

SUPPLIER SOCIAL RESPONSIBILITY POLICY



UNIVERSAL MUSIC GROUP

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1. Introduction

Universal Music Group is committed to performance with integrity, to achieving commercial success in ways that honor ethical values and respect people, communities, and the environment. UMG recognizes its responsibility to manage the economic, social and environmental impact of its business operations and to take actions to address key challenges and opportunities that arise from them.

Universal Music Group has a responsibility to ensure the goods and services we buy attain the best outcome for the company in terms of commercial value and service quality. However, this must not mean that we achieve this at the significant disadvantage of the environment or the communities where we conduct business activities.

UMG recognizes its responsibility to carry out activities in an ethical and sustainable manner and to encourage our supply chain to minimize negative, environmental and social effects associated with the products and services we provide, as well as to positively influence the societal, social and environmental impacts associated with UMG activities, products and services.

This policy is anchored in internationally recognized standards which include 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 and the Children's Rights and Business Principles established by UNICEF, the UN Global Compact and Save the Children.

2. Supplier Engagement

This policy sets out specific principles that UMG expects every supplier to follow as a minimum to ensure that collectively we achieve excellence in these areas. UMG will communicate and promote this policy to all stakeholders, both internally and externally. All UMG suppliers are expected to comply with the principles set out in this policy and may be required to evidence their adherence at least annually.

- » UMG works with suppliers to ensure their compliance to this policy. It is designed to address our commitment to ethical relations with suppliers across a diverse and extensive supplier base, while recognizing and outlining the minimum standards expected of our suppliers in their business conduct.
- » To ensure suppliers are aligned to the policy, and that appropriate environmental and social considerations are taken into account during our sourcing activities, a number of controls and

measures will be embedded throughout the various stages of the procurement lifecycle which may include surveys and site visits to assess performance against this policy.

- » UMG expects its suppliers to adhere to this policy throughout their supply chain and with all subcontractors used to supply the group. To this end, the supplier will ensure that all relevant requirements of this policy are addressed with subcontractors and third parties (including low tier suppliers) in its supply chain.

3. What We Expect of Our Suppliers

UMG will work with suppliers and partners who can demonstrate a positive contribution to the pursuit of sustainable development, both in terms of environmental sustainability and social responsibility.

UMG expects its suppliers to make the following key commitments:

- » To adhere to ethical, social and minimum labor standards and comply as a minimum with the relevant national legal standards or industry benchmark standards, whichever are higher
- » To conduct their business with honesty and integrity and to implement a global policy against bribery and corruption
- » To commit to the environment and recognize the need to minimize their environmental impact
- » To implement corrective action wherever supplier performance is shown to fall below the standards set out in this policy

4. Supplier Social Responsibility Policy

4.1 Human Rights and Data Protection

UMG expects its suppliers to:

- » Make sure that they support and respect the protection of internationally proclaimed human rights, including those specific to the content and media sector, and that they are not complicit in human rights abuses
- » Promote respect for cultural diversity, intellectual property and supporting artists in the fight against piracy
- » Protect young people in their digital practices
- » Knowledge share - encourage dialogue and openness between peoples and generations and raise people's awareness of sustainable development issues
- » Collect and process data legally and ethically
- » Contribute to local economic, social and cultural development through the creation of jobs locally (direct and indirect jobs), use of local suppliers and participation in the local tax base, and encouragement in the sharing of skills and know how
- » Act in an ethical and transparent manner and as a minimum comply with all applicable laws of the countries in which they operate

4.2 Human Rights in the Workplace

Universal Music Group expects its suppliers to ensure that all workers are treated with full consideration of their human rights as set out in the International Labour Organization (ILO) conventions. UMG expects suppliers to comply as a minimum with the relevant national legal standards or industry benchmark standards, whichever are higher.

No forced, bonded or involuntary labor will be used:

- » All employment with suppliers will be freely chosen
- » Staff will be free to leave a supplier after reasonable notice period as applicable with local laws

Minimum age of employment – abolition of child labor:

- » Unless the applicable local minimum age for work or mandatory schooling specifies a higher age, or the International Labour Organization (ILO) exemption for developing countries applies, or applicable national regulation enacted in accordance with ILO conventions applies, suppliers will not recruit or employ children under the age of 16 years of age (unless part of an educational sponsored short term work experience program)
- » Children and young persons under 18 will not be employed at night (as applicable with local laws) or required to undertake potentially hazardous activities or activities potentially injurious to their health and development

All workers have the right to join a trade union of their choosing to the extent allowed by local laws:

- » Suppliers will allow employees the freedom to join a union (or collective bargaining group acting for them) or allow them to decline if they choose to
- » Suppliers will comply with all applicable laws on freedom of association and collective bargaining

The supplier will ensure that all products and services are produced and delivered under working conditions that are safe and hygienic:

- » Suppliers will take all appropriate measures to prevent accidents and minimize potential hazards
- » Workers will receive regular health and safety training
- » Workers will have unrestricted access to toilet facilities and drinking water
- » Suppliers will have a published health and safety policy

Working hours and remuneration are in compliance with local laws and comparable to other companies within the industry, and regular employment is provided:

- » Workers' pay rates will comply with national legal standards as a minimum
- » Workers will not be forced to work in excess of hours permitted by local laws and will be provided with at least one day off per week
- » Workers will be given clarity as to their terms and conditions of employment which will detail the respective obligations of the employee and employer under the employment relationship, rates of pay, working hours, grievance and disciplinary procedures, holiday entitlement, absence and sick pay rules and notice periods for termination of employment
- » No deductions will be made from wages as a disciplinary measure
- » Suppliers will facilitate a balance between private life and working life for employees
- » All overtime will be voluntary, compensated fairly and used responsibly

Abolition of discrimination:

- » There will be no discrimination in pay, hiring, compensation, access to training, promotion, termination of employment or retirement on the grounds of race, nationality, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation
- » Opportunities for personal and career development will be equally available to all employees
- » Encouraging equal opportunity by promoting diversity and gender equality

No harassment, threats, abuse or intimidation:

- » Suppliers will not use or permit the use of harassment, threats, abuse or intimidation
- » Without limitation, physical, verbal and sexual threats, abuse, harassment and intimidation are expressly prohibited

Compliance with the UK Modern Slavery Act 2015 (UK only):

- » Where applicable, suppliers are required to comply with the annual reporting statement which will detail their organization's commitment to ensure that modern slavery is not occurring in their supply chains and in their own organization

4.3 Protecting UMG Assets

Suppliers will protect UMG's intellectual property assets and confidential information by:

- » Securely storing and transferring digital and physical media – such as music, artwork, video and any other digital or physical component related to our products or marketing
- » Ensuring assets are only accessible to individuals who have agreed to confidentiality and nondisclosure obligations and who have a legitimate business need or legally mandated access
- » Never discussing UMG information in public areas where conversations may be overheard
- » Only using assets as explicitly authorized
- » Taking steps to keep unauthorized individuals from acquiring UMG information

4.4 Protecting Personal Data

Suppliers will:

- » Collect and use UMG personal data only in accordance with UMG's instructions, contract terms, legal obligations, industry best practices, and company policies and procedures

4.5 Business Ethics & Policies against Bribery & Corruption

Suppliers will:

- » Promote ethics in business conduct through the prevention of anti-competitive practices and adoption of responsible communications and marketing
- » Comply with all applicable anti-bribery laws for their territory including, but not limited to, any and all statutes, statutory instruments, bylaws, orders, directives, treaties, decrees and laws (including any common law, judgment, demand, order or decision of any court, regulator or tribunal) which relate to anti-bribery and/or anti-corruption ('Anti-Bribery Laws') such as the US Foreign Corrupt Practices Act and the UK Bribery Act applicable to all UMG territories
- » Not do, or omit to do, any act that would cause or lead UMG to be in breach of any Anti-Bribery Laws
- » Promptly report any request or demand for any undue financial or other advantage of any kind received by the supplier in connection with the performance of its obligations to UMG
- » Have and maintain in place its own policies and adequate procedures to ensure compliance with all applicable Anti-Bribery Laws and will enforce them where appropriate

4.6 Insider Trading

Suppliers will prevent insider information from being improperly used by:

- » Never using it to buy or sell securities such as stocks and bonds
- » Following company policy for handling, using and disclosing it
- » Sharing it only with those with a legitimate business need to know
- » Not talking about it with family or friends, including your close relatives
- » Never discussing it in public or on social media platforms
- » Never providing tips to people so they can buy or sell company securities
- » Never using it when exercising stock options under any UMG stock-option or stock-incentive plan

4.7 International Trade Regulations

Suppliers will adhere to international trade regulations by:

- » Never marketing or selling to companies or people that are on government sanctions lists
- » Knowing and complying with all trade controls, anti-boycott regulations, sanctions and embargoes applicable to our business
- » Refusing to engage in and reporting any requests from customers, suppliers or others to participate in a boycott against individuals, companies or countries

4.8 Fair Purchasing Practices

Suppliers will promote fair purchasing practices by:

- » Treating all suppliers with fairness and integrity in every transaction
- » Buying material and services only from those who share our commitment to honest and ethical business practices
- » Using objective criteria such as quality, price, reliability, availability expertise, ethical business practices and compliance with the law to select the best suppliers
- » Never accepting gifts or other favors that might compromise selection of the best supplier

- » Never sharing another company's confidential information without its permission

4.9 Environmental Sustainability

- » Suppliers shall support a precautionary approach to environmental challenges and undertake initiatives to promote greater environmental responsibility
- » Encourage the development and diffusion of environmentally friendly technologies
- » Contribute to reduce the environmental impact of digital services and uses
- » At the very least, meet all the local, national and international environmental regulations which apply to its operational processes and any products and services supplied, and obtain all required environmental permits, licenses and registrations

4.10 UMG Code of Conduct

At Universal Music Group we hold ourselves to a high standard not only of creativity but of integrity, respect and accountability in order to build a vibrant ethical culture. Our success is based on our ability to deliver today's compelling music, and we depend on reliable suppliers to help us do so. We count on you to deliver needed materials, equipment, technical skills, artistic support and other essential services. Our suppliers are an extension of our culture, so we expect you to share our commitment to honest and ethical business behavior. See UMG's Code of Conduct [here](#).

The US Vendor Management Office is here to support you in meeting these commitments. Please do not hesitate to seek guidance or start a conversation on any of these topics with us.

4.11 Contact Information

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