

**Sony Joint Modern Slavery Statement - *Modern Slavery Act*  
2018 (Cth)**

**Reporting Period: Financial Year 2021 (1 April 2021 – 31 March  
2022)**

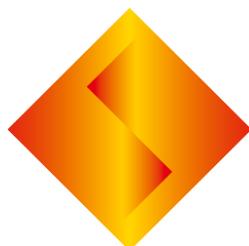
**Reporting Year: 3**

**Submission Date: 29 September 2022**

**SONY**



**SONY MUSIC**



**Sony  
Interactive  
Entertainment**

# Sony Joint Modern Slavery Statement - Modern Slavery Act 2018 (Cth)

## Summary: Addressing the Mandatory Criteria of the *Modern Slavery Act 2018 (Cth)*

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### Mandatory Criterion 1 – Identify the reporting entities

This joint modern slavery statement (“**Joint Statement**”) meets the requirements for approval and signature set out in section 14 of the Commonwealth *Modern Slavery Act 2018 (Cth)* (the “**Australian Modern Slavery Act**”).

This Joint Statement covers all Sony companies operating and carrying out business in Australia, who are required by the Australian Modern Slavery Act to publish a modern slavery statement (collectively referred to as “**Australian Sony Reporting Entities**”, “**we**” or “**us**”).

The list of Australian Sony Reporting Entities covered by this Joint Statement as of March 31, 2022 is available in the Annex.

Although not all Sony Group<sup>1</sup> companies (“**Sony**”) are subject to the Australian Modern Slavery Act, all Sony companies throughout the world (including the Australian Sony Reporting Entities) are required to comply with applicable Sony global policies and procedures, so we make references to actions taken at a global level in this Joint Statement together with additional steps the Australian Sony Reporting Entities have taken in the current Financial Year 2021 (1 April 2021 – 31 March 2022).

The Australian Sony Reporting Entities note the supporting guidance provided by the Australian Government set out in the *Commonwealth Modern Slavery Act 2018 - Guidance for Reporting Entities* (“**Australian Government Guidance**”) together with the supplementary guidance subsequently released by the Australian Government. The Australian Sony Reporting Entities have used the Australian Government Guidance to help prepare this Joint Statement and to more generally inform and guide the steps we are taking and our approach to compliance with the Australian Modern Slavery Act.

## **Our Human Rights Commitment**

Slavery and human trafficking can occur in many forms, such as forced labor, child labor, domestic servitude, sex trafficking, and related forms of workplace abuse. In this Joint Statement, we use the terms “slavery” and “human trafficking” or “**modern slavery**” to include all forms of slavery, servitude and forced or compulsory labor, and human trafficking in a manner consistent with the definition of “modern slavery” in the Australian Modern Slavery Act.

Globally, Sony is committed to maintaining and improving systems and processes to help identify and address risks of human rights violations related to our business operations and supply chains throughout the world. At a global level, we invested significant resources and collaborated with stakeholders, suppliers and industry associations to develop and implement programs designed to prevent slavery and human trafficking in our business operations and supply chains, particularly in our electronics manufacturing supply chain, which, as noted below, using a risk-based approach, is an area at higher risk of slavery and human trafficking.

Since the introduction of the Australian Modern Slavery Act, the Australian Sony Reporting Entities have also invested resources to understand the requirements of the Australian Modern

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<sup>1</sup> For this purpose, a Sony Group company is any company where 50% or more of the voting rights are directly or indirectly controlled by Sony Group Corporation.

Slavery Act and the expectations of the Australian Government as set out in the Australian Government Guidance, as well as considering further guidance issued by the Australian Government. This body of work includes working closely with “Global HQ” stakeholders in Legal, Compliance and CSR at Sony Group Corporation on an ongoing basis and refining our approach to addressing this important and complex human rights issue.

Sony’s global, prioritised, risk-based approach aligns with the approach taken by the Australian Government, however, the Australian reporting entities have also taken additional steps and measures where required as set out in this Joint Statement.

## **Mandatory Criterion 2 – Our Structure, Operations and Supply Chains**

### *Structure*

All of the Australian Sony Reporting Entities form part of the Sony group. Sony Group Corporation (Organisation number 134 059 582) (“**Sony Group Corporation**” or “**Global HQ**”), incorporated in Japan, is the ultimate parent company for all of the Australian Sony Reporting Entities.

- **Sony Australia Limited (ACN 001 215 354)** is an Australian public company, limited by shares. It has approximately 254 employees and its registered office is 73 Miller Street, North Sydney NSW 2060. In terms of its corporate structure, it does not control any other entities and its Dutch holding company (Sony Overseas Holding BV) owns 100% of the issued shares in Sony Australia Limited.
- **Sony Music Entertainment Australia Pty Ltd (ACN 107 133 184)** is an Australian proprietary company, limited by shares. It has approximately 114 employees and its registered office is 11-19 Hargrave St Darlinghurst NSW 2010. In terms of its corporate structure, its immediate parent entity is SBME Holdings (Australia) Pty Limited. It owns and controls some local Australian music businesses.
- **SBME Holdings (Australia) Pty Ltd (ACN 107 132 329)** is an Australian proprietary company, limited by shares. In terms of its corporate structure, its immediate parent entity is Sony Music Entertainment, incorporated in the United States of America and it owns or controls BMG Australia Pty Limited and Sony Music Entertainment Australia Pty Ltd.
- **Sony Interactive Entertainment Australia Pty Ltd (ACN 077 583 183)** is an Australian proprietary company, limited by shares. It has approximately 61 employees

with registered office at 64 – 76 Kippax Street, Surry Hills NSW 2010. In terms of its corporate structure, its parent company is Sony Interactive Entertainment Europe Ltd; it is a wholly owned subsidiary of Sony Interactive Entertainment Europe Ltd and it does not control any other entities.

- **Sony Interactive Entertainment Network Europe Ltd (Company number 06020283)** is a private company, limited by shares, with a registered office in the UK. In terms of its corporate structure, its parent company is Sony Interactive Entertainment Europe Ltd; it is a wholly owned subsidiary of Sony Interactive Entertainment Europe Ltd and it does not control any other entities.

### *Operations.*

To understand the specific operations of the Australian Sony Reporting Entities, it is useful first to understand how Sony operates at the global level. Globally, Sony is engaged in the development, design, manufacture, and sale of various kinds of electronic equipment, instruments and components for consumer, professional and industrial markets such as network services, game hardware and software, televisions, audio and video recorders and players, still and video cameras, mobile phones, and image sensors (collectively, our “**electronics products**”). Globally, there are 12 Sony-operated manufacturing sites for our electronics products. They are located in Japan, China, South Korea, Thailand, Malaysia, and the UK. Sony also contracts with third parties to manufacture certain electronics products on Sony’s behalf.

In addition to electronics products, Sony is engaged in the development, production, manufacture, and distribution of recorded music and the management and licensing of the words and music of songs as well as the production and distribution of animation titles, including game applications based on animation titles. Sony is also engaged in the production, acquisition and distribution of motion pictures and television programming and the operation of television and digital networks. Further, Sony is also engaged in various financial services businesses, including life and non-life insurance operations through its Japanese insurance subsidiaries and banking operations through a Japanese internet-based banking subsidiary.

The Australian Sony Reporting Entities specifically undertake the following functions, activities and operations:

- **Sony Australia Limited (ACN 001 215 354)**
  - Sony Australia Limited is a local sales and marketing company in Australia for electronics manufactured by Sony. We do not manufacture any electronics. Our

core business is divided into consumer products and professional products and solutions. Sony Australia Limited's key consumer products are televisions, home theatre and solutions, Blu-ray disc and DVD players, headphones and earphones, MP3 players, wireless speakers, cameras, video cameras and memory cards. These products are sold through a range of retail partners across Australia and also directly by Sony Australia Limited through our online store (<https://store.sony.com.au/>) and retail stores located in Castle Hill, Chatswood and Parramatta (Sydney).

- Sony Australia Limited also provides to the Australian market a range of professional products and solutions for the broadcast and production, sports, entertainment, education, corporate and healthcare sectors. Professional products include studio and broadcast cameras, digital cinema cameras, camcorders, professional monitors and projectors, optical disc archiving, and imaging cameras and monitors.
- Our professional solutions include sports tracking technologies through our Hawk-Eye business across Australia.

- **Sony Music Entertainment Australia Pty Ltd (ACN 107 133 184)**

- Sony Music Entertainment Australia Pty Ltd is the Australian affiliate of Sony Music Entertainment.
- The principal continuing activities of Sony Music Entertainment Australia Pty Ltd are the sale and licensing of pre-recorded music, compact discs, records, DVDs and associated merchandise and the sale of music via digital channels. In addition, the company is involved in sponsorships and endorsements, concert promotion and talent management.
- Sony Music Entertainment Australia Pty Ltd also operates a merchandise, licensed product and strategic brand identity business under the brand The Thread Shop, including operating the website [thethreadshop.com](http://thethreadshop.com).
- The company has played a pioneering role in music history and nurtured some of music's most iconic artists and produced some of the most influential recordings of all time. The company supports a diverse roster of superstars, developing and independent artists and visionary creators, with a local artist roster consisting of over 70 Australian artists.
- Sony Music Entertainment Australia Pty Ltd is also involved in the operations of the local Australian music businesses which it either owns or controls.

- **SBME Holdings (Australia) Pty Ltd (ACN 107 132 329)**

- SBME Holdings (Australia) Pty Ltd is the holding company for Sony Music Entertainment Australia Pty Ltd and does not undertake any operations.
- **Sony Interactive Entertainment Australia Pty Limited (ACN 077 583 183)**
  - Sony Interactive Entertainment Australia Pty Limited is a sales and marketing company and appointed local distributor for electronics manufactured by Sony Interactive Entertainment Europe Limited (and associated subsidiaries). We do not manufacture any products ourselves.
  - Our core business is consumer products, including products marketed under the PlayStation brand.
  - Our key consumer products are gaming consoles, videogames and associated peripherals, and accessories.
  - These products are sold through a range of retail partners throughout Australia.
- **Sony Interactive Entertainment Network Europe Ltd (Company number 06020283)**
  - Sony Interactive Entertainment Network Europe Ltd operates the PlayStation online store and sells digital games from that platform to Australian consumers.

### *Supply Chains*

The supply chains across the different Australian Sony Reporting Entities are complex and varied. A high-level summary of our supply chain structure is set out below.

#### *i. Supply chains in relation to core Sony products*

We acquire our products from our Sony global affiliates who form part of our supply chain for core products such as electronics. Our global affiliates procure materials and component parts for Sony’s electronics products from suppliers located throughout the world including China, Japan, Asia-Pacific (India, South Korea, Oceania), Europe (UK, France, Germany, Russia, Spain, Sweden), and other areas (US, Middle East, Brazil, Mexico and Canada.)

\*See Responsible Supply Chain Section in our Sustainability Report 2022 for more details available at [https://www.sony.com/en/SonyInfo/csr\\_report/](https://www.sony.com/en/SonyInfo/csr_report/).

Specifically, Sony Australia Limited imports electronics from Sony Corporation, while Sony Interactive Entertainment Australia Pty Limited acquires electronics in connection with the PlayStation brand (such as gaming consoles and accessories) from Sony Interactive Entertainment Europe Limited. These supply arrangements are long term and secure, given they

are intra-group arrangements.

Sony Music Entertainment Australia Pty Limited acquires the rights to audio and audio visual recordings through entering into recording agreements with music recording artists, where Sony Music Entertainment Australia Pty Limited acquires ownership in the recordings, or by entering into licence or distribution agreements with such artists, where the artist retains ownership and Sony Music Entertainment Australia Pty Limited acquires more limited rights for a fixed period. Sony Music Entertainment Australia Pty Limited also obtains the rights to audio and audio visual recordings of international music recording artists through licence arrangements with other companies in the Sony Music Entertainment corporate group outside of Australia. Sony Music Entertainment Australia Pty Limited releases and markets these recordings in Australia via physical formats such as CD and vinyl and via digital formats such as streaming services and downloads. In respect of the CD and vinyl products, Sony Music Entertainment Australia Pty Limited acquires these products from both local and overseas suppliers (including other global affiliates within the Sony Group). Sony Music Entertainment Australia Pty Limited also engages local Australian fashion and merchandise suppliers for its merchandising division, The Thread Shop. Sony Music Entertainment Australia Pty Limited is conducting further assessment of the supply-chain in connect with The Thread Shop (see Mandatory Criteria 3 and 4).

## *ii. Supply chains for other operations*

To support the sale and marketing operations and other activities, the Australian Sony Reporting Entities' supply chain also includes the following:

- logistics services (end to end transportation of Sony products to end consumers, including warehousing);
- sales and marketing (advertising, promotions, merchandise, public relations, social media, retail displays);
- professional services (legal, accounting and tax advice);
- insurance;
- administrative support (such as outsourced accounts receivable/payable functions);
- information technology (IT infrastructure, IT consulting, IT goods and services procurement); and
- facilities management (services for cleaning, repairs and maintenance and day to day business operations).

Generally speaking, our suppliers for the above are based locally in Australia. However:

- some back-end support services, such as IT services, are provided by our global affiliates; and
- a small number of our suppliers are located outside Australia, for example, some of Sony Music Entertainment Australia Pty Limited’s merchandise manufacturers are located offshore (including China), Sony Australia Limited’s call centre operator is located in the Philippines and Sony Interactive Entertainment Australia Pty Limited engages suppliers located in the United Kingdom and the Philippines.

**Mandatory Criterion 3 – Describe the risks of modern slavery practices in the operations and supply chains of the reporting entities and any entities the reporting entity owns or controls**

*Globally*

Globally, using a risk-based approach, Sony prioritised its group-wide efforts to mitigate human rights risks in our electronics products manufacturing supply chains.

In our last Financial Year 2021:

Sony has undertaken group-wide human rights impact assessments since 2012 in partnership with Business for Social Responsibility (“BSR”), an independent, non-profit, global organization devoted to building a just and sustainable world, to evaluate risks of slavery and human trafficking in our business operations and related supply chains.

Utilising information from the BSR risk assessment in 2020, and information from our processes and controls, and information from NGO reports, we determined that our electronics products manufacturing supply chain is at higher risk for potential human rights abuses than Sony company business operations, or the supply chains of our non-electronics products business segments.

Globally, Sony identified the following as a result of the surveys conducted as set out in Mandatory Criterion 4:

- Our supplier plants are in substantial compliance with the Supply Chain Code (as defined below).
- Sony identified some areas of minor non-conformance such as excessive working hours and workers being required to improperly pay employment commissions.
- Neither forced labour or child labour were identified.

## *Locally*

This section outlines the risks the Australian Sony Reporting Entities have identified based on their local risks assessment efforts during Financial Year 2021.

### *Sony Australia Limited*

As reported in the Statement for Financial Year 2020 (1 April 2020 – 31 March 2021), Sony Australia Limited has identified its risks as electronics (consistent with the Global approach), fashion in relation to its merchandise, cleaning in relation to its office together with some geographic risks with electronics and fashion sourced from certain Asian countries.

Having previously identified these risks, Sony Australia Limited continues to focus its efforts on these priority areas.

### *Sony Music Entertainment Australia Pty Ltd*

Similar to the initial scoping exercise completed by Sony Australia Limited in Financial Year 2020, Sony Music Entertainment Australia Pty Ltd completed an initial scoping exercise to identify key risk areas of potential modern slavery risk in relation to its specific operations and supply chains.

As a result of this initial scoping exercise which used the key risk indicators set out in the Government Guidance, the following key potential risks for Sony Music Entertainment Australia Pty Ltd were identified. In conducting this exercise, Sony Music Entertainment Australia Pty Ltd focused on those direct suppliers where it had potential leverage to influence change:

<b>Sector and industry risks</b>	<p>Sony Music Entertainment Australia Pty Ltd's business in Australia involves the use of several merchandising (for The Thread Shop) and cleaning services suppliers, which are sectors known to have a higher risk of modern slavery as outlined in the Australian Government Guidance.</p> <p>Sony Music Entertainment Australia Pty Ltd also uses suppliers in its electronics business, however, we assess the production of CD and Vinyl format as not being typically at a higher risk of modern slavery.</p>
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	In this risk mapping exercise, we also identified freight and logistics as a potentially higher risk area of our operations.
<b>Product and services risks</b>	Again, we identified merchandising (including for The Thread Shop) and cleaning as representing potentially higher risks for modern slavery. We recognise that cotton used in merchandise represents a potentially high risk input for clothing. Additionally, cleaning is recognised as a potentially high-risk service.
<b>Geographic risks</b>	Sony Music Entertainment Australia Pty Ltd's direct suppliers generally operate in countries that do not have a high prevalence of human rights violations. Sony Music Entertainment Australia Pty Ltd's suppliers all work in countries that are in the top 3 bands for government responses to modern slavery according to the Global Slavery Index. However, Sony Music Entertainment Australia Pty Ltd recognizes that these suppliers may have sub-suppliers in locations which are of higher risk (e.g. China).

Based on the above risk assessment and taking a prioritised risk-based approach, Sony Music Entertainment Australia Pty Ltd is proposing to focus on the following areas for further risk assessment in future reporting periods:

- its cleaning and merchandise suppliers;
- its CD and vinyl manufacturer suppliers; and
- its freight, logistics and music production suppliers.

Sony Music Entertainment Australia Pty Ltd will roll out the supplier survey in a phased approach over the next few reporting periods commencing in Financial Year 2022.

*Sony Interactive Entertainment Australia Pty Ltd*

In Financial Year 2021 Sony Interactive Entertainment Australia Pty Ltd also completed an initial scoping exercise to identify key risk areas of potential modern slavery risk in relation to its specific operations and supply chains. The following key potential risks in the Sony Interactive Entertainment Australia Pty Ltd operations and supply chain were identified:

<b>Sector and industry risks</b>	Sony Interactive Entertainments Australia Pty Ltd.’s business in Australia involves the use of several merchandising suppliers, which are sectors known to have a higher risk of modern slavery as outlined in the Australian Government Guidance.
<b>Product and services risks</b>	We identified merchandising as the highest risk for modern slavery in our operations and supply chain Similar to Sony Music Entertainment Australia Pty Ltd, we have identified that the use of cotton in merchandising supply represents a potentially higher risk input for clothing. We have also identified that the use of cleaning services for our operations is recognised as a potentially high-risk services.
<b>Geographic risks</b>	We did not identify any of our direct suppliers operating in countries that have a high prevalence of human rights violations. However, we recognise that these suppliers may have sub-suppliers in locations which are of higher risk. For example, our supplier surveys (see section 4 below) identified that one supplier used a sub-supplier based in China to source goods for Sony Interactive Entertainment Australia Pty Ltd. Accordingly, this direct supplier has asked the relevant sub-suppliers to sign agreements prohibiting the use of modern slavery.

Having identified the above key potential risks in supply chains and operations, Sony Interactive Entertainment Australia Pty Ltd (1) identified which employees would receive priority training covering modern slavery risks in the current Financial Year 2021 and (2) which key suppliers received supplier surveys as part of the current Financial Year 2021.

As a result of analysing the issued and prioritised supplier surveys, Sony Interactive Entertainment Australia Pty Ltd identified the following additional detail concerning risks of modern slavery in respect of its key suppliers who provide merchandising and associated products and services to Sony Interactive Entertainment Australia Pty Ltd:

- smaller suppliers have a lack of resources to fully report on their suppliers; and
- the suppliers surveyed demonstrated an adherence to standards which ensured its partners are long term, reputable, tier one, skilled specialists and noted a chain of responsibility

approach.

#### **Mandatory Criterion 4 - Actions taken to assess and address modern slavery and human trafficking risks, including due diligence and remediation processes**

##### ***Actions taken at the global level***

Globally, Sony's risks of slavery and human trafficking in its business operations have been mitigated by rigorous hiring procedures, and robust employment policies and other controls.

- ***Sony Group Code of Conduct.*** Our commitment to human rights is embedded in the Sony Group Code of Conduct (the "**Code of Conduct**"). The Code of Conduct applies to all Sony directors, officers, employees and relevant third-party staff. The Code of Conduct has been communicated to all Sony personnel, is available at <https://www.sony.net/code/> and has been translated into 23 languages.

The Code of Conduct reflects ethical principles set out in various global guidelines including the following:

- Organization for Economic Co-operation and Development (**OECD**) Guidelines for Multinational Enterprises
- The United Nations Global Compact
- The United Nations Universal Declaration of Human Rights
- The Guiding Principles on Business and Human Rights
- Sustainable Development Goals (**SDGs**)

The Code of Conduct prohibits any form of forced, involuntary or child labor in our operations. It requires all Sony companies to adopt sound labor and employment practices and to treat their employees in accordance with applicable laws. Each Sony company must take appropriate steps to assure compliance with the Code of Conduct, including establishing appropriate disciplinary procedures for violations, which may include termination of employment.

All Sony suppliers and contractors are expected to adhere to Sony's ethical values and comply with Sony policies concerning compliance with laws, respect for human rights and fair labor and employment practices.

## *Due Diligence*

### *i. Identifying and assessing actual and potential human rights impacts.*

*(a) Sony Owned Manufacturing Sites* Sony owned manufacturing sites are required to comply with the standards of the Code of Conduct and the Sony Supply Chain Code of Conduct (the “**Supply Chain Code**”). Sony internal procedures require implementation of an improvement plan in the event of any areas of non-compliance. Assessments and audits to confirm compliance with these standards are an integral part of our processes.

*Self-assessments.* All of Sony owned electronics products manufacturing sites conduct an annual self-assessment utilising the Responsible Business Alliance (“**RBA**”) Self-Assessment Questionnaire (“**RBA Questionnaire**”) to monitor adherence to the Code of Conduct and the Supply Chain Code. The RBA Questionnaire was successfully completed by all Sony manufacturing sites for Financial Year 2021. The RBA Questionnaire results were reviewed and analysed internally. All Sony owned manufacturing sites were deemed to be low risk. There were no high-risk sites identified, and no areas of serious concern were identified.

*Audits* Selected Sony owned manufacturing sites regularly conduct RBA Validated Assessment Program (VAP) or equivalent audits.

*Special Assessments regarding Labor Conditions for Foreign Workers in Japan.* In light of increased concerns regarding labour conditions of foreign workers in Japan, our global affiliates operating in Japan conduct annual assessments designed to determine which manufacturing sites have the highest risk of directly or indirectly engaging foreign workers. Our global affiliates identified several Sony on-site subcontractors at our Sony owned manufacturing sites in Japan that employed foreign workers, technical intern trainees in particular. Sony asked these on-site subcontractors to complete a survey of technical intern trainees to enable Sony to confirm that appropriate hiring processes were used to engage these workers and to confirm that they have been provided with proper working conditions. In Financial Year 2021, Sony reissued these assessments to these on-site subcontractors to confirm continued compliance with the standards of the Code of Conduct and Supply Chain Code.

### *(b) Supply Chain Assessments and Audits.*

All new and existing suppliers are required to comply with the Supply Chain Code as described in the “Contract Terms” section below. Assessments and audits are also an integral

part of our supply chain management process.

***New Suppliers:*** Our global affiliates conduct initial assessments of all direct suppliers and their manufacturing facilities to determine the suppliers' risk level. Risk level is based on where the supplier is located, amount of spend, and industry as well as media, government and NGO reports.

Higher risk suppliers are subject to additional assessments utilizing a questionnaire developed by RBA to ensure compliance with the Supply Chain Code. This questionnaire evaluates compliance with the Supply Chain Code, in particular issues related to forced labour among foreign, migrant and immigrant workers, which has become a serious issue worldwide. Questionnaires returned by suppliers are analysed to identify potential risks for individual manufacturing plants.

***Existing Suppliers:*** Major OEM and ODM suppliers that do sizable business with Sony are subject to annual assessments using the RBA questionnaire. If any assessment indicates a high risk, the OEM or ODM supplier is subject to an on-site audit, which may be conducted by an independent third-party auditor. Furthermore, with growing stakeholder interest in the issue of forced labor in the electronics industry supply chain overall, Sony has been strengthening activities related to periodic assessment of existing suppliers for compliance with the Supply Chain Code since 2020.

Just as for new suppliers, existing suppliers and their plants are categorized by risk level, based on such factors as the country and region in which they are located, size of business, industry, and type of business to determine if they fit criteria for assessment. Assessment using labor issues-specific questionnaire is conducted for applicable existing suppliers, and supplier response is analysed to identify potential risks for individual manufacturing plants.

If Sony does not deal directly with the manufacturing facility, the assessments are conducted through the trading company or manufacturer that is the primary supplier. If a manufacturer is suspected to be in violation of the Supply Chain Code, instructions for improvement are issued, an on-site assessment is conducted, and employees and managers are interviewed in person to verify the suspected violation. If the suspected violation is confirmed, Sony issues guidance as to how to remedy the violation. Sony continues to monitor and evaluate to ensure the violation has been remedied. Sony's policy is to review its business relationship with a supplier if a serious violation (such as forced labour, child labour, inhumane working conditions, unlawful discrimination, lack of an emergency and disaster action plan, presence of risks that cause a serious life-threatening accident to a worker, significant environmental pollution issues) of the Supply Chain Code were to occur or if a supplier fails to cooperate fully in an investigation or audit.

For higher risk suppliers in Japan, Sony personnel conduct site visits and conduct in-person interviews and remote assessments to confirm compliance with the Supply Chain Code. During employee interviews, Sony confirms working hours, proper payment of overtime, proper workplace conduct, viability of internal reporting systems, and health and safety conditions. For foreign technical intern trainees in particular, Sony confirm payment of employment-related fees, working environment, and the habitability of dormitory facilities, including room size.

For higher risk suppliers outside of Japan, Sony uses a third-party auditing company to confirm compliance with the Supply Chain Code. Employee interviews are also included as part of this audit. Employees are required to directly verify whether or not they are responsible for employment fees, the site's health and safety conditions, and other relevant issues. Similar to the RBA VAP audits, the audits also include verification of relevant documents related to employment contracts, working hour data, policies and procedures and local health and safety conditions.

***Assessment Results for new and existing suppliers:*** In Financial Year 2021, our global affiliates conducted a total of 796 document-based assessments using the RBA questionnaire for new and existing supplier plants. Our global affiliates also conducted remote/on-site assessments and interviews at 39 plants. The results of these assessments are as follows:

- The 796 document-based assessments identified 94 plants with minor concerns such as excessive working hours. Sony issued instructions to these suppliers and is monitoring their remedial actions.
- Sony conducted remote or on-site assessments at 19 supplier plants suspected to be in violation, pointing out issues and issuing instructions for improvement. In either case, suppliers are asked to make a plan for improvement, manage progress and show evidence-based results. In addition, remote or on-site assessments and interviews regarding labor, health and safety, environment and ethics were conducted at 20 supplier plants in Japan. Through interviews, we checked the working and living environments for plants employing technical intern trainees. While no issues were indicated, we were able to confirm instances of workers paying brokerage fees to agencies in their home countries, and we are working with suppliers to proceed with improvements. Interviews with foreign workers known as technical intern trainees participated in Japan's Technical Intern Training Program specifically confirmed the following points, and in cases where violations of employment cost sharing were identified, the company was instructed to make improvements so that employment costs would be borne by the company:
  - Employment fees (brokerage fees, etc.) are not paid by workers;

- Workers' passport and identification documents are not confiscated;
  - No presence of harassment or bullying;
  - Safety training is properly provided;
  - Working conditions agreed upon when the employees travel to Japan and are the conditions of employment in line with the agreed upon conditions; and
  - Habitability of dormitories facilities and room size.
- There was no definitive evidence of forced labor identified at any of the Japanese domestic or overseas suppliers assessed in Financial Year 2021. However, our global affiliates did identify areas of noncompliance with the Supply Chain Code, such as payment of employment commissions by workers and employees working in excess of 60 hours per week. Sony contacted the relevant suppliers and required them to develop a corrective action plan for each violation and to submit the plan to Sony.

See also page 96 in our Sustainability Report 2022 available at [https://www.sony.com/en/SonyInfo/csr\\_report/](https://www.sony.com/en/SonyInfo/csr_report/).

*(c) Media and NGO reports.* If a report indicates possible violations of the Supply Chain Code, Sony works with the identified supplier and may request a third-party RBA audit of the supplier's manufacturing site to confirm the accuracy of the report and necessary corrective action.

***ii. Integrating our findings across the group and taking appropriate action to address impacts.***

**(a) Supplier Compliance Procedures and Adherence to Our Values**

***Supply Chain Codes.*** Sony is committed to working with its suppliers and other stakeholders to better understand potential areas of risk and increase transparency. Sony also seeks to use its influence to help mitigate any negative impacts identified.

Sony is a founding member of the RBA, a non-profit coalition comprising electronics, retail, automotive and toy companies committed to supporting the rights and well-being of workers and communities affected by the global electronics supply chain and has adopted the Supply Chain Code for Sony's electronics products suppliers. The Supply Chain Code, which incorporates the RBA Code of Conduct, establishes standards designed to, among other things, ensure that human rights of workers are upheld and that workers are treated with respect and dignity by suppliers. In particular, the Supply Chain Code prohibits forced,

bonded or indentured labor, involuntary prison labor, slavery and human trafficking. The Supply Chain Code is available at [https://www.sony.com/ja/SonyInfo/csr\\_report/sourcing/Sony\\_Supply\\_Chain\\_CoC\\_J.pdf](https://www.sony.com/ja/SonyInfo/csr_report/sourcing/Sony_Supply_Chain_CoC_J.pdf).

The Supply Chain Code is aligned with the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work and the UN Declaration of Human Rights.

Although our global affiliates have assessed the risk of slavery and human trafficking in our recorded music, motion pictures and television businesses as low, in order to evidence and support their ongoing commitment to promote human rights, ethical business practices and protection of our environment, Sony Pictures Entertainment Inc. adopted The Code of Conduct for Suppliers to Sony Pictures Entertainment Inc available at <https://supplier.sonypictures.com/codeofconduct.php>. in March 2020.

This code is based on principles similar to those of the Supply Chain Code.

Finally, in Financial Year 2021, a video was distributed to all suppliers to improve awareness of Sony's sustainability activities overall, including conduct for a responsible supply chain. The video explains what is required according to the Code of Conduct and Supply Chain Code, and requests the establishment of management systems for compliance with the Supply Chain Code upstream of the supply chain. The video was also shared with internal procurement personnel, to aid in communication with suppliers.

***Responsible Sourcing of Minerals:*** As part of its commitment to avoid contributing to environmental concerns, conflict, or human rights abuses through its sourcing practices, Sony identified certain minerals sourced from high-risk areas ("**High Risk Minerals**") that are essential to the manufacture of electronic products. In addition to the Supply Chain Code, Sony established the Sony Group Policy for Responsible Supply Chain of Minerals. In this Policy, Sony pledges to avoid contributing to conflicts or serious human rights abuses through its sourcing practices, and pledges to refrain from knowingly purchasing any products, components or materials that contain High-Risk Minerals that contribute to conflicts or serious human rights abuses. Sony is also working with its suppliers to address issues related to human rights, labor conditions, health and safety, and environmental protection at High Risk Mineral production sites and in its procurement of these High Risk Minerals.

See more details in page 98 in our Sustainability Report 2022 available at [https://www.sony.com/en/SonyInfo/csr\\_report/](https://www.sony.com/en/SonyInfo/csr_report/).

***Contract Terms for Electronic Product Suppliers:*** Compliance with the Supply Chain Code is included in contracts signed when Sony begins doing business with electronics product suppliers. All electronic products suppliers are provided with the Supply Chain Code upon signing a new contract, and are kept informed of changes through updated documents. Further, Sony regularly reminds suppliers of their responsibilities and obtains a compliant consent from them. Upon the revision of the Supply Chain Code in 2021, the code was distributed again with a further reminder, and a compliance consent was obtained.

As a part of the requirements under the Supply Chain Code, suppliers are required to comply with the Green Partner Environmental Quality Approval Program and the Sony Group Policy for Responsible Supply Chain of Minerals. Suppliers are also requested to distribute and comply with the Sony Supply Chain Code of Conduct within their own supply chain.

When starting new business dealings with suppliers, Sony requests compliance with the Supply Chain Code not only from the primary supplier, but also from plants supplying materials and parts. Furthermore, if a primary supplier is a trading company, Sony acquires a compliance consent from the parts manufacturer and manufacturing sites through the trading company and confirms that compliance is implemented.

Sony also distributes the Supply Chain Code to our own supply chain, requesting compliance through our direct suppliers.

**(b) Internal Leadership.**

Sony's, Sustainability Section in cooperation with the Compliance Section at Global HQ take the lead in promoting efforts toward a responsible supply chain in cooperation with procurement and other relevant functions at corporate head office and within the various business units.

The Sustainability Section is led by the Senior Executive in charge of Sustainability. The Sustainability Section also assesses external trends and communicates with stakeholders, drawing on both to formulate basic company-wide supply chain management policy.

The Senior Executive in charge of Sustainability appoints the management responsible in each relevant business unit. They are then responsible for overall operational compliance for the area in their charge, including compliance with the Supply Chain Code, as well as risk assessment, regular monitoring and remedial measures. Administrative offices are responsible for overall implementation for suppliers.

The Sustainability Section provides an annual report to the Sony Group Corporation's Board

of Directors on all key aspects of Sony's sustainability initiatives including forced labor and measures adopted to address climate change and other environmental issues. It also provides the Board with quarterly updates on relevant topics. Senior executives and department heads may also provide regular reports to the Board for review, as necessary.

***iii. Tracking our performance by checking the impact we are making.***

Sony issues improvement instructions to any supplier that it suspects to be in violation of the Supply Chain Code and then verifies whether those improvement instructions have been completed as requested. If deficiencies are discovered through third-party audits of a supplier's manufacturing site, Sony requires the supplier to develop an improvement plan and monitors the supplier's performance by conducting follow-up audits.

***iv. Publicly communicating what we are doing.***

Sony publicizes what it is doing to address human rights impacts through its Responsible Supply Chain section in our Sustainability Report 2022 at [https://www.sony.com/en/SonyInfo/csr\\_report/](https://www.sony.com/en/SonyInfo/csr_report/).

***v. Remediation.***

***Grievance Mechanism.*** Sony employees are encouraged to raise any concerns and have multiple channels to do so, including the Sony Ethics & Compliance Hotline that is available in the local language and staffed by independent third-party operators. Sony protects reporters from retaliation. Sony also operates a hotline for external stakeholders to report violations of the Supply Chain Code.

Sony investigates allegations expeditiously and objectively. If a violation by a supplier is confirmed, Sony requires the supplier to take corrective action. If a supplier refuses to cooperate with the investigation or fails to take requested corrective action, Sony will reconsider the business relationship. If the violation involves an indirect supplier, the relevant Sony affiliate will work with its direct supplier to obtain corrective action from such indirect supplier.

In addition, examples of remedial guidance for violations identified during on-site audits can be found in page 96 in our Sustainability Report 2022 available at [https://www.sony.com/en/SonyInfo/csr\\_report/](https://www.sony.com/en/SonyInfo/csr_report/).

***vi. Training.***

All Sony employees are required to receive initial and periodic refresher training on the Code of Conduct to help ensure that they understand our internal policies. Our electronics manufacturing operations procurement staff receives additional training on the Supply Chain Code standards, how to identify risks of slavery and human trafficking, and how to conduct an effective supplier assessment.

During on-site supplier assessments, Sony's staff also provide training to the suppliers on the Supply Chain Code and share Sony's experience on how socially responsible practices benefit business operations, citing for example, increased productivity and lower staff turnover. See more details in Communicating with Suppliers at page 91 in our Sustainability Report 2022 at [https://www.sony.com/en/SonyInfo/csr\\_report/](https://www.sony.com/en/SonyInfo/csr_report/).

### ***Actions taken at the local level***

This section outlines the additional actions the Australian Sony Reporting Entities have taken to assess and address modern slavery risks, and which supplements the approach taken globally.

#### ***The supplier survey***

The Sony Australian reporting entities have developed a supplier survey consistent with the Australian Government Guidance. The supplier survey has been used as a tool not only to identify risks within the Sony Australian reporting entities respective supply chains, but also to understand those risks and how best to mitigate them. The supplier survey requests suppliers to respond to more than 80 detailed questions targeted specifically at addressing modern slavery issues, to allow each Sony Australian reporting entities to have a deeper understanding of higher risk supply chains and to understand how each supplier manages and responds to each of the below topics:

- nature of goods and services;
- nature of workforce;
- specific labour risks; and
- risk identification and mitigation.

The implementation of the supplier surveys is an important supplier engagement and education tool which assists to educate suppliers on Sony's expectations when it comes to modern slavery at the global and local level.

The table below sets out the current status of the supplier survey roll-out for each Australian Sony Reporting Entity to date. The Australian Sony Reporting Entities will continue to assess the risk profiles of its suppliers, and issue the supplier survey, as appropriate, taking a prioritized risk based approach and focusing on the key areas of risk identified by each Australian Sony Reporting Entity.

<b>Australian Sony reporting entity function and activity</b>	<b>Australian Sony reporting entities</b>	<b>Supplier surveys issued and reporting Year</b>	<b>Responses received</b>	<b>Supplier area</b>
Consumer electronic products and professional electronic products and solutions	Sony Australia Limited	6 (Financial Year 2020)	5 (Financial Year 2020)	Merchandising and associated goods and services.
Sale and licensing of music	Sony Music Entertainment Australia Pty Ltd SBME Holdings (Australia) Pty Ltd	Work done to identify suppliers who will be part of a phased supplier survey roll out in Financial Year 2022.	Not commenced yet	Not applicable
Gaming consoles, videogames and associated peripherals, and accessories.	Sony Interactive Entertainment Australia Pty Limited Sony Interactive Entertainment Network Europe Limited	4 (Financial Year 2021)	3 (Financial Year 2021)	Merchandising and associated goods and services.

***Pre-screening questionnaire***

Sony Australia Limited also developed pre-screening questionnaires to screen potential new suppliers for levels of modern slavery risk. The purpose of the pre-screening questionnaire is to identify potential modern slavery risks for new suppliers. This process and questions asked is informed by the Australian Government template Supplier Questionnaire.

### ***Contractual clauses***

During Financial Year 2021, Sony Australia Limited also developed and implemented template modern slavery clauses for its standard supplier contracts and terms and conditions, with a particular focus on suppliers identified as higher risk. The template modern slavery clauses were developed based on the Australian Government's template modern slavery clauses and is a suite of modern slavery clauses that Sony will implement in its supplier agreements, based on the assessed risk level of the supplier.

### ***Training and education of staff***

At the local level, Sony Music Entertainment Australia Pty Ltd and Sony Interactive Entertainment Australia Pty Ltd both conducted initial training in March 2022 for key stakeholders.

The attendees for Sony Music Entertainment Australia Pty Ltd covered legal and business affairs, finance, operations, human resources, digital, corporate communications, merchandising and marketing. These key roles were targeted as they are the roles within the respective entities' which would have exposure and responsibility in identifying and escalating modern slavery risks and incidents. The attendees for Sony Interactive Entertainment Australia Pty Ltd covered marketing, merchandising and human resources. The content of the training mirrored the initial training conducted by Sony Australia Limited for key stakeholders in Financial Year 2020, and covered:

- introduction to the concept of modern slavery;
- an overview of the Australian Modern Slavery Act;
- the Australian Government Guidance;
- key requirements for the Australian Sony Reporting Entities;
- risks of non-compliance;
- modern slavery indicators;
- hypothetical case studies;
- what steps each respective Sony Australian reporting entity was taking; and
- Sony's global policies and procedures (including how to report an issue of concern).

### *Australian Government Guidance and independent reports*

The Sony Australian reporting entities continue to keep informed by considering guidance issued by the Australian Government and independent reports in respect of the Australian Modern Slavery Act. We receive regular updates from our modern slavery experts who assist to keep us informed of relevant regulatory guidance and market practice.

### **Mandatory Criterion 5 - How Sony assesses the effectiveness of its actions to assess and address modern slavery risks**

#### *Globally*

Globally Sony conducts assessments and audits of its electronics suppliers. Sony tracked overall supplier performance with the Supply Chain Code by comparing the year over year results of the number of assessments using questionnaires, improvements requested, and remote/on-site visits.

The Sustainability Department at Global HQ also assesses external trends and communicates with stakeholders to help gauge the effectiveness of actions taken.

#### *Locally*

In addition to the global measures used to assess the effectiveness of our actions, in line with the Australian Government Guidance on this specific criterion, the Australian Sony Reporting Entities intend to track the specific actions we are taking locally to support our global efforts. This includes:

- tracking the progress of the roll out of the planned supplier risk assessment surveys conducted by the Australian Sony Reporting Entities; and
- tracking the levels of awareness among staff of the Australian Sony Reporting Entities by recording who has attended and completed the planned additional modern slavery training.

### **Mandatory Criterion 6 – Our Consultation Process**

As this is a Joint Statement we are required to not only describe the consultation with the entities which the Australian Sony Reporting Entities own or control, but also the consultation processes as between the entities providing this Joint Statement.

Each Australian Sony Reporting Entity appointed a stakeholder to assist with managing compliance activities for the relevant Sony Group reporting entity and collaborated in order to prepare this Joint

Statement and feedback was sought from each reporting entity.

Given that Sony is prioritising its electronic manufacturing supply chains in its Group-wide efforts, Sony Australia Limited consulted with the other Australian Sony Reporting Entities and Global HQ, by email communications and discussions between the entities' key stakeholders.

## **Mandatory Criterion 7 – Other Relevant Information**

### **Looking ahead**

In addition to the ongoing global Sony measures, the Australian Sony Reporting Entities have committed to the following measures as part of our Financial Year 2022 compliance activities and commitment to continuous improvement:

#### ***Training***

To supplement compulsory training required under our global policies and procedures, and to build upon the training conducted to key stakeholders in Financial Year 2020, Sony Australia Limited intends to roll out training to (1) its Australian senior management team to build a greater capability and awareness at the executive level in respect of identifying and addressing modern slavery risks and incidents and (2) key stakeholders in its procurement, compliance, facilities, marketing, service and information technology teams on ongoing engagement and review with high risk suppliers which will include guidance on use of Sony's template modern slavery contractual clauses and pre-screening questionnaires for potential new suppliers.

#### ***Higher risk suppliers.***

- To follow-on from the initial scoping assessment and supplier surveys sent out in Financial Year 2021 and key issues identified from reviewing those surveys, Sony Interactive Entertainment Australia Pty Limited will be considering whether it might incorporate the supplier survey into its onboarding/ due diligence process in relation to higher risk services and raise awareness within the company more broadly of the modern slavery measures Sony companies in Australia are undertaking and the risks we aim to address.
- Sony Music Entertainment Australia Pty Ltd intends to send out supplier surveys to those suppliers identified as higher risk as a result of the preliminary risk mapping conducted in the current Financial Year 2021.

## Approval of Joint Statement

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This Joint Statement has been approved by the Board of Directors for each of the Australian Sony Reporting Entities in accordance with section 14 of the Australian Modern Slavery Act. The Board of Sony Australia Limited approved this statement on 26 September 2022. The Boards of Sony Music Entertainment Australia Pty Ltd and SBME Holdings (Australia) Pty Ltd approved this statement on 28 September 2022. The Boards of Sony Interactive Entertainment Australia Pty Limited and Sony Interactive Entertainment Network Europe Limited approved this statement on 27 September 2022.



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**Yuzo Otsuki**  
Director  
Sony Australia Limited  
Date: 27 September 2022



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**Andrew Smith**  
Director  
Sony Music Entertainment Australia Pty Ltd  
Date: 29 September 2022



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**Andrew Smith**  
Director  
SBME Holdings (Australia) Pty Ltd  
Date: 29 September 2022



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**Jim Ryan**  
Director  
Sony Interactive Entertainment Australia Pty Limited  
Date: 27 September 2022



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**Jim Ryan**  
Director  
Sony Interactive Entertainment Network Europe Limited  
Date: 27 September 2022

## **Annex – Reporting Entities**

- Sony Australia Limited ACN 001 215 354
- Sony Music Entertainment Australia Pty Ltd ACN 107 133 184
- SBME Holdings (Australia) Pty Ltd ACN 107 132 329
- Sony Interactive Entertainment Australia Pty Limited ACN 077 583 183
- Sony Interactive Entertainment Network Europe Limited Company number 06020283