Management Approach

Materiality Rationale
In recent years, stakeholders have grown increasingly aware of how crucial it is that companies fulfill their overall responsibilities throughout their supply chains, including procurement and production. Sony takes these stakeholder concerns seriously and is working closely with its suppliers on initiatives in fields such as human rights, labor conditions, health and safety, and environmental protection. These initiatives cover not only Sony’s own sites, but sites throughout the supply chain – from parts and material suppliers, to mineral mining operations, to production sites operated both by Sony and by subcontractors.

Basic Approach
Each and every Sony director, executive, and employee complies with the Sony Group Code of Conduct and conducts ethical business practices. Based on this approach, Sony focuses on supply chain management and responsible procurement of minerals and works with suppliers and subcontractors to establish a responsible supply chain that ensures compliance with the Sony Supply Chain Code of Conduct and the Sony Group Policy for Responsible Supply Chain of Minerals. These efforts are undertaken in collaboration with relevant industry organizations and other stakeholders.

Structure
Under the Senior Executive in charge of Sustainability, the sustainability section and compliance department at the head office play central roles in promoting actions aimed toward creating a more responsible supply chain, cooperating with procurement and other related departments in our businesses, as well as management departments at manufacturing sites.

Looking to the Future
In order to further strengthen efforts to establish a responsible supply chain, Sony will expand assessments of its own sites and its suppliers, for example by having primary suppliers request secondary suppliers and other subcontractors to comply with the Sony Supply Chain Code of Conduct. Sony remains committed to ongoing efforts to raise awareness, educate, and provide training not only to employees, but also across the supply chain, communicating with suppliers to raise awareness and the capacity to respond effectively to responsible supply chain issues. Sony will also continue to strengthen its countermeasures of high-risk minerals in its procurement.

Milestones
2004: Sony joins the Electronic Industry Citizenship Coalition (EICC, now the Responsible Business Alliance) as a founding member
2005: Sony Supplier Code of Conduct established
2006: EICC self-assessment started at electronics manufacturing sites
2012: Sony Supplier Code of Conduct revised to create second edition
2014: Sony Group Conflict Minerals Policy established and a survey on use of conflict minerals started
2016: Sony Supply Chain Code of Conduct established and cobalt supply chain assessment started
2017: Sony Group Policy for Responsible Supply Chain of Minerals established
2021: Sony Supply Chain Code of Conduct revised to create 3.1 edition

Supplier plants conducting CSR assessment: 796
Number of suppliers who were requested to procure from smelters that are compliant with the Responsible Minerals Assurance Process (RMAP)*: 58

*Mandatory Minerals Assurance Process: A program in which a third party certifies that the minerals handled by the smelter are from sources that do not fund armed conflict or engage in human rights violations.

Sony Supply Chain Code of Conduct (PDF: 568KB)
Sony Group Policy for Responsible Supply Chain of Minerals (PDF: 385KB)
Sony Group Policy for Responsible Supply Chain of Minerals Hotline
Distributing Videos to Suppliers

In 2021, we distributed a video about sustainability to all our suppliers through a distribution system specifically for them in order to improve awareness of Sony’s sustainability activities overall, including conduct for a responsible supply chain. Available in Japanese, English and Chinese, the video explains what is required according to the Sony Group Code of Conduct and Sony Supply Chain Code of Conduct, and requests the establishment of management systems for compliance with the Sony Supply Chain Code of Conduct upstream of the supply chain. The video was also shared with internal procurement personnel, to aid in communication with suppliers.

Visualizing Supplier Sustainability Efforts

We check for supplier compliance with the Sony Supply Chain Code of Conduct, which includes their efforts for human rights, ethics, environmental and health and safety initiatives, and this oversight is vital to our supplier selection process. In consideration of the fact that supplier sustainability activities will continue to grow more important, in fiscal year 2021, we built a system to visually identify and centrally manage supplier sustainability achievement (including compliance with the Sony Supply Chain Code of Conduct, reducing the effect on the environment) and are preparing to more appropriately select suppliers in consideration of their results in the future. We communicate the meaning and social significance of these efforts, providing direct feedback to our suppliers to motivate them toward sustainable endeavors and maintain their compliance with the Sony Supply Chain Code of Conduct.

Training and Raising Awareness in Internal Procurement Personnel

We implement training for internal personnel who are involved in parts procurement for socially responsible procurement and the Sony Supply Chain Code of Conduct. Continuing from the previous year, in fiscal year 2021, this training was provided to new employees and midcareer hires. The training covers the Sony Supply Chain Code of Conduct, as well as laws and regulations in different countries, responsible mineral procurement, environmental conservation, and management of chemical substance contained in product. These sessions educate employees on the importance of responsible procurement and how it relates to their work while also assessing their general knowledge.
Supply Chain Management

We are engaged in supply chain management that includes the production sites of our suppliers and subcontractors in addition to our own electronics manufacturing sites.

Sony Supply Chain

Sony develops, designs, manufactures and sells a wide range of electronics and other devices, utilizing a supply chain that stretches across the entire globe. As of June 2022, we have 12 electronics manufacturing sites in Japan, China, South Korea, Thailand, Malaysia, and the UK. Further, we procure materials and parts for Sony electronics from suppliers worldwide.

In fiscal year 2021, the value of transactions with parts suppliers and OEM/ODM suppliers by geographic area was as follows: Mainland China and Hong Kong Region (46.6%), Japan (18.9%), Asia-Pacific (16%), Europe (8.1%), and other areas (10.4%).

Parts and OEM/ODM supplier ratio by geographic area (transaction value basis in FY2021)

Electronics manufacturing sites at Sony (country and name of manufacturing site) (as of June 2022)

- UK: Sony Europe B.V. UK Technology Centre
- South Korea: Sony Electronics of Korea Corp.
Establishing and Promoting the Sony Supply Chain Code of Conduct

Sony recognizes the increasing importance of global companies' responsibility to manage their supply chains responsibly as diligent members of society. This extends beyond our manufacturing sites, including those of parts suppliers and subcontractors. Sony works with its suppliers to address issues such as human rights, labor conditions, health and safety, and environmental protection throughout its supply chain in order to ensure a responsible supply chain.

Sony Supply Chain Code of Conduct

Sony was involved in establishing the RBA Code of Conduct, which indicates industry best practice, and adopted that code to establish the Sony Supply Chain Code of Conduct. Sony actively implements efforts to comply with the code for our manufacturing sites and suppliers. The RBA Code of Conduct has been translated into 26 languages including English, Chinese, Japanese, Thai, and Malay. Compliance with the Sony Supply Chain Code of Conduct is included in contracts signed when Sony begins doing business. As a part of the customer requirements under this Code of Conduct, parts suppliers must 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.

In addition, as a founding member of the RBA, Sony also works to strengthen its supplier assessments, ongoing monitoring, and other initiatives worldwide.

Stakeholder Engagement > Partnership and Participation in Multi-stakeholder Frameworks
Stakeholder Engagement > Participation in the Responsible Business Alliance (RBA)
Sony Supply Chain Code of Conduct [PDF: 372KB]
RBA Code of Conduct

Basic Structure of the Supply Chain

Sony Supply Chain Code of Conduct Items

<table>
<thead>
<tr>
<th>A. Labor</th>
<th>B. Health and Safety</th>
<th>C. Environmental</th>
<th>D. Ethics</th>
<th>E. Management Systems</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 ) Freely Chosen Employment</td>
<td>1 ) Occupational Safety</td>
<td>1 ) Environmental Permits and Reporting</td>
<td>1 ) Business Integrity</td>
<td>1 ) Company Commitment</td>
</tr>
<tr>
<td>2 ) Young Workers</td>
<td>2 ) Emergency Preparedness</td>
<td>2 ) Pollution Prevention and Resource Reduction</td>
<td>2 ) No Improper Advantage</td>
<td>2 ) Management Accountability and Responsibility</td>
</tr>
<tr>
<td>4 ) Wages and Benefits</td>
<td>4 ) Industrial Hygiene</td>
<td>4 ) Solid Waste</td>
<td>4 ) Intellectual Property</td>
<td>4 ) Risk Assessment and Risk Management</td>
</tr>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>9 ) Audits and Assessments</td>
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<td></td>
<td>10 ) Corrective Action Process</td>
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<td></td>
<td></td>
<td></td>
<td>11 ) Documentation and Records</td>
</tr>
<tr>
<td></td>
<td></td>
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<td></td>
<td>12 ) Supplier Responsibility</td>
</tr>
</tbody>
</table>
Organizational Structure

At Sony, the Sustainability Section and compliance groups at the head office take the lead in promoting efforts toward a responsible supply chain in cooperation with other related procurement divisions and management departments at manufacturing sites. Under the supervision of the Senior Executive in charge of Sustainability, the Sustainability Section at the head office 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 Sony Supply Chain Code of Conduct, as well as risk assessment, regular monitoring and remedial measures. Administrative offices are responsible for overall implementation for suppliers.

In cases where assessments or external sources indicate any possibility of violations of the Sony Supply Chain Code of Conduct or a material legal violation, or in cases where the supplier does not provide adequate cooperation with assessments and audits, the managers responsible for implementing the rules work together with the Sustainability Section and compliance groups at the head office to determine the facts and take action deemed necessary, and the situation is reported to the Senior Executive in charge of Sustainability.

Initiatives at Sony Electronics Manufacturing Sites

Conducting Regular Assessments

As part of its efforts to ascertain Sony manufacturing sites’ compliance with the Sony Supply Chain Code of Conduct, Sony uses standard tools provided by the Responsible Business Alliance (RBA) to check compliance, assess improvements, and implement other monitoring activities.

Specifically, Sony utilizes the RBA questionnaire as an annual self-assessment survey at all of its electronics manufacturing sites in and outside of Japan to evaluate compliance designated by the Sony Supply Chain Code of Conduct in terms of labor, health and safety, ethics, environment, and management systems. At manufacturing sites where self-assessment surveys indicate issues with compliance and further evaluation and improvement in these areas are deemed necessary, appropriate measures to improve compliance are developed and implemented.

In fiscal year 2021, 12 manufacturing sites in Japan, China, Korea, Thailand, Malaysia and the UK, completed self-assessment surveys. The results showed that risk of noncompliance was low at all manufacturing sites.

Employment and Working Conditions of Foreign Workers

In recent years, forced labor among foreign and immigrant workers at factories manufacturing electronic products and components has become an issue both in Japan and around the world.

Since fiscal year 2017, Sony has been conducting surveys of actual work conditions and risk assessments to monitor the employment status and labor conditions of foreign workers at Sony manufacturing sites in Japan. The assessments check whether the site has any foreign workers or not (in either direct or indirect employment) and confirm the hiring processes and labor conditions. The surveys of actual conditions are conducted for selected manufacturing sites. In fiscal year 2021, Sony continued to conduct document assessments of on-site subcontractors at a number of manufacturing sites to verify their hiring processes for technical intern trainees in Japan and the countries in which they were hired, as well as the labor conditions of trainees. The results showed that steps are continuously being taken to ensure compliance with the labor standards set out in the Sony Supply Chain Code of Conduct.
Sony’s Approach to Supplier Relations

Requesting Compliance and Monitoring Compliance Status with the Sony Supply Chain Code of Conduct

Requesting Compliance

Compliance with the Sony Supply Chain Code of Conduct is included in contracts signed when Sony begins doing business with suppliers. All suppliers are provided this Code of Conduct 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 Sony Supply Chain Code of Conduct in 2021, the code was distributed again with a further reminder, and a compliant consent was obtained. When starting new business dealings with suppliers, Sony requests compliance with the Sony Supply Chain Code of Conduct 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 compliant consent from the parts manufacturer and manufacturing sites through the trading company and confirms that compliance is implemented. Sony also distributes the Sony Supply Chain Code of Conduct to our own supply chain, requesting through primary suppliers that it is observed by secondary and further suppliers.

Supplier Assessment

To ascertain supplier compliance with the Sony Supply Chain Code of Conduct, Sony conducts assessments based on the supplier’s risk level for all suppliers and their manufacturing facilities. 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 Sony Supply Chain Code of Conduct, instructions for improvement are issued, an on-site assessment is conducted and employees and managers are interviewed in person to verify the actual management situation, based on the identified potential risk. If issues are found, guidance for improvement is provided, and we continue to verify and evaluate subsequent actions taken. Sony’s policy is to review its business relationship with a supplier if a serious violation (such as forced labor, child labor, 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 Sony Supply Chain Code of Conduct is confirmed or if the supplier fails to cooperate fully in an investigation or audit.

New Suppliers

Sony conducts assessments based on the supplier’s risk level for all new suppliers and their manufacturing facilities. All direct suppliers and their plants are requested to comply with the Sony Supply Chain Code of Conduct. 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. Suppliers and their plants conduct an assessment using questionnaires from the Responsible Business Alliance (RBA). In assessment, questionnaires evaluate compliance with the Sony Supply Chain Code of Conduct specifically in items related to forced labor among foreign, migrant and immigrant workers, which has become a serious issue worldwide. Questionnaires returned by suppliers are analyzed to identify potential risks for individual manufacturing plants.

Existing Suppliers

Major OEM and ODM suppliers that do sizable business with Sony continue to conduct annual assessments using questionnaires from the Responsible Business Alliance (RBA). If an assessment indicates a high risk, the OEM or ODM supplier is subject to an on-site audit, which may include an audit by a third-party. 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 Sony Supply Chain Code of Conduct 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 analyzed to identify potential risks for individual manufacturing plants.
Assessment Results for Fiscal Year 2021

Sony requested that all new and existing suppliers comply with the Sony Supply Chain Code of Conduct.

New Suppliers

An assessment using questionnaire was conducted for 64 plants. We provided written instructions for improvement to 13 supplier plants deemed to be in minor violation. We conducted on-site assessments at 6 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.

Examples of Instructions for Improvement Based on Observations from On-Site Assessments

- **Working hours**
  Observation: Overtime hours at a supplier (over 60 hours/week)
  Improvement instructions: Requested a plan for improvement of working hours, continuously monitored until improvements are completed

- **Employment of foreign workers**
  Observation: Passports belonging to foreign workers were being confiscated
  Improvement instructions: Requested that workers be allowed to opt out of passport storage or given access to storage, and checked for improvement completion

- **Recruitment fees**
  Observation: Recruitment-related fees paid by foreign workers
  Improvement instructions: Requested to stop making workers pay fees and checked for improvement completion

Existing Suppliers

An assessment using questionnaire was conducted for 732 plants. We provided written instructions for improvement to 81 supplier plants deemed to be in minor violation. We conducted remote or on-site assessments at 13 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 were conducted regarding labor, health and safety, environment and ethics were also 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.

Assessment Results for New and Existing Suppliers

<table>
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<th></th>
<th>2019</th>
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<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assessment using questionnaire</td>
<td>92</td>
<td>472</td>
<td>796</td>
</tr>
<tr>
<td>Written improvement instructions</td>
<td>5</td>
<td>86</td>
<td>94</td>
</tr>
<tr>
<td>Remote assessment / on-site assessment</td>
<td>8</td>
<td>6</td>
<td>39</td>
</tr>
</tbody>
</table>

Assessment Flow at Start of New Transactions with Suppliers

- Request compliance with the Sony Supply Chain Code of Conduct
- Categorize suppliers by risk level
- Conduct document assessment of suppliers with risks
- Analyze collected document assessment results, identify risks
- Implement on-site assessment
- Provide instruction for improvement
- Conduct detailed investigation of improvement results in accordance with Code of Conduct
- Request improvements to issues identified in the on-site assessment
- Implement on-site assessment
- Do not do business with supplier
- Final decision by the officer responsible for procurement
- Begin doing business with supplier
- Final decision by the officer responsible for procurement

Any serious violations of Code of Conduct
- Risk of serious violation of Code of Conduct
- Minor violation
- No violation

Unable to verify compliance with Code of Conduct
- Able to verify compliance with Code of Conduct
Responding to External Reports

In cases where any possibility of violations of the Sony Supply Chain Code of Conduct is reported via external sources, such as NGOs or media reports, we work expeditiously and objectively to confirm facts regarding the report, including an RBA audit by a third-party auditor. If this determination confirms the reported violations at our electronics manufacturing sites, Sony ensures that corrective action is immediately taken, including an RBA audit conducted by a third-party auditor. At supplier plants, we promptly request to make an improvement plan. We request progress reports for implementation of these plans and check further by conducting follow-up audits as needed. In cases where any possibility of violations is reported at a secondary supplier, Sony works with the primary supplier to ensure that remedial action is carried out. Sony’s policy is to review its business relationship with a supplier if a serious violation of the Sony Supply Chain Code of Conduct is confirmed or if the supplier fails to cooperate fully in an investigation or audit.

Communicating with Suppliers

Sony is deeply committed to communicating with suppliers and is involved in a variety of measures to this effect. See the Highlights page for further information on these efforts in 2021.

Supplier Hotline

Sony has established a Supplier Hotline which suppliers may use to report conduct by a Sony Group company executive or employee that violates laws, regulations, the Sony Group Code of Conduct, or the Sony Supply Chain Code of Conduct, as well as conduct that violates the company’s agreements with suppliers as a framework to facilitate sharing of concrete information.

Participation in the Responsible Business Alliance (RBA)

Supply chains overlap considerably in the electronics industry, with multiple manufacturers of finished products sharing the same subcontractors and parts suppliers. Accordingly, there are fears that the introduction of independent, company specific standards for socially responsible management will cause confusion and constitute a significant burden on companies in the supply chain. With the aim of improving processes in the electronics industry supply chain, in 2004 Sony and other companies established the Electronic Industry Citizenship Coalition (EICC, currently the RBA). The alliance then developed the RBA Code of Conduct (formerly the EICC Code of Conduct) incorporating best industry practices. The RBA is working with its member companies to develop tools that help to establish and manage codes of conduct, Web-based systems, and skills development programs for suppliers. As of June 2022, the RBA consisted of more than 200 participating companies from Europe, the Americas and Asia, and members included manufacturers and OEM companies. The RBA has membership categories for different levels of engagement and has granted Full Member status to Sony, its highest membership category. Sony was granted representation on the RBA Board of Directors in 2020. The RBA promotes corporate social responsibility (CSR) in supply chains through the Responsible Minerals Initiative (RMI), which addresses issues with minerals procurement, the Responsible Labor Initiative (RLI), which addresses human rights issues such as forced labor, and other programs.

Supplier Code of Conduct in Entertainment Business

Sony is committed to enhancing Sony Group’s responsible supply chain activities in the entertainment industry. In March 2021, Sony Pictures Entertainment Inc. (SPE) established the SPE Supplier Code of Conduct, which is based on principles similar to those of the Sony Supply Chain Code of Conduct, in order to strengthen its supplier programs related to standards for human rights, ethical business practices, safety and environment. SPE promotes awareness of the Supplier Code of Conduct.

Responsible Supply Chain

Supplier Hotline (in Japanese)
**Responsible Sourcing of Minerals**

In recent years, stakeholders have become increasingly concerned about violations of the human rights of workers and environmental issues in the sourcing of mineral resources essential for the manufacture of electronic products. Sony is working with its suppliers to address issues related to human rights, labor conditions, health and safety, and environmental protection at production sites, as well as in its procurement of minerals.

**Establishing the Sony Group Policy for Responsible Supply Chain of Minerals**

Some minerals that are used in Sony products carry human rights and environmental risks in the extraction process. In the Sony Group Code of Conduct, Sony set forth basic policies including prohibition of using any form of forced labor, specifically, child labor. Sony has established the Sony Supply Chain Code of Conduct to be compiled with throughout the electronics product supply chain. In addition, in October 2017, Sony established the Sony Group Policy for Responsible Supply Chain of Minerals, replacing the Sony Group Conflict Minerals Policy that was established in 2014.

**Basic Policy**

In the policy, Sony pledges that, in order to avoid contributing to conflicts or serious human rights abuses through its sourcing practices, Sony identifies certain minerals that are sourced in conflict-affected and high-risk areas (the "OECD Guidance") or other internationally recognized framework when conducting such due diligence.

**OECD Due Diligence Guidance Initiatives**

Sony exercises due diligence on the source and chain of custody of High-Risk Minerals in our supply chain to determine supplier compliance with our policy. We follow the Organization for Economic Cooperation and Development (the "OECD") Due Diligence Guidance for Responsible Supply Chains of Minerals from conflict affected and high-risk areas (the "OECD Guidance") or other internationally recognized framework when conducting such due diligence.

**Addressing the Issue of Conflict Minerals**

### Addressing US Law on Conflict Minerals

The Democratic Republic of the Congo (DRC) and adjacent countries have been mired in conflict with armed groups perpetuating human rights abuses in that region. These armed groups have been trading in certain minerals commonly found in that region to finance their activities. These minerals, tantalum, tin, gold and tungsten ("the four minerals") are commonly found in many products, ranging from jewelry to electronics to airplane components. Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act in the United States, which first became effective in January 2013, defines the four minerals as “conflict minerals.” This law seeks to ensure transparency and reporting related to conflict minerals, and requires companies whose stock is listed on a US stock exchange, as Sony’s is, to conduct an inquiry into the origin of the four minerals in their supply chains. On May 26, 2022, Sony submitted its ninth report to the U.S. Securities and Exchange Commission (SEC) based on its review of its supply chain activities for the 2021 calendar year.

**Survey and Results on Use of the Four Minerals**

The four minerals enter global supply chains from numerous countries. Determining the mine of origin for these minerals requires the cooperation of many levels of suppliers and intermediaries in the supply chain. Sony is committed to working with suppliers to continuously improve supply chain transparency and reduce risk. Investigation on the origin of the four minerals used by the Sony Group overall is conducted as follows.

1. Every survey year, Sony checks each business group to see if there is any possibility for the four minerals being used in its products
2. Sony further looks for the presence of the four minerals in the products of the identified business group that are manufactured or outsourced for manufacturing by Sony in the survey year and identifies target products
3. The survey is conducted using the RMI Conflict Minerals Response Template (CMRT), the industry standard, and target suppliers are asked to participate by filling out a survey response for each product concerned in order to identify the smelters or countries of origin for the procured minerals concerned
4. The smelters indicated in the survey responses are then carefully compared to the RMI smelters list

In 2022, while the results of Sony’s due diligence for the 2021 report to the SEC was not able to confirm the country of origin for all of the tin, tantalum, tungsten or gold in Sony’s electronics products, the country of origin of these minerals was not identified as being from the DRC or adjacent countries. In the 2021 survey, Sony identified a total of 339 smelters and refiners as potential sources of the four minerals and, of those, 255 smelters and refiners were compliant with RMAP or were certified by London Bullion Market Association (LBMA)*1. 153 of these smelters and refiners*2 in the supply chain were reported to procure materials from the DRC and its adjacent countries.

*1 Includes smelters under RMAP assessment
*2 Please refer to the smelter list in the aforementioned Sony report to the SEC, which includes smelters confirmed as conflict-free through Sony’s traceability program.

**Expectations for Suppliers**

Sony requires its suppliers to source High-Risk Minerals from smelters determined to be compliant with the Responsible Minerals Assurance Process (the "RMAP") * protocols established by the Responsible Minerals Initiative (the "RMI"), or other smelters that have been determined not to be contributing to conflicts or serious human rights abuses under other trusted traceability projects.

* Responsible Minerals Assurance Process: A program in which a third party certifies that the minerals handled by the smelter are from sources that do not fund armed conflict or engage in human rights violations.

**Survey on Country of Origin for Each Four Minerals**

In the survey, Sony asked suppliers to respond indicating the country of origin for the four minerals. Survey responses were then carefully compared with RMI smelters list. The four minerals are used in Sony products as follows:

- **Tantalum**
- **Tin**
- **Gold**
- **Tungsten**

In addition, Sony follows the Responsible Minerals Assurance Process (RMAP) to verify the origin of the four minerals.

**Participation in the Responsible Business Alliance (RBA)**

Sony’s efforts to address the issues related to conflict minerals are recognized by the Responsible Business Alliance (RBA) as a leader among companies whose stock is listed on a US stock exchange. Sony has been a member of the RBA since the founding of the organization in 2008 and has continued to support its activities.

**Sony’s SEC Report**

Sony’s SEC Report (Form SD & Conflict Minerals Report) [PDF-593K]

**Responsible Sourcing**

- Quality and Customer Service
- Community Engagement
- Ethics and Compliance
- Corporate Governance
- Data Section
- GRI Standards Content Index

Sustainability Report 2022
Managing the Cobalt Supply Chain

Cobalt is an important mineral used in lithium-ion batteries for a wide range of products, including electric vehicles and smart phones. There have been concerns about child labor and working conditions at sites where it is extracted in the Democratic Republic of Congo (DRC), a country known to have the largest reserves of cobalt in the world. In 2016, a supplier reported that some lithium-ion battery parts procured by Sony contained cobalt produced in the DRC. In response, Sony established the Sony Group Policy for Responsible Supply Chain of Minerals in October 2017. This policy is a revision of the Sony Group Conflict Minerals Policy, which targeted the four minerals. In addition to the four minerals, Sony has recognized cobalt as another High Risk mineral and launched efforts to build a responsible cobalt supply chain. Since then, Sony has continued to manage its cobalt supply chain using industry standard tools, such as the Cobalt Reporting Template (CRT) developed by RMI, and by carrying out further third-party RMAP audits of cobalt refineries. In fiscal year 2020, we conducted a CRT-based survey of lithium-ion battery suppliers and identified cobalt refineries in the supply chain. As we identified the refineries not compliant with RMAP, we requested that such refineries conduct third-party RMAP audits and that suppliers with such refineries in their battery supply chain also encourage such refineries to conduct third-party audits. In fiscal year 2021, Sony conducted CRT based surveys of 8 lithium-ion battery suppliers. Within these, we identified 23 cobalt refineries in the supply chain, and confirmed that all were either RMAP-compliant or currently conducting third-party RMAP-based audits (as of March 2022).

Multi-Stakeholder Cooperation

Sony recognizes that multi-stakeholder collaboration is the key to identifying and mitigating the adverse human rights impact that can be associated with mineral extraction in high-risk areas. Specifically, Sony continuously collaborates with various multi-stakeholder efforts such as RMI in order to participate in the development of the due diligence process and mitigate human rights risks in the supply chain. Sony supports the Responsible Minerals Initiative (RMI) as a member of RMI-Pact, a multi-stakeholder initiative that works to promote responsible sourcing of minerals by certification of smelters and refineries that meet industry standards. Sony also participates in the Responsible Miners Trade Working Group, a forum for responsible sourcing of minerals.

Participating in Industry Groups and the Public-Private Alliance

For High-Risk Minerals, Sony actively participates in and supports industry groups and alliances that identify the negative effects of mineral mining in high-risk areas, and works to mitigate or prevent these effects.

RMI

In 2011, RBA launched the industry-leading Conflict Free Sourcing Program (CFSI, currently RMAP), then, with the aim of promoting collaboration with other industries and multiple stakeholders outside electronics, established RMA (formerly CSSI) in 2013. Sony utilizes the frameworks developed by these industry groups and alliances as part of its efforts to ensure responsible sourcing of raw materials. RMI holds workshops for discussions with NGOs, socially responsible investors, local government representatives and other stakeholders, in which Sony participates. Furthermore, Sony donates to the following RMI-related funds.

- The Initial Audit Fund (RMAP Audit Program): This fund helps cover the costs for cobalt refineries to undergo third-party RMAP audits (donated fiscal year 2016-2019, 2021)
- RMI-Pact partnership for supporting Alternative Livelihoods through a Vocational training program: A program in cooperation with Pact, an NGO that provides vocational support to indigenous miners (donated fiscal year 2020)
- Better Mining: A project in cooperation with the RCS Global Group that aims to improve the health and safety of miners in areas of the DRC where artisanal and small-scale mining takes place (donated fiscal year 2020)

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