

PSYGNOSIS LIMITED
STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2023

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

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

Reference	Requirement	Board Engagement
172(1)	The directors of a company must act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:	
(a)	The likely consequences of any decision in the long term	<p>The Board considers how the consequences of any decision in the long term will impact the Company’s key stakeholders, being its shareholders and other Sony Interactive Entertainment group companies (the “SIE Group”).</p> <p>SIE Group’s business operates at a broad scale and in multiple jurisdictions, therefore strategic direction and decision-making are taken with a view as to how they will impact the SIE Group as a whole.</p>
(b)	The interests of the Company’s employees	The Company has no employees.
(c)	The need to foster the Company’s business relationships with suppliers, customers and others	<p>The Company has no employees, and it receives support from other Sony Interactive Entertainment group companies in its engagement with all key stakeholders.</p> <p>The Company builds and develops its relationships with key stakeholders by maintaining communication and good business practice based on the Sony Group Code of Conduct (the “Code”) (available here: https://www.sony.net/SonyInfo/csr_report/) and internal policies.</p>
(d)	The impact of the Company’s operations on the community and the environment	The impact of the Company’s operations on the community and the environment are considered by the Board as part of the impact assessment by the SIE Group.
(e)	The desirability of the Company’s maintaining a reputation for high standards of business conduct.	<p>Our reputation for high standards of business conduct is governed by the Code which establishes a framework of the Company’s cultural norms and purpose and values to help guide business decision-making and conduct with respect to employees, vendors and other stakeholders.</p> <p>The Code provides guidance for the Company’s expectations regarding what is (and is not) ethical and legal behaviour. The Code sets forth the basic internal standards to be observed by all directors, officers, employees (permanent or temporary), contractors, consultants and contingent workers of the Sony Group¹ (“Personnel”). The Sony Group commits itself to be bound by the Code and at the same time requires all Personnel to know, understand and comply with the Code. It ensures a clear priority on maintaining our reputation for high standards of business</p>

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

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Reference	Requirement	Board Engagement
		conduct through a focus on fairness, honesty, integrity, respect and responsibility via honest and ethical business conduct, maintaining stakeholder trust, respect for human rights, conscious recognition of diversity and inclusion, fair labour and employment practices, fair business practices, and ethical personal conduct.
(f)	The need to act fairly as between members of the Company.	The Company is a wholly owned subsidiary of Sony Interactive Entertainment Europe Limited. The ultimate parent undertaking is Sony Group Corporation and as such the Company is a member of the Sony Group. There is no split ownership structure of the Company. All interactions with other companies within the SIE Group are governed by applicable intercompany arrangements.