



UNIVERSAL MUSIC

SECTION 172 STATEMENT

Under section 172 of the Companies Act 2006, the board of directors of a company must act to promote the success of the company for the benefit of its members as a whole.

This statement is made by UMG's UK holding company, Universal Music Holdings Limited, on behalf of the following entities ("the companies"), each of which meets the criteria requiring it to publish a Section 172 statement:

- **Bravado International Group Limited**
- **Calderstone Productions Limited**
- **UMG Supply Chain Limited**
- **Universal Music Group International Limited**
- **Universal Music Operations Limited**
- **Universal Music Publishing International Limited**
- **Universal Music Publishing Limited**
- **Universal Music Publishing MGB Limited**
- **Virgin Records Limited**

The board of directors of Universal Music Operations Limited (the "board"), constantly assesses the implications of decisions made, in terms of both the potential long-term consequences for the companies, together with the impact on our stakeholders, including shareholders, artists, employees, suppliers and customers, the wider community and the environment.

The companies are a member of the Universal Music UK group ("UMUK"). In making this statement the directors are referring to the relevant activities of the group.

Shareholders

The companies are ultimately owned by Universal Music Group N.V. ("UMG N.V."), a company incorporated in the Netherlands. The board regularly communicates with UMG N.V. regarding strategy and performance through multiple channels, including:

- Regular and timely management accounts;
- Detailed and accurate financial budgets and forecasts;
- Collaboration as part of the Group cash management policy; and
- Consultation and approval of any significant investment and acquisition decisions.

Artists

The board recognises that the success of our artists is key to maintaining Universal Music's position as the UK's leading music company. Our Artist & Repertoire teams continue to work with their existing artists to create great new music, whilst identifying and nurturing new emerging artists.

Universal Music Group has a number of initiatives in place focussing on artists' mental health and wellbeing. For example, recognising that the life of an artist can present unique challenges and stressors, UMUK created a bespoke program to provide artists with a confidential space to support their personal development, wellbeing, and mental health. In addition to access to confidential counselling services provided by a BACP-registered counsellor with over 20 years of experience in the music industry, the service includes referrals to other kinds of professional wellbeing services and assistance as needed. The program supports artists at all

stages of their careers and provides a resource for staff working with an artist to flag potential concerns with a trained professional.

Our commitment to artist welfare and support is further bolstered by our ongoing collaboration with Help Musicians, a UK philanthropic organization serving musicians at all stages of their career through business advice as well as physical, mental, and financial health services.

Employee engagement

The board understands that UMUK's staff are at the heart of everything we do as a business, and the importance of an engaged and dynamic workforce to ensure we can respond to the changing musical landscape.

Mental health and well-being remain a key focus. UMUK provided targeted programming and resources to honour World Mental Health Day and Mental Health Awareness Week, including an employee assistance programme with a 24-hour helpline.

Finally, to ensure all employees share in the success of the business, we have continued the policy of employees on lower salaries receiving larger percentage pay increases following the annual pay review.

Business relationships - suppliers and customers

The board considers that our relationship with all suppliers and customers is critical to the day to day running of our operations.

Our accounts payable team continues to work closely with suppliers to ensure that the payment process runs smoothly, and for the 6 months ended 31 December 2024 our average time to pay invoices was 42 days.

The community

The board believes that music can play a vital role in bringing people together, working for positive change within communities.

In 2020 Universal Music Group established its Task Force for Meaningful Change, an employee led group focussed on equality, justice and inclusion. Initiatives in 2024 in the UK included:

- Partnering with Magic Breakfast to provide almost 20 schools across England (with a student demographic of over 50% Black or Asian students), with a significant number of children on the free lunch scheme, with free breakfast for all students
- Supporting Music Masters Pathways Programme (22-25 young musicians) fostering the next generation of diverse classical music talent aged 7-11 who attend state primary schools in under-resourced London communities and whose backgrounds are underrepresented in the classical music sector
- Partnering with United Borders to provide services to young people who find themselves in periods of crisis in their lives. Music is used as the main pathway to engagement, encouraging young people to express themselves and talk about topics that they normally would not.

UMUK supports the Universal Music UK Sound Foundation (UMUKSF), an independent charity that focuses on improving access to music education in the UK and Ireland. Since its inception, UMUKSF has awarded more than £10 million towards music education, including funding for over 10,000 young people and schools to buy musical instruments. UMUKSF has bursaries at 11 music colleges throughout the UK and Ireland – and supports the music departments of 23 secondary schools. UMUK continues to be a significant funding partner of East London Arts & Music (ELAM), the free school for 16-19-year-olds founded in 2014. In addition to offering masterclasses, mentorship, curriculum guidance, and work experience to many of the school's pupils, valuable relationships form between the school and UMG's A&R and recruitment teams.

Likewise, we continue to support The BRIT Trust - the music industry charity that promotes education and wellbeing through music, such as The BRIT School and Nordoff & Robbins music therapy.

UMUK has also been heavily involved in the work towards a new specialist school in Bradford, inspired by The BRIT School and ELAM.

The environment

UMUK's headquarters at 4 Pancras Square are certified as 'Outstanding' by BREEAM, reflecting the board's desire to make the business as environmentally friendly as possible. The location of the office means that virtually all staff now come to work on public transport. We provide facilities with secure parking for 186 bikes, showers and a towel service. 2024 operations at this location and at Abbey Road Studios were powered by 100% renewable electricity.

Furthermore, the staff café promotes a low carbon diet by offering daily vegetarian and vegan dishes and a Meat Free Monday. Food waste is actively managed and food provenance schemes, such as MSC seafood, are adhered to when sourcing ingredients. The café also only uses reusable cups and food boxes, having removed all disposable serverware from the site.

In 2023, UMUK moved to a new UK distribution centre. The new building was built to net zero carbon in construction (using UKGBC's (UK Green Building Council) net zero carbon standard) and was awarded an Energy Performance Certificate 'A' rating. The building includes a number of environmentally friendly features including: solar panels installed on the roof, electric vehicle charging points, locus picking bots which are greener than having a conveyor or automated storage and retrieval system, with no gas used on site.

UMG signed the Music Climate Pact in 2021, with high level commitments to change, including signing up to the Science Based Targets initiative. UMG's near-term emissions reduction targets were approved by the Science-Based Targets initiative (SBTi). UMG is developing a climate transition plan, which we aim to adopt by 2027. We are in the process of refining our overarching environmental strategy and intend to adopt an environmental policy which aligns with and supports this overall strategy in 2025.

UMG began integrating the Environmental Exhibit into certain direct supplier manufacturing partner agreements in the UK in 2024 and will continue its rollout in 2025 to additional partner agreements.

UMUK has been an active supporter of Julie's Bicycle, the environmental non-for-profit organisation that supports the creative sector, since its inception in 2007.

Our staff sustainability forum, Team Green, was established in 2007 and has board level support. It works on numerous initiatives throughout the year, including those mentioned above. This also included partnering with Music Declares Emergency to start up an artist media training programme, giving artists the confidence to raise climate issues with fans and the media, and partnering with Climate EQ to deliver bespoke record company Carbon Literacy Project training.

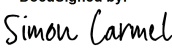
Maintaining a reputation for high standards of business conduct

The companies have a code of conduct, on which all employees are certified annually, to encourage ethical behaviour as well as to highlight ethical matters which could be faced by employees.

The companies maintain high standards of expected conduct for its employees and has clearly defined procedures for its employees to report any concerns internally or via the Whistleblowing policy and procedure. This incorporates anti-bribery training, commercial sensitivity and appropriate workplace conduct.

The directors are acutely aware of the high-profile nature of the Universal Music brand and make every effort to both protect this reputation and live up to its standards.

This statement has been approved on 30th May 2025 by the board of directors of Universal Music Holdings Limited and has been signed by:

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Simon Carmel

Director, Universal Music Holdings Limited