern slavery risks while following global policies as part of the Universal Music Group.

#### 4.2 At the global level

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

- (a) **Our supplier expectations:** The Universal Music Group has the UMG Supplier Social 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. During the Third Reporting Period the Supplier Corporate Social Responsibility Policy has been incorporated into Bravado's manufacturing agreements to ensure the obligations contained in the UMG Supplier Social Responsibility Policy are enforceable for manufacturing suppliers (one area identified by UMA as potentially higher risk). 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.
- (b) **Our people and our Code of Conduct:** 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 Code of Conduct and certify that they agree to it.
- (c) **Company wide staff training:** During our Third Reporting Period we rolled out a global modern slavery training course which was completed by all UMA staff. This training course covered topics such as: identifying the signs of modern slavery and how to address the problem.

#### 4.3 At the Australian level

In addition to the global approach taken by the Universal Music Group, UMA has taken the following steps to assess and address potential modern slavery risks in our operations and supply chains and in order to be able to address the criteria under the Modern Slavery Act.

Action taken	Description
<b>Existing and ongoing processes, policies and procedures</b>	
<b>High level mapping of operations and supply chain to improve understanding</b>	During our First Reporting Period we carried out an internal survey of our key stakeholders within

Action taken	Description
	<p>UMA to identify modern slavery risks and existing procedures to address modern slavery risks.</p> <p>We also conducted the high level mapping exercise described in section 3.2. This process has helped identify our areas of focus and priorities for future reporting periods.</p>
<b>UMA Supplier Survey</b>	<p>Our UMA Supplier Survey is a tool not only to identify risks within our supply chain, but also to understand those risks and how best to mitigate them (see section 3.3.11 for the range of issues covered).</p> <p>The UMA Supplier Survey has been sent to 11 suppliers identified as having potentially higher risks of modern slavery. We continue to focus our efforts on working with these suppliers based on their results of the UMA Supplier Survey.</p>
<b>Staff training and awareness</b>	<p>We recognise the importance of staff training and awareness when it comes to implementing our Anti-modern Slavery compliance program and ensuring that staff understand what modern slavery, what we are doing in response and their roles and responsibilities.</p> <p>A number of our staff in key roles such as legal and specialist staff who are likely to encounter modern slavery risks have previously completed modern slavery compliance training covering the requirements under the Modern Slavery Act and the Australian Government's expectations and objectives as set out in regulatory guidance.</p> <p>In our Third Reporting Period, we took additional steps to train and educate our staff (see below)</p>
<b>Anti-Modern Slavery Policy</b>	<p>Our Anti-Modern Slavery Policy sets out our approach and expectations in relation modern slavery and human trafficking, includes information about the potential indicators of modern slavery and outlines the reporting expectations for all UMA staff.</p> <p>All new UMA staff are made aware of the Anti-Modern Slavery Policy during their onboarding process and are provided a copy when they join UMA.</p>
<b>Communicating what we are doing</b>	<p>We have published a plain English "frequently asked questions" document on the UMA website</p>

Action taken	Description
	<p>which publicly communicates what we are doing in this space</p> <p>In future reporting periods, we plan to use organic opportunities to remind staff of the “frequently asked questions” document to promote awareness and communicate the actions that we are taking in response to modern slavery.</p>
<b>New processes, policies and procedures implemented during our Third Reporting Period</b>	
<b>Company-wide roll out of UMG modern slavery training for all staff</b>	During our Third Reporting Period we expanded our staff training by rolling out a global modern slavery training course which was completed by all UMA staff. This training course covered topics such as: identifying the signs of modern slavery and how to address the problem.
<b>Reviewed guidance materials published by the Australian Government</b>	During our Third Reporting Period we continued to consider the Australian Government Guidance including the Government’s own modern slavery statement, the procurement toolkit and the modern slavery clauses to benchmark our own efforts. This review has helped to inform our understanding of our goals and future approach to compliance
<b>Incident Response Plan</b>	<p>During our Third Reporting Period we have significantly progressed an internal Incident Response Plan to ensure we are prepared to respond in the event that we do find modern slavery occurring in our operations and supply chains. This plan covers (among other things):</p> <ul style="list-style-type: none"> <li>• Agreed procedures for responding to modern slavery incidents;</li> <li>• Internal escalation points for reporting modern slavery incidents; and</li> <li>• Assignment of roles and responsibilities in respect of a modern slavery incident.</li> </ul>
<b>Further review of UMA Supplier Survey results and drafting follow up communication</b>	During our Third Reporting Period we have re-considered the responses to the UMA Supplier Surveys and have drafted a communications to each supplier that is tailored according to their responses to the UMA Supplier Survey. These follow up communications also remind suppliers their obligation to comply with the UMG Supplier Corporate Responsibility Policy and provide an

Action taken	Description
	opportunity to identify any specific concerns that were raised in the response to the UMA Supplier Survey or instances of modern slavery that have occurred since the UMA Supplier Survey was completed.
<b>Reviewing supplier onboarding processes</b>	As a future action, UMA intends to review our internal processes for onboarding new suppliers and consider new measures we can adopt to improve our mechanisms for identifying potential risks in new suppliers as part of the onboarding process.

## 5. Measuring our effectiveness

5.1 The below table clearly tracks what we did and the outcome it had. Pleasingly, we progressed a number of specific KPIs we set out to achieve in our Third Reporting Period.

Area	What we did	What was the outcome
<b>Training, education and awareness activities</b>	Rolled-out companywide staff modern slavery training. This training course covered topics such as: identifying the signs of modern slavery and how to address the problem.	This activity helped us to build awareness of modern slavery risks and the measures we have in place for all of our internal staff.  <b><i>KPI from Second Reporting Period achieved</i></b>
<b>Procurement and supplier engagement</b>	Drafting communication to all 11 suppliers who conducted the UMA Supplier Survey and following up on any identified issues.	In the Third Reporting Period we revisited the responses to the UMA Supplier Surveys and have drafted follow-up responses. The outcome of this exercise was to reinvigorate our ongoing supplier engagement strategy and help us to keep the lines of communication open so that we increase our visibility over our supply chains and increase the likelihood that modern

		<p>slavery incidents will be made known to us if they occur.</p> <p><b><i>KPI from Second Reporting Period progressed</i></b></p>
<b>Incident Response Plan</b>	Drafted an Incident Response Plan	<p>We have significantly progressed an internal Incident Response Plan that will be to alleviate any uncertainty around the procedure for responding to a suspected modern slavery incident and the roles/responsibilities in respect of that response.</p>

5.2 We know that specific 'key performance indicators' can be helpful to clearly track our progress.

5.3 We have set the following key performance indicators for what we are aiming to achieve during the next reporting period:

- (a) Sending out follow-up communications to all 11 suppliers who conducted the UMA Supplier Survey;
- (b) We also acknowledge the Modern Slavery Act is under review and intend to monitor and follow the developments of this review with interest;
- (c) Using organic opportunities to communicate our "frequently asked questions" document to staff to continue to promote awareness;
- (d) Rolling out the modern slavery Incident Response Plan and circulating a communications piece about its use and importance;
- (e) Communicating with global affiliates at UMG to gain a better understanding of what modern slavery questions are asked during their procurement process as UMA relies on global procurement for several products and services;
- (f) Continuing to track any specific issues regarding modern slavery which have been reported to UMA;
- (g) Continuing to monitor staff engagement and understanding, rolling out further modern slavery training as required; and
- (h) Review and evaluate our current processes for onboarding suppliers at the Australian level and assess whether there are any measures that we can adopt to improve our mechanisms for identifying potential risks in new suppliers.

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## **6. Consultation criteria**

We own or control one other entity, being Neon Records Pty Ltd, however all the risks and processes with Neon Records Pty Ltd are managed directly by UMA as we take an “Australia wide” approach to modern slavery (as well as taking a group wide approach as a member of the Universal Music Group).

During the process of preparing this Modern Slavery Statement, we have obtained input from our internal stakeholders, including our legal and procurement teams.

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## **7. Other relevant information**

### **7.1 The Impacts of COVID-19**

7.1.1 COVID-19 has had a significant impact on the music industry as a whole and the industry has continued to recover during our Third Reporting Period.

7.1.2 Otherwise, Covid-19 has not impacted our key compliance roadmap for our Third Reporting Period as we implemented or progressed all of the key performance indicators we set out to achieve in our Third Reporting Period.

### **7.2 Sharing with other entities in the Universal Music Group**

As Universal Music Australia is part of the Universal Music Group, we have worked with the Universal Music Group headquarters to develop this Modern Slavery Statement.

**MODERN SLAVERY ACT 2018 (CTH) – STATEMENT ANNEXURE****Principal Governing Body Approval**

This modern slavery statement was approved by the *principal governing body* of

Universal Music Australia Pty Ltd (ABN 21 000 158 592)

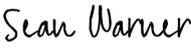
as defined by the *Modern Slavery Act 2018 (Cth)*<sup>1</sup> (“the Act”) on 20 June 2023

**Signature of Responsible Member**

This modern slavery statement is signed by a *responsible member* of

Universal Music Australia Pty Ltd (ABN 21 000 158 592)

as defined by the Act<sup>2</sup>:

DocuSigned by:  
  
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Sean Warner

Director and President

**Mandatory criteria**

Please indicate the page number/s of your statement that addresses each of the mandatory criteria in section 16 of the Act:

<b>Mandatory criteria</b>	<b>Page number/s</b>
a) Identify the reporting entity.	3
b) Describe the reporting entity’s structure, operations and supply chains.	3 – 4
c) Describe the risks of modern slavery practices in the operations and supply chains of the reporting entity and any entities it owns or controls.	5 – 7
d) Describe the actions taken by the reporting entity and any entities it owns or controls to assess and address these risks, including due diligence and remediation processes.	8 – 11
e) Describe how the reporting entity assesses the effectiveness of these actions.	11 – 13
f) Describe the process of consultation on the development of the statement with any entities the reporting entity owns or controls (a joint statement must also describe consultation with the entity covered by the statement).*	13
g) Any other information that the reporting entity, or the entity giving the statement, considers relevant.**	13