

SONY INTERACTIVE ENTERTAINMENT EUROPE LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2022

S.172(1) STATEMENT

We have considered the Companies (Miscellaneous Reporting) Regulations 2018 and recognise that Sony Interactive Entertainment Europe Limited (the “**Company**”) is required to include a statement within its Strategic Report describing how the board of directors (the “**Board**”) have had regard to the matters set out in s.172(1)(a) to (f) when performing their duty under s.172.

This statement is set out below and can also be found on the Company website: <https://www.playstation.com/en-gb/>.

Reference	Requirement	Board Engagement
172(1)	The Directors of a company must act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:	
(a)	The likely consequences of any decision in the long term	<p>The Board considers how the consequences of any decision in the long term will impact the Company's key stakeholders, being its employees, other Sony Interactive Entertainment group companies (the “SIE Group”), shareholders, the community and environment and vendors.</p> <p>SIE Group's business operates at a broad scale and in multiple jurisdictions, therefore strategic direction and decision-making are taken with a view as to how they will impact the SIE Group as a whole.</p>
(b)	The interests of the company's employees	<p>Employees are regularly engaged throughout the year on principal decisions affecting their employment and workplace and have appropriate opportunities to provide feedback on the impact of these decisions via the annual employee survey. This engagement occurs regularly via e-mail, surveys, and various employee sessions.</p> <p>Further engagement with employees is demonstrated by regular ‘Town Halls’, which include a Q&A session, regular communications & briefings regarding changes in our offices & workplaces, a localised and informative employee intranet, and a commitment to diversity & inclusion via regular employee network groups, inclusion workshops, participation in London's Pride Parade and signature of the #RaiseTheGame diversity pledge, a UK Interactive Entertainment initiative which is a global effort to champion and foster diversity and inclusion in the gaming industry.</p>
(c)	The need to foster the company's business relationships with suppliers, customers and others	<p>The Company provides support services to other companies in the SIE Group, including Sony Interactive Entertainment Network Europe Limited and Sony Interactive Entertainment UK Limited, that are governed by applicable intercompany arrangements.</p> <p>The Company builds and develops its relationships with key stakeholders by maintaining communication and good business practice based on the Sony Group Code of Conduct (the “Code”) (available here: https://www.sony.net/SonyInfo/csr_report/compliance/code.html) and internal policies.</p> <p>Company continues to work closely with its key distributors, many of whom it has worked with for many years keeping them informed through a variety of periodic check ins and planning sessions, the frequency depending on the Company's business plans, specific relationship with the customer, type of customer and customer's market.</p>

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		<p>The Company also works, and regularly attends meetings, with the interactive entertainment's industry bodies (e.g. Ukie and ISFE) regarding existing and upcoming matters that may affect the interactive entertainment industry.</p>
(d)	<p>The impact of the company's operations on the community and the environment</p>	<p><u>Community</u></p> <p>The Company acknowledges that employees may wish to apply their talents in the wider community and recognises that participation and involvement in community-based projects has benefits for both the individual employee and for those on the receiving end of the improved services or provision of goods.</p> <p>To facilitate involvement in community projects and promote the Company's corporate social responsibility, employees are given the opportunity to use two days' paid time off per calendar year to take part in various activities aimed to benefit local and regional communities.</p> <p><u>Environment</u></p> <p>The Company is committed to increasing internal and external awareness about climate change and ensuring that the environmental impact of its operations is being continually considered.</p> <p>At a global level, the Company, as part of the Sony Group Corporation, is collaborating with the United Nations environment committee to work toward global sustainability goals through a partnership called the Playing for the Planet alliance.</p> <p>At a company level, the Company is continuing to focus on a number of environmental goals that focus on reducing waste and increasing recycling, specifically, reducing energy consumption, increasing water efficiency, increasing recycling and reducing plastic usage.</p>
(e)	<p>The desirability of the Company's maintaining a reputation for high standards of business conduct.</p>	<p>The Company's reputation for high standards of business conduct is governed by the Code which establishes a framework of the Company's cultural norms and purpose and values to help guide business decision-making and conduct with respect to employees, vendors and other stakeholders.</p> <p>The Code provides guidance for the Company's expectations regarding what is (and is not) ethical and legal behaviour. The Code sets forth the basic internal standards to be observed by all directors, officers, employees (permanent or temporary), contractors, consultants and contingent workers of Sony Group¹ ("Personnel"). The Sony Group commits itself to be bound by the Code and at the same time requires all Personnel to know, understand and comply with the Code. It ensures a clear priority on maintaining the Company's reputation for high standards of business conduct through a focus on fairness, honesty, integrity, respect and responsibility via honest and ethical business conduct, maintaining stakeholder trust, respect for human rights, conscious recognition of diversity and inclusion, fair labour and employment practices, fair business practices, and ethical personal conduct.</p>

¹ A 'Sony Group' company is any company where 50% or more of the voting rights are directly or indirectly controlled by Sony Corporation.

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(f)	The need to act fairly as between members of the Company.	The Company is a wholly owned subsidiary within the Sony Group, with Sony Group Corporation being the ultimate parent undertaking. There is no split ownership structure of the Company. All interactions with other companies within the SIE Group are governed by applicable intercompany arrangements.
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