

SONY INTERACTIVE ENTERTAINMENT EUROPE LIMITED
STRATEGIC REPORT for the year ended 31 March 2020

S.172 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)	A director of a company must act in the way he considers, 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</p>

		<p>relationship with the customer, type of customer and customer's market.</p> <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>Employees of the Company are given the opportunity to voluntarily carry out various activities aimed to benefit local and regional communities. During the financial year, employees were invited to participate in the following activities:</p> <p><u>Shepreth Wildlife Park</u></p> <p>Shepreth Wildlife Park is an animal sanctuary near Cambridge that participates in national and international breeding programmes for endangered species. Employees were invited to volunteer at this site and help clean enclosures, repaint the bat cave, lay a path in the wallaby enclosure and perform general housekeeping.</p> <p><u>Vinters Valley</u></p> <p>Vinter's Valley is a Nature Reserve in Maidstone, Kent. Employees were invited to volunteer at this site and help create a wild flower garden, build a pond, relay a path and create stag beetle pyramids and log piles in order to create sheltering places for the local reptile population.</p> <p><u>Grandison Allotments</u></p> <p>The Grandison Allotments, a community allotment site based in Liverpool, continue a long standing 'partnership project' with the Company that supports children to learn about growing and cooking plants. During this financial year, employees were invited to volunteer at this site and carry out various allotment upkeep activities such as paining fences, relining their poly tunnels and weeding pathways.</p> <p>The Company has also supported its community by engaging with various charities and associated projects. During the financial year, the Company engaged with:</p> <p><u>The Princes Trust</u></p> <p>The Princes Trust is a UK charity that aims to help vulnerable young people get into jobs, education and training. During the financial year the Company supported the Princes Trust in various ways, including financially.</p> <p><u>SpecialEffect</u></p> <p>SpecialEffect is a UK charity that specialises in helping physically disabled people play video games. During the financial year the Company supported SpecialEffect financially.</p> <p><u>InnovateHer</u></p>

		<p>InnovateHer is a social enterprise based in the North West that aims to make the tech sector more accessible for young girls. During the financial year the Company partnered with InnovateHer to develop a digital bootcamp programme to teach young girls technical skills and highlight local opportunities within the tech and digital industries. The bootcamp also included a site visit.</p> <p><u>Cancer Research UK</u></p> <p>Cancer Research UK is a cancer research and awareness charity in the United Kingdom and Isle of Man. Employees have been invited to participate in and fundraise for the 'Race for Life' 5km and 10km runs since 2007. During this financial year, the Company had the highest number of employee participation in the 'Race for Life' to date and these employees (known as the 'PlayStation Runners') fundraised the highest yearly figure to date.</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 Corporation, is collaborating with the United Nations environment committee to work toward global sustainability goals through a new partnership, the Playing for the Planet alliance. This partnership was announced during this financial year.</p> <p>At a company level, the Company launched a number of environmental goals during this financial year that focus on reducing waste and increasing recycling, specifically, reducing energy consumption, increasing water efficiency, increasing recycling and reducing plastic usage. These goals are set to be achieved by FY2022.</p> <p>The following milestones have reduced the impact of the Company's operations on the environment: in the onsite canteen, the plastic wrap in takeaway food containers has been replaced with biodegradable corn starch, reusable cutlery made with 50% plastic and 50% sustainable bamboo and KeepCups have been distributed to employees to reduce the use of disposable cups and cutlery. Due to this initiative, the use of disposable coffee cups has declined over the past financial year and as of January 2020 79% of all takeaway hot drinks purchased on company premises are served in reusable cups.</p> <p>The Company also continues to monitor the energy saving measures undertaken during the 2018 refurbishment of the London office on Great Marlborough Street, including LED lighting and PIR system throughout the building as well as energy efficient AV equipment and energy saving settings set on office equipment.</p>
(e)	The desirability of the Company's maintaining a reputation for high standards of business conduct.	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>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>
(f)	The need to act fairly as between members of the Company.	<p>The Company is a wholly owned subsidiary within the Sony Group, with Sony 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.</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.