

KnowTheChain 2022 ICT Benchmark

Additional Disclosure

Company Name: Sony Group Corporation

Date: September 7th, 2022

Additional information is disclosed in this template on the assumption that KTC has taken into consideration of the contents of the current publicly available Sustainability Report 2021. The recent content from our latest Sustainability Report 2022 which became publicly available on August 26, 2022 at https://www.sony.com/en/SonyInfo/csr_report/ is included in this document.

- Please add any additional information you wish to provide under the relevant indicator elements below.
- We welcome examples of leading practices.
- Unless you are sharing leading practices, please limit the information to indicators for which KnowTheChain could not yet identify sufficient information on your website.
- Note KnowTheChain has already undertaken a review of your website. Should you wish to include links to existing disclosure, please specify the page number / section you are referring to.

INDICATOR 1: SUPPLIER CODE OF CONDUCT AND CAPACITY BUILDING

1.1 has a supplier code of conduct that requires suppliers to respect the ILO core labour standards, which include the elimination of forced labour; and requires suppliers to cascade/implement standards that are in line with the company's supplier code of conduct; and

1.2 engages in capacity building to enable its suppliers to cascade its supply chain policies that address forced labour to their own supply chains and/or trains suppliers below the first tier on such policies, and measures the effectiveness of capacity building.

Please see the page 91 “Communicating with Suppliers” in our Sustainability Report 2022.

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.

INDICATOR 2: MANAGEMENT AND ACCOUNTABILITY

2.1 has a committee, team, program, or officer responsible for the implementation of its supply chain policies that address forced labour; and discloses how incentives for staff (e.g. bonuses, part of employee performance reviews) are tied to improvements in working conditions in supply chains;

2.2 discloses how it trains relevant decision-makers within the company on risks and policies that address forced labour; and

2.3 has tasked a board member or board committee with oversight of its supply chain policies that address forced labour, and describes how the experiences of affected workers or relevant stakeholders (such as civil society, unions, and workers or their representatives) informed board discussions.

The Sustainability Department submits quarterly reports on its activities to the Board of Directors. In addition, it reports annually to the Board of Directors for review on the status of Sony's important sustainability initiatives including issues related to forced labor in the supply chain. For matters of great importance, the senior executive and department in charge of the particular matter provide reports for the Board of Directors to review.

INDICATOR 3: TRACEABILITY AND SUPPLY CHAIN TRANSPARENCY

3.1 the names and addresses of first-tier suppliers;

3.2 the names and locations of below-first-tier suppliers (this does not include raw material suppliers); and

3.3 the sourcing countries of at least three raw materials at high risk of forced labour.

INDICATOR 4: RISK ASSESSMENT

4.1 details on how it conducts human rights supply chain risk or impact assessments that include forced labour risks or assessments that focus specifically on forced labour risks, including through engaging with relevant stakeholders (such as civil society, unions, and workers or their representatives) in countries in which its suppliers operate;

Please see the page 96 in Sustainability Report 2022.

Existing Suppliers

...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 foreign technical 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.

4.2 details on forced labour risks identified in different tiers of its supply chains; and

In our sustainability report 2021 and 2022, we have identified the risks as in the Examples of Instructions for Improvement Based on Observations from On-Site Assessments, which was conducted for our 1-tier suppliers.

The page 96 in Sustainability Report 2022.

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

Young workers and student workers

Observation: Young workers and student workers were working long hours or at night

Improvement instructions: Requested the establishment of internal regulations to prevent overtime and late-night work, 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

In addition, we recognize that there deems a risk on technical interns in Japan in particular, and we are stepping up assessments with them.

The page 94 in Sustainability Report 2022.

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 and interviews 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.

Existing Suppliers

.....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 foreign technical 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.

Sony is also working with its suppliers to address issues related to human rights, labour conditions, health and safety, and environmental protection at production sites, as well as in its procurement of minerals. Please see “Responsible Sourcing of Minerals” in page 98, 99 in Sustainability Report 2022.

“Survey and Results on Use of the Four Minerals”

“Approach to Mitigating Risks in the Supply Chain”

4.3 how it has consulted with relevant stakeholders (such as civil society, unions, and workers or their representatives) in steps taken to address the risks identified.

Please see the page 96 in Sustainability Report 2022.

Existing Suppliers

...Through interviews, we checked the working and living environments for plants employing foreign technical 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.

INDICATOR 5: DATA ON SUPPLY CHAIN RISKS

5.1 the percentage or number of supply chain workers who are women;

5.2 the percentage or number of supply chain workers who are migrant workers' and

5.3 the percentage or number of supply chain workers that are being paid a living wage.

INDICATOR 6: PURCHASING PRACTICES

6.1 commits to responsible buying practices in its contracts with suppliers;

6.2 describes how it has adopted responsible purchasing practices in the first tier of its supply chains, which includes planning and forecasting, and how it ring-fences labour costs; and

6.3 discloses two quantitative data points demonstrating that it has responsible purchasing practices in place that address the risk of forced labour.

INDICATOR 7: RECRUITMENT-RELATED FEES

7.1 requires that no worker in its supply chains should pay for a job—the costs of recruitment-related fees should be borne not by the worker but by the employer ("Employer Pays Principle");

In addition to page 106 *Employment-related fees Observation*: in Sustainability Report 2021 https://www.sony.com/en/SonyInfo/csr/library/reports/SustainabilityReport2021_E.pdf,

please see the page 96 in Sustainability Report 2022.

Existing Suppliers

...Through interviews, we checked the working and living environments for plants employing foreign technical 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.

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

Observation: Recruitment-related fees paid by foreign workers

Improvement instructions: Requested to stop making workers pay fees and checked for improvement completion

7.2 provides detail on the implementation of the Employer Pays Principle in its supply chains by demonstrating how it works to prevent the charging of fees to supply chain workers in different supply chain contexts; and

In addition to page 106 *Employment-related fees Observation*: in Sustainability Report 2021, please see the page 96 in Sustainability Report 2022.

Existing Suppliers

...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 foreign technical 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.

More in details, interviews with foreign workers known as technical intern trainees in Technical Intern Training Program in Japan specifically confirmed the following points, and in cases where recruitment fees paid by workers were identified, the supplier company was instructed to make improvements so that employment costs would be borne by the company.

- Recruitment fees (brokerage fees, etc.) are not paid by worker
- How workers' passports and identification documents are kept
- 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
- Habitability of dormitories facilities and room size

7.3 in the event that it discovers that fees have been paid by workers in its supply chains, provides evidence of re-payment of recruitment-related fees to workers. The company describes how it engages with affected workers in the remediation process.

INDICATOR 8: RESPONSIBLE RECRUITMENT

8.1 discloses information on the recruitment agencies used by its suppliers; and

8.2 provides details of how it supports responsible recruitment in its supply chains (e.g. by collaborating with relevant stakeholders to engage policy makers to strengthen recruitment standards).

Please see the page 96 in Sustainability Report 2022.

Existing Suppliers

...Through interviews, we checked the working and living environments for plants employing foreign technical 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.

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

Observation: Recruitment-related fees paid by foreign workers

Improvement instructions: Requested to stop making workers pay fees and checked for improvement completion

INDICATOR 9: FREEDOM OF ASSOCIATION

9.1 works with independent local or global trade unions and/or other legitimate worker representatives to improve freedom of association in its supply chains;

9.2 discloses that it is party to a global framework agreement that covers its supply chains and/or an enforceable supply chain labour rights agreement with trade unions or worker organisations; and

9.3 discloses the percentage of supply chains covered by collective bargaining agreements.

INDICATOR 10: GRIEVANCE MECHANISM

10.1 takes steps to ensure a formal mechanism to report a grievance to an impartial entity regarding labour conditions in the company's supply chains is available to its suppliers' workers and their legitimate representatives across supply chain tiers; and

Please see the page 97 and 99 in Sustainability Report 2022.

Supplier Hotline

Sony has established a Supplier Hotline as a mechanism for suppliers to report misconduct by a Sony Group company executive or employee that violates laws, regulations, the Sony Group Code of Conduct, the Sony Supply Chain Code of Conduct or the company's agreements with suppliers.

[Supplier Hotline \(only in Japanese\)](#)

Hotline Regarding the Sony Group Policy for Responsible Supply Chain of Minerals

Sony has established a hotline for stakeholders to report misconduct that violates the Sony Group Policy for Responsible Supply Chain of Minerals.

[Sony Group Policy for Responsible Supply Chain of Minerals Hotline](#)

10.2 discloses data about the practical operation of the mechanism, such as the number of grievances filed, addressed, and resolved; and

10.3 takes steps to ensure that its suppliers' workers or their legitimate representatives are involved in the design and/or performance of the mechanism, to ensure that the workers trust the mechanism.

INDICATOR 11: MONITORING

11.1 its methodology for monitoring the implementation of its supply chain policies addressing forced labour;

Sony Manufacturing Sites: Selected Sony owned manufacturing sites regularly conduct RBA Validated Assessment Program (VAP) or equivalent audits.

Suppliers: We use a third-party auditing company to conduct audits to confirm compliance with the Supply Chain Code for suppliers identified as high-risk through assessment using a questionnaire or selected through spot checks. Employee interviews are also included in the program, with employees directly verifying whether or not they are responsible for employment fees, health and safety, and other issues. Similar to the RBA VAP audits, the audits include verification of documents such as contracts, working hour data, policies and procedures, etc., as well as local health and safety conditions. Definite evidence of forced labor has not been identified at either domestic or overseas suppliers assessed in 2021. However, noncompliance with the Supply Chain Code, such as employment commissions by workers and work more than 60 hours per week, has been confirmed, and Sony has requested that a corrective action plan for improvement be developed and submitted to Sony.

11.2 the findings of monitoring reports, including details regarding any violations revealed in relation to forced labour and indicators of forced labour, across supply chain tiers; and

11.3 the use of worker-driven monitoring (i.e., monitoring undertaken by independent organisations that includes worker participation and is guided by workers' rights and priorities).

INDICATOR 12: REMEDY AND RESPONSE TO ALLEGATIONS

A(1) a process for responding to potential complaints and/or reported violations of policies that address forced labour and how it engages affected stakeholders as part of this process; and

Specifically, as part of our efforts to reduce forced labour in the supply chain, we retain a third-party auditing company to conduct audits of supplier factories where preliminary assessments indicate that workers may be incurring employment costs, to confirm compliance with the Sony Supply Chain Code of Conduct.

During the worker interviews, we confirm directly with workers whether the recruitment fees and forced labour exist and health and safety conditions, and verify documents such as contracts, working hour data, policies and procedures, and local health and safety conditions, using the same standards as RBA VAP audits.

As an actual example in China, we found that workers at a supplier factory were responsible for the cost of medical examinations when they first joined the company. We improved the operational procedures so that the company would pay for the medical examinations and confirmed the results of the improvements, including records of refunding the cost to the workers.

A(2) at least two examples of outcomes of its remedy process in practice, covering different supply chain contexts, for its suppliers' workers.

In addition, where an allegation is identified in a company's supply chains:

B.1.1 that it engages in a dialogue with the stakeholders reportedly affected in the allegation(s)

B.1.2 outcomes of the remedy process in the case of the allegation(s); and

B.1.3 evidence that remedy(ies) are satisfactory to the victims or groups representing the victims.

Where an allegation is identified in the company's supply chains, but is denied by the company:

B.2.1 a description of what actions it would take to prevent and remediate the alleged impacts; and

B.2.2 as part of this process, it would engage with affected stakeholders and their representatives.

NON-SCORED RESEARCH

Reporting Legislations

UK Modern Slavery Act: Where applicable, the company discloses at least one statement under the UK Modern Slavery Act.

Yes/No. Please provide link to a publicly available statement.

California Transparency in Supply Chains Act: Where applicable, the company has a disclosure under the California Transparency in Supply Chains Act.

Yes/No. Please provide link to a publicly available statement.

Australia Modern Slavery Act: Where applicable, the company discloses at least one statement under the Australia Modern Slavery Act.

Yes/No. Please provide link to a publicly available statement.

High Risk Sourcing

Please indicate whether your company sources from China or Malaysia. Note where a company does not provide this information, KnowTheChain will review the company's website as well as third party sources to identify relevant information.