

SONY

Sustainability Report **2019**



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Based on our Purpose to "fill the world with emotion, through the power of creativity and technology," Sony aims to remain a company that is truly valued by the society. >More



Learn about Sony's approach to sustainability, CSR material topics, and contributions to the Sustainable Development Goals >More



Sony joined RE100 and committed to source 100% renewable electricity for the worldwide operations of the Sony Group by 2040. Learn how Sony will make it happen.> More

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| Corporate Governance | Ethics and Compliance | Respect for Human Rights |
| Technology | Employees | Responsible Supply Chain |
| Quality and Services | Environment | Community Engagement |

About the Sustainability Report

Sony first issued its environmental report in 1994, then enhanced the information related to corporate social responsibility (CSR) and changed the name of the report to "CSR report" in 2003. In order to keep the information disclosed up to date as Sony's scope of business and circumstances change, Sony has been disclosing its CSR

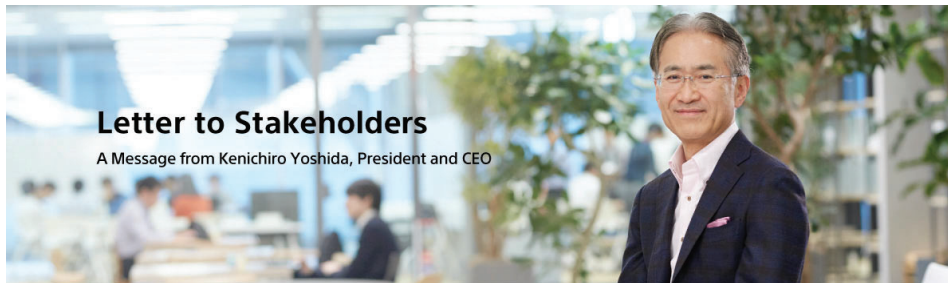
activities mainly on the web since 2014. In 2018, the report was renamed the "Sustainability Report." In addition, Sony issued the Corporate Report 2019, which integrates financial and non-financial information such as business results as well as management policies and business strategies to create value in the medium and long term.

> [Corporate Report 2019](#)

Reporting Scope and Composition

- This website summarizes the CSR activities of the Sony Group worldwide during fiscal 2018 (which began on April 1, 2018 and ended on March 31, 2019). It also includes reporting on some material activities, such as major organizational changes, up to the end of July 2019. On this website, the Sony Group refers to Sony Corporation — the parent company that operates in Japan — and all consolidated subsidiaries in which Sony Corporation holds a capital stake of more than 50%. "Sony" and "the Group" refer to the Sony Group. For consolidated subsidiaries, please see below.
 - > [Affiliated Companies \(Japan\)](#)
 - > [Affiliated Companies \(Outside Japan\)](#)
- Sony discloses its operating and financial results on the "Investor Relations" section of its website and information on its CSR activities on this Sustainability Report.
- This information in this report refers to the Global Reporting Initiative (GRI) Standards. Furthermore, the Environmental Reporting Guidelines (Fiscal year 2012 version) published by Japan's Ministry of the Environment were used as references in preparing this report. For comparative tables with the GRI Standards, please see below.
 - > [Comparative Table with GRI Standards](#)
- Reporting Principles of Materiality: To align and respond effectively to evolving social imperatives and changes in the business environment, Sony has conducted a materiality assessment with the aim of validating the focus areas for its activities including future priority businesses and new areas of business by incorporating the perspectives of stakeholders. Learn more at the link below.
 - > [Specifying Material Topics](#)
- A third-party report on verification of environmental data is available below.
 - > [Independent Verification Report](#)

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Letter to Stakeholders

Based on our Purpose to “fill the world with emotion, through the power of creativity and technology,” Sony aims to remain a company that is truly valued by the society. We believe it is our social responsibility to enhance our corporate value through innovation and sound business practices and contribute to developing a sustainable society. We hold ourselves accountable to all stakeholders including our customers, shareholders, employees, business partners as well as the communities and the Earth in which we operate in.

Sony’s unwavering commitment to society goes back to our beginnings. Today the world is changing dramatically, and growing ever more complex. At Sony, we will continue to take a long-term view of our business with our strong commitment to creating sustainable social value, in addition to generating economic value as a global company. Our long-term management approach is underpinned by strong corporate governance. Moreover, Sony will utilize its strengths in terms of its diverse business portfolio, technology and people to create value that enriches people’s hearts by delivering emotional experiences; helps creators to realize their dreams; and contributes to society through the delivery of safety and reliability. We will also continue to lead various sustainability initiatives, recognizing that Sony’s existence depends on a healthy environment and society.

To highlight some of our initiatives, in fiscal 2018, Sony joined RE100*1 in September 2018 and committed to using 100% renewable electricity for the Sony Group’s worldwide operations by 2040. We have accelerated our efforts to shift to renewable electricity through various initiatives, and in 2019, we introduced solar power generation systems at manufacturing sites in Kumamoto prefecture, Japan and Thailand in 2019. Our long-term goal is for the entire Sony Group to achieve a zero environmental footprint by the year 2050, as outlined in our global environmental plan, “Road to Zero”.

Meanwhile, Sony’s supply chain extends across the globe, and we are working with diverse stakeholders in an ongoing effort to address issues such as human rights and labor conditions. In addition, our community engagement emphasizes contributing to science, technology, engineering, arts, and mathematics (STEAM)

education. For sixty years, Sony has sponsored science education at elementary and junior high schools and supported professional development for teachers in Japan. Sony also conducts workshops around the world to nurture the creativity and curiosity of children. Starting in fiscal 2018, Sony launched “Kando Experience Program” in an effort to address educational inequality among children in Japan.

As a citizen of the Earth and society, Sony remains committed to strengthening our sustainability initiatives and engaging in ongoing dialogue with our stakeholders as we contribute towards building a more sustainable world.

*1 A global initiative led by non-profit organization The Climate Group in partnership with CDP in which participating companies set a target of procuring 100% renewable energy for power used in their business operations.

Kenichiro Yoshida
 President and Chief Executive Officer
 Representative Corporate Executive Officer
 Sony Corporation

Approach to Sustainability

Sony's management approach is "getting closer to people," and its purpose is to "fill the world with emotion, through the power of creativity and technology." Sony recognizes its place in society and on Earth. The Sony Group Code of Conduct states, "It is the core corporate responsibility of Sony to society to pursue its corporate value enhancement through innovation and sound business practices and contribute to developing a sustainable society."

Sony also gives due consideration to the impacts of its business activities on the interests of its stakeholders—shareholders, customers, employees, suppliers, business partners, local communities, other organizations—and the global environment. Sony also engages in dialogue with stakeholders to build trust and get input. Based on these principles, Sony will keep striving to increase corporate value by engaging in business activities that generate both economic and social value to contribute to developing a sustainable society.



Updated on August 29, 2019

Specifying Material Topics

Overview and Purpose of Materiality Analysis

The Sony Group is a global organization with a broad range of businesses around the world—electronic equipment, devices, game consoles, digital networks, motion pictures, music, and financial and insurance services. Sony recognizes that stakeholders expect Sony to maintain a well-defined stance and take action to address the issues facing society and the global environment, in addition to delivering emotional experiences through its business.

Therefore, in 2019, Sony reviewed its "CSR material topics," conducting an analysis incorporating the perspectives of stakeholders. The aim was to identify topics that are material to Sony's efforts to create long-term value through its businesses. The process for materiality analysis consisted of (1) identifying and classifying candidate topics, (2) assessing the topics from the perspective of Sony and its stakeholders, and (3) specifying material topics.

Materiality Assessment Steps



Step 1: Identify and classify candidate topics

Based on internal and external information and documents, Sony selected candidate topics with high relevance. References included the Global Reporting Initiative (GRI) Standards, which are global guidelines for sustainability reporting, the ISO 26000 international standard for corporate social responsibility, and the UN Sustainable Development Goals (SDGs), which are globally agreed goals for building a sustainable world.

Step 2: Assess the topics from the perspective of Sony and its stakeholders

The candidate topics identified and classified in the Step 1 were assessed from the perspectives of Sony and its stakeholders with reference to following:

- Assessment by executive officers responsible for each topic from the viewpoints of mid-to-long-term social and technological changes, and the need to further enhance measures to achieve Sony's ideal state
- Assessment of the importance of each topic from the perspective of stakeholders based on information published by NGOs, investors, ESG rating agencies, the mass media and others
- Assessment from the perspective of stakeholders through an exchange of views with investors and external CSR experts

› [Stakeholder Engagement](#)

Step 3: Specify material topics

Based on the assessment conducted in Step 2, the material topics were specified with the final approval of senior management.

Materiality Analysis Results

As a result of the multi-faceted assessment process above, "Technology" and "Employees," which are the common elements underlying Sony's diverse business portfolio, were specified as the most important material topics for supporting Sony's long-term value creation.

The Sustainability Report 2019 reports on Sony's material topics within nine categories – Corporate Governance, Ethics and Compliance, Respect for Human Rights, Technology, Employees, Responsible Supply Chain, Quality and Services, Environment, and Community Engagement – as shown in the table below.

Going forward, Sony will strengthen its efforts to address these material topics in order to create long-term value.

Material Topics of the Sony Group

| Materiality analysis result | Material topics | Sustainability Report coverage |
|---------------------------------|-----------------------------|--------------------------------|
| Most important | Technology | Technology |
| | Employees | Employees |
| Important | Corporate governance | Corporate Governance |
| | Risk management | |
| | Information security | |
| | Tax strategy | |
| | Ethics and compliance | Ethics and Compliance |
| | Privacy | |
| | Anti-corruption | |
| | Respect for human rights | Respect for Human Rights |
| | Responsible supply chain | Responsible Supply Chain |
| | Product quality | Quality and Services |
| | Accessibility and usability | |
| | Customer service | |
| | Resource conservation | Environment |
| | Climate change | |
| Chemical substances | | |
| Biodiversity | | |
| Social contribution initiatives | Community Engagement | |

Contributing to the Sustainable Development Goals

The Sustainable Development Goals (SDGs) were adopted by the United Nations General Assembly in 2015. They were formulated based on the outcome of the Millennium Development Goals, which, being established in 2000 with the intention of realizing a better international community, had a target year of 2015. The SDGs are comprised of 169 targets organized under 17 goals related to issues such as poverty, inequality, education, and the environment. The initiative is not only intended for developing nations, but applies to all countries, including

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advanced countries.

The purpose of the entire Sony Group is to "fill the world with emotion, through the power of creativity and technology."

The essence of Sony's responsibility to society is to strive for innovation through products, services and content that deliver emotional experiences to customers, while conducting business in a sound manner. At the same time, based on an awareness that Sony's business is only possible in a global environment and a society where people can live in peace and security, Sony conducts ongoing environmental and human rights initiatives throughout the supply chain. Accordingly, Sony believes that its diverse business portfolio, including education, healthcare and startup support, is very relevant to the 17 SDGs, and Sony will help to achieve the SDGs in the course of its business activities.

Sony also conducts ongoing assessments of the various impacts and risks that its business activities have on the global environment and society, and manages them while carrying out appropriate disclosure of information. In addition, Sony aims to contribute to the SDGs through its technologies, products, services and content, as well as various partnerships.



Related Information

- > [Sony's Purpose & Values](#)
- > [Policy, Framework and Main Scope of Community Engagement](#)

Updated on August 29, 2019

CSR Organizational Structure

Organizational Structure

Sony's organizational structure for CSR implementation is spearheaded by the CSR Section at Sony Corporation headquarters, which is overseen by the executive officer in charge of CSR. The CSR Section plans and sets objectives for CSR-related initiatives, makes these initiatives known throughout the Sony Group, monitors the progress of activities, and provides relevant information to the public via various reports including the Sustainability Report. In addition to disclosure, the CSR section promotes dialogue with stakeholders, reports on various external inputs to the executive officer in charge of CSR, and ensures that these inputs are fed back to the management team and relevant headquarters departments (including those in charge of legal affairs and compliance, the environment, product quality, procurement, investor relations, employees, and marketing). Accordingly, Sony addresses CSR from a Group-wide perspective and incorporates issues into management action as necessary. The CSR Section and other relevant headquarters departments then implement CSR activities throughout the Group by ensuring Sony's policies and initiatives are conveyed to group companies around the world.



Raising Awareness

Sony recognizes that effective implementation of CSR requires keen employee awareness and offers a variety of educational programs. Sony and some of its group companies offer e-learning training programs for all employees focused on instilling know-how and introducing Sony's CSR program as well as enhancing general understanding of CSR. Sony also publishes a monthly newsletter to help Sony Group employees better understand social

responsibility. It details Sony's principal CSR initiatives and reports on related awards received from third parties and CSR trends. In addition, Sony holds a Sustainability Forum that provides the Group's employees in Japan with the opportunity to increase their knowledge of CSR. This event features lectures by invited experts, film screenings, workshops where employees can develop new ideas, and other activities, and addresses a variety of themes, including emergency relief, the environment, human rights, poverty, international understanding, employment opportunities for persons with disabilities, work-life balance, diversity, social innovation, the Sustainable Development Goals (SDGs), and AI ethics.

> [Volunteer Systems for Employees](#)

Updated on August 29, 2019

Stakeholder Engagement

"We will all give due consideration to the impact of our business activities on the interests of our stakeholders including shareholders, customers, employees, suppliers, business partners, local communities and other organizations."
(Sony Group Code of Conduct)

Communication with Stakeholders

Sony understands that addressing issues of interest to its many stakeholders is intrinsically linked to its ability to ensure a strong operating foundation, which is in turn vital to ensuring the well-being and sustainability of its business activities and to achieving sustainable growth. Sony's CSR initiatives reflect this understanding. Sony works to earn the trust of its stakeholders through its business activities, as well as through a range of CSR initiatives.

| Stakeholders | Principal Goals | Main Communication Methods |
|--------------|---|--|
| Customers | <ul style="list-style-type: none"> • Provide products that deliver satisfaction, safety and peace of mind from the customer's perspective • Provide customer service that further enhances customer satisfaction • Enhance usability and accessibility | <ul style="list-style-type: none"> • Customer Center (handles enquiries from customers) • Important notices regarding products and services • Purchaser's questionnaire • Participation in trade shows and exhibitions • Seminars • Sony & Accessibility website • First Flight website • Various social media sites |

| | | |
|--------------------------|---|---|
| Shareholders | <ul style="list-style-type: none"> • Ensure swift and appropriate disclosure • Achieve continued growth in corporate value | <ul style="list-style-type: none"> • General meetings of shareholders and presentations on financial results • IR Day and meetings for individual investors • ESG briefings • Websites disclosing information for investors |
| Business partners | <ul style="list-style-type: none"> • Ensure appropriate, transparent and fair procurement practices, in line with the Sony Group Code of Conduct and Sony Supply Chain Code of Conduct • Ensure that procurement practices are in harmony with the environment and society (including labor issues, human rights and conflict minerals) | <ul style="list-style-type: none"> • Explanatory meetings concerning the supply chain • Audits and surveys related to CSR procurement • Dedicated website for business partners and a department established for handling their enquiries • Periodically held conferences for business partners • Sony Group Policy for Responsible Supply Chain of Minerals Hotline |
| Employees | <ul style="list-style-type: none"> • Support employees with diverse backgrounds • Promote diversity in hiring • Foster global business leaders and engineers who will drive growth in the future • Support individual career-building efforts • Promote dialogue through employee surveys and town hall meetings | <ul style="list-style-type: none"> • Town hall meetings • Career counseling • Sony Ethics & Compliance Hotline • Labor-management negotiations • Occupational Health & Safety Committee • In-house newsletters and intranet |

| | | |
|---|--|---|
| Local communities | <ul style="list-style-type: none"> • Promote initiatives that contribute to communities in fields where Sony is best able to do so • Provide emergency relief • Work with NGOs and NPOs to help resolve issues facing society | <ul style="list-style-type: none"> • Local volunteer activities • Participation in events held by local organizations and governments • Social contribution activities |
| Global environment | <ul style="list-style-type: none"> • Reduce the environmental footprint of Sony's business activities and products throughout their life cycle to zero <ul style="list-style-type: none"> - Reduce greenhouse gas emissions of Sony's business activities and products throughout their life cycle to zero - Reduce the volume of virgin resources used and maximize the use of recycled resources; conserve water resources; and promote the collection and recycling of end-of-life products - Prevent pollution by reducing the volume of chemical substances used - Promote the conservation and restoration of biodiversity and the sustained use of ecosystem services | <ul style="list-style-type: none"> • Activities for contributing to the community and reducing the environmental burden at each worksite • Measures for considering the environment over the lifecycle of products and services • Environmental information provided through communication with various stakeholders • Information provided on the Sony Eco website |
| NGOs, NPOs and other organizations | <ul style="list-style-type: none"> • Collaborate with NGOs and NPOs to help address social challenges • Participate in global frameworks • Participate in CSR-related organizations and projects | <ul style="list-style-type: none"> • Activities held in collaboration with NGOs and NPOs |

Partnership and Participation in Multi-stakeholder Frameworks

For Sony, engaging and working together with various stakeholders is vital for pursuing CSR activities. Sony not only promotes engagement with stakeholders in implementing its CSR activities but also participates in multi-stakeholder efforts to forge a global framework for social responsibility.

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Partnering with an Environmental NGO

In July 2006, Sony joined the Climate Savers Programme, which is a partnership between the World Wide Fund for Nature (WWF), a leading environmental protection NGO, and various companies in the drive to reduce greenhouse gas emissions. Through the Climate Savers Programme, leading corporations partner with the WWF to establish targets for reducing absolute emissions of CO₂ and other greenhouse gases. Progress toward these targets is monitored by an independent body. As of April 2019, 17 corporations worldwide had signed on as Climate Savers Programme partners.

As a member of the programme, Sony is expanding the scope of substances subject to greenhouse gas emission reduction requirements in a step-by-step manner and has incorporated them into its environmental targets. In June 2015, Sony introduced the Green Management 2020 environmental mid-term targets for fiscal 2016-2020. In addition to the targets for absolute greenhouse gas emissions from Sony Group sites and energy consumption of products, Sony has set new reduction targets for business partners, suppliers and logistics. These targets were reviewed and approved by the WWF as revised targets for Sony under the Climate Savers Programme.



[Learn more about the Green Management 2020 mid-term environmental targets](#)

Participation in CSR-Related Organizations and Projects

Sony is a member of numerous global CSR organizations, including BSR and the Council for Better Corporate Citizenship (CBCC). The CBCC was originally established in 1989*1 under an initiative of Nippon Keidanren (Japan Business Federation), with the purpose of promoting good relations between Japan-affiliated companies and various stakeholders, including local communities and employees, by encouraging good corporate citizenship. Sony's founder, Akio Morita, served as the organization's first chairman. Sony intends to continue its active involvement in the CBCC going forward.



Sony is a member of the Responsible Business Alliance,*2 which is dedicated to supply chain responsibility encompassing human rights, labor conditions, safety and health, and the environment.

[Supply Chain Management](#)



*1 The organization was founded as the Council for Better Investment in 1989, and its name was changed to CBCC in June 2010.

*2 In October 2017, the Electronic Industry Citizenship Coalition (EICC) changed its name to the Responsible Business Alliance (RBA).

Updated on August 29, 2019

External Evaluation and Recognition of CSR Activities

External Evaluation of CSR Activities

In recognition of its ongoing CSR initiatives, Sony Corporation is included in the FTSE4Good Index and the FTSE Blossom Japan Index. These investment indices identify companies around the world that are leaders in environmental, social, and governance (ESG) performance.



Sony Corporation is also included in three indexes developed by MSCI Inc., which is a world-leading provider of ESG investment indexes: MSCI Japan Empowering Women Index (WIN), MSCI Japan ESG Select Leaders Index, and MSCI ESG Leaders Indexes.



THE INCLUSION OF SONY CORPORATION IN ANY MSCI INDEX, AND THE USE OF MSCI LOGOS, TRADEMARKS, SERVICE MARKS OR INDEX NAMES HEREIN, DO NOT CONSTITUTE A SPONSORSHIP, ENDORSEMENT OR PROMOTION OF SONY CORPORATION BY MSCI OR ANY OF ITS AFFILIATES. THE MSCI INDEXES ARE THE EXCLUSIVE PROPERTY OF MSCI. MSCI AND THE MSCI INDEX NAMES AND LOGOS ARE TRADEMARKS OR SERVICE MARKS OF MSCI OR ITS AFFILIATES.



Sony Corporation's environmental initiatives have been recognized by its inclusion in the highest A List rating*1 in the climate change category by the UK non-profit CDP for the fourth consecutive year. The company was also selected as a Supplier Engagement Leader in recognition of its climate change initiatives, such as greenhouse gas reductions throughout the supply chain.

*1 The rating system is a 4-rank scale (A, A-, B, B-, C, C-, D, D-). The A List is made up of the companies awarded the highest performance rank of "A."

[External Evaluation \(Employees\)](#)

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External Awards Received for CSR Activities (Fiscal 2018)

* Organization names appear as they were at the time of award receipt.

Fiscal 2018 (in order received)

| Name of Fiscal 2018 Award | Recipient | Awarded By | Date |
|--|--|---|---------------|
| 2019 World's Most Ethical Companies | Sony Corporation | Ethisphere Institute | February 2019 |
| Best Customer Service Operations in the Electronics Industry & 2nd Best Customer Service Operations in the Overall Brazil Market | Sony Brazil | Exame magazine and Brazilian Institute of Customer Relationship | February 2019 |
| 2018 Low-Carbon Life Practice National Competition | Sony Korea | Korea Climate & Environment Network | November 2018 |
| The 6th Green Society Award | Kunisaki Satellite, Oita Technology Center, Sony Semiconductor Manufacturing Corporation | Organization for Landscape and Urban Green Infrastructure | October 2018 |
| Gold Rating in the 2018 Pride Index | 17 Sony Group companies in Japan including Sony Corporation, Sony Visual Products Inc. | work with Pride | October 2018 |

› [External Awards Received for CSR Activities \(since fiscal 2000\)](#)

Updated on August 29, 2019

Sony's Challenge to achieve the RE100 commitment

Sony's Environmental Initiatives — Working Toward a Zero Environmental Footprint

Road to Zero is Sony's long-term environmental plan to realize a zero environmental footprint by 2050. Every five years, Sony establishes a set of environmental mid-term targets on the Road to Zero and is currently implementing initiatives to achieve the Green Management 2020 targets for fiscal 2016–2020. Sony is pursuing a number of priority initiatives to achieve these targets including efforts to accelerate the use of renewable energy. Sony joined RE100, a global initiative of companies that commit to using 100% renewable electricity for their operations, and is exploring new ways of using energy.

- > [Road to Zero, Sony Environmental Plan](#)
- > [Sony Joins the Global Initiative RE100 in Pursuit of Operating with 100% Renewable Electricity](#)

Joining the RE100 Initiative to Accelerate the Shift to 100% Renewable Electricity

RE100 is a global initiative led by the environmental non-profit The Climate Group*1 in partnership with CDP.*2 RE100 members commit to sourcing 100% renewable electricity for all their operations by no later than 2050.

Sony joined RE100 in September 2018 with the aim of further accelerating its progress on the Road to Zero. Sony has ambitiously set a goal of sourcing 100% renewable electricity for the worldwide operations of the Sony Group by 2040.



*1 An international NGO with offices in London, New Delhi and New York. The Climate Group's mission is to accelerate climate action to keep global temperature rise under 1.5°C. It does this by bringing together powerful networks of businesses and governments that shift global markets and policies – so that further and faster progress can be made on climate action.

*2 CDP is an international non-profit that drives companies and governments to reduce their greenhouse gas emissions, safeguard water resources and protect forests. Backed by investors with assets of \$87 trillion, it runs a global environmental disclosure system used by thousands of companies and hundreds of cities, providing data analysis and expert insights.

Current Energy Use and Roadmap to the RE100 Commitment

Renewable electricity currently accounts for roughly five percent of the total electricity needs of the Sony Group. Sony's operations in Europe have already been sourcing 100% renewable electricity since fiscal 2008, and renewable electricity use is increasing worldwide. Sony's challenge is to address its electricity demands in Japan, where its semiconductor manufacturing operations use a significant amount of electricity. Eighty-three percent of the Sony Group's total greenhouse gas (GHG) emissions, converted to CO2 equivalent, are from Japan, necessitating further initiatives to source renewable energy initiatives in Japan in realizing the goal of sourcing 100% renewable electricity.

Sony's roadmap to achieving the RE100 commitment sets an initial target of sourcing 30% renewable electricity by 2030, by increasing its sourcing of renewable electricity for its operations in Japan, the US, and China, as well as switching to renewable electricity in other regions. Sony has set a regional target of sourcing 100% renewable electricity for its US operations by 2030, ahead of the global target. Sony will further accelerate its sourcing of renewable electricity in Japan beyond 2030, in order to ensure that the entire Sony Group sources 100% renewable electricity by 2040.



The Chonburi Factory of Sony Technology (Thailand) Co., Ltd. (STT-C)

- > [North America: Promoting the Use of Renewable Energy by Various Regional Group Companies](#)
- > [Europe: Using 100% Renewable Electricity](#)
- > [Pan Asia: Solar Energy System Deployed in Thailand](#)

Sony's Challenge in Japan: Pursuing Three Approaches to Sourcing 100% Renewable Electricity

Sony is implementing the following three approaches to sourcing and increasing its use of renewable electricity in Japan. Firstly, Sony is installing solar energy systems. In addition to actively installing solar panels at various business locations worldwide, Sony is installing solar energy systems at its semiconductor manufacturing operations in Japan, in order to increase the ratio of renewable electricity. In 2019, Sony installed 5,760 solar panels at the Kumamoto Technology Center of Sony Semiconductor Manufacturing Corporation, bringing a mega solar power project online with an estimated generating capacity of 1.24 million kWh per year.

Secondly, Sony is directly sourcing renewable electricity from power utilities. In fiscal 2017, TEPCO Energy Partner, Inc. began offering an electricity plan sourced entirely from hydroelectric energy, the first of its type in Japan, and Sony became the first corporate customer on this plan. Furthermore, Sony began procuring electricity generated by hydroelectric energy and geothermal energy from Kyushu Electric Power Co., Inc. in May 2019.

Thirdly, Sony is using Green Power Certificates. Sony jointly developed the Green Power Certification System with power utilities in 2001. Organizations such as companies and municipalities bear the cost of the system and commission renewable power generation to energy producers across Japan. The electricity generated by these producers is sold in local markets and Green Power Certificates are issued to the organizations that commissioned the energy production. This scheme enables organizations in remote areas to adopt renewable energy, while crediting organizations for purchasing and using the renewable electricity that was generated. Sony continues to be the largest purchaser of Green Power Certificates in Japan.



Expanding Semiconductor Device Business and Reducing CO2 Emissions at the Same Time: Pursuing Stable, Highly Efficient Energy Use

In Sony's semiconductor device business, CMOS image sensors are key component devices supporting the growth of industries such as Internet of Things, artificial intelligence, and autonomous vehicles, and they are also an essential part of Sony's strategy to generate social value from a long-term perspective.

At the same time, the Imaging & Sensing Solution Business, with its manufacturing operations for semiconductor devices including CMOS image sensors, which are mainly located in Japan, accounts for the largest share of Sony's CO2 emissions. Manufacturing semiconductor devices uses significant amounts of electricity to thoroughly remove airborne contaminants and dust from clean rooms, and to apply precise temperature and humidity control. The manufacturing equipment also uses significant amounts of electricity and requires a stable energy source to maintain high productivity.

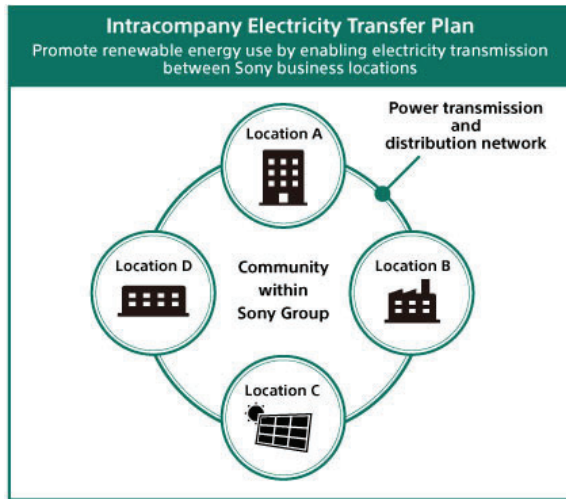
Due to these factors and because solar power generation is weather dependent, electricity from solar power systems is not directly used for critical manufacturing equipment that requires a stable energy source, but it is used as an energy source for other applications within plants. For equipment that requires a stable energy source, other means such as Green Energy Certificates are used. This is how Sony balances the need to increase productivity and reduce the environmental footprint, selecting which energy source to use depending on the energy characteristics.

Sony believes it is critical to find a balance between growth in the semiconductor device business and reduction of environmental impact, in particular reduction of CO2 emissions, rather than believing that these goals are trade-offs and only one or the other is possible.

New Approaches

In addition to the three existing approaches, Sony is partnering with power utilities to realize an intracompany electricity transfer plan for renewable electricity. The system would connect electricity that is generated from private power generation systems such as solar power systems to the power grids of power utilities, and enable business locations to transmit and distribute the electricity between themselves. The system would facilitate the timely and efficient use of generated electricity, so that a business location with excess electricity could transmit the electricity to another business location that is in need of the electricity, thereby facilitating the further use of renewable electricity.

In 2019, Sony took a stake in Digital Grid Corporation and joined the energy platform business that company has developed. Under the scheme, households can sell the electricity they generate, such as from solar power systems, to the party of their choice, and companies can procure this renewable electricity. The platform can finely predict demand, such as how much electricity is needed under given conditions, based on the transaction records on the platform. Optimizing the energy generation according to demand would lower the cost of supplying renewable electricity Sony believes that electricity trading on this platform can pave the way for efficient use of renewable electricity at low prices and in large quantities.



RE100 Members Working Together to Advocate for Policy Change

While Sony is taking various approaches to increasing its use of renewable electricity, from an international perspective, the market and framework for renewable energy in Japan remains insufficiently developed.

For example, existing rules in Japan for power grid systems work to limit the sale, purchase, and use of electricity generated by renewable energy through power systems, thereby discouraging investment in renewable energy and serving as a barrier to wider adoption. Specifically, existing rules specify the maximum electricity capacity of power grids while reserving a portion of this capacity for electricity from existing power plants such as thermal plants, effectively prioritizing it. Additionally, the maximum power grid capacity is set to a low value, assuming a case in which every output from every power source is at maximum output. Consequently, in some regions of Japan, the power grid has sufficient extra capacity but cannot be used, in actual practice, to carry renewable electricity to power systems.

These issues cannot be resolved just from the demand side, where Sony is situated. Cooperation with power companies on the energy supply side and with the government is needed. Sony will cooperate with other RE100-member companies and like-minded parties to propose that governments and related agencies make the changes needed to pave the way for further adoption and increased use of renewable energy.

> [Proposal from Corporate Consumers Aiming to Sourcing 100% Power from Renewable Electricity](#)

Conclusion

There is a global trend for companies to commit to sourcing 100% renewable energy for their operations. Sony also sees this trend as reflecting the expectations of diverse stakeholders including business partners, investors, and civil society. From a long-term perspective, Sony views the shift to renewable energy as an important investment in its future and firmly believes that this decision will increase its corporate value. Renewable energy in Japan remains more costly than conventional energy, but it can be economically viable in the long term if it can be adopted on a larger scale under appropriate government policies and provisions. Moving forward, Sony will continue to cooperate with like-minded companies and stakeholders to call for further adoption of renewable energy in Japan.

In addition to addressing its own environmental impact, Sony, as a global company, believes it has a role to play in steering society toward renewable energy and further driving this change.

Quote from Mr. Sam Kimmins, Head of RE100, The Climate Group



"Committing to 100% renewable electricity through RE100 is a hallmark of leadership in the clean energy transition, and we're delighted to have Sony as one of our members. As one of the world's largest entertainment and technology companies, Sony is built on innovation — it's a company that knows the value of being a leader. Through its RE100 membership, Sony sends a clear message that renewable power is the future, and that it makes business sense to lead the charge."

As part of a growing group of RE100 members in Japan, Sony is sending a powerful demand-signal for renewable power which is set to dramatically shift Japanese energy markets. Leading companies are clear that for them to remain competitive in global markets, supportive policy frameworks for corporate renewables sourcing are vital. By advocating for ambitious policy that enables a renewable energy future in Japan, Sony is going beyond its own operations to truly lead the clean energy transition — and we look forward to see many more companies following their lead."

Corporate Governance

Sony Corporation continuously strives to strengthen its corporate governance system in a way that is suitable for Sony and increases corporate value over the mid- to long-term. To operate Sony effectively, Sony Corporation approaches its corporate governance through two basic precepts:

- (a) The Board of Directors (the "Board"), a majority of which is comprised of independent outside Directors, focuses on effective oversight of management's operation of the business and maintaining a sound and transparent governance framework by utilizing the Nominating Committee, the Audit Committee and the Compensation Committees; and
- (b) The Board determines Sony's fundamental management policies and other material matters and delegates to each of the Senior Executives assume important roles for the management of Sony, including the Corporate Executive Officers, decision-making authority to conduct Sony's business operations broadly in line with their respective responsibilities, as defined by the Board, with a view to promoting timely and efficient decision-making within Sony.

In furtherance of these efforts, Sony Corporation has adopted a "Company with Three Committees" corporate governance system under the Companies Act of Japan (Kaishaho) and related regulations (collectively the "Companies Act") as the most appropriate system for the company. In addition, Sony Corporation has introduced its own requirements to help improve and maintain the soundness and transparency of its governance by strengthening the separation of the Directors' function from that of management; maintaining what the company believes is an appropriate Board size, which enables the members of the Board to actively contribute to discussion; and advancing the proper functioning of the statutory committees.

Milestones

- 1961** Issued American Depositary Receipts (ADRs); Started US-GAAP accounting
- 1970** Listed on the New York Stock Exchange; Started appointing independent directors and disclosing quarterly earnings release
- 1997** Introduced a new corporate executive officer system
- 2003** Adopted a company with three committees system
- 2005** Majority of the board became independent
- 2015** Split out business units as subsidiaries

Corporate Strategy, Business Strategy and other policies

| | | |
|---|--|---|
| Governance Framework | Governance Framework Home | The Board of Directors |
| | The Nominating Committee | The Audit Committee |
| | The Compensation Committee | Support for Activities of Directors, the Board and the Committees |
| | Evaluation of the Board and the Committees | Senior Executives and Other Officers |
| | Meeting Records | |
| Internal Control and Governance Framework | Internal Control and Governance Framework Home | Financial Reporting Framework |
| | Disclosure Framework | Ethics and Compliance |
| | Risk Management System Framework | Crisis Management System Framework |
| | Framework on Business Continuity Planning | Information Security |
| | Structure of audit by the Audit Committee, Internal Audit and Accounting Audit, and Status Thereof | Policy and Governance Framework on Tax Strategy |
| Relationship with Shareholders and Other Stakeholders | Relationship with Shareholders and Other Stakeholders Home | Policy for Constructive Dialogue with Shareholders |
| | Administration of the General Shareholders Meeting | Relationship with Other Stakeholders |
| | Shareholdings in Other Listed Companies | Anti-Hostile-Takeover Measures |
| | Related-Party Transactions | Policy for Shareholder Returns |
| | Roles of Corporate Pension Funds as Asset Owners | |

Updated on August 29, 2019

Corporate Strategy, Business Strategy and Other Policies

The Board sets and determines the fundamental management policy, including the mid-term plan and annual business plan pursuant to the Charter of the Board by fully examining various the thinking of management led by the CEO, from multiple perspectives. Please refer to the pages below for Sony's Purpose & Values, the Mid-Term Corporate Strategy for Sony, the business strategy for each business segment, and the vision of Sony's founder:

- > [About Sony](#)
- > [Corporate Strategy](#)
- > [Sony IR Day](#)
- > [Vision of Sony's Founder and Sony's basic policy for CSR](#)
- > [The Founding Prospectus](#)

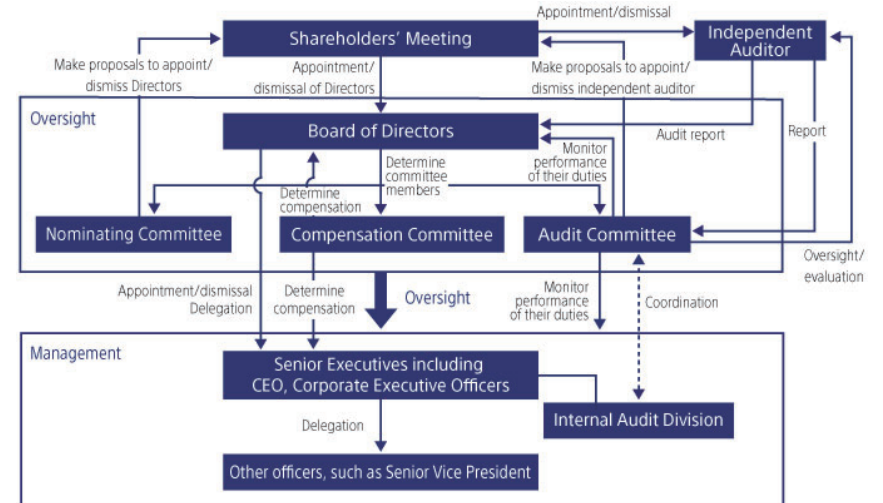
For details on sustainability or diversity, please refer to the pages below.

- > [Sustainability](#)
- > [Diversity](#)

Updated on June 18, 2019

Governance Framework

Sony Corporation is governed by the Board of Directors (the "Board"), the members of which are elected at the Ordinary General Meeting of Shareholders. Under the Companies Act of Japan, a "Company with Three Committees" is required to have three committees: the Nominating Committee, the Audit Committee and the Compensation Committee. The Companies Act also requires the Board to appoint Corporate Executive Officers (Shikko-yaku), who make decisions regarding the execution of Sony's business activities within the scope of the authority delegated to them by the Board. Sony Corporation has appointed its Chief Executive Officer ("CEO"), who is responsible for Sony's overall management, and other officers that directly report to the CEO and who are responsible for important and extensive headquarters functions as Corporate Executive Officers. In addition to these statutory bodies and positions, Sony Corporation has also appointed Corporate Executive Officers, including the CEO and other officers, that assume important roles for the management of Sony as Senior Executives. In addition, Sony grants titles, such as Senior Executive Vice President, Executive Vice President and Senior Vice President, to management team members in accordance with their respective roles and responsibilities.



Directors and Senior Executives who were elected in June, 2019

Directors

- Chairman of the Board: Shuzo Sumi*1**
 Chairman of the Board, Tokio Marine Holdings, Inc (He will resign his office on June 24, 2019)
- Vice Chairman of the Board: Kazuo Matsunaga*1**
 Chairman of the Board, Mitsubishi Fuso Truck & Bus Corporation
 Former Vice-Minister of Economy, Trade and Industry
- Kenichiro Yoshida**
 Representative Corporate Executive Officer, President and CEO, Sony Corporation
- Hiroki Totoki**
 Representative Corporate Executive Officer, Senior Executive Vice President, CFO, Sony Corporation
- Director in charge of Information Security: Tim Schaaff**
 Chief Product Officer, Intertrust Technologies Corporation
 Former President, Sony Network Entertainment International LLC
- Koichi Miyata*1**
 Chairman of the Board, Sumitomo Mitsui Banking Corporation
- John V. Roos*1**
 Former United States Ambassador to Japan
 Founding Partner, Geodesic Capital
- Eriko Sakurai*1**
 Chairman and CEO, Representative Director, Dow Toray Co., Ltd.
- Kunihito Minakawa*1**
 Former Audit and Supervisory Board Member, Ricoh Company, Ltd.
- Toshiko Oka*1**
 CEO, Oka & Company Ltd.
- Sakie Akiyama*1*2**
 Founder, Saki Corporation
- Wendy Becker*1*2**
 Non-Executive Director, Logitech International SA
 Non-Executive Director, Great Portland Estates plc

- Yoshihiko Hatanaka*1*2**

Representative Director, Chairman of the Board, Astellas Pharma Inc.

<Composition of Committees>

Nominating Committee

Shuzo Sumi*1 (Chair)
 Koichi Miyata*1
 John V. Roos*1
 Yoshihiko Hatanaka*1*2
 Kenichiro Yoshida

Audit Committee

Kazuo Matsunaga*1 (Chair)
 Kunihito Minakawa*1
 Toshiko Oka*1
 Sakie Akiyama*1*2

Compensation Committee

Eriko Sakurai*1 (Chair)
 Koichi Miyata*1
 Wendy Becker*1*2

*1: An Outside Director who satisfies the requirements under item 15, Article 2 of the Companies Act.

*2: A newly appointed Director

[> Meeting records](#)

Senior Executives

- Kenichiro Yoshida***
 President and CEO
- Hiroki Totoki***
 Senior Executive Vice President, CFO
- Shigeki Ishizuka**
 Senior Executive Vice President
 Officer in charge of Electronics Products & Solutions Business
 Officer in charge of Storage Media Business
 Representative Director and President, Sony Imaging Products & Solutions Inc.
 President, Digital Imaging Group
- Ichiro Takagi**
 Senior Executive Vice President
 Assistant to Senior Executive Vice President in charge of Electronics Products & Solutions Business
 Officer in charge of Home Entertainment & Sound Business
 Officer in charge of Consumer AV Sales & Marketing,
 Officer in charge of Manufacturing, Logistics, Procurement and Engineering Platform
 Representative Director and President, Sony Home Entertainment & Sound Products Inc.

• **Toru Katsumoto****

Senior Executive Vice President
 Officer in charge of R&D
 Officer in charge of Medical business
 President, R&D Center
 Senior General Manager, Corporate Technology Strategy Division
 Representative Director and Deputy President, Sony Imaging Products & Solutions Inc.

• **Shiro Kambe****

Executive Vice President
 Officer in charge of Legal, Compliance, Corporate Communications, CSR, External Relations, Quality, Environment, Information Security and Privacy

• **Kazushi Ambe****

Executive Vice President
 Officer in charge of Human Resources and General Affairs

• **Terushi Shimizu**

Executive Vice President
 Officer in charge of Semiconductor Business
 Representative Director and President, Sony Semiconductor Solutions Corporation
 Representative Director and President, Sony Semiconductor Manufacturing Corporation

• **Michinori Mizuno**

Executive Vice President
 Officer in charge of Music Business (Japan)
 Chairman and Representative Director, CEO, Sony Music Entertainment (Japan) Inc.

• **Shigeru Ishii**

Executive Vice President
 President, Representative Director, Sony Financial Holdings Inc.

• **Tsuyoshi Kodera**

Executive Vice President
 Officer in charge of Digital Transformation Strategy
 Deputy President, Sony Interactive Entertainment LLC
 Representative Director and Deputy President, Sony Interactive Entertainment Inc.

• **Rob Stringer**

Executive Vice President
 Officer in charge of Music Business (Global)
 CEO, Sony Music Entertainment

• **Anthony Vinciguerra**

Executive Vice President
 Officer in charge of Pictures Business
 Chairman and CEO, Sony Pictures Entertainment Inc.

• **Toshimoto Mitomo**

Executive Vice President
 Officer in charge of Intellectual Property and Business Incubation Platform
 Sony Group China Representative
 Senior General Manager, Startup Acceleration Division

• **Jim Ryan**

Executive Vice President
 Officer in charge of Game & Network Service Business
 President and CEO, Sony Interactive Entertainment LLC
 Representative Director and President, Sony Interactive Entertainment Inc.

* Representative Corporate Executive Officer

** Corporate Executive Officer

(Name and positions as of June 18, 2019)

Updated on August 29, 2019

The Board of Directors

Members: 13 Directors including 10 outside Directors (as of June 18, 2019)

| Name | Position |
|--------------------|---|
| Kenichiro Yoshida | Director |
| Hiroki Totoki | Director |
| Shuzo Sumi | Chairman of the Board Outside Director |
| Tim Schaaff | Non-Executive Director |
| Kazuo Matsunaga | Vice Chairman of the Board Outside Director |
| Koichi Miyata | Outside Director |
| John V. Roos | Outside Director |
| Eriko Sakurai | Outside Director |
| Kunihito Minakawa | Outside Director |
| Toshiko Oka | Outside Director |
| Sakie Akiyama | Outside Director |
| Wendy Becker | Outside Director |
| Yoshihiko Hatanaka | Outside Director |

Under the Companies Act, the term of office of Directors expires at the conclusion of the Ordinary General Meeting of Shareholders held with respect to the last business year ending within one year after their election.

Purpose/Authority

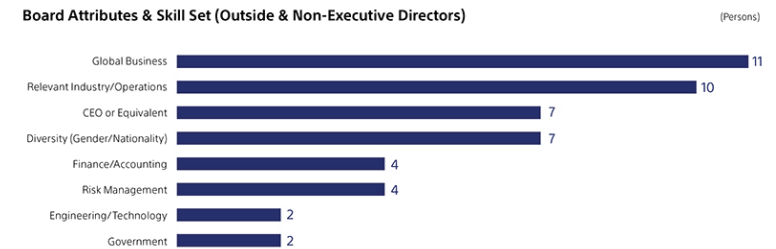
- To determine Sony's fundamental management policies
- To oversee the management of Sony's business operations as an entity independent from Sony's management
- To appoint and dismiss the statutory committee members
- To appoint and dismiss Senior Executives including Corporate Executive Officers
- To appoint and dismiss Representative Corporate Executive Officers

For the matters to be decided by the Board and the matters to be reported to the Board, refer to the page below.

> [The Board Charter \[PDF:176KB\]](#)

Policy on Composition of the Board

With a view toward securing effective input and oversight by the Board, the Nominating Committee reviews and selects candidates for the Board with the aim of assuring that a substantial part of the Board is comprised of qualified outside Directors that satisfy the independence requirements established by Sony Corporation and by law. The Nominating Committee selects candidates that it views as well-suited to be Directors in light of the Board's purpose of enhancing Sony's corporate value. The Nominating Committee broadly considers various relevant factors, including a candidate's capabilities (such as the candidate's experience, achievements, and expertise), availability, and independence, as well as diversity in the boardroom such as gender and nationality, the appropriate size of the Board, and the knowledge, experiences and talent needed for the role. Under the Charter of the Board (the "Board Charter"), Sony Corporation also requires that the Board consist of not fewer than 10 Directors and not more than 20 Directors. In addition, since 2005 the majority of the members of the Board have been outside Directors.



[Click to enlarge](#)

Qualifications for Directors and Limitation of Re-election

The qualifications for Directors of Sony Corporation under the Board Charter are generally as summarized below. As of June 19, 2019, all Directors satisfy the qualifications for Directors as set forth below, and all outside Directors satisfy the additional qualifications for outside Directors and are also qualified and designated as Independent Directors under the Securities Listing Regulations of the Tokyo Stock Exchange.

Director qualifications

- He/she shall not be a director, a statutory auditor, a corporate executive officer, a general manager or other employee of any company in competition with Sony in any of Sony's principal businesses (a "Competing Company") or own 3% or more of the shares of any Competing Company.
- He/she shall not be or have been a representative partner or partner of Sony's independent auditor the past three years before being nominated as a Director.
- He/she shall not have any connection with any matter that may cause a material conflict of interest in performing the duties of a Director.

Additional qualifications for outside Directors

- He/she shall not have received directly from Sony, during any consecutive twelve-month period within the last three years, more than an amount equivalent to U.S. \$120,000, other than Director and committee fees and pension or other forms of deferred compensation for prior service (provided such compensation is not contingent in any way on continued service).
- He/she shall not be an executive director, corporate executive officer, general manager or other employee of any company whose aggregate amount of transactions with Sony, in any of the last three fiscal years, exceeds the greater of an amount equivalent to U.S. \$1,000,000, or two percent of the annual consolidated sales of such company.

Also, each outside Director may, by resolution of the Nominating Committee, be nominated as a Director candidate for re-election five times, and thereafter by resolution of the Nominating Committee and by consent of all of the Directors. Even with consent of all of the Directors, in no event may any outside Director be re-elected more than eight times.

Matters related to Outside Directors

Sony Corporation expects that each outside Director play an important role in ensuring proper business decisions by Sony and effective input and oversight by the Board through actively exchanging opinions and having discussions about Sony's business based on his or her various and broad experience, knowledge and expertise. Considering these expectations, the policy and procedures on the election of Director candidates, including independent outside Director candidates, are set forth as described above. As of June 18, 2019, the Board has 13 Directors, ten of whom are outside Directors. The Chairman of the Board is an outside Director; the Nominating Committee has five Directors, four of whom are outside Directors; the Compensation Committee has three Directors, all of whom are outside Directors; and the Audit Committee has four Directors, all of whom are outside Directors.

Policy and Procedure for Selection and Dismissal of Senior Executives

Sony Corporation has appointed Corporate Executive Officers, including the CEO, and other officers that assume important roles for the management of Sony as Senior Executives.

The Board, a majority of which is comprised of independent outside Directors, has the authority to appoint and dismiss Senior Executives, including the CEO, and assign the roles and responsibilities of Senior Executives. In making decisions on the appointment of Senior Executives, including the CEO, the Board considers whether candidates for CEO meet certain qualifications for the CEO position which are set by the Nominating Committee and whether candidates for other Senior Executives have the necessary skills, capabilities, experiences and achievements that correspond to such Senior Executive's expected roles and responsibilities.

The tenure of Senior Executives, including the CEO, is one year. The Board determines their re-appointment upon the expiration of each term considering the factors described above as well as their latest performance. The Board dismisses a Senior Executive, as necessary, in the event that the Board recognizes such Senior Executive is disqualified after discussions amongst the members of the Board or the Nominating Committee, even in the middle of the term for such Senior Executive.

Updated on July 22, 2019

Nominating Committee

Members: 5 Directors including 4 outside Directors (as of June 18, 2019)

| Name | Position |
|--------------------|---|
| Shuzo Sumi | Chairman of the Nominating Committee (Outside Director) |
| Koichi Miyata | Nominating Committee Member (Outside Director) |
| John V. Roos | Nominating Committee Member (Outside Director) |
| Yoshihiko Hatanaka | Nominating Committee Member (Outside Director) |
| Kenichiro Yoshida | Nominating Committee Member (Director) |

Purpose/Authority

- To determine the content of proposals to be submitted for approval at the General Meeting of Shareholders regarding the appointment and dismissal of Directors
- To evaluate management succession plans, which the CEO develops, for the CEO and other executives designated by the Nominating Committee

The Nominating Committee determines the content of proposals regarding the appointment and dismissal of Directors, considering the policy on composition of the Board, the qualifications for Directors and the limitation of re-election of Directors. Please refer to the page below for more details.

[› The Board of Directors](#)

Policy of Composition of the Nominating Committee

The Nominating Committee must consist of at least three Directors, the majority of whom must be outside Directors. In addition, under the Board Charter, at least one Director of the Nominating Committee shall be a Corporate Executive Officer and the chair is to be selected from among the outside Directors. In determining whether to appoint or remove a member of the Nominating Committee, continuity of the Nominating Committee shall be duly taken into account. As of June 18, 2019, the Nominating Committee is comprised of five Directors, four of whom are outside Directors.

To enhance collaboration between the Nominating Committee and the Compensation Committee, some of the

outside Directors become members of both Committees, and as such the evaluation results made by the Compensation Committee of executives who are subject to succession plans are shared with the Nominating Committee. This collaboration allows the Nominating Committee to effectively judge the appropriateness of appointment and removal of the subject executives and allows the Compensation Committee to effectively determine the amount and contents of his/her individual compensation.

Management Succession Plans

The Nominating Committee evaluates the succession plans for the CEO and other executives designated by the Nominating Committee and the implementation of such plans, and reports its evaluation results to the Board, as appropriate.

For such evaluations, the CEO periodically reports the draft succession plans to the Nominating Committee and the Nominating Committee reviews such plans. As a part of such review, the Nominating Committee considers the development or promotion of the next generation's management and evaluates whether such plan is prepared in a reasonable manner in light of Sony's purpose to create sustainable social value and to enhance the corporate value over the mid- to long-term.

Updated on July 22, 2019

Audit Committee

Members: 4 outside Directors (as of June 18, 2019)

| Name | Position |
|-------------------|--|
| Kazuo Matsunaga | Chairman of the Audit Committee (Outside Director) |
| Kunihito Minakawa | Audit Committee Member (Outside Director) |
| Toshiko Oka | Audit Committee Member (Outside Director) |
| Sakie Akiyama | Audit Committee Member (Outside Director) |

Purpose/Authority

- To monitor the performance of duties by Directors and Corporate Executive Officers
- To oversee and evaluate the independent auditor

Policy of Composition of the Audit Committee

The Audit Committee must consist of at least three Directors, the majority of whom must be outside Directors and the chair is to be selected from among the outside Directors. In addition, under the Companies Act and the Board Charter, each member of the Audit Committee ("Audit Committee Member") must satisfy all of the following qualifications: (a) he/she shall not be a Director engaged in the business operations of Sony or any of its subsidiaries, a Corporate Executive Officer, an accounting counselor, a general manager or other employee of Sony and (b) he/she shall meet the independence requirements or such other equivalent requirements of the U.S. securities laws and regulations as may from time to time be applicable to Sony Corporation. The chair is to be selected from among the outside Directors. The Audit Committee Members shall be selected from among the persons who possess appropriate experience and talent as well as the necessary finance, accounting and legal knowledge to serve on the Audit Committee. No Audit Committee Member shall become, as a general rule, a member of the Nominating Committee or the Compensation Committee. In determining whether to appoint or remove the Audit Committee Member, continuity of the Audit Committee shall be duly taken into account. Moreover, at least one Audit Committee Member shall meet the audit committee financial expert requirements or such other equivalent requirements of the U.S. securities laws and regulations as may from time to time be applicable to Sony Corporation. The Board makes a determination on whether or not such Audit Committee

Members meet these requirements. As of June 18, 2019, the Audit Committee is comprised of four outside Directors, two of whom (Kunihito Minakawa and Toshiko Oka) are "audit committee financial experts".

Policy on Selection of Independent Auditor Candidates and Independence of Independent Auditor

With respect to the candidates for independent auditor nominated by the CEO and other Corporate Executive Officers, the Audit Committee evaluates the nomination, prior to making a decision on the candidates. The Audit Committee continues to evaluate the independence, the qualification and the reasonableness as well as the performance, of the independent auditor so appointed. For more details on activities of the Audit Committee, please refer to the page below.

> [Structure of audit by the Audit Committee, internal audit and accounting audit, and status thereof](#)

Updated on July 22, 2019

Compensation Committee

Members: 3 outside Directors (as of June 18, 2019)

| Name | Position |
|---------------|---|
| Eriko Sakurai | Chairman of the Compensation Committee (Outside Director) |
| Koichi Miyata | Compensation Committee Member (Outside Director) |
| Wendy Becker | Compensation Committee Member (Outside Director) |

Purpose/Authority

- To set policy on the content of individual compensation for Directors, Senior Executives and other officers
- To determine the amount and content of individual compensation of Directors and Senior Executives in accordance with the policy

Policy of Composition of the Compensation Committee

The Compensation Committee must consist of at least three Directors, the majority of whom must be outside Directors and the chair is to be selected from among the outside Directors. In addition, a Director who is a CEO, a Chief Operating Officer or a Chief Financial Officer of Sony Corporation or who holds any equivalent position shall not be a member of the Compensation Committee. In determining whether to appoint or remove a member of the Compensation Committee, continuity of the Compensation Committee shall be duly taken into account. As of June 18, 2019, the Compensation Committee is comprised of three outside Directors.

Basic policy for Director and Senior Executive remuneration

The basic policy regarding remuneration for Directors and Senior Executives, as determined by the Compensation Committee, is as follows:

(a) Basic policy regarding Director remuneration

The primary duty of Directors is to supervise the performance of business operations of the Sony Group as a whole. In order to improve this supervisory function over the business operations of Sony, which is a global company, the

following two elements have been established as the basic policy for the determination of remuneration of Directors. No Director remuneration is paid to those Directors who concurrently serve as Corporate Executive Officers.

- Attracting and retaining an adequate talent pool of Directors possessing the requisite abilities to excel in the global marketplace; and
- Ensuring the effectiveness of the supervisory function of the Directors.

Based upon the above, remuneration of Directors consists of the following three components:

Fixed remuneration;

Remuneration linked to share price; and

Phantom Restricted Stock Plan.

The amount of each component and its percentage of total remuneration shall be at an appropriate level determined in accordance with the basic policy above and based upon research conducted by a third party regarding remuneration of directors of both domestic and foreign companies.

Regarding remuneration linked to share price, restricted stock is used to further promote shared values between the shareholders and Directors, and incentivize Directors to develop and maintain a sound and transparent management system. Appropriate restrictions and conditions shall be set in order to enhance the effectiveness of the programs.

Regarding the Phantom Restricted Stock Plan, points determined every year by the Compensation Committee shall be granted to Directors every year during his/her tenure, and at the time of resignation, the remuneration amount shall be calculated by multiplying the Common Stock price by the individual's accumulated points. Sony will not grant any points pursuant to the Phantom Restricted Stock Plan to a Director for a fiscal year in which Sony granted restricted stock to the Director.

(b) Basic policy regarding Senior Executive remuneration

Senior Executives are key members of management responsible for executing the operations of the Sony Group as a whole and/or each business. In order to further improve the business results of Sony, the following two elements have been established as the basic policy for the determination of remuneration of Senior Executives.

- Attracting and retaining an adequate talent pool possessing the requisite abilities to excel in the global marketplace; and
- Providing effective incentives to improve business results on a short-, medium- and long- term basis.

Based upon the above, remuneration of Senior Executives shall basically consist of the following four components:

- Fixed remuneration;
- Remuneration linked to business results;
- Remuneration linked to share price; and
- Phantom Restricted Stock Plan.

The amount of each component and its percentage of total remuneration shall be at an appropriate level determined in accordance with the above basic policy and the individual's level of responsibility and based upon research conducted by a third party regarding remuneration of management of both domestic and foreign companies, with an emphasis on linking remuneration to business results and shareholder value.

Remuneration linked to business results shall be structured appropriately and based upon appropriate indicators to ensure that such remuneration effectively incentivizes Senior Executives to achieve the mid- to long-term and the corresponding fiscal year's corporate targets. Specifically, the amount shall be determined based upon the level of achievements of the targets of (1) certain key performance indicators linked to consolidated or individual business results of Sony of the corresponding fiscal year, such as Return on Equity ("ROE"), Net Income attributable to Sony Corporation's Stockholders and Operating Cash Flow ("Financial Performance KPIs"), which indicators are selected based on the areas of responsibility of the relevant Senior Executive and (2) the individual performance of the area (s) for which the relevant Senior Executive is responsible. The amount to be paid to Senior Executives shall fluctuate, in principle, within the range from 0 percent to 200 percent of the standard payment amount ("Business Results Linked Standard Payment Amount") based on the achievement of the above-mentioned targets. The Business Results Linked Standard Payment Amount shall be determined so that such amount is within a certain percentage of the cash compensation (total of the fixed remuneration and the remuneration linked to business results), which percentage shall be determined in accordance with each individual's level of responsibility.

Remuneration linked to the share price, such as stock options and restricted stock, will be used to incentivize Senior Executives to increase mid- to long-term shareholder value. Appropriate restrictions and conditions shall be set in order to enhance the effectiveness of this program. The amount of remuneration linked to the share price shall be determined, so that the amount is within a certain percentage of the total cash compensation (total of the fixed remuneration and the remuneration linked to business results) and remuneration linked to the share price.

Regarding the Phantom Restricted Stock Plan, points determined every year by the Compensation Committee shall be granted to Senior Executives every year during his/her tenure in office, and at the time of resignation, the remuneration amount shall be calculated by multiplying the Common Stock price by the individual's accumulated points.

Procedures to determine remuneration of Directors and Senior Executives

Based on the policy outlined above, the Compensation Committee determines the amount and content of the compensation for each Director and Senior Executive. Specifically, in principle, each year at the meeting of the Compensation Committee held after the Ordinary General Meeting of the Shareholders, the amount of basic remuneration and the content of each Director's and Senior Executive's compensation for the corresponding fiscal year is determined. Thereafter, at the meeting of the Compensation Committee held after the corresponding fiscal year end, the final amount of compensation of each Director and Senior Executive is determined, including the amount of remuneration linked to business results.

For determining the amount of the remuneration linked to business results for each Senior Executive, the Business Results Linked Standard Payment Amount, the targets for the Financial Performance KPIs and the targets for the individual performance of the areas (s) for which the relevant Senior Executive is responsible are determined and thereafter, at the meeting of the Compensation Committee held after the corresponding fiscal year end, the amount of such remuneration is determined based on the level of achievement of such targets for the Financial Performance KPIs and the individual performance.

In accordance with the above procedure, the Compensation Committee determined the amount of compensation of each Directors and Senior Executives for the fiscal year ended March 31, 2019.

Corporate Executive Officer remuneration linked to business results for the fiscal year ended March 31, 2019

The Business Results Linked Standard Payment Amount for the fiscal year ended March 31, 2019 was between 37.5 percent and 50.0 percent of cash compensation (total of the fixed remuneration and the remuneration linked to business results). The Financial Performance KPIs mainly used for the Corporate Executive Officers and their weighting, targets and results were as follows:

| | | | | | | | | | | | | | |
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| KPI | Weight | Target to be achieved for the fiscal year ended March 31, 2019 (Consolidated) | Result for the fiscal year ended March 31, 2019 (Consolidated) |
|--------------|--------|--|--|
| Operating CF | 50% | Amount determined in order to achieve the Operating CF (as defined below) target under Sony's Third Mid-Range Plan of 2 trillion yen or more for the three-year period from the fiscal year ended March 31, 2019 | 753.4 billion yen |
| Net Income | 40% | 480 billion yen | 916.3 billion yen |
| ROE | 10% | 15.1% | 27.3% |

Operating cash flow, excluding the Financial Services Segment ("Operating CF"), was selected as a Financial Performance KPI and was weighed the highest due to operating cash flow being determined as the most important performance metric under the Third Mid-Range Plan of Sony. ROE was also selected due to it being one of the financial targets of Sony's Third Mid-Range Plan. Net Income attributable to Sony Corporation's Stockholders was selected in order to incentivize management to achieve the current fiscal year's corporate target.

For the target to be achieved for the Operating CF for the fiscal year ended March 31, 2019, an amount which the Compensation Committee determined as appropriate was set in order to achieve the Operating CF target under Sony's Third Mid-Range Plan of 2 trillion yen or more (target as of as of April 1, 2018) for the three-year period from the fiscal year ended March 31, 2019. The target for the Net Income attributable to Sony Corporation's Stockholders for the fiscal year ended March 31, 2019 was set as 480 billion yen, which was the forecasted amount for the Net Income attributable to Sony Corporation's Stockholders for the fiscal year ended March 31, 2019 announced in April 2018. The target for ROE was 15.1% for the fiscal year ended March 31, 2019. The results for the Financial Performance KPIs for the fiscal year ended March 31, 2019 were as follows: Operating CF: 753.4 billion yen, Net Income attributable to Sony Corporation's Stockholders: 916.3 billion yen, ROE: 27.3%, each exceeding the targeted amount.

As outlined above under "Basic policy regarding Director and Senior Executive remuneration," remuneration linked to business results for Corporate Executive Officers for the fiscal year ended March 31, 2019 was determined based upon the level of achievement of the indicators which were selected based on the areas of responsibility of the relevant Corporate Executive Officer and the individual performance of the area (s) for which the relevant Corporate

Executive Officer was responsible. The amounts to be paid to the Corporate Executive Officers were determined within the range from 0 percent to 200 percent of the Business Results Linked Standard Payment Amount. As a result, the ratio of remuneration linked to business results of Corporate Executive Officers for the fiscal year ended March 31, 2019 was in the range of 148.1% to 169.4% of the Business Results Linked Standard Payment Amount.

(For Reference)

Restricted Stock

Sony has introduced a restricted stock plan starting from the fiscal year ended March 31, 2018, pursuant to which shares of restricted stock will be allotted to Sony Corporation's Corporate Executive Officers and other executives, and non-executive Directors of Sony Corporation (the "Non-Executive Directors"). The purpose of the plan for the Corporate Executive Officers and other executives of Sony Corporation is to further reinforce management's alignment with shareholder value, and to incentivize management to improve mid- to long- term performance and increase shareholder value. Furthermore, the purpose of the plan for the Non-Executive Directors is to incentivize these Directors to develop and maintain a sound and transparent management system by further promoting shared values between the shareholders and the Non-Executive Directors.

The grantees will not be able to sell or transfer the granted shares during the restricted period, and Sony Corporation will acquire the granted shares from a grantee without any consideration to, or consent of, the grantee under certain conditions. Details of the plan, such as vesting conditions, eligibility and the number of grants, will be determined by the Compensation Committee.

Updated on July 22, 2019

Support for Activities of Directors, the Board and the Committees

Sony Corporation engages in various activities to enhance the oversight function of the Board over management's operation of Sony's business as follows:

- **Outside Director Initiatives**

The Chairman of the Board is elected from among those Directors other than the Representative Corporate Executive Officer, and the Chairman leads the Board's activities and secures the appropriate cooperation, communication and arrangement among outside Directors and Senior Executives. The Board conducted outside Directors' meetings, Directors' corporate strategic workshops with management, site visits by outside Directors and meetings of the Chairman and the CEO. These activities were aimed at securing better understanding by outside Directors of Sony's business and management's initiatives and encouraging corporate strategic discussions among Directors.

- **Secretariat Offices for the Board and each Committee**

The company has established the secretariat offices of the Board and each Committee to support the activities of the members and encourage constructive and proactive discussion at the meetings of the Board and each Committee. Each secretariat office endeavors to distribute necessary materials for the meetings in advance and to provide other information such as accounting information, organizational charts, press releases, external analyst reports and credit rating reports, as appropriate. Each secretariat office explains the meeting agenda to the members and provides them with presentation materials in advance of each meeting date and facilitates deliberation in separate meetings or brief sessions depending on the nature of matters to be discussed. Each secretariat office also provides the absent members with a follow up briefing, as appropriate. In addition, each secretariat office shares the annual schedule of the meetings and anticipated agenda items in advance with the members, in order to appropriately set the frequency of meetings and the number of agenda items to be deliberated at each meeting.

- **Provision of Necessary Information**

When the company is requested to provide additional information, each secretariat office endeavors to provide the members such information promptly. Also, each secretariat office verifies appropriately whether requested information is provided smoothly. In the event that the members consult with external specialists, participate in various seminars and so on to perform their duties, the costs and expenses in connection with such activities are borne by the company in accordance with applicable internal rules.

- **The Audit Committee Aide**

With the approval of the Board and with the Audit Committee's consent, the company has established the Audit Committee Aide to support the activities of the Audit Committee. The Audit Committee Aide does not concurrently hold positions related to the business operations of Sony and, upon instruction by each Audit Committee member, conducts investigations into and analyses of auditing matters and engages in physical inspections or visiting audits either by him/herself or by cooperating with relevant departments in order to support the Audit Committee.

- **Policy for training Directors**

Newly appointed Directors receive briefings by Senior Executives and outside experts in connection regarding their expected roles and responsibilities, including legal duties, as a Director or a member of the Committees. In addition, newly appointed outside Directors receive briefings about the business, financial status, organization and governance structure of Sony. Also, throughout their tenure, each Director receives compliance-related training in accordance with internal protocols and briefings on matters relevant to each Director's fulfillment of his/her roles and responsibilities including the current status of Sony's business.

Updated on July 22, 2019

Evaluation of the Board and the Committees' Effectiveness

Policy for Evaluation

Sony Corporation believes that it is important to endeavor to improve the effectiveness of the Board and each Committee in order to support Sony's business operations and enhance the corporate value of Sony. To achieve this goal, Sony Corporation conducts evaluations of the effectiveness of the Board and of each Committee (the "Evaluation") at least annually.

Recent Evaluation

From February through April 2018, the Board conducted the Evaluation mainly in respect of the Board and Committee activities in the fiscal year ended March 31, 2019 ("FY2018") after confirming that actions proposed in response to the results of the previous Evaluation were taken. The recent Evaluation was conducted, as the company did with the previous Evaluation, with the support of a third-party evaluation by an outside counsel having expertise in Japanese and global corporate governance practices (the "Outside Counsel") in order to ensure transparency and objectivity and to obtain professional advice.

Procedures for Recent Evaluation

First, the Board discussed and confirmed that the actions proposed to be taken in response to the results of previous Evaluation were taken, and discussed and confirmed the proposed procedures for the Evaluation for FY2018. Thereafter, the third-party evaluation was conducted by the Outside Counsel in accordance with the following steps:

- Reviewed relevant material, such as the minutes of Board meetings, and attended a Board meeting;
- Confirmed with the Board Secretariat office and each Committee's secretariat office how meetings of the Board and Committees were conducted;
- Gathered responses to a questionnaire from each Director about the current status and practices of the Board and each Committee, such as the composition of the Board, operation of the Board, commitments of each Director, activities of each Committee and procedures of the previous Evaluation;
- Interviewed the Chairman of the Board, newly-appointed Directors, a Director who is concurrently in the position of the CEO, and certain additional Directors about the Board and Committee status and practices; and
- Researched other global companies' practices in Japan, the United States and Europe, and compared them with

the company's practices.

The Board then received, reviewed and discussed the Outside Counsel's report on the results of its evaluation. The Board confirmed the effectiveness of the Board and the Committees.

Summary of the Results of Recent Evaluation

The Outside Counsel reported that the Board is established and operated in a manner sufficient to be highly appreciated, based on various points, including the self-evaluation results of the Directors and comparison with benchmarked companies in Japan, the United States and Europe. Following discussion and analysis based on the Outside Counsel's report, the Board re-affirmed that the Board and each Committee were functioning effectively as of April 2019.

The Outside Counsel also provided examples of potential options, based on other companies' practices, to help further improve effectiveness of the Board and Committees. The examples include studying the feasibility of having special committees, further enhancing the executive session's effectiveness, further enhancing disclosure about the compensation system, and further securing diversity of the outside Directors and enhancing disclosure about the same.

Actions in response to the Results of Evaluation

In order to further increase corporate value of Sony, Sony Corporation will take appropriate actions to further enhance functions of the Board and the Committees in response to the results of the Evaluation, as well as various comments and opinions given by Directors and the Outside Counsel during the Evaluation process.

For reference, after the previous Evaluation conducted from February through April 2018, Sony Corporation took the following actions, among others, to help improve the effectiveness of the Board:

- Enhanced diversity in the boardroom (by newly appointing one non-Japanese and two female Directors as outside Directors);
- Made periodic reports to the Board on ESG (Environment, Social and Governance) related matters;
- Focused on information security continuously through the Director in charge of Information Security;
- Held additional executive sessions; and
- Expanded disclosure on Sony's appointment/dismissal policy on Senior Executives, including the CEO, and Sony's policy on succession planning.

Updated on July 22, 2019

Updated on August 29, 2019

Senior Executives and Other Officers

Senior Executives

Total number of Senior Executives: 15 (including 5 Corporate Executive Officers) (as of June 18, 2019)

[Governance Framework TOP - Senior Executives](#)

Purpose/Authority

- Determines and executes Sony's business activities in accordance with their roles and responsibilities assigned by the Board

Delegation of Authority from the Board

The Board determines the fundamental management policies and other material matters related to the operation of Sony's business. The Board assigns the duties of Senior Executives, including the CEO, by determining the areas over which each Senior Executive is in charge and widely delegates its decision-making authority to the CEO, with a view to promoting timely and efficient decision-making within Sony. The CEO further subdelegates a part of such authority to other Senior Executives.

Other Officers (such as Senior Vice President) Total number of other officers: 26 (as of June 18, 2019)

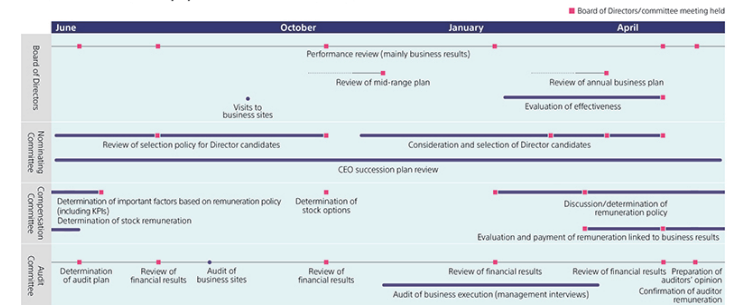
Purpose/Authority

- Carries out business operations their assignments within designated areas, such as business units, headquarters functions and/or research and development, in accordance with the fundamental policies determined by the Board and Senior Executives

Meeting Records

During the fiscal year ended March 31, 2019, the Board convened nine times. The Nominating Committee met five times, the Audit Committee met six times and the Compensation Committee met five times. All 11 outside Directors, including Takaaki Nimura who retired in June 2018, participated in all meetings of the Board held during their tenure period in the fiscal year ended March 31, 2019. Also, all outside Directors who are members of Committees participated in all of the meetings of each Committee held during the fiscal year ended March 31, 2019. Mr. Nicholas Donatiello, Jr. passed away on June 27, 2018, and, accordingly, has not participated in the Board meetings and the Compensation Committee meetings held on and after such date.

Overview of Annual Activity Cycle of the Board of Directors and Committees



[Click to enlarge](#)

Updated on August 29, 2019

Internal Control and Governance Framework

At a Board meeting held on April 26, 2006, the Board reaffirmed the internal control and governance framework in effect as of the date thereof and resolved to continue to evaluate and improve such framework going forward, as appropriate. At Board meetings held on May 13, 2009 and April 30, 2015, the Board amended and updated the internal control and governance framework, and at a Board meeting held on April 26, 2019, the Board reaffirmed the framework in effect as of the date thereof and resolved to evaluate and improve such framework going forward, as appropriate. These determinations were required by and met the requirements of the Companies Act of Japan. For the content of the reaffirmation and the status of its implementation determined at the Board meeting held on April 26, 2019, please refer to the page below.

› [Board of Directors' Determination Regarding Internal Control and Governance Framework Pursuant to the Japanese Companies Act and Status for Implementing the Internal Control and Governance Framework](#)

For the summary of major frameworks established and maintained based on the above determination, please refer to each page below.

| | |
|---|--|
| › Financial Reporting Framework | › Disclosure Framework |
| › Ethics and Compliance Framework | › Risk Management System Framework |
| › Crisis Management System Framework | › Framework on Business Continuity Planning |
| › Information Security | › Structure of Audit by the Audit Committee, Internal Audit and Accounting Audit, and Status Thereof |
| › Policy and Governance Framework on Tax Strategy | |

Updated on August 29, 2019

Financial Reporting Framework

Sony's internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles in the United States of America.

Sony formed a cross-functional steering committee comprised of management in charge of the principal Sony Group headquarters functions to monitor the actions necessary to maintain effective internal control over financial reporting, including documenting, testing and evaluating internal controls and overseeing and assessing the global evaluation. Based on the Company's evaluation, management has concluded that Sony maintained effective internal control over financial reporting as of March 31, 2019.

| | | | | | | | | | | | | | |
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Disclosure Framework

The securities of Sony Corporation, the ultimate parent of all Sony Group companies, are listed for trading on exchanges in Japan and the U.S. As a result, Sony Group is obligated to make various disclosures to the public in accordance with applicable securities laws and regulations in those countries. Sony Group is committed to full compliance with all requirements applicable to its public disclosures.

Sony's policy on investor relations ("IR") activities is to aim to disclose accurate information in a timely and fair manner, as well as to endeavor to promote constructive dialogue with shareholders and investors, with a view to maximizing Sony's corporate value by building a relationship of trust with shareholders and investors. Sony Group has in place disclosure controls and procedures in support of this policy. All personnel responsible for the preparation of submissions to and filings with the Tokyo Stock Exchange, the U.S. Securities and Exchange Commission and other regulatory entities, or for other public communications made on behalf of Sony Group, or who provide information as part of that process, have a responsibility to ensure that such disclosures and information are full, fair, accurate, timely and understandable, and in compliance with the established disclosure controls and procedures.

Sony has established "Disclosure Controls and Procedures," outlining the process through which potentially material information is reported from important business units, subsidiaries, affiliated companies and corporate divisions and is reviewed and considered for disclosure in light of its materiality to Sony Group. The "Disclosure Committee," comprised of officers and senior management who are in charge of corporate function of Sony Group, assists the CEO and the CFO in the establishment and implementation of the Disclosure Controls and Procedures and also in undertaking appropriate and timely disclosure.

Updated on August 29, 2019

Risk Management System Framework

Each business unit, subsidiary / affiliated company and corporate division of Sony periodically reviews and assesses risks for the area of which it is in charge and works on finding, reporting, assessing and responding to the risks. In addition, Senior Executives including Corporate Executive Officers, of Sony Corporation have established and maintain a system to identify and control risks that may cause losses to Sony Group regarding the areas of which they are in charge. The Corporate Executive Officer in charge of group risk control comprehensively promotes and manages the establishment and maintenance of the system stated above through the activities with related departments.

Updated on August 29, 2019

Crisis Management System Framework

One aspect of risk management is the proper handling of crises if and when they arise, and the proper preparation for such crises. Sony's crisis management and business continuity activities predominately occur at the business and operational level closest to the events the Company may encounter. Since some events can have a significant impact on the entire Sony Group as a whole, Sony has established a Group crisis management procedure to enable a swift and organized Group-wide response to crises as needed.

Updated on August 29, 2019

Framework on Business Continuity Planning

The Sony Group has strengthened its business continuity planning (BCP) to enhance risk management throughout the supply chain, by identifying, analyzing, and evaluating business risks to prevent business disruptions due to emergencies such earthquakes, natural disasters, and accidents.

Sony's electronics business struggled to cope with the impact of the Great East Japan Earthquake and severe flooding in Thailand in fiscal 2012, and with the impact of the earthquakes in the Kumamoto region of Japan in 2016. Sony's employees and top management rallied together, capitalizing on their experiences in implementing measures to ensure business continuity, and succeeded in minimizing the impact of production disruptions.

In 2016, Sony began reassessing the earthquake risk to its Japanese plants with the lessons learned from the Kumamoto earthquakes, aiming to establish standards for the anti-earthquake measures needed to secure employee safety. Sony has also established its own building fire prevention standards to address fire risks and ensure business continuity as part of its overall effort to reduce risks.

For each of its businesses, Sony formulates and manages crisis management and BCP to minimize the impact of any disruption of business. To make these initiatives more effective, Sony ensures that the companies and organizations in its corporate group collaborate on practical drills to better ensure business continuity and prepare for the rapid restoration of operations.

In addition, Sony Group headquarters has established a group-wide framework for reviewing crisis management and BCP for each of its businesses and preparing for incidents and business disruptions that would significantly impact the entire Group.

Sony also shared the lessons it learned in the recovery effort following the Kumamoto earthquakes with related enterprises and regional companies through industry associations, helping to strengthen industrial competitiveness and supply chains in Japan. Sony recognizes the importance of BCP to its business strategy. Taking into account its experience with large-scale emergencies, Sony will continue to implement effective, practical measures, such as enhancing risk management across its group-wide supply chains.

Updated on August 29, 2019

Information Security

Like many companies, Sony faces an increasingly advanced threat environment, which presents information security challenges. Third parties seeking to compromise the information of global companies continue to grow in number, capability, and persistence. To address this reality and ensure that Sony continues to earn customers' trust, Sony maintains a robust information security program. Led by the Chief Information Security Officer (CISO), Sony's approach to information security is grounded in a company-wide governance structure that enables the effective management of potential risks, incorporates security controls into systems and products to safeguard information, trains employees and business partners to understand how their actions can introduce information security risk, and deploys monitoring and response capabilities to swiftly address the situation in the event of an attack.

Information Security Governance

Sony's information security program is governed by a set of global policies and standards, which are based on internationally accepted industry best practices. These policies set forth Sony's commitment to information security and define practices and procedures to be followed by Sony executives and employees to help protect information resources and information systems from unauthorized access or leakage, falsification, loss, destruction and other security risks. Sony routinely reviews and revises these policies and standards to address changes in the risk landscape, threats, and the regulatory environment. The CISO monitors the global implementation of and compliance with those policies.

The CISO's office coordinates with the information security officers (ISOs) responsible for information security at Sony Group companies globally to create a Group-wide information security management system. These officers ensure effective implementation of policies and standards.

Strong executive support for, and governance of, information security is essential. Accordingly, executives at each Sony Group company take responsibility for playing an active role in managing risks within their organizations and instilling a culture of awareness in all employees. Sony Group companies have set up information security management committees to fulfill this responsibility.

Employee Training as a Key Component of Information Security

Every employee has a critical role to play in protecting Sony's most sensitive information. To increase Sony employees' awareness of information security threats, Sony requires all personnel to receive annual information security training, where they learn how to report incidents and what types of behaviors they must avoid to reduce risk. Sony employees also regularly receive phishing awareness training, which tests employees' knowledge of how to spot and avoid cyber-attacks delivered through fraudulent emails.

Monitoring and Response Measures

Sony has a 24x7 global security operations center equipped with advanced technical capabilities to prevent and manage information security incidents. Sony's incident response team defends the company's networks using threat intelligence and analysis, monitoring and detection of malicious activity, rapid response and containment, and sophisticated forensics capabilities.

Sony is committed to safeguarding the trust of customers, employees, and business partners. Sony continuously looks for ways to improve practices, implement stronger controls, and provide more robust security to protect personal data and the information entrusted to its care.

Updated on August 29, 2019

Structure of Audit by the Audit Committee, Internal Audit and Accounting Audit, and Status Thereof

Audit structure and status of the Audit Committee

The Audit Committee conducts the audit of the performance of duties by Directors and Corporate Executive Officers pursuant to applicable laws and regulations, and the Charter of the Audit Committee established by the Board, through deliberation at Audit Committee meetings (held six times during the fiscal year ended March 31, 2019), activities of Audit Committee Members (for example, reviewing reports relating to the execution of duties by the Corporate Executive Officers and employees of Sony Corporation, or directors, statutory auditors and employees of major subsidiaries of Sony Group), and activities of the Audit Committee supporting personnel (the Audit Committee Aide).

In addition, the Audit Committee conducts the "organizational audit" in cooperation with divisions in charge of internal audit and divisions in charge of internal control of Sony Group. Through the process, the Audit Committee receives periodical reports from these divisions at the Audit Committee meetings or other meetings to be held from time to time, requests them to conduct necessary investigation, and receives reports on its process and result.

The Audit Committee also assesses the eligibility and the independence of the independent auditor and the adequacy of the audit by receiving the notice that the independent auditor provides regarding maintenance of systems to ensure the execution of its duties under the Quality Control Standard for Audit, pre-confirming the audit plan at the beginning of each fiscal year, pre-approving auditor compensation, and reviewing the report of the procedures, and the result of the audit, for the last fiscal year and interim periods including review of quarterly financial reports and evaluating their content.

Internal audit structure and status

Sony Corporation established a department in charge of internal audit, the Risk & Control Department, which coordinates closely with the internal audit departments of major subsidiaries around the world, and Sony Group Internal Audit Charter, and endeavors to maintain and enhance the internal audit structure of Sony Group in order to promote Sony Group's internal audit activities on a global basis. The Risk & Control Department and each internal audit department of major subsidiaries of Sony ("Internal Audit Department") play an important function in maintaining Sony Group's governance in order to strengthen Sony Group's management structure, promote efficiency of management, and maintain and avoid any loss of material assets, including Sony's brand image, by

evaluating the effectiveness of the internal control system and risk management structure of Sony through independent and objective audit.

The Risk & Control Department and each Internal Audit Department conduct the internal audit of each department or subsidiary that they supervise, in accordance with the annual audit plan that is established based on the risk assessments conducted in the beginning of each fiscal year and any matters proposed by Sony's management or the Audit Committee. Each internal audit is conducted under the planned audit procedure. Afterward, each Internal Audit Department follows up until the completion of any improvement plan developed based on the audit result. In order to ensure its independence, fairness and objectiveness, the appointment and dismissal of the head of the Risk & Control Department is subject to the prior approval of the Audit Committee. The appointment and dismissal of the person in charge of each Internal Audit Department also require the prior approval of the head of the Risk & Control Department.

The Internal Audit Departments of major subsidiaries are required to provide the Risk & Control Department with a report on the material items and a copy of the issued audit report, and the Risk & Control Department makes periodic presentations on such report to the Audit Committee, the CFO, and the Corporate Executive Officer in charge of internal audit. The Risk & Control Department also make periodic reports to the independent auditor on the status of the internal audit activities and the result of the audit. The audit report issued by the independent auditor is used for the planning of the internal audit and conducting the internal audit.

Accounting audit status

Sony's accounting audit is conducted by PricewaterhouseCoopers Aarata under an agreement. The certified public accountants who conducted the accounting audit of Sony for the fiscal year ended March 31, 2019, are as follows:

Hitoshi Kiuchi, Takaaki Ino and Masataka Kubota

The team at PricewaterhouseCoopers Aarata that conducted Sony's accounting audit is composed of 98 certified public accountants, 85 assistant certified public accountants and 205 other staff members.

Updated on August 29, 2019

Policy and Governance Framework on Tax Strategy

Tax Policy

The Sony Group conducts its business, including managing its tax obligations, honestly, ethically and with integrity. Sony Group Code of Conduct defines that it is Sony's policy to comply with all applicable tax laws and regulations of each country and region where Sony conducts business as well as the common rules and guidance regarding international taxation. Sony understands and complies with the laws and regulations that apply to their work.

Governance Structure

Based on the above global tax policy, each Sony group company has the responsibility to understand and comply with tax laws and regulations applicable to its businesses, with support from the group's Global Tax Office (the GTO), which is in charge of Sony's overall tax position. The global head of the GTO reports directly to Sony Corporation's Chief Financial Officer based in Japan.

The GTO has implemented a series of processes and controls to identify, manage and report tax risk appropriately. These include regular updates with Finance teams; documented review processes; regular training for staff involved in tax return preparation and review; and regular updates with the global head of the GTO.

Transactional taxes such as VAT and sales taxes, Customs Duty, Employment Taxes and others are the ultimate responsibility of the relevant divisional Finance Director. The GTO has strong links with these divisional Finance Directors to ensure that in the event of material risks being identified or errors made, the GTO provides support including where necessary liaising with the relevant tax authority.

Approach to Tax Planning

Sony operates diverse businesses within a complex global environment, in which tax is an important factor. Sony believes in taking a principled and responsible approach to managing its tax affairs, in line with business objectives. The tax function provides appropriate input as part of the approval process for business proposals to ensure the tax consequences are clearly understood. Sony is committed to fulfilling its obligation both to comply with applicable tax laws and to safeguard Sony's reputation.

The jurisdictions in which Sony does business may offer various tax incentives such as enhanced deductions,

credits and exemptions for certain types of income and expense to meet local policy objectives such as encouraging inward investment. Sony believes it has a duty to its shareholders to take advantage of such incentives where they are generally available to all taxpayers who meet the relevant criteria and the requirements to claim the incentive do not conflict with broader business objectives.

Tax Risks

Sony employs diligent professional care and judgement in assessing tax risk, and may take advice from third-party specialists and where appropriate consult with or obtain rulings from relevant tax authorities to support the decision-making process. However, tax law is not always clear and unambiguous, and differences in interpretation can arise. Sony monitors its tax positions closely and will not record an accounting benefit unless it determines based on consideration of the facts and the law that it is more likely than not that the position will be sustained.

Dealings with Tax Authorities

Sony seeks to maintain good professional relationships with tax authorities. When providing responses to Tax Authority questions, all responses are based on an honest and accurate representation of the facts as Sony understands them.

Transparency

Sony prepares and files annually a country by country report in accordance with Japanese law and prepares and files a transfer pricing master file in accordance with the laws of the countries where Sony does businesses.

Updated on August 29, 2019

Relationship with Shareholders and Other Stakeholders

Sony Group's core corporate responsibility to society is to strive to enhance its corporate value through innovation and sound business practice. Sony Group recognizes that its business activities have direct and indirect impact on the societies in which Sony operates, and therefore sound business practice requires that Sony's business decisions give due consideration to the interests of Sony's stakeholders including shareholders, customers, employees, suppliers, business partners, local communities and other organizations. Personnel must endeavor to conduct the business of Sony Group accordingly.

For the Letter to Stakeholders from the CEO, the Policy for Constructive Dialogue with Shareholders and other activity to secure shareholders' rights, please refer to the following pages.

- | | |
|--|--|
| Letter to Stakeholders from the CEO | Policy for Constructive Dialogue with Shareholders |
| Administration of the General Shareholders Meeting | Relationship with Other Stakeholders |
| Shareholdings in Other Listed Companies | Anti-Hostile-Takeover Measures |
| Related-Party Transactions | Policy for Shareholder Returns |
| Roles of Corporate Pension Funds as Asset Owners | |

Updated on August 29, 2019

Policy for Constructive Dialogue with Shareholders

Sony's policy on investor relations is to make public disclosures which are timely and fair, accurate and easily understandable, and provide a comprehensive picture, with the goal of maximizing Sony's enterprise value by building a relationship of trust with shareholders and investors.

Pursuant to this policy, the Board appoints the CFO as the Corporate Executive Officer in charge of IR activities. Under the CFO's supervision, the IR Department works to promote constructive dialogue with Sony's shareholders and investors. As a part of these efforts, the IR Department engages in various activities to enhance the manner and frequency of dialogue with shareholders and investors. These go beyond one-on-one meetings to include investor briefings, corporate strategy meetings and business unit briefings like "IR Day." The IR Department also coordinates internally to gather information necessary to guide the dialogue with shareholders and investors. Further, the IR Department evaluates the opinions and concerns expressed from shareholders and investors and conveys appropriate feedback regarding those opinions and concerns to the Corporate Executive Officers in charge and the Board.

When holding dialogue with shareholders and investors, any insider information shall not to be disclosed. The IR Department reviews information to be disclosed in advance with other relevant departments and outside experts, as appropriate.

Please refer to the page below, for the details on "Disclosure Controls and Procedures" and our IR activities.

- [Disclosure Framework](#)
- [Investor Relations](#)

Updated on August 29, 2019

Administration of the General Shareholders Meeting

Sony's policy on administration of the general shareholders meeting is as follows.

Basic policy for the general shareholders meeting

Sony endeavors to develop open environment where each shareholder could easily make a statement by the following two points, as the basic policy for the general shareholders meeting.

- To take necessary measures to encourage the shareholders who find it difficult to attend the shareholders' meeting to vote
- To encourage direct communications between the shareholders who attend the shareholders meeting and Sony's management

Sony sets the date of the general shareholders meeting appropriately, depending on venue availability. Further, Sony displays the voting results gathered before the shareholders meeting date on the screen of the meeting hall during the voting in order to operate the shareholders meeting in a transparent manner.

Activities to secure the rights of shareholders

Sony endeavors to develop an environment in which shareholders could exercise their rights appropriately and effectively, to secure equal treatment of shareholders, including institutional investors who hold shares in a street name, and to consider concerns of minority shareholders and foreign shareholders adequately, through confirming shareholder composition quarterly. As a part of these activities, Sony prepares the convocation notice, giving consideration to the accuracy of the information provided therein and the readability of such notice to facilitate informed voting by shareholders, both in Japanese and English. Sony strives to send the convocation notice for the general shareholders meeting early enough to give shareholders sufficient time to consider the agenda and posts it at its website. Sony also uses an electronic voting platform to allow electronic voting through the internet (via PC, smartphone or mobile phone).

For more information on the general shareholders meeting, please refer to the page below.

> [Shareholders meeting](#)

Review of voting results

The voting results for each agenda item of the general shareholders meeting and its analysis are reported to and reviewed by the Board as appropriate. The IR Department then takes any appropriate follow-up measures, such as engaging in dialogue with shareholders.

Relationship with Other Stakeholders

As a part of the Sony Group Code of Conduct, CEO communicates and implements our thoughts and initiatives about Sony's social responsibility and relationship with stakeholders in Sony Group. The Board periodically receives report on the status of the communications and the implementation of the Code of Conduct and reviews such report.

- > [The Sony Group Code of Conduct](#)
- > [Stakeholder Engagement](#)

Sony understands that there are various challenges in society, such as Sustainable Development Goals ("SDGs") and identifies material challenges highly relevant with Sony's business operations, such as environmental challenges, diversity inclusions through CSR Materiality Assessment. Sony will aim to engage in CSR activities with understanding of such material challenges.

- > [Approach to Sustainability](#)
- > [Specifying Material Topics](#)
- > [Environmental Policies and Targets](#)
- > [Diversity Principle and engagements](#)
- > [Gender, Sexual Orientation, Disabilities: Promoting Greater Opportunities for Women](#)

The Board periodically receives report on the status of addressing such material challenges or the implementation of the Code of Conduct and reviews such report. The Board also confirms whether the risk management structure would be established properly, and necessary actions would be planned and conducted with a recognition of sustainability as one of Sony's challenges within the risk management structure.

Shareholdings in Other Listed Companies

Sony Corporation and its subsidiaries may acquire and/or hold shares of other listed companies for the purpose of expanding Sony's business portfolio, promoting certain businesses within Sony and enhancing Sony's relationships with the companies whose shares it holds. Sony's policy regarding shareholdings of listed companies (excluding Sony's subsidiaries), and its policy for exercising voting rights are as follows:

Policy regarding shareholdings of listed companies

Shareholding policy

Sony and its subsidiaries decide whether to acquire or continue to hold shares of listed companies (excluding the acquisition and holding of shares by Sony's listed subsidiaries, and Sony's shareholding in its own listed subsidiaries) based on an appropriate examination of each investment, and choose to engage in such shareholding only if it is judged to further Sony's business purposes and to have sufficient economic rationale. If it is determined that investments do not meet these criteria, Sony and its subsidiaries will avoid or reduce exposure to such holdings.

Assessment of rationale for shareholding

In all cases where Sony and its subsidiaries hold shares in listed companies (excluding shares held by Sony's listed subsidiaries, and Sony's shareholdings in its own listed subsidiaries) for reasons other than for the sole purpose of investment, Sony carries out a yearly review to assess the rationale for shareholding, the importance of Sony's business relationship with each company whose shares it holds (taking into account the progress of, and outlook for, any anticipated business collaboration between Sony and said company), and any anticipated positive impact of such shareholdings on Sony's business relationship with the company. In addition, Sony also assesses the appropriateness of these shareholdings by considering the potential of each investment to contribute to mid-to long-term value creation in the Sony Group, via an assessment of expected return on investment and cost of capital. These evaluations are first carried out on the management side, after which the Board of Directors (the "Board"), which is responsible for overseeing business operation, carries out its own assessment based on the result of the evaluations by the management side.

Details of the assessment carried out by the Board of Directors

Based on the above policy, at the Board meeting held on June 18, 2019, Sony carried out an assessment of the rationale for its and its subsidiaries' shareholdings in listed companies (excluding shares held by Sony's listed subsidiaries, and Sony's shareholdings in its own listed subsidiaries) as of March 31, 2019. As a result of the assessment, it was determined that Sony should consider reducing its exposure to certain holdings, which are currently being reviewed.

Policy for exercising voting rights

Sony believes in the importance of enhancing the corporate value of the listed companies whose shares it holds, and Sony's own corporate value in turn, through the exercise of its voting rights. Accordingly, Sony aims to exercise its voting rights with the intention of increasing each company's mid- to long-term corporate value, after a comprehensive consideration of both the significance and economic rationale of its shareholdings, and the details of proposals. Sony has established internal rules determining what factors should be taken into account when considering proposals about matters such as the appropriation of retained earnings, the appointment of directors, statutory auditors and accounting auditors, as well as shareholder proposals. Through these rules, Sony makes appropriate decisions regarding the exercise of its voting rights.

Business relations with companies who invest in Sony

Should a company who holds shares of Sony's stock express the intention to sell such shares, Sony will not attempt to obstruct such sale by threatening to limit business transactions with said company, and will not engage in any transactions that would harm the common interests of the company or its shareholders.

Updated on August 29, 2019

Anti-Hostile-Takeover Measures

Sony has not adopted any anti-hostile takeover measures. Sony will fully examine the necessity and rationale with respect to the adoption or implementation of anti-hostile takeover measures with the Board and/or the Audit Committee and once complete, will provide sufficient explanation to shareholders.

Updated on August 29, 2019

Related-Party Transactions

As a part of the Sony Group Code of Conduct established by the Board of Directors, Sony's officers and personnel are prohibited to commit any conduct where their loyalties may be divided between Sony's interests and their own interests. To help ensure compliance with these requirements, Sony regularly reviews the status of related-party transactions, whether financial or otherwise, between Sony Group companies and officers in the Sony Group or their close relatives. Furthermore, Sony requires Directors and officers of Sony Corporation to obtain approval of the Board in connection with transactions between Sony Corporation and the Director or officer in accordance with applicable laws and regulations, the Board Charter and any other applicable internal rules. The Board is expected to approve any such related-party transactions only after appropriate examination of the size and nature of the transaction, the requirements of applicable laws and regulations, the Board Charter and any other applicable internal rules, and concluding that the interests of Sony and its shareholders are not adversely affected.

Updated on August 29, 2019

Policy for Shareholder Returns

Sony believes that continuously increasing corporate value and providing dividends are essential to rewarding shareholders. It is Sony's policy to utilize retained earnings, after ensuring the perpetuation of stable dividends, to carry out various investments that contribute to an increase in corporate value, such as those that ensure future growth and strengthen competitiveness. Going forward, Sony will determine the amount of dividends based on an overall consideration of its consolidated operating results, financial condition and future business expectations.

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Updated on August 29, 2019

Roles of Corporate Pension Funds as Asset Owners

Sony manages domestic defined benefit pension scheme through Sony Corporate Pension Fund (the "Sony Fund"). Sony Fund manages its assets in line with its Basic Pension Plan Management Policy (the "Policy") which was set to secure beneficiaries' right of benefit and to stabilize company's contribution.

In order to realize prudential and appropriate asset management structure in Sony Fund, Sony appoints asset management director of Sony Fund who should have proper knowledge and skills, based on the nomination by general manager of Sony's finance department, and Sony Fund appoints external advisor to supplement their specialties in asset management.

Based on the Policy, decisions on fund management are made by governing board of Sony Fund after approval on asset management committee. Members of said committee include representative employees as beneficiaries of Sony Fund by which conflict of interest between Sony Fund and Sony is properly controlled.

Sony Fund issues asset management policy letter to newly appointed asset management fund and periodically reviews and evaluates funds' compliance status based on said policy letter.

Ethics and Compliance

Management Approach

Sony's Approach

Sony understands that its commitment to ethical business conduct provides a competitive advantage. Sony's senior management is committed to promoting our ethical culture throughout the organization and leads by example.

The Sony Group Code of Conduct anchors the ethics and compliance program. It establishes Sony's standards for ethical and responsible business conduct, core ethical values and the basic policies on important topics.

In February 2019, Sony Corporation was recognized as one of the "2019 World's Most Ethical Companies" by the Ethisphere Institute, a US-based organization which researches and advances the standards of ethical business practices worldwide. The "World's Most Ethical Companies" award honors companies who achieve outstanding results in the areas of transparency, integrity, ethics, and compliance.

To Sony, this award demonstrates that its efforts up to this point have been recognized. Moving forward, Sony will continue to advance its initiatives in alignment with its culture of ethics. Sony is also a member of Ethisphere's Business Ethics Leadership Alliance, a global community of companies committed to promoting ethical leadership and working together to share leading practices.



**World's Most Ethical Companies" and "Ethisphere" names and marks are registered trademarks of Ethisphere LLC.

Milestones

- 2001:** Established the Compliance Division in Sony Corporation (Current "Legal, Compliance & Privacy Department")
- 2003:** Adopted the Sony Group Code of Conduct Establishment of the Compliance Hotline (Current "Sony Ethics & Compliance Hotline")

- 2003:** Establishment of the Global Compliance Network which consists of regional offices of Global Entertainment & Americas, Europe, Japan, East-Asia and Pan-Asia

- 2008:** Established the Compliance Monitoring Team

- 2009:** Established the Compliance Leadership Team

- 2018:** Revision of Sony Group Code of Conduct

- 2019:** Honored as one of "2019 World's Most Ethical Companies"

Looking to the Future

Sony continuously assess its risks and the program as Sony promotes and improves its culture of integrity to help ensure ethical conduct by all Sony personnel. Senior management will continue to allocate necessary resources to achieve Sony's goal of ethical conduct and compliance with laws and regulations.

- [The Sony Group Code of Conduct](#)
- [Promoting a Speak Up/Listen Up Culture](#)
- [Ethics and Compliance Program](#)
- [Anti-Corruption](#)
- [Privacy and Personal Information Management](#)
- [Operating with Integrity](#)

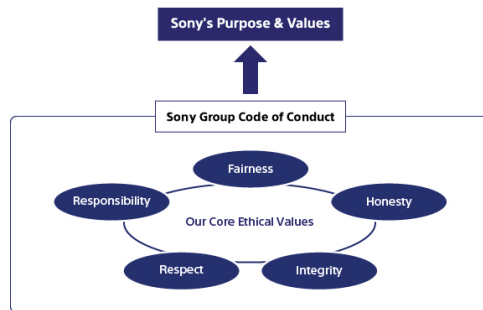
Updated on August 29, 2019

The Sony Group Code of Conduct

Sony promotes innovation through its commitment to ethical and responsible business conduct. Sony's ethical culture is built upon accountability to the core ethical values of Fairness, Honesty, Integrity, Respect and Responsibility which guide how Sony personnel work with colleagues, business partners and the communities in which Sony does business to fulfill Sony's Purpose & Values.

The Sony Group Code of Conduct is the cornerstone of Sony's ethics and compliance program and underlines a shared obligation to enhance and advance Sony's ethical culture and protect Sony's reputation. The Code applies to all Sony board members, officers and employees ("Sony Group personnel").

Sony Group Code of Conduct



Sony's Core Ethical Values

Sony updates the Code from time to time, as part of its continued effort to maintain the Code's effectiveness and provide clear direction and resources on relevant topics.

Sony also recognizes its responsibility as a member of a global society and the Code reflects principles set out in global ethical guidelines, which include (among others):

- 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 and Sustainable Development Goals (SDGs)

Sony also participated in the formulation of (and updates of) and observes the standards in the Charter of Corporate Behavior of Keidanren (Japan Business Federation), an alliance of Japan's leading corporations. These standards are also embodied in the Code.

The Code confirms that Sony must be true to its core ethical values in every aspect of its businesses operations and includes guidance on key risk areas.

- Accurate recordkeeping
- Anti-corruption/bribery
- Antitrust / fair competition
- Avoiding conflicts of interest
- Diversity / discrimination / equal employment opportunity / fair employment / proper workplace conduct
- Fair dealing (fair business practices)
- Privacy (e.g., data privacy of employees, customers, consumers) and cyber security
- Protection of human rights
- Financial integrity and anti-fraud
- Speaking up / no retaliation
- Tax law compliance
- Workplace health and safety

Code Implementation

The Code was adopted by the Sony Corporation Board of Directors and by senior leadership at all affiliates of Sony Corporation (the "Sony Group" or the "Sony Group companies"). Sony Group leaders are responsible for promoting the Code as part of ongoing commitment to improving Sony's culture of ethical decision making.

The Code, which is available on Sony's website and on each Sony Group company's intranet, has been translated into 23 languages to help ensure that it is clearly understood by the employees and relevant third parties. Sony will provide additional translations as may be necessitated by changing workforce demographics.

All Sony Group employees and selected third party staff are required to complete Code of Conduct training within 90 days of hire or the commencement of provision of service. Sony also provides in-depth refresher training on at least one Code of Conduct topic every year, with additional targeted training provided more frequently based on the results of risk assessments.

> [Sony Group Code of Conduct \(PDF\) \[PDF:622KB\]](#)



Updated on August 29, 2019

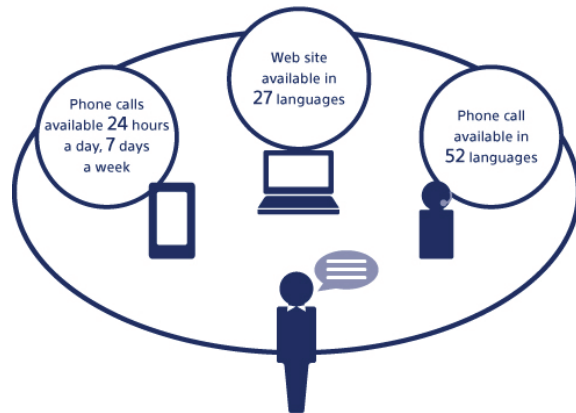
Promoting a Speak Up/Listen Up Culture

Sony believes that a "speak-up/listen up" culture — where employees are encouraged to raise concerns and feel confident that they can do so without fear of retaliation — is a key to early detection and prevention of ethical and regulatory problems.

Multiple Reporting Channels

Sony has an open reporting program and provides many different types of resources to employees to enable them to raise concerns, including the Sony Group Ethics & Compliance Hotline ("Hotline"). The Hotline is available online (in 27 different languages) or by phone, 24 hours a day, seven days a week. The phone lines are staffed by specially trained third-party representatives, and translators are available to assist when needed, in up to 52 different languages. All information provided to the Hotline is handled confidentially. Calls to the Hotline are not recorded or traced, and reporters may remain anonymous to the extent permitted by law.

Sony Group Ethics and Compliance Hotline Key Features



How Sony Promotes Speak-Up Resources

Sony continuously promotes the need to raise concerns and the resources Sony has made available for employees to raise concerns to. For example, the Sony Group Code of Conduct clearly states that speaking up is the responsibility of every employee to protect their colleagues and Sony. The Code of Conduct training provides guidance on the importance of reporting concerns, and is supplemented by ongoing quarterly messages highlighting Sony's open reporting program.

Sony also provides training to its managers on how to create an environment where employees feel comfortable speaking up when they observe unethical behavior, how to handle reports and how to prevent retaliation since Sony understands that the employees may prefer to raise concerns with their manager in the first instance.

Sony does not tolerate retaliation against anyone who participates in an investigation or raises a concern in good faith and vigorously enforces and promotes its policy against retaliation.

How Sony Operates the Hotline

In FY 2018, the Hotline received approximately 400 reports covering issues primarily relating to employment, labor, work environment and information management. Approximately 69% of the reports raised issues related to employees, diversity and workplace respect.

All issues raised through the Hotline are promptly reviewed for investigation and, if supported by the findings, disciplinary or corrective action is taken. 38% of reports received in FY 2018 were substantiated and many resulted in remediation. Sony provides information about its reporting statistics to senior management and the Audit Committee of Sony Corporation to help assure effective oversight.

Sony Ethics & Compliance Hotline

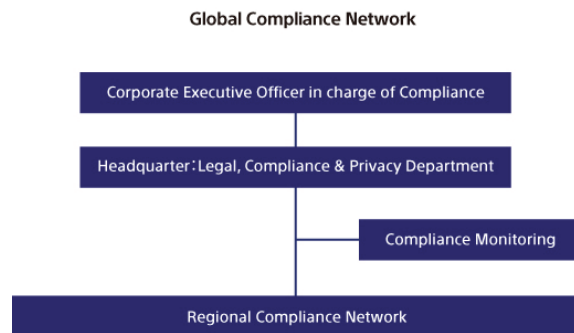


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Ethics and Compliance Program

Sony's global ethics and compliance program strongly supports its ethical business culture. Through its global and regional compliance network, which covers all Sony Group companies, Sony provides frequent trainings and messaging on ethics and compliance.

The Sony Corporation Legal, Compliance & Privacy Department is responsible for establishing the group-wide compliance program and providing oversight of the global compliance team members, who are embedded in Sony's business units.



The Basics of Sony's Program

Sony's program starts with "Tone from the Top." Senior management continuously and repeatedly communicates the importance of being true to Sony's core ethical values. Their commitment is supported by a robust ethics and compliance program aligned with integral business processes including policies and procedures, training, ongoing risk assessments, program assessment and surveys, third-party risk management, monitoring and audits. Sony continuously improves its program in accordance with regulatory guidance and other leading practices that organizations with mature compliance programs have found to be effective.

Sony's program includes mandatory ethics and compliance communications and training to be provided to all employees and relevant third parties. All Sony employees and relevant third parties are required to complete Code of Conduct and Proper Workplace Conduct training within 90 days of hire or the commencement of provision of service. Sony Group personnel are also required to complete a risk-based compliance training curriculum based upon roles and responsibilities.

Key Compliance Trainings (assigned based upon risk assessments) include:

- Anti-Bribery
- Customer Due Diligence
- Antitrust and Fair Competition
- Import / Export Trade Compliance
- Information Security and Privacy

Global Ethics and Compliance Network

The Sony Corporation Legal, Compliance & Privacy Department works with global compliance team members and local business unit leaders to conduct comprehensive risk assessments and implement compliance policies, procedures and internal controls to prevent and detect unethical behavior. It provides oversight of the investigation of and follow-up on any incidence of policy non-compliance or potential violation of law.

Sony also has a Compliance Monitoring function, which measures the effectiveness and maturity of Sony's overall compliance program by conducting periodic assessments of program design and implementation. It also conducts risk-based compliance audits and validations of controls.

The Sony Corporation Board of Director's Audit Committee provides ultimate oversight of Sony's program and receives monthly reports and periodic in-person updates about the compliance program activities. Reports to the Board's Audit Committee provide program performance results, compliance hotline metrics, employee training data, and new program and communications initiatives, as well as updates on global regulatory developments.

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Anti-Corruption

Sony prohibits any form of corrupt practices. Sony believes that corruption negatively impacts the economy and must be eliminated to build a sustainable, inclusive and transparent society. Sony closely monitors global anti-corruption law enactment and enforcement trends to ensure that Sony's global compliance program and internal controls properly address these evolving risks.

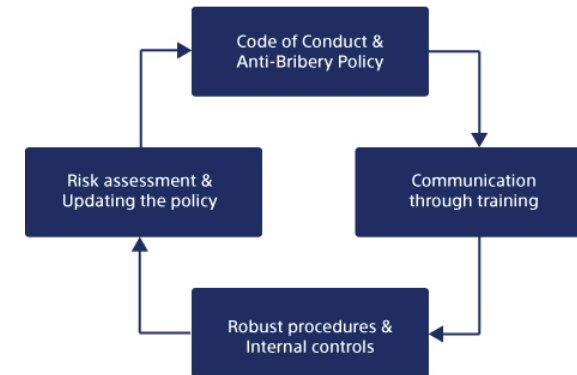
Sony's Anti-Corruption Procedures

All Sony Group personnel are required to read, understand and follow the Sony Group Anti-Bribery Policy and the Sony Group Code of Conduct, which include anti-corruption expectations for all personnel. Sony's approach to compliance in this critical area is multifaceted. Key features include:

- Sony's corporate policies and procedures prohibit improper payments in every transaction, whether with a government or with a private party. The Sony Group Anti-Bribery Policy was most recently revised in 2018, and establishes policies and procedures that all Sony Group personnel must adhere to when interacting with officials of various governments around the world, including strict limitation on the type of expenditures that are permitted and pre-approval requirements.
- Third parties who will interact with governments on Sony's behalf, joint venture partners, and parties to acquisitions and certain investments are subject to due diligence and legal pre-approval and relevant third parties must agree to abide by Sony's anti-bribery policy.
- Sony provides extensive training and support to assist local management with policy compliance. All employees receive training when hired on the Sony Group Code of Conduct, which includes anti-corruption expectations. More focused anti-corruption training, which includes training on Sony's specific policy pre-approval and due diligence requirements is provided to selected employee groups (i.e. senior management, finance, legal, marketing, sales, real estate, corporate development, tax, audit, anyone involved in procurement and any other employees identified as dealing with government officials). Additionally, live training is provided to legal, finance, other control personnel and higher-risk personnel. Refresher training is provided at least every two years, and more frequently based on risk assessments.
- Concerns are promptly investigated and remediated and remediation and testing activities are monitored until completed.
- Sony has implemented robust internal controls and accounting processes designed to detect and prevent violations of company policy relating to improper payment risks and to ensure accurate books and records.
- Sony conducts periodic anti-bribery assessments and audits of the business to raise overall awareness, detect potential misconduct and monitor compliance with anti-corruption laws and policy.

Sony continues to leverage opportunities to share learnings and successful practices across its system.

Anti-bribery policy and procedure



Updated on August 29, 2019

Privacy and Personal Information Management

Sony has entered a new digital age, where the global privacy landscape and advancements in information and communication technology are changing at a faster pace than ever before. In the wake of the European General Data Protection Regulation, new privacy laws have emerged, continuing to raise the bar for privacy compliance across the world. Alongside rapidly evolving cloud-based and social media services, smartphones and other devices, Big Data and transformative technology such as AI, Sony faces new privacy challenges and risks every day. To be able to respond to these changes and to ensure Sony continues to earn customers' trust, Sony maintains a robust global privacy program. Sony's approach to privacy continues to be grounded in a group-wide governance structure that enables the effective management of potential risks and incorporates privacy controls into business processes, systems and products to safeguard the personal information of Sony customers, employees and other stakeholders.

Privacy Governance

Led by Sony Corporation's Senior Vice President responsible for Privacy, Sony has a governance structure of privacy and personal information management that covers the entire Sony Group. Sony's privacy management is governed by a set of global policies and standards, which are based on applicable laws, principles and best practices. These policies set forth Sony's group-wide commitment to privacy and define practices and procedures to be followed by Sony executives and employees to ensure appropriate handling and protection of the personal information that Sony collects, stores and/or processes. Sony routinely review and revises these policies and standards to address changes in the risk landscape, and the regulatory environment. Sony Corporation's Senior Vice President responsible for Privacy monitors the global implementation of and compliance with those policies. Under the direction of Sony Corporation's Senior Vice President responsible for Privacy, Privacy Officers and legal departments responsible for privacy and personal information management at Sony Group companies work together and ensure effective implementation of policies and standards. Strong executive support for, and governance of privacy are essential. Accordingly, executives at Sony headquarter and each Sony Group company take responsibility for playing an active role in managing privacy risks within their organizations and instilling a culture that respects privacy and builds trust.

Safeguarding Personal Information

Protecting the data privacy of Sony's customers, employees, and other stakeholders is very important to Sony. Sony continues to enhance protection of personal information by evaluating and addressing privacy risks through the use of a global privacy management framework that promotes the integration of privacy principles and requirements into Sony's data processing activities.

To maintain the trust of customers, employees, and business partners, Sony continuously looks for ways to improve practices, implement stronger controls, and provide more robust security to protect personal information and other information entrusted to its care.

Employee Training

Sony believes every employee has a role to play in safeguarding privacy. To increase the education and awareness of our workforce, Sony requires all employees to receive information security and privacy training.

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Operating with Integrity

Sony is firmly committed to conducting business in a fair, ethical and legal manner. Sony's commitment to ethical business conduct means competing fairly; avoiding corruption in any form; complying with applicable laws, including antitrust, anti-corruption, anti-money laundering, economic sanctions, trade control, tax and financial crimes laws; and taking all reasonable measures to prevent illegal/sanctionable transactions.

Integrity of Sony's Business Partners / Economic Sanctions and Trade Control Laws / Anti-Social Forces

Sony adopted group wide policies related to anti-corruption, anti-money laundering, economic sanctions compliance, and trade laws and customs law compliance. Sony performs risk-based due diligence procedures on its business partners (such as customers, joint venture partners, acquisition targets and other third parties) to verify the identity of its business partners and help ensure that Sony is only doing business with reputable business partners. This screening protects Sony Group companies from being involved in transactions involving the proceeds of criminal conduct and/or with entities or individuals who are blacklisted under economic sanctions and/or trade control laws. Sony also trains its business people on relevant "red flags" to ensure ongoing monitoring to detect and prevent any illegal conduct by third parties with whom it does business and to ensure that Sony only does business with reputable third parties. These policies and procedures also ensure that Sony does not do business with members of organized crime and other anti-social forces. Sony strongly opposes anti-social forces that threaten to disrupt the order and safety of the community. Sony will not have relationships with members of anti-social forces and will not give economic benefits to, or accept illegal demands from them.

Antitrust and Competition Law Compliance

Sony wants to outperform the competition based on the merits of Sony's products and services, not because of unfair business practices. Sony complies with antitrust and competition laws and does its part to promote a fair, competitive marketplace. Sony has implemented the Sony Group Policy on Antitrust/Competition Law Compliance, which explains the purposes of competition laws and guides employees on compliance with such laws. Sony has also developed robust, customized training courses to raise awareness regarding competition laws and to reinforce the policy requirements. In addition, Sony legal personnel monitor changes and developments in competition laws and maintain up-to-date controls, policies and procedures for compliance with these laws.

Respect for Human Rights

Management Approach

Materiality Rationale

In recent years, interest in the impact businesses may have on human rights has been growing internationally. As an enterprise that operates globally, the Sony Group recognizes its responsibility to respect the human rights of all stakeholders involved in its business operations, including employees and suppliers, and to ensure labor practices are appropriate.

Basic Approach

Following its basic policy to respect human rights, which is set forth in the Sony Group Code of Conduct, Sony expects all group companies to pursue responsible business conduct by complying with relevant laws and regulations and respecting all human rights. Sony strives to respect human rights in all of its business operations in accordance with the Guiding Principles for Business and Human Rights issued by the United Nations Human Rights Council.

Structure

The CSR Section at Sony headquarters, which is supervised by the Corporate Executive Officer in Charge of CSR, assesses and monitors human rights risks throughout Sony Group's business activities and supply chains. The human rights of employees are addressed by a diversity committee at each Sony Group company in Japan. These committees conduct workshops on human rights and diversity. Sony has also established systems and mechanisms for employees seeking consultation on human rights issues and risks in order to ensure a quick response when problems arise.

Main Achievements in Fiscal 2018

Here are the main results of fiscal 2018 initiatives:

- Continued to implement e-learning courses related to human rights
- Established the Sony Group AI Ethics Guidelines



Milestones

- 1987: Human Rights Office established
- 1991: Human rights lectures for employees launched
- 1995: Sony Group Human Rights Committee established
- 1998: Counseling services on human rights and equal opportunities for employees started
- 2000: Philosophy and basic approach to human rights established
- 2003: Sony Group Code of Conduct established
- 2011: Human Rights Committee changed name to Diversity Committee

Looking to the Future

Sony is committed to making reasonable efforts to avoid causing or contributing to adverse human rights impacts that may arise from our operations, products, services and/or business relationships.

Activity Report

- Human Rights Initiatives
- Human Rights in the Workplace
- Human Rights in Products and Services
- Human Rights in the Supply Chain (Responsible Supply Chain)

Updated on August 29, 2019

Human Rights Initiatives

Sony respects the human rights of all stakeholders in our business operations and supply chains. In response to the growing concern regarding the impact of increasing globalization on human rights, the United Nations Human Rights Council endorsed the UN Guiding Principles on Business and Human Rights in 2011. These Principles identify steps that global companies can take to prevent and mitigate the potential adverse human rights impact in their business operations and supply chains. In accordance with the Principles, Sony strives to respect human rights and ensure good labor practices in all of its business activities.

Human Rights Policy

Sony's overall commitment to ensuring the protection of human rights in its operations, supply chains and products is set forth in the Sony Group Code of Conduct. The Sony Group Code of Conduct is applicable to all directors, officers, and employees of Sony Group and provides: "Sony believes that all human beings should be treated with dignity and respect. Sony is committed to uphold internationally recognized human rights of all people. We will all use reasonable efforts to avoid causing or contributing to adverse human rights impacts that may arise from our operations, products, services and/or business relationships and will act diligently to help remediate any impacts that may occur."

> [Sony Group Code of Conduct](#)

Framework for Respecting Human Rights

The Sony Group Code of Conduct was established with the approval of the Sony Corporation Board of Directors and sets forth Sony's basic commitment to human rights. The CSR Section at Sony headquarters in Tokyo is responsible for analyzing and monitoring human rights risks throughout Sony Group's business activities and supply chains. CSR Section reports to the Corporate Executive Officer in Charge of CSR and works with relevant functions such as procurement, compliance and employees to manage potential human rights issues related to Sony's business activities and supply chains.

Assessing and Monitoring Human Rights Risks

Sony's CSR Department assesses and monitors human rights risks throughout Sony's operations and supply chains. In 2012, Sony engaged BSR, an independent, non-profit, global organization devoted to building a just and sustainable world, to conduct an initial analysis of potential human rights risks across Sony's various business operations and supply chains, which include electronics, entertainment and finance, as the salient human rights issues vary depending on the business segment. The initial BSR assessment identified potential human rights considerations in the electronics business supply chain, including materials procurement. In order to address our key risk, we collaborated with industry-wide efforts to protect and empower workers in the global electronics supply chain and were a founding member of the Responsible Business Alliance (RBA^{*1}). Manufacturing sites of Sony's electronics business and their suppliers were required to comply with the Sony Supply Chain Code of Conduct, which employs the RBA Code of Conduct. The Sony Supply Chain Code of Conduct is also consistent with the human rights commitment, which is expressed in the Sony Group Code of Conduct. Sony also introduced an ongoing assessment and monitoring scheme for our electronics suppliers.

In 2018, Sony reviewed and updated its analysis of human rights risks with BSR, so as to reflect the current state of global affairs, stakeholder concerns, evolving human rights laws and changes in Sony's business activities. Sony referenced the Universal Declaration of Human Rights and international treaties on human rights to identify issues that are relevant to its business activities, and reviewed media and NGO reports to identify the human rights risks for these issues. These were compared against Sony's areas of business to identify underlying risks with the greatest relevance to Sony. As a result, human rights risks related to workers in the electronics industry supply chain, which has been a key focus of Sony's efforts, and to new technologies such as AI, were identified. Sony will continue to monitor and address its human rights risks across our operations.

^{*1} As of October 2017, Electronic Industry Citizenship Coalition (EICC) has been rebranded to Responsible Business Alliance (RBA)

> [Establishing and Promoting the Sony Supply Chain Code of Conduct](#)

> [Sony Group Statement on UK Modern Slavery Act](#)

Human Rights Education and Training

Sony Group provides training to all of its employees worldwide in order to familiarize them with the Sony Group Code of Conduct and to encourage ethical business conduct, including respect for human rights. Relevant organizations within Sony Group conduct additional specialized training for pertinent personnel to help detect and address human rights risks.

> [Ethics and Compliance Program](#)

> [Human Rights in the Workplace](#)

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|----------|---------------------------------|--------------------|----------------------------|--|----------------------|-----------------------|--------------------------|------------|-----------|--------------------------|----------------------|-------------|----------------------|
| Contents | About the Sustainability Report | Management Message | Approach to Sustainability | Sony's Challenge to achieve the RE100 commitment | Corporate Governance | Ethics and Compliance | Respect for Human Rights | Technology | Employees | Responsible Supply Chain | Quality and Services | Environment | Community Engagement |
|----------|---------------------------------|--------------------|----------------------------|--|----------------------|-----------------------|--------------------------|------------|-----------|--------------------------|----------------------|-------------|----------------------|

Reporting Mechanisms

Sony provides multiple channels, including an ethics hotline, for employees to raise concerns and seek guidance about possible violations of laws or internal policies, including violations of the Sony Group Code of Conduct. Additionally, Sony operates a supplier hotline for business partners, and a Responsible Supply Chain of Minerals hotline for reporting violations of the Sony Group Policy for Responsible Supply Chain of Minerals and other applicable policies. These channels of communication enable Sony to rapidly address human rights concerns.

- › [Promoting a Speak Up/Listen Up Culture](#)
- › [Supplier Hotline \(Establishment of the Conflict Minerals Policy Hotline\)](#)
- › [Human Rights in the Workplace](#)

Updated on August 29, 2019

Human Rights in the Workplace

Sony is committed to creating a workplace where human rights are respected and equal employment opportunities that allow all individuals to make the most of their capabilities are provided. Sony also helps to ensure that workers' rights are protected by adhering to worker protection laws, regulations, and standards in the regions where it does business.

The Sony Group Code of Conduct, which sets forth Sony's global policy on respect for human rights, also includes Sony's policy on equal opportunity in employment and non-discrimination and expressly states: "Sony strives to promote diversity and seeks to create a culture that allows all Sony personnel to contribute their unique talents and skills so as to provide the best products and services to our customers, and Sony is committed to recruiting, hiring, training, promoting and otherwise treating applicants and employees without discrimination based on factors that are unrelated to Sony's legitimate business interests."

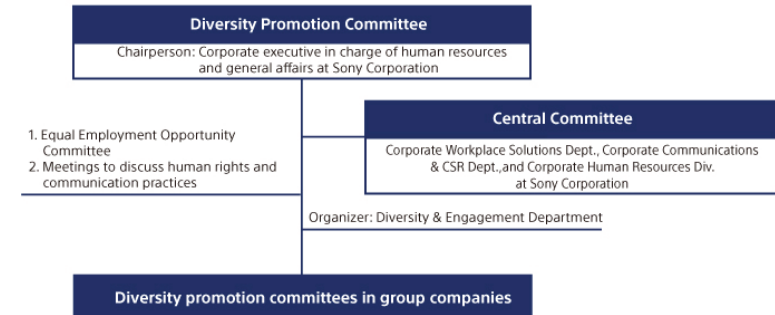
Human rights issues facing corporations today are increasingly complex and wide-ranging; Sony believes that a crucial first step in addressing these issues is to raise awareness and build a common understanding among employees.

> [Sony Group Code of Conduct](#)

Sony's Organization for Ensuring Respect for Human Rights

All Sony Group companies in Japan have a Diversity Committee, which meets to conduct workshops on human rights, diversity, and related matters as well as to share knowledge among colleagues. Other Sony Group companies have similar programs in place to ensure respect for human rights in the workplace.

Diversity Promotion Organization Chart (Sony Group in Japan)



Employee Counseling Resources

In addition to the ethics hotline and other reporting mechanisms, each Sony Group company in Japan maintains an Equal Employment Opportunity (EEO) counseling hotline, to enable it to take immediate action against potential human rights issues, including various forms of harassment, and to provide employees with a resource for advice on these issues. Additionally, Sony provides counseling services that enable employees to address concerns regarding work-life balance, parenting, caregiving, LGBT issues, and access to equal opportunities. These counseling services equip Sony to respond quickly and appropriately while giving full consideration to personal privacy. Sony strictly enforces confidentiality and ensures that employees are not subject to reprisal for reporting or using these services. To ensure that counselors fully understand these matters, Sony provides manuals and holds seminars.

Education and Training

Sony provides Code of Conduct training to all newly hired employees. The Code of Conduct course emphasizes the value of respecting human rights and covers proper workplace conduct. In Japan, all newly hired employees are provided training on the importance of protecting human rights and the value of diversity, while specific training programs on the protection of human rights are regularly offered to managers. In addition, an e-learning course focusing on the protection of human rights is provided to all employees of Sony Corporation, and is offered to employees at 36 of its affiliates. In fiscal 2018, 90% of eligible employees took the e-learning course.



Diversity seminar open to all employees, aimed at raising awareness of human rights

Sharing of Activities

Every December, in support of Human Rights Week, an awards ceremony is held for Sony Group companies in Japan to recognize departments that have been successful in their efforts to promote diversity.

In addition, in Japan, Sony has established a communication practices study group composed of Sony personnel working in advertising and communication practice. This study group meets regularly to share information about communication practices related to human rights.

Updated on August 29, 2019

Human Rights in Products and Services

The Sony Group Code of Conduct states: "We will all use reasonable efforts to avoid causing or contributing to adverse human rights impacts that may arise from our operations, products, services and/or business relationships and will act diligently to help remediate any impacts that may occur."

Safety and Accessibility of Products and Services

Since the start of its operations, Sony has been firmly committed across all of its businesses to providing customer-oriented, high-quality products and services. The Sony Group Code of Conduct states that Sony continuously strives to comply with or exceed legally mandated standards in all business activities to ensure the safety of its products and services. Accessibility concerns are also incorporated into the planning and design of Sony products and services in order to serve all kinds of people regardless of age or disability.

- > [Improving the Quality, Safety and Long-Term Reliability of Products](#)
- > [Accessibility and Usability](#)

Information Security and Privacy

Sony is continuously improving its information management and security systems and initiatives to help ensure the privacy and security of information received from customers, employees, business partners, and other stakeholders.

- > [Information Security](#)
- > [Privacy](#)

Artificial Intelligence and Ethics

Through the utilization of artificial intelligence (AI), Sony aims to contribute to the development of a peaceful and sustainable society while delivering kando – a sense of excitement, wonder or emotion – to the world. At the same time, the influence of AI on society is the topic of much discussion.

Sony has established the Sony Group AI Ethics Guidelines in September 2018 to guide all officers and employees of Sony to utilize AI and/or conduct AI related R&D in a manner that fits within emerging social norms. In order to help solve ethical challenges that may arise from the use of AI, Sony communicates with diverse stakeholders. For

| | | | | | | | | | | | | | |
|----------|---------------------------------|--------------------|----------------------------|--|----------------------|-----------------------|--------------------------|------------|-----------|--------------------------|----------------------|-------------|----------------------|
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example, in May 2017, Sony became the first Japanese company to join the Partnership on AI to Benefit People and Society, a non-profit organization created to contribute to solutions for some of humanity's challenging problems, including advancing the understanding of AI and addressing ethics surrounding AI technology. Sony will continue utilizing the knowledge it has gained from its AI and robotics-related research, development, and business ventures while working with the Partnership's diverse group of stakeholders to solve crucial AI-related issues, including how to construct a suitable cooperative relationship between humans and AI, and how to best apply AI to the rapidly advancing field of robotics as well as products and services with differing amounts of autonomy. Sony is also involved with Japanese initiatives to establish principles and guidelines that promote the utilization of AI for social good. These initiatives include the AI Utilization Strategy published by Keidanren (Japan Business Federation) in February 2019 and the Social Principles of Human-centric AI published by the Cabinet Office in March 2019.

[> Sony Group AI Ethics Guidelines \[PDF:45KB\]](#)

Advertising Creativity and Content Services

As a company that conducts business in a number of regions and countries, we recognize that conduct that is socially and professionally acceptable in one culture or region may be viewed differently in another. Advertising personnel from Sony Group companies in Japan regularly meet to exchange information on and study human rights issues in advertising. Sony Interactive Entertainment Inc. applies Computer Entertainment Rating Organization (CERO), Entertainment Software Rating Board (ESRB), and Pan European Game Information (PEGI) ratings to its PlayStation game titles, adhering to the age-based recommendations of ratings organizations in Japan, the United States, and Europe, respectively.

[> Human Rights in the Workplace](#)

[> Accessibility and Usability](#)

Technology

Management Approach

Basic Approach

Sony conducts research and development based on its Purpose, which is to “fill the world with emotion, through the power of creativity and technology.” As a creative entertainment company with a solid foundation of technology, Sony’s people-oriented businesses enrich lives by getting closer to people. Based on this corporate direction, Sony researches and develops technologies by incorporating the viewpoint of getting closer to the motivations that drive people - both users and creators.

Learn more at the link below.

[> Corporate Report 2019 \(page 32, Technology\)](#)

Structure

Sony’s Corporate R&D organization is designed to realize contributions to the entire Sony Group, set the direction for robust technological development over the mid-to-long-term, and enhance open innovation. With a focus on R&D for the mid-to-long term, Sony is promoting initiatives in fields such as sensing, agent processing and expression that contribute to differentiation in key areas, as well as expanding development of technology for the entertainment and financial service businesses. To address the Sustainable Development Goals and environmental, social and governance performance, Sony is also considering how to deliver safety and security, and how to solve problems surrounding resources and the environment, by making technological contributions.

Sony has separated business units into distinct subsidiaries across the Sony Group in order to reinforce the competitiveness of each business and ensure clearly attributable accountability and responsibility. Concurrently, Sony has also realigned the Sony Group headquarters functions and platform functions that support each of its business units. Through Corporate R&D efforts, Sony promotes coordination with R&D centers both in Japan and at several overseas sites. Sony plans to enhance the speed and effectiveness of development by utilizing the different characteristics and strengths of each area as well as by promoting collaboration with universities and other research institutions. Additionally, for projects that involve joint development with customers, Sony plans to create cross-sectional teams with members from various organizations, promoting R&D activities by making flexible and efficient collection of knowledge possible.

Sony also established the research subsidiary, Sony Computer Science Laboratories, Inc., to conduct R&D that contributes to humanity and society by pioneering new research areas and new businesses. Moreover, Sony has specific mechanisms in place for generating innovation, including the Sony Startup Acceleration Program (SSAP), which creates startup projects and supports their business operations, and the Sony Innovation Fund, which serves as a corporate venture capital fund.

[> Technology](#)

[> Sony Innovation Fund](#)

Creating Social Value

Sony is pursuing diverse initiatives to build a better world through the power of technology. Check out this video to learn more about Sony’s efforts.

[> Creating Social Value through Sony’s Technology \(YouTube\)](#)

Related Links

[> Technology](#)

[> Corporate Report 2019](#)

[> Developing the Environmental Technologies of the Future \(Environment\)](#)

Employees

Management Approach

Materiality Rationale

Since its establishment, Sony has sought to remain at the forefront of technological development, building continuously on its achievements to suggest new values for people everywhere. In these efforts, Sony recognizes the people who work at Sony to be its most important resource. Employees are important stakeholders in Sony's diversified, global business and are the key to its efforts to generate sustainable social value and a high level of profit. Sony is committed to increasing employee engagement by leveraging the diversity and ambitions of its people and maximizing their talents. Sony seeks to sustainably elevate its talent and organizational capabilities in order to raise its overall business performance.

Basic Approach

Sony views employees not as a group, but as individuals. Sony values employee engagement as the key to unleashing the full potential of individual employees with their own strong motivation, autonomy and desire to grow. Sony's Founding Prospectus sets forth the founders' vision, stating that Sony employees and workplaces should stress a spirit of freedom and open-mindedness and that Sony should place emphasis on a person's ability, performance and character, so that each individual can fully exercise his or her abilities and skills. This approach has been passed down unchanged to the present day. The partnership of choice between Sony and each individual employee is defined as one where both parties are accountable for being responsive to the needs of the other. Sony believes that the growth of the individual will lead to growth of the organization and, in turn, to the growth of Sony. Sustainable growth will ensure that employees continue to have opportunities to take on new challenges and grow. Sony's strength is the diversity of its businesses and employees, and this is what drives Sony's value creation. For Sony to unify its diverse businesses and employees to create value on a sustainable basis, it is essential that employees strongly sympathize with Sony's Purpose & Values. Based on the founding vision, Sony has defined "What we offer our people" and "People we look for" to be shared throughout the Group.

"What We Offer Our People" and "People We Look For"

| What We Offer Our People | People We Look For |
|--|--|
| <ul style="list-style-type: none"> • Power and reach to fill the world with emotion as a creative entertainment company with a solid foundation of technology • Innovation-led company, partnering closely with creators and engaging with customers and communities • Global brand with career opportunities around the world, across entertainment, electronics and direct to consumer (DTC) services • Inclusive culture harnessing the diversity of teams, viewpoints and cultures | <ul style="list-style-type: none"> • Inspire people by pioneering the future through dreams and curiosity • Pursue the creation of the very best, by harnessing diversity and inclusion • Exemplify ethics and responsibility in the interest of Sony's sustainable business and its growth • Think originally as to how to harness opportunities across entertainment, electronics and DTC services |

Sony seeks to maximize the talents of each employee and to foster innovation. Sony respects and fosters an inclusive acceptance of diversity in its many forms including race, ethnicity, nationality, religion, beliefs, disability, gender, age, birthplace, sexual orientation, values, and workstyles. Sony's vision of diversity and inclusion seeks to build an organizational culture that respects diversity and helps create value for customers. Sony's HR strategic framework has three components: "Attract" (talent acquisition), "Develop" (learning and development), and "Engage" (employee engagement). Under the framework, Sony pursues a broad range of activities, building on a commitment to offering working conditions that contribute to the health and safety of employees.

Structure

Senior management meet to discuss and decide upon important matters relating to employees at the Sony Group and guide the HR strategies implemented by Sony Group companies. Sony shares a common HR strategic framework across the group. However, each business is responsible for the independent development and implementation of its own detailed strategies.

Sony has established the Diversity Committee, which reports directly to the CEO, to ensure that diversity & inclusion is addressed as a high-priority issue. Sony also operates reporting hotlines and other avenues for employees to get consultation on a broad range of issues including human rights, work-life balance, parenting, nursing care, and LGBT concerns.

Sony promotes occupational health and safety (OHS) by operating management systems based on OHSAS 18001 at all Sony sites. With the publication of the ISO 45001 international standard for OHS management systems, Sony plans to migrate its OHS management systems to ISO 45001.

Main Achievements in Fiscal 2018

Here are the main results of fiscal 2018 initiatives:

●Diversity & Inclusion

- Held Sony Diversity Week around the world for the third consecutive year to raise awareness and promote action for change by enhancing recognition and understanding of the significance of diversity
- Sony Life Insurance Co., Ltd. established Sony Life Business Partners Co., Ltd.
- Actively employed individuals with disabilities in the electronics business in Asia. Sites in China jointly host job fairs at universities that have many students with disabilities
- Conducted an LGBT seminar and workshop for HR managers of Sony Group companies in Japan, and prepared and distributed an LGBT Handbook for HR Staff (basic edition)
- Encouraged non-Japanese employees to think about their career path through seminars and panel discussions and interview articles with non-Japanese executives as a role model

●Talent Development

- Opened PORT at the head office to realize a concept for new talent development
- Carried out Sony University global leadership programs in and outside of Japan (continued from 2000)
- Continued operating the Sony Outstanding Engineer Award, the most prestigious personal award for engineers in the Sony Group, and the Distinguished Engineer as a group-wide designation system
- At Sony Technology Exchange Fair, a group-wide exchange event for engineers, held seminars and panel discussions chaired by its Distinguished Engineers and Open Innovation Showcase for recipients of investments from the Sony Innovation Fund (SIF).

●Employee Engagement

- Facilitated communication between top management (including the CEO) and Sony employees in and outside of Japan (direct dialogue, dispatch of information)
- Conducted global employee engagement surveys and held workshop based on results (continued from 2011)
- Group companies in the USA and UK in the music business adopted policies to extend the parenting leave if an employee or their spouse gives birth prematurely
- Sony Group companies in Japan in the electronics business continued a work-style reform project
- Continued to implement initiatives to create attractive workplaces worldwide. Encouraged employees to take on new challenges by providing spaces for open communication and idea generation.

●Occupational Health and Safety

- Set Medium-Term Occupational Health and Safety Targets including acquiring external ISO45001 certification and reducing employees' health risks, etc., to enhance global governance.

- Continued to conduct audits and risk assessments related OHS



Milestones

- 1966:** Internal job posting program started
- 1973:** Sony Technology Exchange Fair started
- 1978:** Sony Taiyo Corporation founded
- 1988:** Flex-time system introduced
- 1988:** Basic Policy and Management System established
- 1990:** Parenting leave and flex holiday programs introduced
- 2000:** Sony University program started
- 2008:** Flexible work (formerly called telework) policy introduced
- 2011:** Diversity Committee established
- 2015:** Flexible career leave and free agent programs introduced
- 2017:** Workstyle reform project started at Sony Group companies in the electronics business in Japan

* Items without group or company names refer initiatives of Sony Corporation

Looking to the Future

With a focus on diversity, talent development, and engagement, Sony will continue to offer working conditions that contribute to the health and safety of employees — all part of its efforts to generate sustainable social value and a high level of profit. Sony will provide opportunities for employees to improve and make the most of their character, skills and capabilities.

Activity Reports

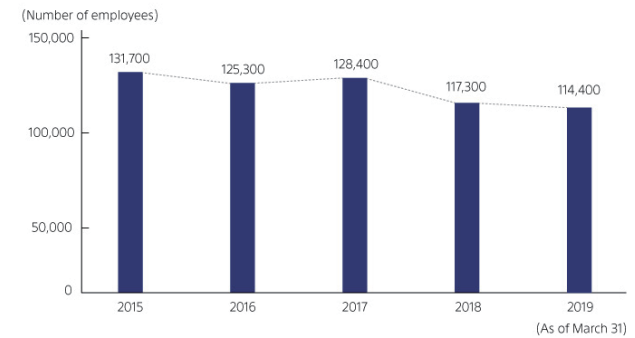
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|--------------------------------|--|--|
| Employee Data | | |
| Diversity and Inclusion | Principle | Business and Geographies |
| | Gender, Sexual Orientation, Disabilities | Talent Acquisition |
| | Human Rights and Equal Opportunities (Human Rights in the Workplace) | |
| Talent Development | Principle | Learning and Career |
| | Engineering Talent | Leadership and Future Leaders |
| Employee Engagement | Principle | Work-Life Balance and Well-Being |
| | Organizational Culture and Communication | Workplace |
| Occupational Health and Safety | Occupational Health and Safety Home | Basic Policy and Management System |
| | Global Occupational Health and Safety Initiatives | Occupational Health and Safety Initiatives in Japan |
| | Occupational Health and Safety Initiatives in China | Occupational Health and Safety Initiatives in North America |
| | Occupational Health and Safety Initiatives in Latin America | Occupational Health and Safety Initiatives in Europe |
| | Occupational Health and Safety Initiatives in Pan-Asia | Occupational Health and Safety Initiatives in Picture Business |
| | Global Workplace Injury Statistics | Health Promotion Activities |
| External Evaluation | | |

Updated on August 29, 2019

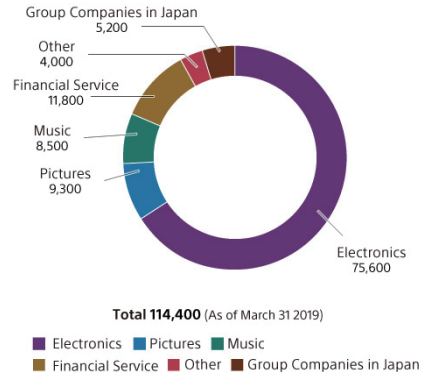
Employee Data

The total number of employees in the Sony Group as of March 31, 2019 was approximately 114,400, a decrease of approximately 2,900 from March 31, 2018. Although there were increases in the semiconductor business and Financial Services segment, there was a decrease in employees outside Japan due to restructuring initiatives taken in the smartphone business, disc manufacturing business and the Pictures segment. The number of employees at Sony Corporation was approximately 2,500 as of March 31, 2019.

Total Number of Employees (Sony Group)

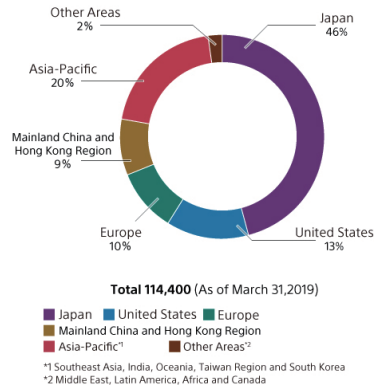


Personnel by Business Segment



Breaking down employee numbers by business segment, the numbers as of March 31, 2019 stood at roughly 75,600 in the Electronics segment (about 66% of all Group employees), 11,800 in the Financial Services segment, 9,300 in the Pictures segment, and 8,500 in the Music segment.

Personnel by Geographic Segment



Breaking down employee numbers by geographical area, Japan accounted for roughly 46% of all Group employees as of March 31, 2019, while locations outside Japan accounted for the other 54%. The Asia-Pacific region accounted for 20%, followed by the US (13%), Europe (10%), the Mainland China and Hong Kong Region (9%), and other areas (2%).

Composition of Sony Corporation's Executives (As of June 18, 2019)

| | Total | Women | Non-Japanese Nationals |
|--|----------|------------|------------------------|
| Directors | 13 | 4 (30.7 %) | 3 (23 %) |
| President, Senior Executive Vice Presidents, Executive Vice Presidents, and Senior Vice Presidents | 41 (2)*1 | 3 (7.3%) | 5 (12.2%) |

*1 Number in parentheses refers to the number of people who concurrently serve as director.

※ For further information on the Board of Directors, see the Board of Directors page.

[Board of Directors](#)

Below shows employee data as of March 31st, 2019.

Number of Employees

| | Sony Corporation | Group companies in Japan | Group companies outside Japan | Total |
|---|------------------|--------------------------|-------------------------------|---------|
| Overall | 2,473 | 50,100 | 61,800 | 114,400 |
| Men | 1,888 | 38,700 | 34,400 | 75,000 |
| Women | 585 | 11,400 | 27,400 | 39,400 |
| Percentage of women in the workforce *1 | 23.7% | 22.8% | 44.3% | 34.4% |
| Percentage of management positions held by women *1 | 14.8% | 8.5% | 36.3% | 27.3% |

*1 Only general employment contracts (regular employees)

Average Years of Service

| | Sony Corporation | Group companies in Japan | Group companies outside Japan | Total |
|---------|------------------|--------------------------|-------------------------------|-------|
| Overall | 15.0 | 15.5 | 7.9 | 11.5 |
| Men | 15.8 | 15.5 | 8.2 | 12.3 |
| Women | 13.2 | 15.3 | 7.6 | 9.9 |

Number of Newly Hired Employees

| | | Sony Corporation | Group companies in Japan | Group companies outside Japan | Total |
|---|-------------------------------|------------------|--------------------------|-------------------------------|--------|
| Number of newly hired employees *2 | | 687 | 2,857 | 13,219 | 16,763 |
| | Men | 599 | 1,698 | 7,348 | 9,645 |
| | Women | 88 | 1,159 | 5,882 | 7,129 |
| Number of applicants per new graduate hire *3 | All positions, men | 11.6 | - | - | - |
| | All positions, women | 20.1 | - | - | - |
| | Non-engineer positions, men | 22.2 | - | - | - |
| | Non-engineer positions, women | 24.2 | - | - | - |
| | Engineer positions, men | 9.4 | - | - | - |
| | Engineer positions, women | 14.4 | - | - | - |

*2 Figures for Sony Corporation include people hired by Sony Corporation as well as those seconded to other Sony group companies after hiring.

*3 Figures include only general employment contracts (regular employees).

Turnover Rate *4

| | | Sony Corporation | Group companies in Japan | Group companies outside Japan | Total |
|---------|-------|------------------|--------------------------|-------------------------------|-------|
| Overall | | 3.1% | 4.3% | 12.4% | 8.5% |
| | Men | 3.1% | 4.2% | 11.1% | 7.3% |
| | Women | 3.0% | 4.9% | 14.0% | 11.1% |

*4 Only voluntary turnover and retirement of regular employees

Learning and Development *5

| | Sony Group |
|---|------------|
| Average hours of training time per employee | 20.0 |
| Average training spending per employee | ¥155,736 |

*5 Based on data available in HR data system only

Percentage of Employees with Disabilities *6

| | Sony Corporation | Group companies in Japan |
|---|------------------|--------------------------|
| Percentage of Employees with Disabilities | 2.85% | 2.30% |

*6 Only companies with 101 or more employees, including special-purpose subsidiaries

Annual Paid Leave

| | Sony Corporation | Group companies in Japan |
|--|------------------|--------------------------|
| Average days of annual paid leave taken by employees | 15.9 | 15.1 |
| Percentage of granted annual paid leave taken by employees | 69.8% | 67.7% |

Flexible Work *7

| | Sony Corporation | Group companies in Japan |
|--|------------------|--------------------------|
| Number of group companies employ the program | 32 | |
| Number of employees who used the program | 1,048 | 9,073 |
| Total number of uses | 10,195 | 76,102 |

*7 A collective term for telework, remote work, working from home, etc.

Child Care Programs *8

| | Sony Corporation | Group companies in Japan |
|--|------------------|--------------------------|
| Employees who took child care leave (leave of absence) | 55.7% | 26.2% |
| Men | 7.1% | 5.8% |
| Women | 100.0% | 88.6% |
| Employees who took child care paid leave | 39.2% | 53.5% |
| Men | 44.7% | 71.0% |
| Women | 0.0% | 0.2% |
| Employees using reduced working hours for child care | 3.1% | 26.9% |
| Men | 0.0% | 2.0% |
| Women | 25.0% | 102.5% |
| Employees who returned to work after childcare leave | 100.0% | 95.7% |
| Men | 100.0% | 100.0% |
| Women | 100.0% | 95.2% |

*8 Percentage of employees who used the programs in FY2018 among employees with newborns in FY2017

Age Composition (Sony Corporation)

| | Men | Women | Overall | Percentage of women |
|-------------|------|-------|---------|---------------------|
| Overall | 1888 | 585 | 2473 | 23.7% |
| Under 30 | 211 | 76 | 287 | 26.5% |
| 30-39 | 535 | 158 | 693 | 22.8% |
| 40-49 | 659 | 243 | 902 | 26.9% |
| 50-59 | 452 | 106 | 558 | 19.0% |
| 60 and over | 31 | 2 | 33 | 6.1% |

Management Positions (Sony Corporation)

| | Men | Women | Overall | Percentage of women |
|--|------|-------|---------|---------------------|
| Overall | 1888 | 585 | 2473 | 23.7% |
| Board of Directors *9 | 10 | 2 | 12 | 16.7% |
| Inhouse directors | 2 | 0 | 2 | 0.0% |
| Senior Vice Presidents or higher *10 | 38 | 3 | 41 | 7.3% |
| General Managers or higher | 110 | 19 | 129 | 14.7% |
| Senior Managers or higher | 201 | 39 | 240 | 16.3% |
| Assistant Managers or higher | 617 | 78 | 695 | 11.2% |
| Others | 910 | 444 | 1354 | 32.8% |
| Of which, people in management positions | 351 | 61 | 412 | 14.8% |
| Of which, people newly appointed in management positions | 30 | 8 | 38 | 21.1% |

*9 Please refer to the " >Compositions of Sony Corporation's Executives(As of June 18, 2019) " above for the latest figure.

*10 Excluding people who serve as board of director

Updated on August 29, 2019

Diversity and Inclusion

Principle

As a company with a broad global business portfolio encompassing electronics, entertainment and financial services, Sony employs individuals of diverse backgrounds. Sony leverages its diverse businesses and workforce as strengths in its business strategy. The Sony Group Diversity Statement was established in 2013 to serve as a global policy to further highlight the importance of diversity in the workplace. Sony embraces diversity as a key management strategy and respects the individuality of each employee and encourages them to inspire each other through ongoing dialogue, and is convinced that this will create new value and drive further growth for the company.

> [Diversity & Inclusion](#)

Sony Group Diversity Statement

It is in Sony's DNA — and a source of our innovation — to value different perspectives and backgrounds as we conduct our business activities globally and rise to new challenges.

Sony promotes diversity across the Sony Group as a key management strategy by ensuring an inclusive work environment and by recruiting, hiring, training and promoting employees from diverse backgrounds.

> [Business and Geographies](#)

> [Gender, Sexual Orientation, Disabilities](#)

> [Talent Acquisition](#)

> [Human Rights in the Workplace \(Human Rights in the Workplace\)](#)

Diversity Week

During Sony Diversity Week, many events are held at Sony Group companies around the world to raise awareness and promote action for change by enhancing recognition and understanding of the significance of diversity. These events are designed to encourage employees to think deeply about diversity in its many forms — from race, nationality, disabilities, and gender, to sexual orientation, view points, and workstyles — as well as to facilitate new perspectives and active communication. These events also engage the wider community by involving other companies and outside organizations.

Updated on August 29, 2019

Business and Geographies

Cross-Business Collaboration

The Sony Group is engaged in a broad range of businesses, and its diverse employees collaborate across them to take on new challenges in development of products, services and content, and marketing. In fiscal 2018, the Sony Group transferred a total of 1,500 employees to other Sony Group companies to enable them to branch out in their careers and build cross-business connections, and this is creating new opportunities for collaboration around the Group.

| | |
|-----------------------|---|
| Movie Business | Sony Pictures Entertainment Inc., in cooperation with the R&D Center of Sony Corporation, opened Innovation Studios at its headquarters in Culver City, California. In addition to conventional film production, the studio creates content for virtual reality (VR), augmented reality (AR), and mixed reality (MR). The studio aims to use technology to bring creativity to filmmaking, such as film sets that can be digitally scanned and reproduced in virtual reality. |
| China | Every year in April, the Sony Group in China organizes Sony Expo to showcase products and technologies in fields including electronics, images, movies, television, music, games, comics/animation, and education. |

Employees Activities Across Regions

As of March 31, 2019, approximately 1,200 employees were posted to other Sony Group companies worldwide as part of Sony's global deployment of personnel, to transfer technology and knowledge, and launch new businesses. This includes some 140 employees dispatched from group companies outside of Japan, working in various businesses around the world. The Sony Group operates job transfer policies to efficiently facilitate international transfers. The policies are routinely updated with input from experts in human resources worldwide to support different types of international assignments.

To better support employees of all nationalities and languages, Sony Group companies in Japan follow up on employees after hiring and assist employees in their networking and career development. To facilitate English communication among employees from around the world, intranet content and systems for personnel and accounting are offered in both English and Japanese. Furthermore, in collaboration with the project members of

DIVI@Sony (Diversity Initiative for Value Innovation at Sony), Sony Group companies in Japan have conducted surveys and interviews with non-Japanese employees, their managers and colleagues. Using these results, those companies have identified issues they face and are working on devising and implementing necessary measures. In fiscal 2018, Sony conducted career development seminars and panel discussions for non-Japanese employees and organized an interview with a non-Japanese executive as an example of a role model. These initiatives are part of the Sony Group's efforts to assist the career development of non-Japanese employees by providing opportunities for employees to explore their career paths and learn from others. In addition to assisting non-Japanese employees, Sony plans to conduct workshops and training for managers of non-Japanese employees, to facilitate communication with staff who have diverse values and career attitudes.

Updated on August 29, 2019

Gender, Sexual Orientation, Disabilities

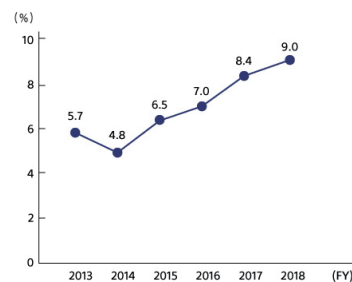
Promoting Greater Opportunities for Women

Sony embraces diversity and the working contributions of women, who accounted for 34% of the workforce and held 27% of management positions at the Sony Group worldwide as of the end of fiscal 2018. In Japan, Sony has set a target to be achieved by end of fiscal 2020 for women to hold 10% of management positions in the Sony Group and 15% of management positions at Sony Corporation, and pursues initiatives to actively hire, develop, and promote women. Sony carries out "disclosure of information" and "disclosure of action plans" in accordance with the provisions of Japan's Act on Promotion of Women's Participation and Advancement in the Workplace, using the Ministry of Health, Labour and Welfare's "Database of Corporate Performance in the Area of Women's Participation and Advancement in the Workplace."

Both in and outside Japan, Sony operates a leadership program to develop leadership skills and mindsets among women and support their networking, by providing opportunities for career development and assisting the professional growth of women.

> In 2016, Sony Corporation acquired the top "Eruboshi" certification from the Minister of Health, Labour and Welfare in recognition of its excellence as a supporter of workplace participation and advancement among women.

Women in Management Positions at Sony Group in Japan



Women Employed and Women in Management Positions*1*2 (FY)

| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|--|------|------|------|------|------|------|
| Percentage of women in the workforce (%) | 28.6 | 27.2 | 29.5 | 29.3 | 33.6 | 34.3 |
| Percentage of management positions held by women (%) | 15.9 | 15.9 | 22.2 | 23.9 | 25.3 | 27.3 |

Women Employed and Women in Management Positions (Sony Group in Japan)*1*2 (FY)

| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|--|------|------|------|------|------|------|
| Percentage of women in the workforce (%) | 18.6 | 18.6 | 21.3 | 21.0 | 22.1 | 22.7 |
| Percentage of management positions held by women (%) | 5.7 | 4.8 | 6.5 | 7.0 | 8.4 | 9.0 |

Women Employed and Women in Management Positions (Sony Group in USA) (FY)

| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|--|------|------|------|------|------|------|
| Percentage of women in the workforce (%) | 37.8 | 36.1 | 37.5 | 38.1 | 38.7 | 37.8 |
| Percentage of management positions held by women (%) | 33.3 | 31.3 | 33.0 | 35.5 | 37.4 | 40.0 |

Women Employed and Women in Management Positions (Sony Group in the Mainland China and Hong Kong Region) (FY)

| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|--|------|------|------|------|------|------|
| Percentage of women in the workforce (%) | 55.5 | 44.6 | 43.8 | 55.5 | 56.6 | 48.9 |
| Percentage of management positions held by women (%) | 26.2 | 32.7 | 31.6 | 40.1 | 40.1 | 32.2 |

Women Employed and in Management Positions (Sony Group in Asia Pacific)*3 (FY)

| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|--|------|------|------|------|------|------|
| Percentage of women in the workforce (%) | 42.5 | 46.2 | 43.8 | 37.2 | 49.4 | 46.2 |
| Percentage of management positions held by women (%) | 26.4 | 31.1 | 33.7 | 34.5 | 29.1 | 32.8 |

| | | | | | | | | | | | | | |
|----------|---------------------------------|--------------------|----------------------------|--|----------------------|-----------------------|--------------------------|------------|-----------|--------------------------|----------------------|-------------|----------------------|
| Contents | About the Sustainability Report | Management Message | Approach to Sustainability | Sony's Challenge to achieve the RE100 commitment | Corporate Governance | Ethics and Compliance | Respect for Human Rights | Technology | Employees | Responsible Supply Chain | Quality and Services | Environment | Community Engagement |
|----------|---------------------------------|--------------------|----------------------------|--|----------------------|-----------------------|--------------------------|------------|-----------|--------------------------|----------------------|-------------|----------------------|

Women Employed and in Management Positions (Sony Group in Europe) (FY)

| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|--|------|------|------|------|------|------|
| Percentage of women in the workforce (%) | 34.3 | 36.0 | 34.5 | 36.9 | 35.9 | 37.2 |
| Percentage of management positions held by women (%) | 26.6 | 25.9 | 33.6 | 34.9 | 37.5 | 35.3 |

Women Employed and in Management Positions (Sony Group in Other Areas)*4 (FY)

| | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|--|------|------|------|------|------|------|
| Percentage of women in the workforce (%) | 37.4 | 38.1 | 41.4 | 41.5 | 38.5 | 36.4 |
| Percentage of management positions held by women (%) | 24.7 | 30.0 | 28.1 | 37.4 | 37.9 | 34.2 |

*1 Totals are based on data provided by Sony Group companies as of the end of each fiscal year (March 31). The definition of "manager" varies in different countries, regions and companies.

*2 Women in management positions at Sony Corporation: 14.8%

*3 Southeast Asia, Oceania, India, South Korea and Taiwan Region

*4 Middle East, Latin America, Africa, and Canada

Key Activities to Promote Women's Career Development at the Sony Group around the World

| | |
|-------------------------------------|--|
| Electronics Business (Japan) | Sony Group companies in Japan have established individual targets to be achieved by fiscal 2020, and they are advancing initiatives such as education for women employees and their managers. On International Women's Day, senior management of the Sony Group communicated the message that Sony will leverage the different perspectives of its diverse human resources to create even better products and new value. |
| Sony Group (United States) | Sony Pictures Entertainment Inc. and Sony Interactive Entertainment Inc. sent women technologists to attend the Grace Hopper Celebration, the world's largest international gathering of women in the field of technology, in order to help them to expand their networking with other women technologists. |
| Electronics Business (Asia) | Sony India is focusing on increasing the percentage of women in its workforce as one of its annual priority targets. This has produced positive results, and the percentage of women in management positions is also increasing, as a result of providing training for women in the workforce and implementing other initiatives. |

Promoting Greater Opportunities for Individuals with Disabilities

The Sony Group employs and supports individuals with disabilities in compliance with the laws, regulations, and rules of the countries and regions in which it operates, while endeavoring to create inclusive working environments that enable employees to build successful careers regardless of any disabilities they may have. Sony co-founder Masaru Ibuka once recalled the day when an initiative was launched, saying, "We had a spirit of autonomy and a belief in creating workplaces that do not offer charity, but rather creating an environment that makes it possible for individuals with disabilities to manufacture products that exceed those manufactured by individuals without disabilities." The Sony Group strives to realize an environment in which individuals do not feel held back by their disability and disabilities do not create barriers, enabling everyone to thrive.

At Sony Group companies in Japan, employment know-how and experience related to past cases are integrated in a dedicated department within the human resources division. This particularly leverages knowledge gained through the special-purpose subsidiaries Sony Taiyo Corporation,*1 which was established in 1978 prior to the legal institution in Japan of special-purpose subsidiaries, and Sony Kibou/Hikari Corporation, which specializes in providing employment opportunities for individuals with intellectual disabilities. In addition to supporting initiatives at individual workplaces, Sony hosts a joint job fair for individuals with disabilities, an endeavor that was started over a decade ago. In March 2019, Sony Life Insurance Co., Ltd. established Sony Life Business Partners Co., Ltd. which became the Group's third special-purpose subsidiary. Sony Life Business Partners provides outsourced administrative services to Sony Life Insurance Co., Ltd., creating an environment that enables individuals with disabilities to thrive in their own way and create a future.

In addition to employing people with disabilities at special-purpose subsidiaries, Sony Group companies in Japan are working to build inclusive working environments and actively employing individuals with disabilities themselves. Specifically, Group companies have created guidelines for equipping their working environments to accommodate individuals with disabilities and to raise employee awareness, and they hold training programs that are designed by individuals with disabilities at the special-purpose companies. Reasonable accommodations for individuals with disabilities are provided through extensive discussions with each individual based on group guidelines (which were established in advance of regulatory changes in Japan in 2016).

Group companies outside Japan work with organizations for individuals with disabilities to create job opportunities and engage in philanthropy to raise employee awareness. Sony China has made it a priority to employ individuals with disabilities, which is a material topic categorized under one of Sony's CSR focus areas, "Employees." Sites in China also jointly host job fairs at universities that have many students with disabilities. In Hong Kong, Group companies conduct workshops to facilitate communication with visually impaired persons by blindfolding the participants to experience visual impairment, modeled after workshops conducted in Japan. Sony employees in the U.S. dedicate their time to provide audio descriptions so that visually impaired persons can enjoy movies, in an effort to raise employee awareness and encourage the social participation of individuals with disabilities.

| | | | | | | | | | | | | | |
|----------|---------------------------------|--------------------|----------------------------|--|----------------------|-----------------------|--------------------------|------------|-----------|--------------------------|----------------------|-------------|----------------------|
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|----------|---------------------------------|--------------------|----------------------------|--|----------------------|-----------------------|--------------------------|------------|-----------|--------------------------|----------------------|-------------|----------------------|

Sony also seeks to enhance social awareness of diversity and inclusion issues in Japan. Sony organizes job fairs for students with disabilities to make them aware of employment opportunities and encourage them to consider careers, aiming to help them with the job search so that they can play an active role in society in the future. Sony Taiyo Corporation holds inclusion workshops aimed at providing opportunities for elementary and junior high school students with and without disabilities to experience together the fun of science firsthand. In recognition of its initiatives, Sony Taiyo Corporation has received a Minister of Education, Culture, Sports and Science and Technology award for supporting the lifelong learning of individuals with disabilities. Sony Kibou/Hikari Corporation works with outside organizations to assist individuals with intellectual disabilities to recognize their skills and strengths as well as the accommodations they need; this not only spurs their personal development but also helps shape the industry to better leverage their individual talents.

In this way, Sony supports people with disabilities to play an active role in society, making accommodations in its working environments and raising awareness of diversity and inclusion, beyond the requirements of legal compliance.

In fiscal 2018, employees with disabilities accounted for 2.85% of Sony Corporation's workforce, while the average for Sony Group companies in Japan (with over 101 employees, consolidated basis) was 2.3% as of March 2018, both above the 2.2% mandated by Japanese law for companies over a certain size.

※1 Sony Taiyo, Sony's first special-purpose subsidiary, has implemented concepts such as universal design and inclusive design—a comprehensive workplace design concept that emphasizes usability, environment and education to meet the needs of all people — to create a work environment which anyone can work with and without disabilities.

Key Activities to Promote Career Development of Individuals with Disabilities at the Sony Group around the World

| | |
|------------------------------------|--|
| Sony Group (United States) | Sony Pictures Entertainment Inc. organized an autism discussion panel inspired by a medical drama television series. The panel members included a doctor, author, producer, and person with autism. In addition, the Sony Pictures Animation Campus hosted an autism resource fair to help autistic individuals gain meaningful employment. |
| Electronics Business (Asia) | In China, Thailand, and Malaysia, Sony Group companies actively employ individuals with disabilities as part of their regular workforce. Sony Group companies in these regions also invited students with visual impairments to visit Sony's workplaces, and are exchanging information with Sony's special-purpose subsidiaries in Japan to adopt the facilities approach at their business sites while working to increase employee awareness. |
| Sony Group (Japan) | Sony gathered examples of reasonable accommodations implemented by Group companies in Japan, sharing them as a reference for reasonable accommodations at each site. In addition, Sony gathered examples of the employment of individuals with mental disabilities and developmental disabilities by Group companies in Japan, and prepared a guide containing recommended employment considerations. |

LGBT Inclusivity

The Sony Group globally strives to provide LGBT*1 employees with working environments in which they can feel comfortable being themselves.

In Japan, Sony has expanded certain personnel programs*2 to encompass same-sex partners and implements an e-learning course for all employees that covers LGBT issues, while also offering LGBT workshops.

Sony also supports the diversity of employees in other ways, such as enabling employees to use their preferred names at work, providing multipurpose restrooms, using gender-neutral uniforms, making it optional for job applicants to indicate their gender on applications, and providing private toilet and shower facilities in each room at corporate dormitories.

*1 LGBT stands for lesbian, gay, bisexual, and transgender. The expression is broadly used to refer to persons with diverse sexualities.

*2 Personnel programs that have been extended to same-sex partners include monetary gifts and leave for bereavement, rent subsidies, and participation in employee family events.

LGBT Initiatives by the Sony Group around the World

| | |
|-----------------------------------|---|
| Sony Group (Japan) | Sony conducted an LGBT seminar and workshop for around 1 40 HR managers of Sony Group companies in Japan, and prepared and distributed an LGBT Handbook for HR Staff (basic edition) containing general information about LGBT. Through these initiatives, Sony is striving to create working environments where diversity is respected and promoting a deeper understanding of LGBT issues. |
| Sony Group (United States) | In the United States, Sony Pictures Entertainment Inc., Sony Electronics Inc. and Sony Corporation of America achieved the maximum score of 1 00% based on assessments in the Corporate Equality Index from the Human Rights Campaign Foundation, recognizing them as companies that create ideal working environments for LGBT employees. These scores reflect the level of fairness achieved within the organization toward LGBT employees, which is underpinned by rules designed to support these employees. Additionally, managers and employees participate in LGBT pride parades to raise awareness. |
| Sony Group (Europe) | Managers and employees participate in LGBT pride parades to raise awareness. |

Updated on August 29, 2019

Talent Acquisition

As a company with manufacturing, design, sales, service and R&D bases in many different countries and regions around the world, Sony promotes the localization of these operations by securing local talent that can meet national, regional and local needs. Sony ensures diversity and inclusion in hiring and works with external organizations to promote hiring of minorities.

In Japan, Sony has long recruited international talent regardless of nationality in order to advance its global business and has been increasing the hiring of talented university graduates from Europe, North America, and Asia. Sony also taps the cooperation of local group companies outside Japan to help secure top-level talent. Under its Global Internship Program, Sony welcomes university students from a variety of countries/regions, including Japan and other Asian countries, Europe, and North America, to offices in its major business fields.

Updated on August 29, 2019

Talent Development

Principle

Employee Development and Vitality Drives Sony's Dynamic Growth

Sony recognizes its people as its most important management asset and the growth of its people as a crucial aspect of its management foundation. Sony strives to further enhance motivation and encourage personal growth for its employees through on-the-job learning, as well as through access to a variety of programs designed to enhance individual abilities and skills and tailored to local needs.

As a company that does business in a variety of countries and regions, Sony recognizes the importance of cultivating future business leaders with a global perspective. Accordingly, Sony is implementing initiatives aimed at fostering such employees and bringing their capabilities into full play.

[› Learning and Career](#)

[› Engineering Talent](#)

[› Leadership and Future Leaders](#)

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Learning and Career

Learning and Development

Sony has defined the global behaviors it wants to see among employees: "Inspire and Be Inspired," "Stay on Point," and "Break Through Barriers." Sony is strengthening its systematic training to give employees the skills they need in various formats including group training and e-learning. Given the important role that management plays in the growth of the company and its employees, the Sony Group in Japan conducts programs to equip management with practical people management skills so that they can maximize the potential of organizations. Sony is also strengthening its overall management using leadership development and coaching strategies in the electronics business (North America, South America, Europe, and Asia regions) and in the entertainment business encompassing music and film. In addition to mandatory training, Sony supports employee-driven development by offering seminars, courses at outside institutions, and a growing range of online courses to fit the needs of employees. Sony Corporation of America piloted LinkedIn Learning, which allows employees to utilize online courses covering a wide range of topics. Sony Music Entertainment operates the My Learning portal as a global learning management system with diverse and personalized learning content.

Participation in Companywide Training in Fiscal 2018 (Sony Group in Japan)

| | Targeted | Mandatory | Elective (Technology-related) | Elective (Others) | Total |
|--|----------|-----------|-------------------------------|-------------------|---------|
| Number of programs | 11 | 54 | 274 | 22 | 361 |
| Number of times offered | 73 | 355 | 469 | 44 | 941 |
| Participants | 305 | 50,102 | 13,284 | 7,393 | 71,084 |
| Cumulative total training time (Hours) | 12,455 | 105,195 | 62,846 | 19,626 | 200,122 |

In fiscal 2018, human resource development expenditure per employee at Sony Corporation was about 270,000 yen. Other efforts yielding good results are training program reviews and insourcing instructors from among employees, which both help to improve the efficiency and quality of each training program.

Career Development

Sony has always encouraged its employees to take on new challenges, fostering this mindset both to further the growth of its employees and its growth as a company. Back in 1966, Sony became first in the Japanese industry to launch an internal job posting program, which has now been in place for 50 years. The program provides an avenue for employees to explore career opportunities while serving to optimize the assignment of personnel and strengthen key parts of Sony's business. To date, more than 7,000 employees have moved to new positions via the program, which has become essential to Sony's personnel strategy of developing employees who are eager to take on new challenges. Sony also expanded its Global Job Posting program for employees around the world in fiscal 2011.

In fiscal 2015, Sony introduced two new programs that greatly expand on its existing internal recruitment program. Sony adopted a free agent program that gives talented employees the ability to declare their availability to Sony Group companies, which provides them with greater opportunities to branch out and pursue job opportunities in new fields. In the same year, Sony adopted Career Plus, a program that enables employees to remain in their current positions while also being involved in other jobs and projects posted by the company by holding concurrent or secondary positions. The program enables personnel to broadly leverage their expertise and knowledge while also building up their networks within Sony.

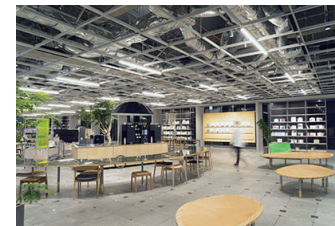
Every November is Career Month at Sony, and various events and programs are held to foster employee growth, including seminars on careers and professional development and career counseling opportunities. In addition, employees can meet directly with their supervisors to discuss development plans regarding their careers. The results are fed back to management and applied to efforts to reinforce Sony's programs for fostering employees, thereby facilitating carefully tailored support for career building.

Moreover, seeking to support employees' growth through work experience, in fiscal 2016, the New Performance Management Program used at Sony Corporation and its group companies in the electronics business was revised. The program fosters year-round communication between personnel and their superiors, enabling employees to set individual goals and track their progress while incorporating feedback on everyday conduct to better reflect individual observations and foster growth.

Sony is pursuing its purpose of "Fill the world with emotion, through the power of creativity and technology" by encouraging its employees to take on new challenges and supporting their career development by giving them professional experience within the Sony Group.

PORT— An Ideal Venue to Develop New Talent

In November 2018, Sony opened PORT at the Sony City headquarters building, as a social meeting space to develop the talent who will pioneer a new future for Sony. In order for Sony to sustainably create value and continue to grow into the future, Sony recognizes it must leverage and ensure the continued evolution of the diversity of its businesses and workforce, which has been a strength of Sony corporate culture since the beginning. PORT is a place where ambitious employees who hold diverse values — people from various specialized fields and backgrounds — can organically interact across business and geographic boundaries. The concept is for Sony Group employees to gather, connect, and create synergies, in order to grow as individuals and foster human resources who can navigate Sony into the future. PORT embodies this concept by serving as a venue for training, interviews, events, and seminars related to skills and career development, as well as providing a venue for employees to engage in spontaneous discussions, brainstorming, and workshops to stimulate shared learning.



PORT at Sony City headquarters building



Updated on August 29, 2019

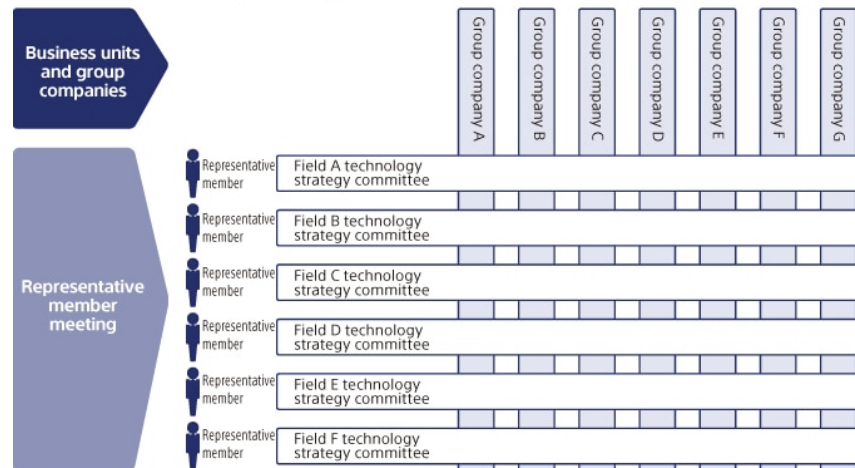
Engineering Talent

To pursue its purpose of "Fill the world with emotion, through the power of creativity and technology," Sony must engage in innovation to win new customers. Sony continues creating new technologies so that its engineers can develop products that provide functional value while appealing to people's sensibilities and inspiring them.

Using Field-Specific Technology Strategy Committees to Achieve Inter-organizational Collaboration

Sony aims to create long-term social value, in addition to generating sustainable, strong revenues. In order to create sustainable value and continue growing, Sony must leverage the diversity of its businesses and employees to further evolve. Lively interaction among employees from different backgrounds who hold diverse values leads to their own continual growth and ultimately drives the growth of Sony. Technology strategy committees are given the role of sharing knowledge from various fields across organizations, systematically advancing the technologies, and promoting the growth of human resources. The committees are highly significant in Sony's efforts to create sustainable value and secure ongoing growth. Sony formed field-specific technology strategy committees in fiscal 2015, and they involve approximately 800 employees.

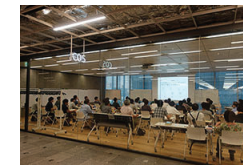
Field-Specific Technology Strategy Committees



A technology strategy committee is established for each field. Each one consists of specialists who are selected from across Sony Group companies. These committees work to achieve technical innovation and roll out organization-specific technologies across the Group. Technology is developed by people, so technology strategy committees implement related human resource measures. Sony offers talent development programs such as a key technology training course as well as personnel recruitment; this approach accounts for the special features of different technologies, and transcends the boundaries between different Sony Group companies.

Technology Training Courses

At the Sony Group in Japan, approximately 200 Sony engineers with frontline expertise in key technological fields develop curricula and textbooks for use in core technology training courses, aiming to enhance the expertise of engineers. These courses, which are designed to provide a basic understanding of technical matters, have been in continuous development since the 1980s. In fiscal 2018, more than 8,000 employees took courses. The courses are used to expand their knowledge of specialized subjects, brush up on their knowledge for application in other areas, or re-learn subjects.



Technology training course

Sony develops the basic skills of its new recruits by offering them general technological training designed by leading Group engineering experts, as well as specialized training programs developed by each of Sony's business units, which are designed to familiarize the trainees with technologies specific to each business. Engineers are provided with various opportunities to gain advanced knowledge in related fields and foster their ongoing professional development by participating in sponsored courses, seminars given by outside experts, and employee open houses.

Sony Outstanding Engineer Award

Created to further inspire engineers to take on new challenges, the Sony Outstanding Engineer Award is the highest form of individual recognition for Sony Group engineers. In order to develop products and services that appeal to customers' sensibilities, there is a wide range of technologies that Sony will have to work on. In addition to elemental technologies, there is also a need to integrate creative new technologies, and to optimize complex

systems. Intended to increase the motivation of engineers, such awards have encouraged employees to be proactive in addressing challenges and have also promoted a corporate culture that emphasizes value creation.



Sony Outstanding Engineer Award ceremony

Distinguished Engineer System

The Distinguished Engineer (DE) designation is a group-wide system for providing recognition to employees who possess outstanding technical expertise in Sony's key technological fields and have made a significant contribution to Sony. The DE system shows that "the face of Sony technology" is important to Sony because it plays a leading role in resolving problems and technology strategies. By publicizing this system group-wide, Sony enables its Distinguished Engineers to serve as role models for younger engineers. The group-wide launch of this system has helped to provide solutions for issues at their respective departments, while creating technology-based inter-organizational ties which can be expected to contribute in many different ways, including talent development.



Participants of a Distinguished Engineer meeting

Sony Technology Exchange Fair

The annual Sony Technology Exchange Fair (STEF) provides an opportunity for employees from throughout the Sony Group to present their R&D work to other employees. Topics include branded hardware, semiconductors, professional solutions, medical solutions, entertainment (music, games and pictures), and financial services

(insurance and banking). The fair gives developers and engineers a valuable opportunity to present the innovative research that will create Sony's future, and to get direct feedback from other employees. The event has served as a launch pad for numerous business applications since it was first organized in 1973. In 2018, Sony started to hold seminars and panel discussions chaired by its Distinguished Engineers and Open Innovation Showcase for recipients of investments from the Sony Innovation Fund (SIF) concurrently with the STEF. Some 10,000 employees from Sony Group companies in and outside of Japan attended the fair in fiscal 2018, which buzzed with conversation among employees. Sony is committed to innovation that helps shape the future, and fosters it by encouraging employee interaction across product, service and organizational boundaries and by promoting integration of diverse technologies.



Sony Technology Exchange Fair

Incentive Remuneration for Inventions

Sony rewards employees for their inventions by ensuring that they receive fair and suitable incentive remuneration as stipulated under the Patent Act. The remuneration serves as an incentive to realize inventions and increase patent quality to strengthen Sony's business.

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Leadership and Future Leaders

Sony is developing talented core people who can excel globally. Sony University was established with the mission of developing the people who will shape and lead Sony's management vision and strategy, perpetuating the Sony Spirit, and building strong personal networks that facilitate Group management. Under this mission, Sony University programs are designed to foster top management candidates and global leaders who will play key roles in driving the business forward. The courses offered include a half-year program for leading managers from different Sony organizations around the world to foster innovative thinking and polish their skills. Managers from Sony Group companies in Japan who show promise as potential business leaders are selected to participate in a seven-month program focusing on management literacy and interpersonal skills. These courses encourage personal interaction and mutual learning to facilitate the development of business leaders.



Participants in a Sony University program

Sony formulates succession plans across the Sony Group and conducts periodic talent reviews to ensure that future leaders and managers are always being developed. Sony is training talented people to become future global leaders by offering comprehensive job rotations across different business segments and geographic regions.

Main Initiatives to Develop Future Leaders at the Sony Group around the World

| | |
|-----------------------------------|---|
| Electronics Business (USA) | The Fast Forward Talent Strategy project epitomizes Sony North America's mission, vision and values, including the organization's entrepreneurial spirit and willingness to take risks. More than 100 diverse employee volunteers with different viewpoints were engaged to collaborate in an open and respectful environment to develop innovative programs/initiatives to support our business, our team, and our community — all with the common goal of creating a rich pipeline of ready-now successors in a sustainable, inclusive, best-place-to-work environment. |
| Music Business | Sony Music Entertainment has established the Amplify program to combine talent development and business innovation. This program focuses on getting the most out of an engaged and skilled workforce by inspiring them to be real innovators and on investing in the early career pipeline as a real differentiator, covering the various elements over a period of seven months. This program has achieved real business results through experimentation. |
| Movie Business | To support the development of top talent, Sony Pictures Entertainment Inc. has launched two programs intended to build leadership and industry acumen at key stages in an employee's career. The Take The Lead program aims to equip people managers to effectively lead their teams and drive engagement. The Business of Entertainment 101 program provides an overview of the entertainment business to emerging leaders to develop their business acumen. |

Employee Engagement

Principle

Sony's original Founding Prospectus set forth a management commitment to enable each individual to fully exercise his or her abilities and skills. Sony co-founder Akio Morita once said to the company's newest recruits, "If you ever find yourself regretting that you joined Sony, quit right away. You only live once. Once you truly commit to working at Sony, there is a mutual responsibility. I hope you won't arrive at the end of your life with regrets about having worked at Sony."

To fulfill these founding principles, Sony is constantly working to enhance working conditions and keep employees motivated by offering a mutually stimulating environment in which diverse individuals can enjoy work-life balance, have confidence in the company and management team, and share a commitment to creating value in Sony's businesses. Sony implements diverse structural, environmental, and cultural initiatives, so that ambitious and self-motivated employees can grow with Sony and continue to create value.

> [Work-Life Balance and Well-Being](#)

> [Organizational Culture and Communication](#)

> [Workplace](#)

Work-Life Balance and Well-Being

Sony believes that strong revenues are sustained by providing a worker-friendly environment where each employee can perform to their full potential. Under this vision, Sony considers employee health and work-life balance as essential to creating innovation and sustaining strong revenues as a company. Sony offers flexible working provisions and work conditions for employees to realize this work-life balance, while adhering to the customs and laws in countries and regions where it does business.

Main Work-Life Balance Initiatives at the Sony Group around the World

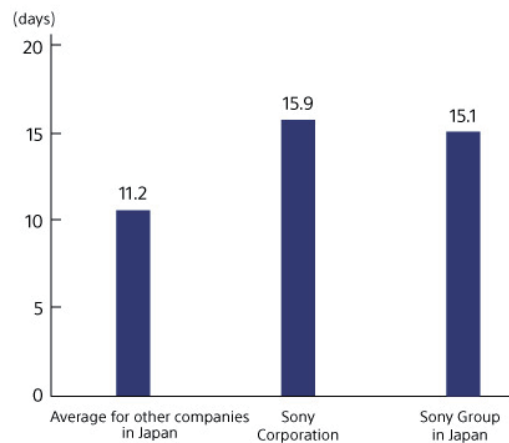
| | |
|---|---|
| Movie Business (USA) | Some group companies provide services and take other steps designed to promote employee health, such as offering on-site fitness facilities and dental clinic, and holding in-house sports competitions. |
| Music Business (USA, UK) | In order to support the work-life balance of parents, group companies in the USA and UK have adopted policies to extend the parenting leave if an employee or their spouse gives birth prematurely. Additionally, group companies assist breastfeeding mothers by contracting with an external service that ships breast milk home when employees are away on business. |
| Electronics Business (Sony Corporation of America) | Sony Corporation of America provides employees with access to the Backup Care program, a network of high quality childcare centers and in-home care providers to respond to various life stage changes. |
| Electronics Business (Japan) | Some group companies provide a private area for nursing mothers, emergency child care and other services for employees who are raising and/or expecting children. There are also child-raising support programs that aim to build communities of employees who are parents to facilitate the sharing of information on such topics as children's education. |
| Sony Group (Japan, China, USA) | On annual family day, family members are invited to see and get to know where employees work. In the USA, Sony Electronics locations offer Take Your Kid to Work Day to promote business and technology education. |
| Financial Services (Japan) | Group companies are adopting provisions for working from home and remote work, as well as extending the eligibility to more employees. Some group companies permit employees to primarily work from home. |

Each employee of the Sony Group plays a part in the sustainable growth of the company. As part of its commitment to diversity and inclusion, Sony has an important responsibility to create inclusive workplaces with attractive working conditions, and to encourage ways of working that enable employees to make the most of their talents while balancing their work and private life, including parenting and family commitments. Sony recognizes the need to accommodate diverse ways of working to secure the health and motivation of employees.

Since 2017, Sony Group companies in Japan in the electronics business have been implementing a work-style reform project that is furthering existing initiatives such as a day for leaving work at the prescribed time and encouraging employees to take their paid leave. Meanwhile, the Sony Group worldwide is sharing and adopting best practices such as business process improvements and techniques for making meetings effective.

In Japan, Sony Corporation has introduced a flex-time system and a discretionary working system, which enables employees to work with versatile options. Sony employees regularly use a high percentage of their allotted annual paid days off. In fiscal 2018, employees of Sony Corporation took an average of 15.9 days off and employees of the Sony Group in Japan took an average of 15.1 days off, compared with the national average of 11.2 days off at other companies.

Average Annual Paid Holidays for employees at Sony corporation and Sony group companies in Japan



*Source for average for other companies in Japan: Comprehensive Survey of Wage Conditions (Fiscal 2018), Ministry of Health, Labour and Welfare. Surveyed companies had a workforce of more than 1,000 employees.

Flexible Work Options for Diverse Lifestyles

The Sony Group in Japan offers human resources programs that enable employees to make the most of their talents within their preferred lifestyles.

In 2015, Sony Corporation began offering a Flexible Career Leave program that enables employees to take up to five years off to pursue studies or work on upgrading their language or communication skills, when accompanying a spouse who has been assigned abroad or embarks on international studies or take up to two years off to pursue studies at their own expense to further develop their expertise.

In 2018, Sony Corporation expanded the scope of its Telework policy by making all employees eligible. At the same time, it also broadened the condition to allow up to ten full telecommuting days per month and in principle removed restrictions on the number of partial telecommuting days that employees can take. Accordingly, it was renamed the Flexible Work policy. The company will continue to expand programs to provide employees with flexible and efficient work options, with the aims of enhancing the business efficiency of its organizations, fostering an organizational culture that generates ideas, and increasing the productivity and output of each employee.

Supporting Employees Doing Child Care or Nursing Care

Under a work-life balance initiative, the Sony Group in Japan provides paid leave programs which can be used along with Child Care Leave such as Child Care Paid Leave (up to 20 days) and Accumulated Leave used for pregnancy, childbirth, child rearing, fertility treatment, and nursing care purpose. These programs are widely used by employees.

For employees who have child care or nursing care responsibilities, Sony provides support by offering the option of reduced working hours and take paid annual leave on an hourly basis for child care or nursing care.

In fiscal 2017, Sony Corporation introduced a Career Plus program that supports career development while employees take parenting or nursing leave, by enabling employees to keep doing some work from home and also by subsidizing development programs such as language courses. The program provides greater flexibility for employees to continue their career development.

Percentage of Employees Using Child Care Programs at Sony Group in Japan in Fiscal 2018*1

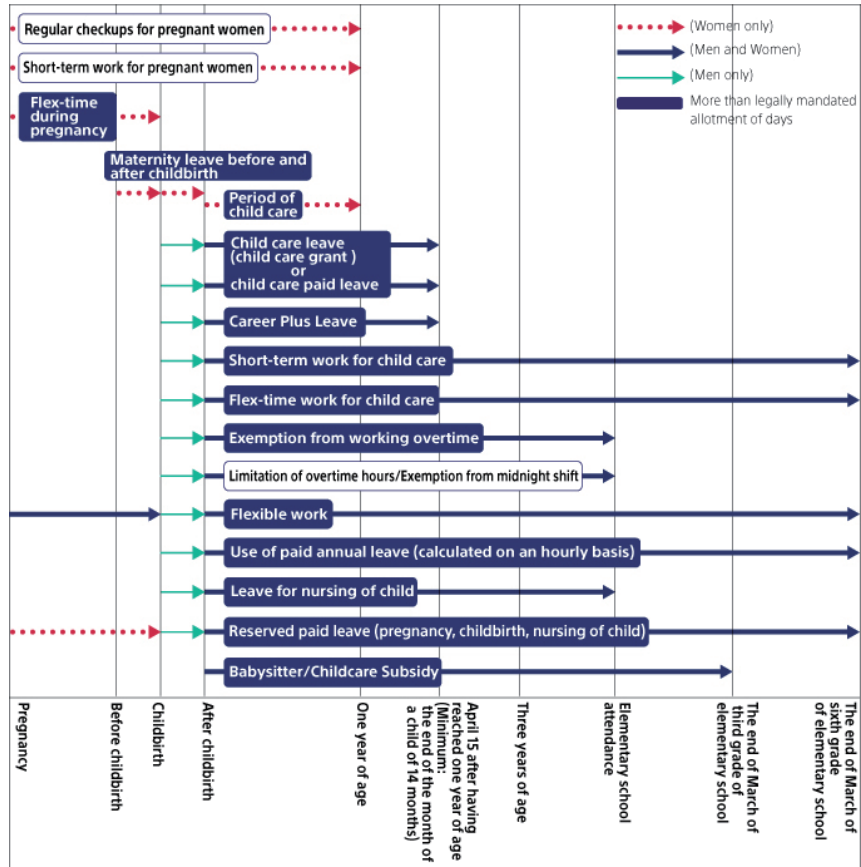
| | Sony Corporation | Group companies in Japan |
|--|------------------|--------------------------|
| Employees who took child care leave (leave of absence) | 55.7% | 26.2% |
| Men | 7.1% | 5.8% |
| Women | 100.0% | 88.6% |
| Employees who took child care paid leave | 39.2% | 53.5% |
| Men | 44.7% | 71.0% |
| Women | 0.0% | 0.2% |
| Employees using reduced working hours for child care | 3.1% | 26.9% |
| Men | 0.0% | 2.0% |
| Women | 25.0% | 102.5% |
| Employees who returned to work after childcare leave | 100.0% | 95.7% |
| Men | 100.0% | 100.0% |
| Women | 100.0% | 95.2% |

*1 Percentage of employees who used the programs in FY2018 among employees who with newborns in FY2017

Work-Life Balance Policies at Sony Corporation

| Policies | Introduced (FY) | Description |
|--|-----------------|---|
| Child Care Leave | 1990 | <ul style="list-style-type: none"> Up through April 15 of the year following the date on which the child reaches 1 year of age Can be used in combination with Child Care Paid Leave when child reaches 8 weeks of age (for men) |
| Reduced Working Hours for Child Care | 1995 | <ul style="list-style-type: none"> Until the child is sixth grade of elementary school Flex-time system can also be used during period of reduced working hours for child care |
| Child Care Grant | 2007 | <ul style="list-style-type: none"> Grant of 50,000 yen/month during period of Child Care Leave |
| Child Care Paid Leave | 2007 | <ul style="list-style-type: none"> Provides for 20 days' paid leave Can be used in combination with Child Care Leave when child reaches 8 weeks of age |
| Flexible Work (formerly called Telework) | 2008 | <ul style="list-style-type: none"> All employees eligible to work from home, a satellite office or elsewhere remotely Up to 10 full telecommuting days, no restrictions on number of partial telecommuting days |
| Use of Paid Annual Leave | 2008 | <ul style="list-style-type: none"> Can be used on an hourly basis, for child rearing or providing nursing care for a family member |
| Child Care Flex-Time | 2013 | <ul style="list-style-type: none"> Can be used until the child has graduated from elementary school |
| Babysitter / Child Care Subsidy | 2015 | <ul style="list-style-type: none"> Until the child is third grade of elementary school Babysitter / child care fee subsidy Number of times eligible and amount of subsidy increased in 2017 |
| Career Plus Leave | 2017 | <ul style="list-style-type: none"> Support continued career development by employees during child care leave, nursing care leave or flexible career leave (to accompany spouse) Allow some work from home while on leave Offer subsidies for education expenses while on leave |

Child Care Leave Policies at Sony Corporation



Promoting Work-Life Balance

In addition to establishing programs that promote work-life balance, the Sony Group in Japan strives to create a corporate culture in which employees seeking to balance the demands of child care (or nursing care) and work can build careers. Sony conducts seminars for employees who will be taking maternity leave, and their managers also attend. At these seminars, employees gain knowledge and information that will be useful during leave, review their career so far, and start career planning for their return. In addition, Sony conducts seminars for men in the

workforce who are considering taking parental leave, to inform them about the various provisions available to them including paid and unpaid leave. The seminars include a Q&A with colleagues who have taken parental leave.

Starting in 2018, Sony established a tie-up with a daycare provider to assist employees of Sony Group companies in Japan in the electronics business who find it difficult to secure a daycare for their children and return to work. The tie-up enables the use of corporate-led daycare facilities*1 throughout Japan. Sony also conducted a seminar on nursing, responding to the growing number of interested people. The seminar explored strategies for balancing nursing and work, while providing essential information about nursing. Through these initiatives, Sony is helping employees to continue developing their careers while balancing it with parenting and nursing.

*1 Under amendments to Japan's Child and Child Care Support Act, which came into effect in April 2016, the Cabinet Office of Japan introduced provisions to allow for corporate-led daycare facilities in an effort to address shortages of and wait lists for daycare facilities, so that parents can work. The provisions enable corporations to organize the establishment and operation of daycare facilities.

> Diversity Week



Seminar about parenting leave for men

> External Evaluation

Updated on August 29, 2019

Organizational Culture and Communication

Communication

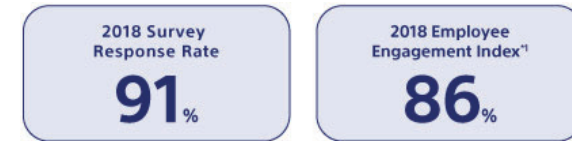
Sony values employee communication. Under a corporate culture that promotes the spirit of freedom and open-mindedness passed down since its founding, Sony fosters diverse communication both within workplaces and across organizational boundaries in order to create value.

Communication between Top Management and Employees

Sony treats communication between top management, including the CEO, and employees as a priority. Through the corporate intranet, information is provided on progress made in the Group's businesses, and communications are exchanged via e-mail and other media. Sony also works to create many other opportunities for direct dialogue between top management and employees. For example, Sony management holds regular informal gatherings and town hall meetings with employees, which cover a wide variety of themes, from technology to management. By sharing opinions from both perspectives, not only do employees gain a closer affinity with management, but the views of employees can also be used to enhance the quality of management.

Employee Engagement Surveys

Sony's electronics business and game & network service business implement global employee engagement surveys to collect information that is used to increase the engagement of each employee and energize the organizations. The surveys gather information about employees' trust in the company and attitudes about value creation, career and growth. The survey results and analysis in fiscal 2018 indicated a strong degree of confidence in the future of the Sony Group, but there was room for improvement in employees' perceptions of the efficiency and effectiveness of work. The survey results were used as the basis for senior management to discuss management issues and personnel strategies. Managers used the survey results for their own companies or organizations, as well as comments from staff who provided them, to conduct open discussions with employees regarding the issues affecting their organization and to make improvements. Sony's entertainment business and finance business are also implementing similar kinds of surveys.



2017 Survey : 90%
2016 Survey : 92%

2017 Survey : 86%
2016 Survey : 86%

*1 Percentage of employees who did not give an unfavorable response to four questions regarding employee engagement.

Communication among Employees

Sony is exploring new avenues for fostering even more active communication. Sony Group companies in the picture business and the electronics business operating in North America, Europe, and the Asia-Pacific region have adopted a system that allows employees to recognize and give accolades to peers for their contributions.

Sony employees are voluntarily creating various communities across business and organizational boundaries, which serve as platforms for information exchange, learning, and idea creation. There are roughly 1,000 of these employee-driven communities active worldwide. Sony actively supports these communities by providing venues and platforms, providing endorsement from the management team, and asking management to be involved in planning various activities.

[> Workplace](#)

Labor Unions

Sony maintains excellent labor-management relations. Approximately 13% of the overall workforce is unionized.

Updated on August 29, 2019

Workplace

Sony strives to create appealing workplaces that foster Sony's corporate culture and make it possible for people to work in diverse ways, while encouraging employees to take on new challenges and pursuing greater employee engagement.

Fostering Sony's Corporate Culture

Sony endeavors to create appealing workplaces that foster a corporate culture that will lead the company into the future. At the Sony City headquarters building, Sony's corporate culture is enhanced through user experience such as employee collaboration and variety of events. Sony has created a history wall outlining its corporate history with quotes from the founders and has also opened a lounge in the ground floor entrance hall of the headquarters building to communicate Sony's principles and corporate culture.

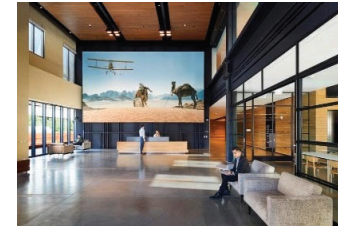


Cafeteria talk at the Sony City headquarters building

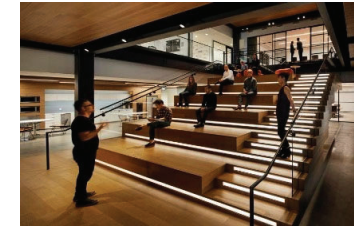


History wall and lounge in the entrance hall of the Sony City headquarters building

Sony Group companies are also creating workplaces with their own unique identities and corporate cultures that add to Sony's diversity.



Sony Pictures Entertainment Office conveys the fascination of movies

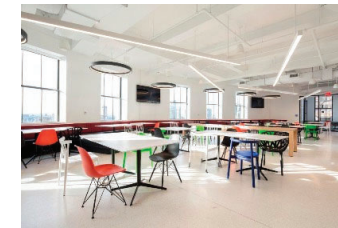


Office stairs which can be used like a theater

© 1962, renewed 1990 Columbia Pictures Industries, Inc. All Rights Reserved

Making It Possible for People to Work in Diverse Ways

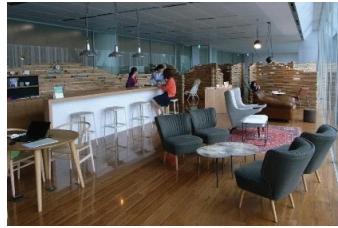
Sony's offices utilize open floor plans that encourage collaboration and foster the creativity and productivity of employees. Sony embraces an activity-based work-style concept to create functional workplaces that flexibly adapt to different styles of working and environments according to the work objectives and situation, enabling its diverse workforce to achieve a good work-life balance.



New offices of Sony Corporation of America with open floor plans



Various meeting spaces employees can use freely



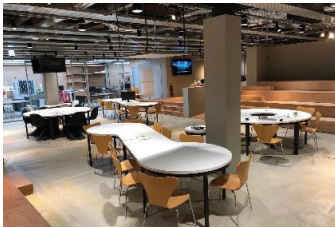
"NEST," a place for informal gatherings



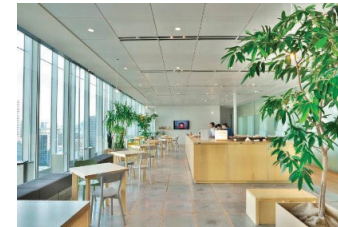
Yoga class with high-resolution sound at Sony City Osaki

Encouraging Employees to Take On New Challenges

Sony endeavors to create spaces that encourage employees to take on new challenges, guided by its vision of creativity and spirit of taking on challenges. The Creative Lounge at the Sony City headquarters building, Bridge Terminal at Sony City Osaki, and Comi-chika at the Atsugi Technology Center serve as creative collaboration spaces for open communication and idea generation, supporting employees as they take on new challenges. Sony operates the Sony Startup Acceleration Program to accelerate the development of new business applications based on ideas generated from these creative spaces.



Comi-chika creative collaboration space at the Atsugi Technology Center



The Farm cafeteria for Sony employees



Rice bowl topped with seasonal ingredients served for lunch

Increasing Employee Engagement

Sony is increasing employee engagement by creating appealing workplaces that help to foster communication by offering amenities that enable employees to refresh the mind and body with good food and exercise. Sony collaborated with the lifestyle magazine Jiyujin to open The Farm, a cafeteria at the Sony City headquarters building that offers food made with fresh and seasonal ingredients in an urban office setting.

Updated on August 29, 2019

Occupational Health & Safety

Sony has articulated a philosophy for Sony Group companies worldwide that states, "The Sony Group regards it to be one of the critical values to secure the health and safety of workers. Sony Group is committed to aiming at ZERO injury and ZERO illness, and to securing a safe and engaging environment in the workplace for all workers in any business activity." To fulfill this commitment, Sony works hard to secure occupational health and safety and prevent workplace accidents.

[› Basic Policy and Management System](#)

[› Global Occupational Health and Safety Initiatives](#)

[› Occupational Health and Safety Initiatives in Japan](#)

[› Occupational Health and Safety Initiatives in China](#)

[› Occupational Health and Safety Initiatives in North America](#)

[› Occupational Health and Safety Initiatives in Latin America](#)

[› Occupational Health and Safety Initiatives in Europe](#)

[› Occupational Health and Safety Initiatives in Pan Asia](#)

[› Occupational Health and Safety Initiatives in Picture Business](#)

[› Global Workplace Injury Statistics](#)

[› Health Promotion Activities](#)

Updated on August 29, 2019

Basic Policy and Management System

The Sony Group Global Policy on Occupational Health & Safety starts with this philosophy: "The Sony Group regards it to be one of the critical values to secure the health and safety of workers. The Sony Group is committed to aiming at ZERO injury and ZERO illness, and to securing a safe and engaging environment in the workplace for all workers in any business activity." Under this globally shared policy, the Sony Group is making an all-out effort to build safe workplaces that are conducive to physical and mental health.

Sony Group Global Policy on Occupational Health & Safety

[Philosophy]

Sony Group regards it to be one of the critical values to secure health and safety of workers. Sony Group is committed to aiming at ZERO injury and ZERO illness, and to securing safe and engaging environment of workplace for all the workers in any business activity.

[Policy]

1. Comply with all OH&S related laws, regulations, agreements and voluntary standards where Sony Group conducts business activities.
2. Establish robust organizational structure and define clear role and responsibility in each Sony Group organization to execute OH&S activities.
3. Carry out OH&S risk assessment to clarify potential dangers and hazards in workplace, through which eliminate causes of such dangers and hazards and minimize OH&S risks thoroughly.
4. Based on recognition that good and sound communications within workers may lead to worker's safety and physical & mental health, work on OH&S activities with worker's VOC and participation.
5. Conduct mutual mind-set that OH&S activities are critical for all the workers, and execute necessary education and trainings, which may enhance safety awareness and competencies.
6. Participate in governmental and regional society-based OH&S activities, and keep good and sound communications with government and society.
7. Introduce new methodologies and technologies to improve OH&S management level
8. Invest management resources for safe and healthy workplace, and achieve continuous improvement of OH&S management system.



Kenichiro Yoshida
President and Chief Executive Officer
Sony Corporation

Updated on August 29, 2019

Global Occupational Health and Safety Initiatives

Sony Group OHS Vision

"To secure the health and safety of workers" is among Sony's critical values. Sony has formulated the Sony Group OHS "Vision Zero" with the ultimate objective of ensuring ZERO injury and ZERO illness.



Sony Group Global OHS Medium-Term Plan

To achieve its Vision Zero objectives, Sony is working to meet its OHS Medium-Term Plan, which is a globally shared plan.

Sony has five action items under its OHS Medium-Term Plan for fiscal 2019–2021, as set out below.

All Sites

- Transition to ISO 45001 standard
- Reduction of accidents caused by unsafe behavior
- Reduction of health risks

Manufacturing Sites

- Better management of chemical substances
- Reduction of accidents caused by machinery

Transition to ISO 45001 Standard

Sony has a global occupational health and safety management system based on the OHSAS 18001 international standard. In addition, Sony manufacturing sites in China, South Korea, and the Pan Asia Region (roughly half of all Sony manufacturing sites) have obtained OHSAS 18001 external certification.

Sony is working hard to improve and thoroughly implement OHS activities, making them more consistent, more effective, and more continuous. With these goals in mind, Sony plans to transition to the ISO 45001 standard by the year 2020. We are now working to obtain external certifications, beginning first with worksites where certification is needed most urgently, and proceeding in order from there.

Reduction of Accidents Caused by Unsafe Behavior

The global occurrence of OHS incidents has been trending downward each year in terms of both numbers of incidents and lost work days, but Sony is still working to further reduce risks. An analysis of OHS incidents in all regions has prompted Sony to identify collisions, slips and falls due to unsafe behavior as a global priority due to the especially high number of such incidents. The target is to reduce the number of such incidents by 2021 to half the number of 2018.

Measures to Reduce Health Risks

If employees are to work with a sound body and mind, perform at peak capacity, and innovate, the company must provide them with dynamic and appealing work environments. To achieve this, Sony is carrying out assessments of harmful workplace risk factors, and these assessments cover mental health issues. Sony then implements health risk reduction measures and health promotion activities based on the results of these assessments. The goal is to increase employee engagement, thereby enabling people to work and grow in good health and spirit.

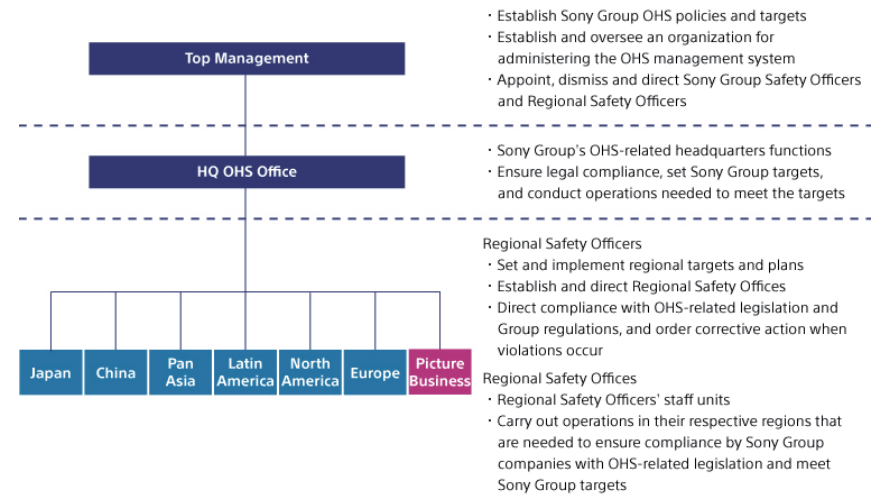
Improving Management of Chemical Substances / Reducing Accidents Caused by Machinery

Sony's R&D facilities and manufacturing sites use a wide variety of chemical substances and machinery, and reducing the risks associated with that use is an important determinant of the level of safety and health. Sony is establishing a risk assessment system that will not just identify hazards relating to chemical substances, machinery, and work modes, but will also check that legal requirements are met. This system will be deployed globally.

Global OHS Organization

To ensure that all group companies operate under a single management structure, Sony has established seven Regional Safety Offices (Japan,*1 China,*2 the Pan Asia,*3 Latin America, North America, Europe Region,*4 and the Picture Business) that are responsible for implementing cross-regional programs, and it has appointed Regional Safety Officers in each region.

Global OHS Organization



*1 The Japan Regional Safety Office oversees the Japan, South Korea, and Taiwan region.

*2 The China Regional Safety Office oversees the mainland China and Hong Kong region.

*3 The Pan Asia Regional Safety Office oversees Mongolia, Asian countries other than the above, the Middle East, Oceania, and Africa.

*4 The Europe Regional Safety Office oversees Europe, Turkey, Israel, Russia, and the former Soviet republics.

Activities of the Sony Headquarters OHS Office

Monitoring

To achieve the Vision Zero goals, the HQ OHS Office regularly collects information on the occurrence of occupational accidents and illnesses at Sony Group companies and sites, and information on the OHS activities carried out there. In addition to the use of in-house newsletters to publish the information it collects on good activities, each time a significant incident occurs or information on an accident comes to light, the HQ OHS Office also instructs that actions be taken to prevent a recurrence.

Global Audit System

At Sony's sites, internal audits and external audits are employed to examine the effectiveness of OHS management systems. Each Regional Safety Office carries out corporate audits to examine the effectiveness of the OHS activities of the business units in its region, and reports its audit results to the HQ OHS Office.

The HQ OHS Office is responsible for training corporate auditors and examining the effectiveness of audits carried out at the regional level. The Office, having established an in-house auditor system and determined auditor qualification requirements, conducts periodic auditor training to enhance auditing skills.

Management Review

The HQ OHS Office conducts annual management reviews based on each region's reports to evaluate: OHS activities; the occurrence of occupational accidents and illnesses in each region; and the level of achievement of activity goals.

Management comments set out in management reviews are reflected in the OHS Medium-Term Plan, and are fed back to each Regional Safety Office and to sites within each region.

Updated on August 29, 2019

Occupational Health and Safety Initiatives in Japan

Key Activities for Ensuring Healthy, Safe, and Accident-Free Workplaces in Japan

To achieve the Sony Group Global OHS Medium-Term Plan, Sony's business sites in Japan have identified four key initiatives that they will pursue in fiscal 2019 to address three categories of risk - occupational health and safety (OHS) risks, health risks, and fire risks - as set out below.

OHS risks

- Ensure a smooth transition to the new Sony Group OHS management system standards based on ISO 45001.
- Continue to carry out activities to prevent occupational accidents and illnesses in order to achieve Vision Zero.

Health risks

- Reduce health risks and promote employee health with workstyle reform.

Fire risks

- Improve fire and disaster prevention with the active participation of fire and disaster prevention managers.

OHS Risks

In order to transition to OHS management system standards based on ISO 45001, Sony's Japan Regional Safety Office has identified the re-working of Sony's in-house safety and health standards, and of their implementation, as top-priority tasks. Also, to support the transition at the various Sony Group companies and business sites in the region, Sony has convened briefings on management system standards and held orientation sessions for internal auditors.

To achieve one of action items under its OHS Medium-Term Plan - reduction of accidents caused by unsafe behavior - Sony carries out workplace patrols. The objective of these patrols is to implement 100% of measures designed to prevent risk of slips and falls.

Health Risks

Sony is taking appropriate steps toward workstyle reform. The key is not "having a good workstyle" but "having satisfaction on the job." To ensure that employees have a healthy workplace where there is satisfaction on the job, Sony is pursuing health risk reduction and employee health promotion as top-priority undertakings. In addition to

| | | | | | | | | | | | | | |
|----------|---------------------------------|--------------------|----------------------------|--|----------------------|-----------------------|--------------------------|------------|-----------|--------------------------|----------------------|-------------|----------------------|
| Contents | About the Sustainability Report | Management Message | Approach to Sustainability | Sony's Challenge to achieve the RE100 commitment | Corporate Governance | Ethics and Compliance | Respect for Human Rights | Technology | Employees | Responsible Supply Chain | Quality and Services | Environment | Community Engagement |
|----------|---------------------------------|--------------------|----------------------------|--|----------------------|-----------------------|--------------------------|------------|-----------|--------------------------|----------------------|-------------|----------------------|

continuing with existing measures such as “no overtime day” and initiatives to reduce late-night work (work performed after 22:00), Sony takes steps to monitor and evaluate workplace conditions, such as stress checks, as part of an effort to preserve and promote mental health. Sony also strives to raise the implementation ratio of workplace improvements and shares information on good practices throughout the group.

In addition, Sony provides support for non-smoking activities, working toward the goal of keeping workplaces free of second-hand smoke.

Fire Risk

To achieve the goal of improving fire and disaster prevention through the active participation of fire and disaster prevention managers, Sony is using the plan, do, check, act (PDCA) cycle to implement, evaluate, and improve fire and disaster prevention activities based on the group's fire prevention plan. At each site, a Fire and Disaster Prevention Committee is incorporated into the existing Occupational Health and Safety Committee, which identifies the key points, shares them throughout the group, and works to ensure that fire and disaster prevention measures are thoroughly implemented.

Legislative Monitoring

To monitor revisions of Japan's occupational safety and health legislation, Sony has specialists on staff who regularly check the group's legislative database, gather information on the latest legislative action, and determine whether recent changes affect any of Sony's various sites. Any sites affected are informed of the relevant legislative action, and the group ensures that all of its sites maintain proper legal compliance. Legislative information is also published in Sony's in-house OHS newsletter in an effort to raise employees awareness of legal compliance issues.

Communication

Occupational Health and Safety Committee

Each Sony business site in Japan has an Occupational Health and Safety Committee. These committees are made up of labor and management personnel, meet every month, develop OHS policies tailored to each site, establish targets, develop action plans, and implement initiatives to secure safe, healthy workplaces.

Japan Regional OHS Conference

This conference, which is attended by OHS officers from the group's various companies and sites, is held each year for the purpose of lateral sharing of information pertaining to: group-wide OHS policies, goals, measures, and audit results; the status of occurrence of occupational accidents and illnesses, and progress on achieving goals on this front; risk reduction activities at the various sites; and the status of efforts to maintain and promote health.

Employee Education

Sony's sites in Japan are active in various business fields. The OHS issues for each business differ depending on the field it is in. At the Japan Regional Safety Office, OHS staff from each site attend OHS training courses in order to acquire safety management know-how relevant to their business fields. The courses are held by in-house instructors. They maintain their competence by completing outside seminars or obtaining specific professional qualifications.

Updated on August 29, 2019

Occupational Health and Safety Initiatives in China

Sony's manufacturing sites in China play an important role in the manufacturing activities of the Sony Group. Under the Sony Group Global Policy on Occupational Health and Safety, Sony leverages its accumulated knowledge and experience to secure safe, healthy, and engaging working environments for employees.

Since fiscal 2016, Sony has organized occupational safety working groups with the participation of OHS managers and persons in charge (PICs), principally at its manufacturing sites. These working groups implement a variety of safety initiatives, including near-miss incidents, safety slogan activities, electric bicycle safety experiential activities, and the use of 5 Whys Analysis to identify the root causes of accidents. These safety-awareness activities, in which employees participate directly, have yielded significant results. Since fiscal 2016, the number of commuting accidents has been reduced by 60%, and work-related accidents have been reduced by 50%. Medium-Term Occupational Health and Safety Targets have been adopted since fiscal 2019 in the China region, where OHS activities are being carried out at both manufacturing sites and non-manufacturing sites. Sony will work to achieve its Vision Zero goals by taking measures designed to ensure that its OHS activities yield even better results.

*1 5 Whys Analysis is a technique of root cause analysis (RCA). One arrives at the root cause of the problem by asking the question "Why?" at least five times in succession.

Migration to the ISO 45001 Standard

In China, Sony since 2011 has operated an OHSAS 18001 Occupational Health and Safety Management System. It is under the governance of the China Regional Safety Office and is structured to include all manufacturing sites. The Regional Safety Office and all manufacturing sites have acquired OHSAS 18001 certification, and the OHS Management System is being properly implemented.

In line with the Global Medium-Term Occupational Health and Safety Targets, the companies in the region plan to migrate to the ISO 45001 standard by the year 2021. They are currently preparing for the migration, especially at manufacturing sites.

Key Activities in Fiscal 2018

Below are some of the various safety activities developed and implemented in China in 2018.

Accident Cause Analysis, and Accident Prevention Measures

In China, Sony has adopted 5 Whys Analysis, a technique often used in accident cause analysis and quality improvement work. To prevent the occurrence of accidents, Sony has its employees learn and utilize 5 Whys Analysis to analyze the causes of accidents, identify their true causes, and adopt proper preventive measures. Sony analyzed 100% of all the accidents that occurred in fiscal 2018, and has held seminars where employees learn to use 5 Whys Analysis, thus improving their analytical capabilities.



Participants in a 5 Whys Analysis seminar

Summer Safety Activities

An analysis of data on past occupational accidents in the China region has shown that over 60% of all accidents took place in the summer and fall. Therefore, since fiscal 2018 at all manufacturing sites Sony has carried out summer safety activities focusing on the fact that people grow tired relatively quickly in the summer. Over the five-month course of these activities, the company has held safety slogan activities and has achieved a participation rate of 96%. Moreover, safety and health risk prediction activities, which are attended at the work-team level, have achieved a 99% participation rate, and more than 30% of the participants in near-miss reporting activities are first-time participants. Zero injury performance was maintained throughout the summer of safety activities.

Sony has continued to carry out these activities in 2019 and has launched a second generation of safety activities, as well.



Risk prediction activity at Sony Digital Products (Wuxi) Co., Ltd.

Updated on August 29, 2019

Occupational Health and Safety Initiatives in North America

Sony operations in North America consist of a diverse group of companies across many of the fields in which the Sony Group does business. There is a limited amount of manufacturing. Site headcounts range from operations with over 1,000 people to sites with less than 10. The Sony Group Global Policy on Occupational Health and Safety serves as the underlying guidance document for each of these locations. Larger sites are beginning the implementation of ISO45001. Operations strive for a well-balanced program of safety, health and wellness initiatives, in keeping with the type of operation and its size.

Safety

Employee safety and regulatory compliance at all locations is a primary focus on a daily basis. Training is provided as needed, on subjects ranging from ergonomics to chemical safety. Site-directed policies and procedures are in place.

Sony Pictures Studios and other sites have an Injury and Illness Prevention Program (IIPP) in place. This program assigns responsibilities for various aspects of injury and illness prevention to management, the safety program coordinator, supervisors, and employees. Individual programs/procedures and work instructions (e.g., Confined Space Entry) include a list of specific responsibilities within that procedure.

At Sony DADC Bolingbrook, any potential hazards identified through inspections or incident reviews are generally eliminated or controlled through a combination of engineering, mechanical controls and/or job redesign; training of employees in terms of their job responsibilities related to safety; administrative controls (such as procedures and job rotation); and personal protective equipment (PPE). Job safety assessments are performed periodically. Frequent performance reviews and trend analysis are done. Policies and procedures have been strengthened and documentation is extensive and well maintained. Safety personnel are on the floor a large percentage of the time and interact with operators on a regular basis.

Other aspects of safety include risk control audits and recommendations; site-based safety teams and chemical safety.

Risk Control Audits and Recommendations

Corporate Environmental, Safety & Health (ESH) and Fire & Life Safety audits are conducted on an ongoing basis at

nearly all Sony sites in North America. Site-based internal inspections are also conducted, as are audits by insurance companies and agents. The objective of the internal inspections is to assess facility areas overall from an ESH and housekeeping standpoint. This ensures that potential risks are identified and any other items needing attention are addressed in a timely fashion. The internal inspections are generally conducted by trained employees serving on on-site safety committees or work teams. The frequency of internal audits varies among sites, from monthly to semi-annually. The audits performed by the outside insurance companies or agents are generally classified into one of the following three categories:

1. Identifying and addressing fire safety risks within a location;
2. Thermographic analysis of a site's electrical systems; and
3. Ergonomic assessment of workstations in both production and office areas.

For each category, recommendations for improving the status of the site are provided, as needed.

In addition, in compliance with Sony corporate standards, job risk assessments are reviewed to ensure that they are all up-to-date and still reflect the job being performed. Both routine and non-routine jobs are included in this review.

Site-Based Safety Teams

Sony DADC Terre Haute has implemented a plant safety team. The team is led by a quality specialist, and team members consist of operators from each manufacturing area. Implementation of this team began with training in *Kaizen* and safety as well as auditing requirements. The team meets monthly and performs *Kaizen* and safety audits within an area of the facility. The following month the team follows up on findings from the previous month and audits a new area. The team is also responsible for safety posters at employee exits as well as new topics for safety toolbox talks.

Sony DADC also has a *Kaizen/Security/Safety* audit of the perimeter of the campus. Members from Facilities, Engineering, Security, and Quality participate in the audit. This audit occurs twice a year at a minimum.

Chemical Safety Information

Sony is working on an overall, ongoing campaign to reduce the use of specified chemical materials at Sony sites and within Sony manufacturing operations. Each Sony site in the U.S. has a written Hazard Communication Program for chemicals in place, including information on safety data sheets (SDS), labelling and training. Chemical purchases are reviewed by the ESH group as part of the approval process. Operations in Canada have instituted the

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new national Workplace Hazardous Materials Information System (WHMIS 2015) standard. In addition, all applicable sites are following procedures for controlling and eliminating specified chemical substances from the product supply chain, as defined by Sony's environmental rules.

Wellness

For fiscal 2019, as one of the SNA Fast Forward initiatives, special focus will be on the Work-Life Balance "Ways of Working" Program. This will be an employee driven task force with an executive-level champion. In addition, there is now an onsite Work/Life Concierge available to Sony employees on a walk-in basis at some locations. The Concierge can help facilitate access to a wide variety of employee areas of interest. There is also an increased level of emphasis on the wellness services, with webinars provided to employees on the services provided. There are also a variety of spaces and methods on site at some locations to reduce the stress level of busy employees. Lastly, a mobile site offering mammograms will be available as part of the annual Benefits Fair this year at some locations.

Sony has continued the wellness program that covers employees and, in most cases, their spouses/domestic partners who are eligible for the Sony Healthcare Program. The objective of this program is to help employees and their spouses/domestic partners live healthy, active lives. Within some companies, participants have access to health risk assessments, on-site biometric screening, telephone counseling with a healthcare advisor, and other online or telephone-based programs and resources. Among these are programs on quitting smoking, weight loss, stress management, blood pressure, diabetes, nutrition and physical activity (including programs using exercise/activity trackers). Employees can receive incentives for participation in such health-promoting programs.

The Sony DADC Terre Haute facility continues to manage an onsite Fitness Center for employees to have access to exercise equipment. The SEL San Diego and SIE San Mateo locations also have on-site fitness centers that offer exercise equipment and various classes led by fitness trainers. Various gym discounts are also available to employees throughout the US. In addition, the San Mateo and San Diego locations offers personal training and onsite massage.

Other wellness activities are in place as well. Sony San Diego and SIE San Mateo have instituted a weekly farmers' market onsite that sells fruits, vegetables and other local produce. The San Diego site cafeteria also has nutritional choices available and makes nutritional information and calorie information available to employees.

Employees may receive flu vaccinations at either site-based clinics or a national pharmacy chain using a vaccination voucher. These are provided over a six-month period, beginning in October.

At manufacturing sites, based on job requirements, employees receive regular medical exams and, where appropriate, industrial hygiene surveys are conducted. SIE San Mateo and Sony Pictures Studios have dentists available who provides services to employees on site.ergencies.

Emergency Preparedness

Each Sony location has an emergency preparedness plan in place, tailored to meet the potential emergencies that may occur at that site. This includes the site response to fire, medical emergencies, earthquakes and utility failures. Evacuation drills are conducted annually.

AED Program

Many Sony sites in North America have installed automated external defibrillators (AEDs) that can be used in the event of ventricular fibrillation and ventricular tachycardia. Sony Electronics Inc. has placed AEDs in each facility with 100 or more employees. Sony Corporation of America (SCA) implemented a program to place at least one AED Unit at every site that comes under the SCA umbrella. Employees at each site with an AED are trained and certified in first aid and cardiopulmonary resuscitation (CPR), in addition to their training in the operation of the AED. Monthly inspections of AEDs are conducted to ensure that they will be ready for use in case of emergencies.

Updated on August 29, 2019

Occupational Health and Safety Initiatives in Latin America

In Latin America, Sony has worked to establish OHS campaigns, internal audits focused on health, safety and the environment, and has held proactive events, as described below.

Employee wellness

At Sony Colombia, we want employees to enjoy each special day, each special date, either together with their partners or their families. Each person is valued as an indispensable part of our organization, so we do everything in our power to ensure their well-being at work and in their personal lives. We celebrate, for example, mother's day, father's day, family day, women's day, and the new year.

Other workplace wellness activities include:

- Massages for employees: 15-minute massages to relieve tension from employees can be freely scheduled (Mexico)
- Sports competition tournaments for employees (Panama)
- Lunch & Learn Wellness program for stress management (Argentina)

Healthcare

At Sony Colombia, we care about the health of our employees and offer time once every month for them to practice mindfulness with an "active pause." Every year during health week, employees are offered health exams, and we carry out various activities to promote good habits. In addition, each year we organize an ecological hike.

Other workplace activities include:

- Year-round health programs including nutrition, medical analysis, vaccines, etc. (Mexico)
- Health Week featuring different specialties such as ophthalmology, nutrition, dermatology, breast cancer, massages and active pauses (Peru)
- Vaccination campaign (Brazil)



Vaccination campaign

Risk management

In order to prevent occupational accidents and/or illnesses, Sony Brazil, based on Federal Normative Instruction number 05 issued by the Ministry of Labor in Brazil, performs elections for its Internal Committee to assist occupational health and safety professionals with preventive actions, labor risk assessments and other tasks.

Other workplace activities include:

- Inspection of compliance program for chemical risk (Colombia)
- Warehouse random safety and inventory inspections (Panama)

Emergency preparedness

Annually, Sony Brazil trains people to serve on the Emergency Brigade, which is tasked with confronting and controlling emergencies. Training topics include firefighting, chemical leakages, explosions and first aid.



Emergency Brigade training

Other workplace activities include:

- Training in first aid, evacuation, handling of fire extinguishers and evacuation simulations (Peru)



Evacuation training (Peru)

Updated on August 29, 2019

Occupational Health and Safety Initiatives in Europe

Occupational Health and Safety Risk Reduction Program

In Europe, Sony has identified occupational health and safety (OHS) management as a top priority and has implemented an OHS risk reduction program since 2004. The program aims to lower OHS risk by reducing occupational accidents and strengthening the health and well-being of employees.

This program is based on three main initiatives:

1. Risk assessment;
2. Mandatory OHS training for all employees; and
3. Accident/incident investigation and follow-up.

Program implementation and performance is reviewed by senior management at annual European management review meetings and during corporate audits.

The European Regional Safety Office is committed to ensuring the safety of Sony workplaces in Europe through a variety of OHS programs.

Health Promotion

In addition to risk management initiatives to reduce occupational incidents, Sony sites in Europe have been focusing on health promotion, as well. The benefits of this approach are multiple: improvement of employee's health, increased motivation and productivity, and reduction of employee absence from work.

One Fit at Sony DADC

Sony DADC has been operating its health promotion program One Fit at Sony DADC for more than four years now.

The holistic approach to workplace health promotion also includes initiatives to improve management and corporate culture, the work atmosphere, and work-life-balance. This concept far exceeds Sony DADC's legal obligations in terms of occupational health and safety.

With the four main areas: sports, prevention, coaching and nutrition, One Fit Sony DADC aims at strengthening employees' personal resources*1 and well-being. This results in advantages for both the employees and Sony DADC as an employer.

*1 Personal resources are the within-person capacities which empower a person to alleviate stress and maintain high motivation.

Bottle Post 2019

Last year, Sony DADC launched the One Fit Sony DADC "Bottle Post 2019" photo contest. Every Sony DADC employee in Europe received a high-quality metal drinking bottle to support plastic waste avoidance and to promote a healthy lifestyle including sports activities and outdoor recreation.

When the drinking bottle was distributed, all employees were invited to participate in a photo contest, showing themselves during one of their preferred leisure activities with the drinking bottle in the picture. A high-quality desk calendar was created from the wealth of photos sent in. The calendar was distributed to all Sony DADC employees in Europe and is accompanying them throughout the year 2019.



Bottle Post 2019

ADFC Gold Certificate Award (Sony Stuttgart Technology Center)

* ADFC is a German cyclist association.

For more than 15 years, Sony Stuttgart Technology Center (STC) has been offering its employees a cyclist-friendly infrastructure. STC provides cyclists with a covered and monitored bicycle parking area near the building entrance, as well as changing rooms and showers. Bicycle spare parts such as tubes and tools are available at the reception desk. A cyclist hotline as well as a bike instructor are also available to employees so they can ask for help and advice to help them choose biking routes.

After the introduction last year of a company bicycle-leasing scheme for employees, STC applied for the bicycle friendly employer certificate. The company had to go through a standardized audit process and, with a few adjustments, it eventually succeeded in receiving a Gold Certificate Award .

The following achievements convinced both the auditor and the ADFC Jury:

- STC's consistent bike-friendly infrastructure together with various offers around cycling such as subsidized bike rentals at a nearby bicycle dealer
- STC's support of public transport tickets for their employees, which sets standards in comparison to the surrounding automotive industry
- STC's promotion of other sports activities by subsidizing membership fees in health, fitness and sports clubs.

The official handover of the Gold Certificate Award took place during a small bike event.



ADFC Gold Certificate Award

Summer Challenge at Sony Europe

Sony Europe has run the Summer Challenge campaign to encourage well-being and teamwork since 2017.

Participants can choose to walk, run or ride a cycle. The purpose is to create awareness that exercise is great for body, mind and soul.

At the same time, Sony Europe makes donations to the preferred charities of those teams who achieve the greatest total distance over two months.

Nearly 70 teams from across Europe entered this year's event, which amounts to around 500 participants, including walking/running teams and cycling teams.

By the end of the competition, the runners had covered 76,341km, and the cyclists 86,402km. The top 3 teams in each category were awarded a donation to the charities of their choice. For this year's challenge, Sony Europe donated €12,000 in total.

Updated on August 29, 2019

Occupational Health and Safety Initiatives in Pan Asia

Sony's Pan Asia sites employ individuals from a wide range of nationalities and cultural backgrounds. A key objective of occupational health and safety (OHS) activities in the region is to raise awareness of safety issues by providing training, education and activities. To enhance and raise safety awareness, Sony's Pan Asia sites hold various type of OHS events.

Establishing an Occupational Health and Safety (OHS) Management System

All manufacturing sites in Pan Asia Region have already established an OHS Management System (OHSAS18001), aiming to prevent any kind of incident or occupational health/illness from affecting employees and others working to support our Sony operations. From fiscal 2019, Sony sites in the Pan Asia Region plan to transition to a new management system (ISO 45001:2018) that includes non-manufacturing sites.

All Pan Asia Region manufacturing sites have already been certified in OHSAS18001, and we plan to acquire ISO 45001 certification within fiscal 2020 for all sites.

Enhancing safety awareness

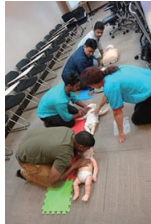
In fiscal 2018, one of the key activities was raising safety awareness among both employees and external contractors. Various training courses were arranged to enable employees to acquire the basic/intermediate safety knowledge required for their job. Contractors are also required to hold "Safety & Environmental Mindset" training, aiming to prevent any incidents from occurring at Sony sites.



Safety & Environmental Mindset" training for a contractor at Sony Technology (Thailand) Co., Ltd. (Bangkadi)

Health promotion

In fiscal 2018, various health promotion campaigns were carried out, including Health Talk, First Aid Training including CPR/AED training, influenza vaccinations, and ergonomic knowledge training.



CPR training at Sony Middle East Asia (Dubai)

Emergency preparedness

All sites hold annual fire evacuation drills in corporation with the local government. Emergency preparedness activities are determined depending on the risk assessment results for each site, and they address themes such as chemical emergencies and X-ray machine emergencies.



Emergency Response Team practice at Sony Technology (Thailand) Co., Ltd (Bangkadi)

Safety Campaign

Safety campaigns are held at each site to reduce high-likelihood risks in operations and raise awareness.

Campaigns address themes including:

1. Electrical fire risk – The following activities were organized at many sites.
 - Establishment of safe electrical wiring criteria

- Regular site inspection on electrical wire condition
 - Electrical safety training courses for person in charge
2. On-site safety assessment for new production line – Safety, production and engineering teams conducted joint efforts to assess a new production line from the perspectives of productivity and safety.
 3. Near Miss Program – The purpose of this preventive program is to build a safety culture among employees and across operations. Site employees identify near-miss conditions or behaviors and take corrective actions to reduce those risks.
 4. Road Safety – This road safety training program raises awareness among employees who use private cars, motorcycles or company transportation for their commute.



Near Miss Program at Sony EMCS (Malaysia) Bhd. Sdn (Kualar Lumpur)

Employee participation in OHS activities

To raise safety awareness and cultivate a "Safety Mindset," all sites in the Pan Asia Region hold OHS events for workers including management and contractors. These include Safety, Occupational Health, Environment and Anti-Drug week, where exhibitions, contests, competitions and games are held to enable employees to gain more knowledge by participating in fun activities. In addition, the Safety Committee operates a safety suggestion system, which provide a channel for communication that enhances employee participation and consultation.



Safety, Health, Environmental and Anti-Drug Week at Sony Technology (Thailand) Co., Ltd. (Chonburi)

External communication

Sony companies in the Pan Asia Region share their OHS knowledge not only internally, but also with interested outside parties such as college students and government agencies. This helps spread awareness of Sony's implementation of good OHS activities.



College students visit for Construction and Industrial Safety Training at Sony EMSC (Malaysia) Bhd. Sdn (Kuala Lumpur)

OHS award recognition

In fiscal 2018, two sites in the Pan Asia Region were recognized with third-party OHS awards. These awards provide further motivation to ensure that operations continue to comply with the safety criteria of each award and that our employees and other stakeholders can work safely at Sony.

Sony Device Technology (Thailand) Co., Ltd. received two awards: the National Health, Safety and Well-Being Award from Thailand's Ministry of Public Health, which recognized performance not only in the area of safety and occupational health but also employee well-being based on criteria such as mental health, nutrition, and happiness; and the National Safety Management Excellence Award at the Gold level from Thailand's Ministry of Labor, which recognizes good implementation of the Ministry's safety standards in the workplace.

Sony EMCS (Malaysia) Sdn. Bhd. in Kuala Lumpur received the MSOSH Gold Award from the Malaysian Society for OSH, a non-governmental organization. This award recognized the outstanding performance of OHS activities identified during the MSOSH committee site audit.



National Health, Safety and Well-Being Award from Ministry of Public Health received by Sony Device Technology (Thailand) Co., Ltd.



National Safety Management Excellence Award at the Gold level from the Ministry of Labor received by Sony Device Technology (Thailand) Co., Ltd.



MSOSH Gold Award from Malaysian Society for OSH received by Sony EMCS (Malaysia) Sdn. Bhd. in Kuala Lumpur

Updated on August 29, 2018

Occupational Health and Safety Initiatives in Picture Business

Sony Pictures Entertainment Inc.(SPE) conducts outreach to offices through OHS awareness sessions, safety compliance consultations and by providing ergonomic assistance to employees.

Given the rapidly changing media markets, the Environment, Health and Safety Group monitors regulatory requirements consistently and endeavors to adapt to risks based on the organizational structure of SPE and the services the company needs.

Key activities

SPE defines “safety programs” and “work instructions/procedures” as key activities. According to these categories, each region conducts OHS activities, with a special focus on fall protection, ladder safety and emergency preparedness.

North America

- A robust review of emergency preparedness for the SPE studio lot and intentional effective enhancement of emergency supplies, along with mobile incident command and employee preparedness training, has substantially increased the readiness of the lot population.
- All offices on the studio lot now have emergency floor plans and emergency contact information uniformed across the lot. This application of over 250 signs ensures that all occupants have access to exit routes, emergency numbers, and know their evacuation assembly areas.



Emergency floor plan

- A new acquisition, Funimation in Flower Mound, Texas, has been trained in emergency preparedness, through an emergency procedure training relevant to their area and concerns, an emergency employee accountability and evacuation training, as well as their first fire drill in over 18 years. They now have emergency supplies and an AED as well as training in first aid, CPR and AED.

- The Protect SPE app has been launched in North America and is available online to all employees, contractors, vendors, and productions. This is a comprehensive preparedness application full of relevant SPE contact numbers, emergency procedures, traveler information, and information regarding Alert SPE, our mass communication tool. SPE plans to launch it in Latin America (LATAM) next year.



Protect SPE app

- Sony Pictures Studios has a comprehensive program covering activities from injury and illness prevention to soldering safety. Alongside industry-wide safety training, the on-site monthly training program covers business relevant items such as heat illness and lock-out, tag-out. It is attended by over 15 departments.
- Sony Pictures Studios continued improvements to the roof fall protection systems, including structural upgrades to its iconic Columbia Pictures sign atop of Stage 6 to ensure employees and vendors have the tools to remain safe when working at heights.



Before the roof fall protection

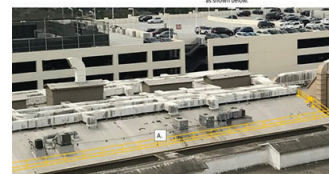


During the roof fall protection

- In addition, in 2018, a guardrail system was installed on both the north and south side of stage 10 to ensure that maintenance teams remain safe.

Stage 10 – North Side

Project Scope:
A. Install ladder transition with swing gate and guardrail on above ladders.



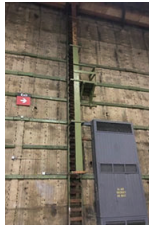
Scope of work before fall protection



After fall protection

- SPE will replace existing wooden ladders in sound stages with updated metal ladders over the next two years.

The project includes design, build and installation of 66 metal ladders with cages, 33 landing platforms, 33 swing gates and 33 catwalk extensions.



Updated metal ladders

- SPE continues to implement additional sit/stand desks at its facilities, which increased the number of these ergonomic tools to above 2,500 installed at various North American facilities. These efforts continue to expand the use of sit/stand technology across the globe.

Europe and the Middle East (EMEA)

- The updated and refined Local Crisis Response Plan (site plan) was implemented and tested at both the Golden Square (London) office and the SGBS Gdynia (Poland) office. In addition, a simplified emergency procedures plan was developed for sites across the region together with an employee notice/training poster. Several plans have been created using the new template, including for sites in London, Madrid, Paris and Gdynia. A Personal Emergency Evacuation Plan to help those who need assistance during an evacuation was developed for London sites as required by UK regulations. The same plan will be adapted to suit other offices in the region.
- SPE continued to expand its AED program throughout the region.

Asia-Pacific

- The roll-out and implementation of the Local Crisis Response Plan (site plan) continues to move forward successfully in close partnership with region leadership.
- Consultations on OSH legal, regulatory compliance and Safety Awareness Sessions in various offices in the region are ongoing.
- Also completed were an AED review and coordination and provisioning for selected offices to meet the Sony required response time.

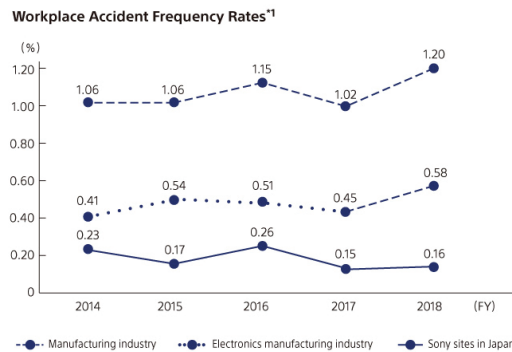
Latin America (LATAM)

- Working with LATAM security leadership, significant improvements in emergency preparedness were realized for offices in Miami, Brazil, Panama and Mexico City. This included procuring emergency supplies, employee training and awareness programs.
- AEDs were installed in the Miami office. Future installations are planned for Sao Paulo, Mexico City, Barueri and Panama City.

Updated on August 29, 2019

Global Workplace Injury Statistics

Since fiscal 2001, Sony has employed a data collection system to gather annual occupational health and safety data in the countries and regions in which it has operations. Sony analyzes these statistics to gain an understanding of circumstances and trends in terms of country/region and accident type, in order to help prevent recurrences.



*1 Figures for Sony refer to the frequency rate of accidents causing one or more days of absence from work at the Sony Group's manufacturing, non-manufacturing, logistics and R&D sites in Japan. Figures for the manufacturing industry and the electronics manufacturing industry are collected from each year's Survey on Industrial Accidents published by the Ministry of Health, Labour and Welfare of Japan.

Workplace Accident Statistics in Japan*2

| | 2014 | 2015 | 2016 | 2017 | 2018 |
|---|--------|--------|--------|--------|--------|
| Number of accidents causing absence from work | 13 | 9 | 16 | 15 | 16 |
| Number of lost workdays | 157 | 185 | 191 | 444 | 360 |
| Frequency rate | 0.23 | 0.17 | 0.26 | 0.15 | 0.16 |
| Severity rate | 0.0023 | 0.0028 | 0.0025 | 0.0038 | 0.0027 |
| Number of deaths | 0 | 0 | 0 | 0 | 0 |

Scope of data for fiscal 2018: 64 sites

Reference:

Comparative Statistics for Fiscal 2018

Average frequency rate in Japan: 1.83 for all industries, 1.20 for all manufacturing industries, 0.58 for the electronics manufacturing industry

Average severity rate in Japan: 0.09 for all industries, 0.10 for all manufacturing industries, 0.02 for the electronics manufacturing industry.

Source: Fiscal 2018 Survey on Workplace Accident Trends (Ministry of Health, Labour and Welfare of Japan)

Workplace Accident Statistics outside Japan*2

| | 2014 | 2015 | 2016 | 2017 | 2018 |
|---|--------|--------|--------|--------|--------|
| Number of accidents causing absence from work | 136 | 105 | 79 | 96 | 73 |
| Number of lost workdays | 1,815 | 1,808 | 1,496 | 1,166 | 1,050 |
| Frequency rate | 1.26 | 0.87 | 0.67 | 0.88 | 0.71 |
| Severity rate | 0.0168 | 0.0150 | 0.0127 | 0.0107 | 0.0084 |
| Number of deaths | 0 | 0 | 0 | 0 | 0 |

Scope of data for fiscal 2018: 89 sites

Formulas:

Frequency rate = Number of accidents causing one or more days of absence from work ÷ total number of man-hours worked × 1,000,000

Severity rate = Number of lost workdays ÷ total number of man-hours worked × 1,000

*2 Due to changes to the reporting scope of sites in fiscal 2017, figures from past fiscal year reports have been recalculated and may differ from those appearing in the original reports from those years.

Updated on August 29, 2019

Health Promotion Activities

Sony's Health Management System

Sony engages in health and productivity management to provide its employees with dynamic and appealing work environments. Sony is committed to building the kind of environment that enables every employee to work with a sound body and mind far into the future.

Measures to prevent lifestyle diseases, limit excessive overtime, and promote mental health have become more important than ever in recent years as industrial structures evolve and work grows more complex. These efforts have come to include an increasingly diverse array of tasks. Sony seeks in many different ways to preserve and promote employee health in Japan and around the world in a manner that suits the conditions of each site and complies with the laws and regulations in each country. Employees who work overtime, or work while receiving medical treatment, receive counseling from an occupational health physician and an occupational health nurse. Each employee receives attentive care tailored to his or her individual condition. Employees and frontline managers receive training on mental health issues to encourage early detection and prevention. Sony has also established physical and mental health counseling services for employees so that they can discuss any type of concern or problem, including work-related issues. In addition, Sony is also making an effort to counsel employees about lifestyle improvements, and to distribute information to raise awareness via various in-house media.

Promoting Mental Health

Sony implements comprehensive mental health support measures with the aim of helping employees demonstrate their full potential.

Sony has established health counseling services, offering access to counseling not only in face-to-face sessions, but also by telephone or email. The services, in addition to offering health consultations for employees themselves, also include handling proactive inquiries from managers, giving referrals to medical specialists, and providing related information when needed.

When an employee returns to work after taking leave due to a mental health issue, Sony's employee assistance program assists the employee with readapting to the workplace according to their individual circumstances, working in cooperation with an outside professional institution.

Sony provides a mental health self-care training program for various levels of employees and management, including new employees and newly promoted senior managers. Sony also performs annual stress checks and conducts individual interviews with employees who are found to be under high stress. In addition, Sony analyzes group statistics on each workplace organization. These approaches help to improve the work environment.

Sony also has a critical incident stress management program for helping employees and their colleagues cope with unforeseen situations.

Helping Employees Receive Treatment while Working

For employees who receive treatment while continuing to work, Sony offers counseling sessions with occupational health physicians and occupational health nurses, who reduce such employees' health risks by devising job arrangements tailored to each individual situation. Also, to ensure that employees are able to choose flexibly among a diverse array of working styles, Sony's frontline managers, Human Resources Department, and Occupational Health Department work together to provide the most appropriate employment support. The company actively seeks to provide support that will enable employees to strike a proper balance between treatment and employment, and work with fulfillment and motivation.

Addressing Overtime and Employee Health

The negative effects of working overtime are a hot topic in Japan these days, and the government is taking action to reduce overtime.

Accompanying the passage of Japan's Act on the Arrangement of Related Acts to Promote Work Style Reform in June 2018, the Japanese Diet amended the Labor Standards Act and the Industrial Safety and Health Act in April 2019.

Against this backdrop, Sony has amended its overtime work agreement (the "36 Agreement") and taken steps to encourage employees to take their annual paid leave. The workstyle reform initiative also includes the continuation of existing measures, including the day for leaving work at the prescribed time and late-night work reduction (i.e. work performed after 22:00). In addition, Sony implements health consultations by occupational health physicians and occupational health nurses to address the health of employees who work long hours. Sony is comprehensively dedicated to promoting the health of its employees and preventing health problems.

Preventing Lifestyle Diseases and Promoting Good Health

Preventing lifestyle diseases caused by irregular eating habits, lack of exercise, and other factors is a major challenge for corporate employees.

Sony makes sure that employees undergo various types of medical checkups and then receive personal health advice based on the checkup results, as well as support for visiting medical institutions if needed. Sony also focuses on counseling and advice on dealing with metabolic syndrome, per Japan's system of Specific Health Checkups and Specific Health Guidance.

Helping Employees Quit Smoking and Preventing Passive Smoking

Sony actively encourages employees to quit smoking, and works to ensure that non-smokers can work free of second-hand smoke. Sony has discontinued the sale of cigarettes (including heat-not-burn tobacco products) within the company, and has been reducing the number of indoor smoking rooms in order to prevent second-hand smoke. For individual smokers, Sony follows up on medical checkups by providing counseling and health guidance. Occupational health physicians and occupational health nurses take advantage of such occasions to encourage employees to kick the habit, and they provide concrete assistance to help employees stop smoking. Moreover, each business site uses its Occupational Health and Safety Committee, its website, and in-house mailing lists to encourage employees to quit smoking, and to provide information regarding the prevention of second-hand smoke. These efforts are gradually reducing the percentage of Sony employees who smoke, which is now below 11%.

Responding to Infectious Diseases

With today's increasing globalization of business, the risk of infectious diseases spreading worldwide is on the increase. To protect employees from these threats, Sony arranges for its employees to receive necessary vaccinations if they work in or travel on business to countries at risk. Sony provides safety bulletins and information on infectious diseases on its intranet for employees taking business trips to keep them aware of risks, and limits business travel as a safety precaution depending on the circumstances. For employees posted outside Japan, and their accompanying family members, Sony provides information on the incidence of malaria, hepatitis, HIV, and other infectious diseases in the countries where they are posted.

In Japan, if there is an outbreak of a new strain of influenza, tuberculosis, rubella, measles, or other illness, Sony cooperates with the government and other entities as necessary in order to respond flexibly while staying ready to implement business continuity plans.

Health Management for Employees Transferred Overseas

At present, Sony employees and their family members from Japan are stationed in 35 countries worldwide. This is why Sony has established a health management system that ensures that staff transferred overseas or traveling on business can work in safety and good health when they change workplaces.

Under the system, these employees and their family members receive medical checkups before leaving Japan, after returning to Japan, and when visiting Japan each year. Sony has set specific items for health checkups for staff transferred overseas, which are more thorough and comprehensive than legally mandated standards. In addition to regularly available support of health maintenance, employees receive healthcare education before traveling overseas, get vaccinations, and are provided with information on medical facilities in the areas where they will work, and receive stress checks. Also, occupational health physicians make the rounds at Sony's overseas business units and local medical institutions to practice preventive medicine and deal with risks. These measures are intended to encourage employees to be aware of the need for self-directed effort in their own health management.

To ensure that these support activities proceed smoothly, Sony's Occupational Health Department regularly disseminates health management information to employees who work outside Japan in order to help them maintain close ties with the department.

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External Evaluation

The Sony Group's initiatives have earned high marks from various global institutions.

Sony Group in Japan:

In 2016, 2017, and 2018, received a gold rating in the Pride Index for its LGBT initiatives. The Group's rating highlighted its equal treatment policy for same-sex partners and heterosexual spouses in its employee benefit and welfare policy.*1

Sony Corporation:

- In 2017, won the Grand Prix of Ikumen Award from Japan's Ministry of Health, Labour and Welfare
- In 2016, awarded the highest level of "Eruboshi" certification by Japan's Minister of Health, Labour and Welfare in recognition of its outstanding performance in promoting women's interests. This recognition was granted because Sony was found to satisfy all five criteria set out in the Act on Promotion of Women's Participation and Advancement in the Workplace: (1) hiring; (2) continuous employment; (3) work hours and other working conditions; (4) women's share of management positions; and (5) diversity in career path options.
- In 2007, 2010, 2013, and 2015, certified by the Tokyo Labor Bureau as a company that actively supports parenting initiatives in line with the Law for Measures to Support the Development of the Next Generation.

Sony Group companies outside Japan:

- Sony Electronics Inc, Sony Corporation of America, and Sony pictures entertainment received 100% rating in Corporate Equality Index (Rating Workplaces on LGBTQ Equality) by Human Rights Campaign.
- Sony Pictures Entertainment Inc. was recognized by the National Business Inclusion Consortium and the National LGBT Chamber of Commerce as a 2019 Best of the Best Corporation for Inclusion.

Moving forward, Sony will continue working in line with its Diversity Policy to build a work environment where employees will all be able to fully demonstrate their individuality and abilities, and diverse Employees can play major, meaningful roles.

*1 The employee benefit and welfare policy includes recognition of transfers to new posts away from family and separation allowances, congratulatory and condolence payments, congratulatory and condolence leave, school bag presentation ceremonies, Sony Family Day (family visits to the workplace), babysitter/child care subsidies, childcare leave, reduced working hours for childcare, care receiver conditions under the nursing care-related policy, and eligibility for Sony Family Cards.

- › [Key Activities to Promote Women's Career Development at the Sony Group around the World](#)
- › [LGBT Initiatives by the Sony Group around the World](#)
- › [Key Activities to Promote Career Development of Individuals with Disabilities at the Sony Group around the World](#)
- › [Main Work-Life Balance Initiatives at the Sony Group around the World](#)

Responsible Supply Chain

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

The foundation of Sony's efforts to build a responsible supply chain is the compliance of each and every director, executive, and employee with the Sony Group Code of Conduct and ethical business practices. Based on this approach, Sony focuses on supply chain management and responsible procurement of raw materials 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

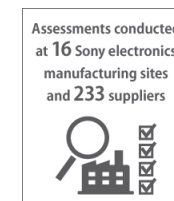
At Sony, the CSR and compliance groups at the head office, and the Employees & general affairs and procurement groups at Sony Global Manufacturing & Operations Corporation (SGMO), take the lead in promoting responsible sourcing activities in cooperation with other related head office divisions, business groups and relevant functions at manufacturing sites. The CSR group at the head office formulates group-wide supply chain management policy. With guidance from the corporate executive officer in charge of production and procurement, the representative director and president of SGMO is responsible for the implementation of the policy.

Sony also operates the Supplier Hotline for complaints and the Sony Group Policy for Responsible Supply Chain of Minerals Hotline for stakeholders to report possible policy violations in the supply chain. These hotlines help Sony to improve its responsible sourcing.

Main Achievements in Fiscal 2018

Here are the main results of fiscal 2018 initiatives:

- CSR self-assessment surveys were conducted at 16 Sony manufacturing sites in Japan, China, Korea, Thailand, Malaysia, the UK, Mexico, and Brazil.
- Several manufacturing sites in Japan conducted fact-finding surveys of business partners engaged in contracted factory work regarding employment of foreign workers.
- CSR assessments were conducted at 233 Sony suppliers
- Secondary suppliers were requested to comply with the Sony Supply Chain Code of Conduct.
- On-site visits were made to supplier plants to assist with safety management
- Encouraged cobalt refineries in supply chain to join the audit program, and donated funds to the foundation that covers the cost for refineries to undergo assessments.



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 Policy for Responsible Supply Chain of Minerals 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 Supply Chain Code of Conduct revised to create second edition and Sony Group Policy for Responsible Supply Chain of Minerals established

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 in order to focus the attention and boost the capacity of Sony employees — likewise for supplier employees engaged in the supply chain-to respond effectively to responsible supply chain issues. Sony will also continue to strengthen its countermeasures of high-risk minerals in its procurement.

Activity Reports

| | | |
|---------------------------------------|---|--|
| Supply Chain Management | Supply Chain Management Home | Establishing and Promoting the Sony Supply Chain Code of Conduct |
| | Initiatives at Sony Electronics Manufacturing Sites | Sony's Approach to Supplier Relations |
| | Working with Industry Groups | |
| Responsible Sourcing of Raw Materials | Responsible Sourcing of Raw Materials Home | Establishing and Implementing the Sony Group Policy for Responsible Supply Chain of Minerals |
| | Addressing the Issue of Conflict Minerals | Addressing High-Risk Mineral Issues |

Updated on August 29, 2019

Supply Chain Management

Sony supply chain management focuses not only on its own production sites, but also on those of suppliers and subcontractors.

- > [Establishing and Promoting the Sony Supply Chain Code of Conduct](#)
- > [Initiatives at Sony Electronics Manufacturing Sites](#)
- > [Sony's Approach to Supplier Relations](#)
- > [Working with Industry Groups](#)

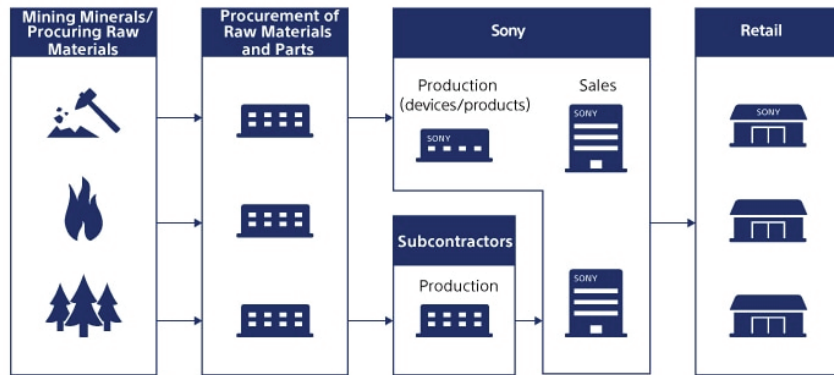
Updated on August 29, 2019

Establishing and Promoting the Sony Supply Chain Code of Conduct

Basic Approach

Sony recognizes the increasing importance of global companies' responsibility to manage their supply chains responsibly as diligent members of society and is taking a variety of steps to structure a responsible supply chain. Sony works with its suppliers to address issues such as human rights, labor conditions, health and safety, and environmental protection throughout its supply chain.

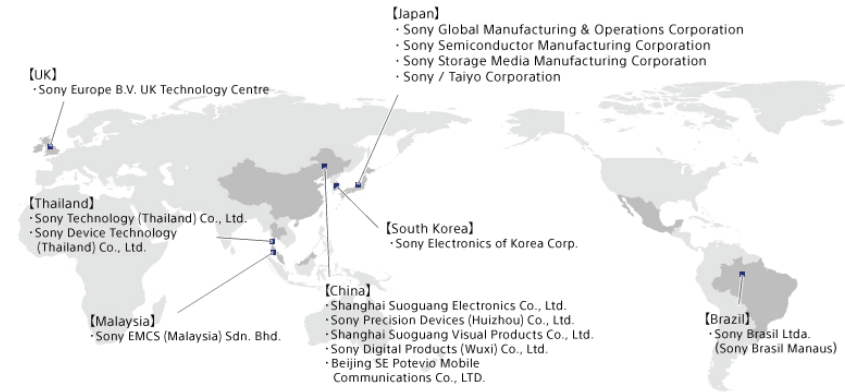
Basic Structure of the Supply Chain



Sony Supply Chain

The Sony supply chain stretches across the entire globe. As of August 2019, the Group has its own electronics manufacturing facilities in Japan, China, South Korea, Thailand, Malaysia, the UK, and Brazil. In fiscal 2018, the value of transactions with parts suppliers and OEM/ODM suppliers by geographic area was as follows: China (43.2%), Japan (22.7%), Asia-Pacific (17.7%), Europe (9.5%), the US (0.5%), and other areas (6.4%)

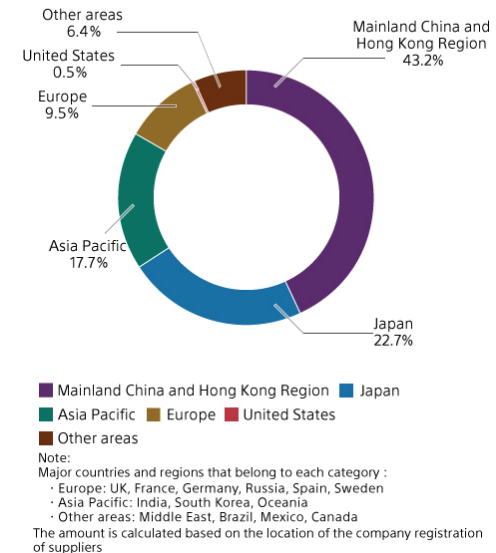
Electronics manufacturing facilities at Sony



[Electronics manufacturing facilities at Sony]

■ Countries and facility names

Value of supplier transactions by geographic area



Establishing the Sony Supply Chain Code of Conduct

In recent years, stakeholders have become increasingly concerned about manufacturers' responsibilities in relation to the product supply chain, including issues related to human rights, labor conditions, health and safety, and environmental protection, not only at their own production sites, but also at the production sites of subcontractors and parts suppliers. Conduct at Sony production sites is guided by the code issued by the Responsible Business Alliance (RBA^{*1}), which Sony joined when the alliance was established in 2004. All Sony electronics manufacturing sites are involved in ongoing efforts to ensure compliance with the RBA Code of Conduct, which represents industry best practices. Recognizing that parts suppliers, subcontractors in design and production, and other partner firms are all involved in the production of Sony products, and seeing the need to address these issues within a framework that meets Sony's standards, in 2005 Sony established the Sony Supplier Code of Conduct, based on the RBA Code of Conduct.

To enhance its CSR management in the supply chain, in 2016 Sony replaced the Sony Supplier Code of Conduct with the Sony Supply Chain Code of Conduct. The new code adopts the RBA Code of Conduct to govern all manufacturing processes at both Sony's own electronics manufacturing sites and those of its suppliers. The RBA Code of Conduct was updated from Version 5.1 to the current Version 6.0 effective January 1, 2018. Accordingly, the Sony Supply Chain Code of Conduct was updated to Version 2 to adhere to the changes in the RBA Code of Conduct.

Compliance with the Sony Supply Chain Code of Conduct is included in supplier contracts. As part of the requirements under this Code of Conduct, Sony asks that its suppliers comply with items required in its Green Partner Environmental Quality Approval Program and the Sony Group Policy for Responsible Supply Chain of Minerals.

^{*1} In October 2017, the Electronic Industry Citizenship Coalition (EICC) was rebranded as the Responsible Business Alliance (RBA)

› [Sony Supply Chain Code of Conduct \[PDF:835KB\]](#)

Issues Covered in the Sony Supply Chain Code of Conduct

| A. Labor | B. Health and Safety | C. Environmental | D. Ethics | E. Management Systems |
|---|---|---|--|---|
| 1) Freely Chosen Employment 2) Young Workers 3) Working Hours 4) Wages and Benefits 5) Humane Treatment 6) Non-Discrimination 7) Freedom of Association | 1) Occupational Safety 2) Emergency Preparedness 3) Occupational Injury and Illness 4) Industrial Hygiene 5) Physically Demanding Work 6) Machine Safeguarding 7) Sanitation, Food, and Housing 8) Health and Safety Communication | 1) Environmental Permits and Reporting 2) Pollution Prevention and Resource Reduction 3) Hazardous Substances 4) Solid Waste 5) Air Emissions 6) Materials Restrictions 7) Water Management 8) Energy Consumption and Greenhouse Gas Emissions | 1) Business Integrity 2) No Improper Advantage 3) Disclosure of Information 4) Intellectual Property 5) Fair Business, Advertising and Competition 6) Protection of Identity and Non-Retaliation 7) Responsible Sourcing of Minerals 8) Privacy | 1) Company Commitment 2) Management Accountability and Responsibility 3) Legal and Customer Requirements 4) Risk Assessment and Risk Management 5) Improvement Objectives 6) Training 7) Communication 8) Worker Feedback, Participation and Grievance 9) Audits and Assessments 10) Corrective Action Process 11) Documentation and Records 12) Supplier Responsibility |

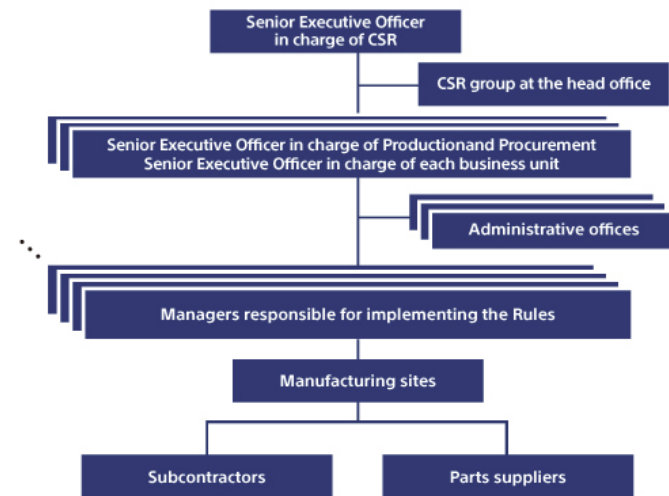
Sony's Structure for Promoting Supply Chain Management

At Sony, CSR and compliance groups at the head office and Sony Global Manufacturing & Operations Corporation (SGMO) take the lead in promoting responsible sourcing activities in cooperation with other related head office

divisions, business groups and relevant functions at manufacturing sites. Under the supervision of the Senior Executive Officer in charge of CSR, the Sony CSR group 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 Officer in charge of Production and Procurement and the Senior Executive Officers in charge of each business unit appoint managers responsible for implementing the Rules in relevant areas and set up administrative offices. The administrative offices are responsible for the general execution of the Operational Rules for the Sony Supply Chain Code of Conduct, which includes ensuring compliance with the Code at electronics manufacturing sites both at Sony and its suppliers, conducting risk assessments and regular monitoring, and implementing necessary improvements. The offices are also working to provide training opportunities to build the capacity of those involved with Sony and its 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 CSR and compliance groups at the head office to determine the facts and take action deemed necessary, and the situation is immediately reported to the relevant manufacturing site or the Senior Executive Officer in charge of the business unit engaged with that supplier.

Implementation Framework of the Sony Supply Chain Code of Conduct



Updated on August 29, 2019

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 CSR self-assessment survey at all of its electronics manufacturing sites in and outside of Japan to evaluate compliance in five categories designated by the RBA Code of Conduct: 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 2018, 16 manufacturing sites in Japan, China, Korea, Thailand, Malaysia, UK, Mexico and Brazil completed self-assessment surveys. The results showed that risk of non-compliance was low at all manufacturing sites. In cases where any possibility of violations of the Sony Supply Chain Code of Conduct is reported by external sources, such as NGOs or media reports, the manufacturing site in question determines the facts of the case. If this determination confirms the reported violations, Sony ensures that appropriate action is immediately taken, including an RBA audit conducted by a third-party auditor.

Assessment of Hiring and Labor Conditions for Foreign Workers

There is mounting social pressure on global corporations to conduct human rights due diligence for their supply chains. For example, the United Kingdom enacted the Modern Slavery Act to prevent modern forms of slavery such as forced labor in supply chains. Malaysia in particular has many foreign workers who are employed at manufacturing facilities for electronic products and components. An international human rights non-governmental organization has issued a report citing forced labor conditions among foreign workers in Malaysia's electronics industry. The practices cited include workers being charged excess commissions upon hiring and employers retaining workers' passports, making it difficult for workers to get their passports back when they needed them. These conditions limit the freedoms of foreign workers who are living away from their home countries, leading to forced labor conditions.

Sony also employs many foreign workers at its manufacturing sites in Malaysia. In response to social concerns over forced labor, Sony commissioned a third-party assessment involving a fact-finding survey and risk identification

regarding employment of foreign workers and their labor conditions at Sony manufacturing sites in Malaysia in fiscal 2016. The assessment was conducted by the non-profit Business for Social Responsibility, which provides its member companies with research and consulting services relating to corporate social responsibility.

The third-party assessment was implemented by interviewing management, HR department staff, and foreign workers from Indonesia, Nepal, Myanmar, Vietnam, and Bangladesh, as well as interviewing temporary staffing agencies acting as intermediaries for foreign workers either in their home countries or Malaysia. Personnel from the CSR department in Japan were dispatched to Malaysia to observe the assessment, which covered the entire process from before hiring (prior to leaving the home country) to actual hiring and conditions after termination of employment (after expiry of the employment contract). The assessment did not find any cases that qualified as serious legal violations, but identified some areas for improvement that Sony is currently working to address. For example, the assessment found that living conditions for foreign workers hired through temporary staffing agencies could be improved in terms of the cleanliness of dormitories, living space provided, and surrounding environment. Sony is working with temporary staffing agencies to make improvements by implementing follow-up visits to dormitories, as well as recognizing agencies that have made positive improvements and sharing their initiatives among agencies.

Many foreign workers including technical intern trainees are employed in Japan across various industries, including manufacturing, agriculture, forestry, fisheries, and construction, and as caregivers. With the increase in media coverage, allegations of foreign worker exploitation have been recognized as an important social issue in Japan. Since fiscal 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 select manufacturing sites. In fiscal 2018, at some manufacturing sites, Sony requested on-site business partners to conduct a survey on the employment of foreign workers and asked those partners for cooperation in compliance with the Sony Supply Chain Code of Conduct.

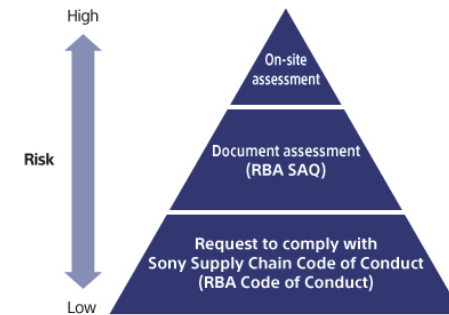
Sony's Approach to Supplier Relations

Monitoring Activities and Follow-up Measures to Ensure Compliance with the Sony Supply Chain Code of Conduct

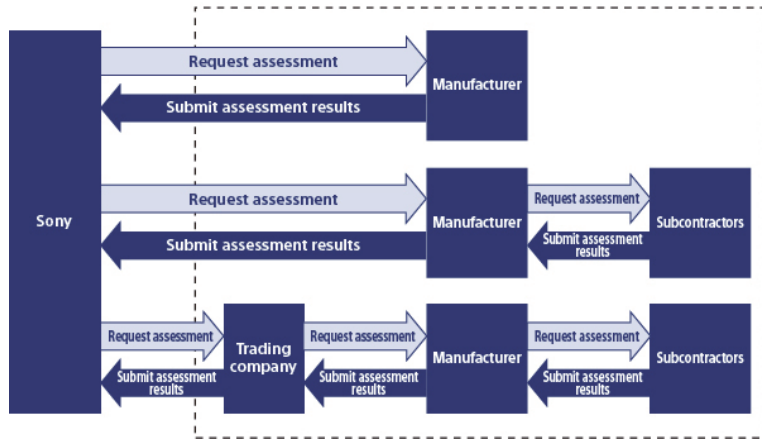
Sony established the Sony Supply Chain Code of Conduct to ensure that suppliers understand Sony's expectations in more detail. All suppliers of products and materials to Sony are required to observe this code.

As part of its efforts to ascertain supplier compliance with the Sony Supply Chain Code of Conduct, Sony conducts assessments based on the supplier's risk level, for all new 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 Sony does business with.

Risk-Based Supplier Assessment



Scope of Supplier Assessment

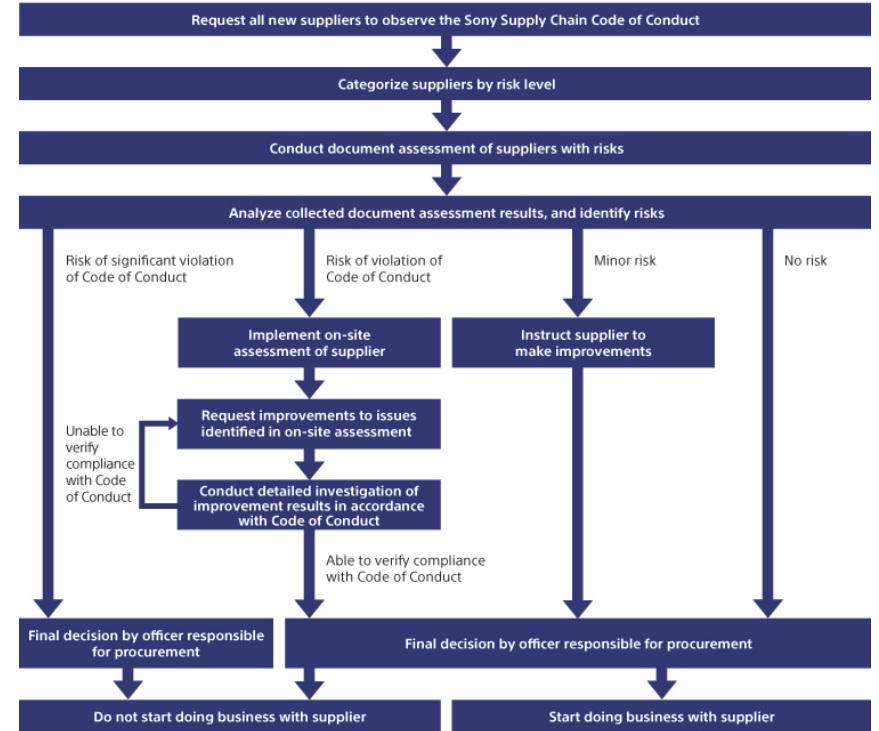


All direct suppliers and their manufacturing facilities are requested to comply with the Sony Supply Chain Code of Conduct. Suppliers and their manufacturing facilities are categorized by risk level, based on such factors as the country and region in which they are located, size of business, industry, and type of business. Suppliers and their manufacturing facilities conduct a CSR self-assessment using questionnaires from the Responsible Business Alliance (RBA), and the questionnaire results are analyzed to identify potential risks. Based on the results, Sony evaluates the degree to which suppliers are complying with the Sony Supply Chain Code of Conduct and whether violations have occurred at each of the suppliers' manufacturing facilities.

If a manufacturer is suspected to be in violation of the Sony Supply Chain Code of Conduct, an on-site visit is conducted to verify the actual management situation. Sony issues improvement instructions if needed, verifies the improvement results, and assesses to start business dealings. If there is reason to believe that a manufacturing facility is in serious violation of the Sony Supply Chain Code of Conduct, the supplier is removed from consideration for starting business dealings with Sony. The following are examples of serious violations:

- 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 issue

Assessment Flowchart for Starting Business Dealings with Suppliers



Major OEM suppliers that do sizable business with Sony continue to conduct annual self-assessments using RBA Online even after starting business dealings. In fiscal 2018, Sony requested that all suppliers including existing suppliers comply with the Sony Supply Chain Code of Conduct, and conducted document assessments for 126 companies. Based on the document assessment results, Sony identified nine high-risk suppliers and conducted on-site assessments of 15 companies that were determined to be at risk of violating the Sony Supply Chain Code of Conduct. Sony conducted assessments of approximately 640 companies over a three-year period.

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

- **Working hours**
 Observation: Excessive working hours at a supplier in China (over 60 hours per week)
 Improvement instructions: Requested systematic improvement of working hours (to bring them below 60 hours per week), and regular monitoring until improvements are completed

• **Employment of foreign workers**

Observation: Passports belonging to foreign workers were being held by a supplier in Malaysia

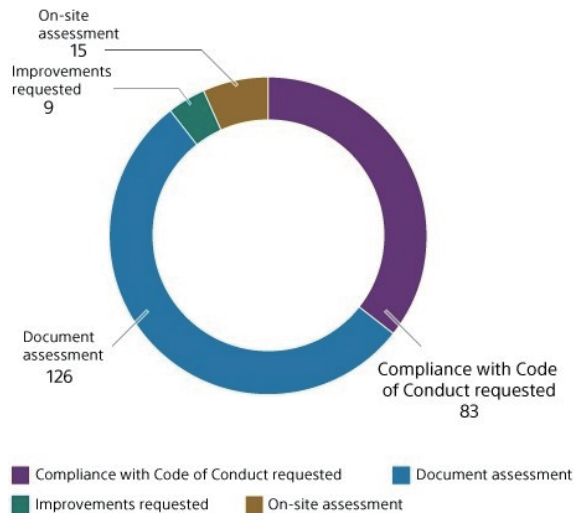
Improvement instructions: Requested that workers be allowed to keep passports themselves or that passports be held but available to workers at any time. The improvements were confirmed to have been implemented.

• **Young workers and student workers**

Observation: Young workers and student workers were working long hours or at night shifts at a supplier in China

Improvement instructions: Made the supplier prepare an improvement plan to eliminate long working hours and night shifts. The improvements were confirmed to have been implemented.

FY2018 Assessment Results



| | 2016 | 2017 | 2018 | Total |
|---|------------|------------|------------|------------|
| Compliance with Code of Conduct requested | 69 | 84 | 83 | 236 |
| Document assessment | 106 | 122 | 126 | 354 |
| Improvements requested | 7 | 5 | 9 | 21 |
| On-site assessment | 3 | 13 | 15 | 31 |
| Total | 185 | 224 | 233 | 642 |

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, Sony cooperates with the supplier in question to confirm the facts of the case expeditiously and objectively. Specifically, Sony may request that the supplier's manufacturing site undergo a third-party RBA audit. In the event that any deficiencies are discovered, the supplier is required to develop an improvement plan, and Sony monitors the supplier's performance in the form of follow-up audits to ensure the progress of initiatives. 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.

Initiatives for Secondary and Further Suppliers

Sony requires that its primary suppliers ensure that the Sony Supply Chain Code of Conduct is observed by secondary and further suppliers. Primary suppliers conduct self-assessments to verify their understanding of the Sony Supply Chain Code of Conduct and to ensure that it has been communicated internally and is being complied with. Additionally, primary suppliers communicate the Sony Supply Chain Code of Conduct to their own supply chains and require compliance.

Communicating and Partnering with Suppliers

Sony provides support to suppliers in order to improve their initiatives. In Southeast Asia and China, local liaison officers assigned to communicate directly with suppliers are provided with the educational and training opportunities needed to serve as CSR specialists at local sites. These CSR specialists strive to ensure that suppliers make continuous efforts to improve management systems and other organizational structures, by communicating with them and providing direct guidance on ways to improve.

Personnel who are involved in parts procurement receive training on socially responsible procurement and the Sony Supply Chain Code of Conduct. Compliance with the Sony Supply Chain Code of Conduct is factored in when choosing suppliers, who are assessed and selected based on human rights, ethical, environmental, and health and safety considerations, in addition to other factors.

| | | | | | | | | | | | | | |
|----------|---------------------------------|--------------------|----------------------------|--|----------------------|-----------------------|--------------------------|------------|-----------|--------------------------|----------------------|-------------|----------------------|
| Contents | About the Sustainability Report | Management Message | Approach to Sustainability | Sony's Challenge to achieve the RE100 commitment | Corporate Governance | Ethics and Compliance | Respect for Human Rights | Technology | Employees | Responsible Supply Chain | Quality and Services | Environment | Community Engagement |
|----------|---------------------------------|--------------------|----------------------------|--|----------------------|-----------------------|--------------------------|------------|-----------|--------------------------|----------------------|-------------|----------------------|

In fiscal 2016, Sony launched a fire prevention initiative to support safety management at supplier facilities. Under the initiative, Sony provides suppliers with a document describing actual fire incidents, including the causes and lessons learned, together with a fire prevention checklist, to facilitate improvements to safety management.

In fiscal 2018, Sony conducted on-site checks for safety management at supplier facilities, as it did in the previous fiscal year. These on-site checks enabled Sony to identify issues and instruct suppliers to improve the fire prevention management at their facilities. Issues that were frequently identified in the on-site checks included degraded power lines, malfunctioning fire doors, and deficiencies in the installation of control boards for fire pumps. In addition, as part of its efforts to prevent the use of forced labor, Sony provided suppliers in its supply chains with up-to-date information on human rights related laws and regulations and common industry findings, as well as providing assessment tools and codes of conduct. These initiatives helped to further strengthen Sony's supply chain management.

Sony will continue to educate and support suppliers with their CSR initiatives encompassing health, safety, and the environment, through various means including regular meetings with suppliers.

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. The hotline is part of a framework that Sony is focused on establishing to facilitate sharing of concrete information on cases where the conduct of a Sony Group company executive or employee has been identified to be in violation (or possible violation) of any laws, regulations, the Sony Group Code of Conduct, the Sony Supply Chain Code of Conduct or an agreement between Sony and a supplier.

[› What Sony Expects of Suppliers](#)

Updated on August 29, 2019

Working with Industry Groups

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 RBA (formerly the Electronic Industry Citizenship Coalition, or EICC) and joined as members. 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 May 2019, the RBA consisted of 186 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.

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.

Updated on August 29, 2019

Responsible Sourcing of Raw Materials

Sony's stakeholders care about sustainability issues, including ethics and respect for human rights and the environment, when it comes to the sourcing of raw materials. 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 raw materials.

[› Establishing and Implementing the Sony Group Policy for Responsible Supply Chain of Minerals](#)

[› Addressing the Issue of Conflict Minerals](#)

[› Addressing High-Risk Mineral Issues](#)

For information on Sony's environmentally responsible procurement of raw materials, please visit:

- [› Managing Chemical Substances in Procurement](#)
- [› Assessing Greenhouse Gas Emissions over the Entire Value Chain](#)
- [› Initiatives Related to Paper Procurement](#)

Updated on August 29, 2019

Establishing and Implementing 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. Sony has pledged its strong commitment to ethical business conduct and respect for human rights in the Sony Group Code of Conduct, which sets forth such core values and establishes basic policies including the prohibitions of using any form of forced labor, and specifically, child labor. Sony also expects all of its electronics manufacturing sites and suppliers to adhere to the same standards, and established the Sony Supply Chain Code of Conduct. All the suppliers are requested to fully comprehend and comply with the Code in supplier contracts. In addition, in October 2017, Sony established the Sony Group Policy for Responsible Supply Chain of Minerals.

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 and that are high-risk for Sony from the corporate social responsibility viewpoint ("High-Risk Minerals"). Sony's policy is to refrain from knowingly purchasing any products, components or materials that contain the High-Risk Minerals that contribute to conflicts or serious human rights abuses in the chain of custody. Sony currently identifies tantalum, tin, gold, tungsten and cobalt as High-Risk Minerals.

To help ensure compliance with its policy, Sony requires its suppliers to source minerals from smelters that have been determined not to be contributing to conflicts or serious human rights abuses.

Sony has designed an internal due diligence framework to determine the country of origin and chain of custody for any high-risk minerals in its supply chain. This due diligence framework is designed to conform, in all material respects, with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.

Sony proactively collaborates with industry groups and engages in multi-stakeholder processes. As a member of the Responsible Minerals Initiative (RMI) launched by the Responsible Business Alliance (RBA), Sony supports RMI's efforts to assess the environmental and social impacts of the extraction and processing of raw materials and mitigate these impacts,

- [› Sony Group Policy for Responsible Supply Chain of Minerals \[PDF:289KB\]](#)

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

Updated on August 29, 2019

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

Sony has established the Sony Group Policy for Responsible Supply Chain of Minerals Hotline as part of our continuing efforts to ensure lawful and ethical behavior and to ensure compliance with the Sony Group Sony Group Policy for Responsible Supply Chain of Minerals and other applicable policies. This is a confidential resource for any stakeholder to inform us of any suspected violation of Sony Group Sony Group Policy for Responsible Supply Chain of Minerals.

Information to be provided to the Sony Group Policy for Responsible Supply Chain of Minerals Hotline

Subject to any local laws or legal restrictions applicable to such reporting, we encourage reporting of possible violations of Sony Group Sony Group Policy for Responsible Supply Chain of Minerals. Please include specific information and explain in detail why you think the reported situation or incident may be problematic. Please provide the time date and location of the suspected misconduct, as well as any other pertinent information including the names of any involved companies, groups, departments or individuals, and their titles and functions, if possible.

Please do not knowingly report a falsehood or abuse the system for improper purposes such as slander or libel.

Methods of contacting the Sony Group Policy for Responsible Supply Chain of Minerals Hotline

Information may be communicated to the Sony Group Policy for Responsible Supply Chain of Minerals Hotline by completing the contact form below. The Hotline representatives may want to contact you to ask follow up questions to determine the exact nature of your concerns. You may also contact the Sony Group Policy for Responsible Supply Chain of Minerals Hotline anonymously.

Response

The information provided through the Sony Group Policy for Responsible Supply Chain of Minerals Hotline will be received by the assigned unit, which is operated independently from the ordinary procurement transactions. They will promptly review and investigate the concern and take actions that are appropriate to remediate any substantiated concerns. Please be informed that reports on the results of the investigation and any actions taken in response to a report will not be made to the informants unless Sony decides that such reports are necessary.

Handling of personal information

Sony shall handle the details of the reported information and any personal information about the informant (company name, personal name, etc.) as strictly confidential and use such information only for purposes of investigating the facts. Anyone who comes forward in good faith to report a concern will be treated fairly and

respectfully. Sony Group will not tolerate any form of retaliation against anyone who makes a report in good faith. This does not mean that an individual who reports illegal conduct will be protected if he or she engaged in any illegal activity, or improper conduct.

The following pages are linked to the website operated by salesforce.com Co.,Ltd.

[› Agree to the above conditions and contact the Sony Group Policy for Responsible Supply Chain of Minerals Hotline](#)

Updated on August 29, 2019

Addressing the Issue of Conflict Minerals

Sony's Approach

Addressing US Law on Conflict Minerals

The Democratic Republic of the Congo (DRC) and its 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 four minerals — columbite-tantalite, also known as coltan (tantalum), cassiterite (tin), gold and wolframite (tungsten) — 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 above 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 tin, tantalum, tungsten and gold in their supply chains. If these minerals come from the DRC or its adjacent countries, or if their country of origin is uncertain, then the company must conduct a more thorough review of its supply chain in an attempt to determine whether the supplies supported armed groups in the DRC. On May 31, 2019, Sony submitted its sixth report to the U.S. Securities and Exchange Commission (SEC) based on its review of its supply chain activities for the 2018 calendar year.

[> Sony's report to the SEC \(Form SD & Conflict Minerals Report\)](#)

Exercise of Due Diligence on Four Minerals

Sony has designed an internal due diligence framework to determine the country of origin and chain of custody for four minerals in its supply chain. This due diligence framework is designed to conform, in all material respects, to the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. Sony endeavors to ensure that its products do not contain tin, tantalum, tungsten or gold from sources that benefit armed rebel groups in the DRC or the adjoining region, while at the same time making sure that it is still able to source responsibly from that region and avoid a de facto embargo, by requiring suppliers to source materials from smelters determined to be compliant with the Responsible Minerals Assurance Process (RMAP)^{*1} of the Responsible Minerals Initiative (RMI),^{*2} which was established by the Responsible Business Alliance (RBA),^{*2} or other smelters that have been determined to be conflict-free smelters or determined to be conflict-free under other trusted traceability projects.

^{*1} Responsible Minerals Assurance Process: A voluntary program in which an independent third party evaluates a smelter's procurement activities and determines if the smelter has demonstrated that all the materials it processed originated from sources which have been determined not to be contributing to conflicts or serious human rights abuses.

^{*2} In October 2017, Electronic Industry Citizenship Coalition (EICC) was rebranded as the Responsible Business Alliance (RBA), and the Conflict Free Sourcing Initiative (CFSI) was also rebranded as the Responsible Minerals Initiative (RMI).

[> Sony Group Policy for Responsible Supply Chain of Minerals \[PDF:289KB\]](#)

Survey and Results on Use of Four Conflict Minerals

Tungsten, tantalum, tin and gold enter global supply chains from the DRC as well as numerous other supplying countries. Determining the mine of origin for these minerals requires the cooperation of many levels of suppliers and intermediaries in the supply chain. Sony's conflict minerals program is aimed at continuous improvement of its understanding of the supply chain and risk reduction over time. Sony's expectation is to make progress in the early years of this program, and achieve increased transparency over time based on its efforts to obtain increased supplier cooperation.

If any of these minerals were determined to be necessary to the functionality or production of any products manufactured by Sony or a subcontracted manufacturer during a reporting period, Sony assessed the country of origin and the smelters at the product level through a supplier survey sent to all relevant suppliers, utilizing the Conflict Minerals Reporting Template of the RMI. The smelters identified by direct suppliers were then compared against the conflict-free smelter list prepared by the RMI, to further enhance the accuracy of Sony's findings.

In 2018, while the results of Sony's due diligence for the report to the SEC did not reveal that any of the tin, tantalum, tungsten or gold in Sony's electronics products was sourced from the DRC or any of its adjacent countries, Sony concluded that it lacked sufficient information at this time to definitively determine the country of origin of all such minerals in its electronics products. Sony identified a total of 310 smelters and refiners as potential sources of four minerals and, of those, 257 smelters and refiners^{*3} were compliant with the Responsible Minerals Assurance Process (RMAP) or were currently under the RMAP audit process; 61 of these CFS in the supply chain were reported to procure materials from the DRC and its adjacent countries.

^{*3} 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.

[> "EICC® and GeSI Launch Conflict-Free Sourcing Initiative" \(press release\) \[PDF:434KB\]](#)

[> RMAP conformant smelters & refiners list \(RMI Website\)](#)

Expectations for Sony Suppliers and Requests for Remediation

Expectations for Sony Suppliers of Tin, Tantalum Tungsten and Gold

Sony requires direct suppliers to comply with the Sony Group Policy for Responsible Supply Chain of Minerals and to fully cooperate with its due diligence efforts regarding sourcing tantalum, tungsten, tin or gold in accordance with the terms of this policy. In addition, to ensure that products, components or materials delivered to Sony do not

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contain any conflict minerals, Sony expects suppliers to have in place pertinent policies, a due diligence framework and a management system consistent with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas.

Approach to Mitigating Risks in the Supply Chain

In the event that Sony confirms that any of its products, components or materials may contain conflict minerals, Sony, in collaboration with relevant suppliers, shall take actions reasonably necessary to eliminate such minerals from such products, components or materials and shall request that the suppliers makes necessary improvement to its sourcing practices. This includes adoption of a conflict-free sourcing policy, increased responsiveness and accuracy of the supplier survey, and increased use of the four minerals sourced from smelters or refiners participating in the RMAP program. Further, in the event that Sony confirms that a supplier has failed to cooperate sufficiently with a due-diligence investigation, fails to follow Sony requests for remediation or has otherwise violated this policy, Sony shall take necessary actions, including without limitation, termination of business with such supplier by stopping new orders.

As part of its efforts to promote RMAP-conformance among smelters, Sony identifies non-conformant smelters and works with them to gain certification.

Sony has also established a hotline to allow any interested party to voice concerns regarding the circumstances of mineral extraction, trade, handling and/or export in conflict-affected and other high-risk areas. In addition to its internal risk assessments, the hotline enables Sony to be alerted to risks in its supply chain.

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

Participating in Industry Groups and the Public-Private Alliance

Sony actively participates in and supports industry groups and alliances that seek to identify and prevent or mitigate the adverse impact associated with mineral extraction in high-risk areas.

The EICC^{*1} was founded with the objective of addressing social and environmental issues in the electronics supply chain. In 2011, the EICC launched the Conflict-Free Smelter Program, or CFSP^{*2}, to provide leadership to the industry in this area. With the aim of promoting collaboration with other industries and multiple stakeholders, in August 2013 the EICC/GeSI launched the CFSI^{*1}. Sony utilizes the frameworks developed by the industry groups and alliances as part of its efforts to ensure responsible sourcing of raw materials. In 2016, Sony took steps to help all smelters in its supply chain to acquire CFSP validation by donating funds to help support the Initial Audit Fund (a

CFSI subsidy program that aims to encourage smelter participation in the CFSP by covering the expenses involved for smelters undergoing the initial audit for CFSP validation inspection).

Sony also supports and contributes to such industry initiatives as the traceability project for tin launched in 2010 by ITRI, a tin industry organization, to validate that the metals used in its products are not contributing to conflict and come from sustainable sources. In addition, Sony participates in the Public-Private Alliance for Responsible Minerals Trade (PPA), a joint effort of government, industry and civil society organizations led by the U.S. government to support responsible mineral trade from the Great Lakes region of Central Africa. Since its establishment, the PPA has supported the creation of a pilot supply chain management system that includes certifying conflict-free mines, that is, mines that engage in responsible trade practices. The PPA also provides a platform for coordination among government, industry and civil society actors seeking to support conflict-free sourcing and self-sustaining trade from the DRC and the Great Lakes Region, and serves as a resource for companies seeking information regarding how to source responsibly.

Moreover, as part of its overall effort to achieve conflict-free supply chains, Sony promotes active, ongoing dialogue with civil society organizations, industry groups and other external stakeholders for further improvement of conflict-free sourcing practices. For example, RMI holds workshops for discussions with NGOs, socially responsible investors, local government representatives and other stakeholders, in which Sony participates. Sony also works to support the industry initiatives of the Japan Electronics and Information Technology Industries Association (JEITA).

^{*1} In October 2017, the Electronic Industry Citizenship Coalition (EICC) was rebranded as the Responsible Business Alliance (RBA), and the Conflict Free Sourcing Initiative (CFSI) was also rebranded as the Responsible Minerals Initiative (RMI).

^{*2} Now the Responsible Minerals Assurance Process

[› Sony Participates in Public-Private Alliance for Responsible Minerals Trade \(PPA\), a Joint Effort Led by the U.S. Government](#)

JEITA Responds to Conflict Minerals Provision of the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act (JEITA release)



Updated on August 29, 2019

Addressing High-Risk Mineral Issues

In accordance with the Sony Group Policy for Responsible Supply Chain of Minerals, Sony has designed an internal due diligence framework to determine the country of origin and chain of custody for any high-risk minerals in its supply chain. This due diligence framework is designed to conform, in all material respects, to the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (OECD Guidance).

Sony currently identifies tantalum, tin, gold, tungsten and cobalt as the High-Risk Minerals for Sony. Further information on the conflict minerals defined by Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, is available at "Addressing the Issue of Conflict Minerals."

> [Addressing the Issue of Conflict Minerals](#)

Responsible Cobalt Sourcing

Cobalt is an important mineral used in lithium-ion batteries for smart phones and other electronic products. 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.

Managing the Cobalt Supply Chain

In fiscal 2016, Sony undertook assessments of adherence to the Sony Supply Chain Code of Conduct as well as investigations to confirm the chain of custody with respect to the cobalt supply chain across all of its battery suppliers and battery parts suppliers. Sony assessed a total of 14 suppliers, including seven lithium-ion battery suppliers and seven suppliers that deliver battery parts that contain cobalt for its battery manufacturing business.*1 Five of these suppliers reported that the cobalt contained in the battery parts they delivered to Sony included cobalt sourced from the DRC. To further ensure compliance with the Sony Supply Chain Code of Conduct, Sony requested all 14 suppliers to ensure the compliance of their upstream suppliers.

In fiscal 2017, Sony worked with five regular battery suppliers to identify cobalt refiners in their supply chains and implemented surveys to verify compliance with the Sony Group Policy for Responsible Supply Chain of Minerals. The surveys comprised on-site assessments by an outside assessment company and document assessments using the Cobalt Reporting Template developed by RMI. The results identified 15 cobalt refiners, each of which was asked to fill out and submit RMI's Risk Readiness Assessment. As of August 2019, Sony had received completed self-assessments from eight refineries. Refineries that were not in compliance with the Sony Group Policy for Responsible Supply Chain of Minerals were asked to take immediate corrective actions.

In fiscal 2018, Sony worked with refineries and supported industry initiatives to encourage cobalt refineries in Sony's supply chain to further address human rights risks. Specifically, cobalt refineries that were identified in the supply chain were asked to join the audit program for cobalt refineries launched by RMI. Sony also donated funds to the Responsible Business Alliance Foundation, which covers the cost for refineries to undergo assessments and facilitates RMI's audit program.

[Cobalt Reporting Template](#)

*1 Sony sold its battery business on September 1, 2017.

> [Announcement Regarding the Closing of the Transfer of the Battery Business from Sony to Murata Manufacturing](#)

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 the Responsible Cobalt Initiative (RCI) and RMI in order to participate in the development of the due diligence process and mitigate human rights risks in the supply chain.

In fiscal 2017, to better understand the current situation of artisanal and small-scale mining in the DRC, Sony supported an independent academic research project conducted by the Center for Effective Global Action (CEGA) at the University of Berkeley together with several other companies. The research aims to provide rigorous empirical data on households engaged in artisanal mining, and it involves collecting survey data from households, children, village leaders, and local mineral traders in 150 communities that are representative and cover the full geographical extent of the DRC Copper Belt.

Sony will continue to manage its cobalt supply chain and ensure that it procures cobalt produced in refiners that have been determined not to be contributing to conflicts or serious human rights violation.

> [RCI \(press release by CCCMC\)](#)

> [RMI website](#)

> [Research by the University of Berkeley](#)

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Supporting Sustainable Tin Mining Practices in Indonesia

Unsafe working conditions and environmental concerns in Indonesia's tin industry identified in some reports are a major factor why Sony has been a member of the Tin Working Group (TWG) since its launch in 2014. The goal of the TWG is to positively contribute to addressing the sustainability challenges of tin mining and smelting in Indonesia, including labor conditions, environmental issues, and impact on local communities, while recognizing the economic benefits of the sector in terms of poverty reduction.

In 2014, the TWG was established with a membership comprising global tin users (downstream and midstream industry), the Responsible Business Alliance (RBA), an international environmental NGO, and a global tin trade association. The TWG, which has been operating under RMI since 2017, works with local partners from the Indonesian tin industry and the Indonesian government both at the federal level and local level from Bangka and Belitung.

The TWG started its work with a situational analysis conducted to better understand the issues requiring attention in the tin mining industry in Indonesia. Subsequently, the TWG started working closely with key local industry players to address issues via multi-stakeholder dialogue. With funding received from the European Partnership on Responsible Minerals (EPRM),*1 the TWG has been supporting land reclamation projects at former mining sites as well as occupational health and safety programs since 2017, contributing to the sustainability of tin mining in Indonesia. Sony will continue to support these efforts by participating in the TWG.

*1 The EPRM is a multi-stakeholder partnership that encompasses international organizations, citizen groups, and the governments of the United Kingdom, Germany, and the Netherlands.

Responsible Minerals Initiative (RMI)

> [Responsible Minerals Initiative \(RMI\)](#)

Quality and Services

Management Approach

Materiality Rationale

In recent years, customers and other stakeholders have become increasingly concerned about the protection of consumer rights. Product safety, security, and accessibility are very important in this respect. Sony is expected to provide products and customer services that are high in quality from its customers' viewpoints.

Basic Approach

True to its Philosophy and Policy for Product Quality and Customer Services, Sony is wholeheartedly committed to improving product and service quality from its customers' viewpoints in order to both maintain and enhance satisfaction, confidence, and trust. In particular, Sony is working to ensure product quality and improve accessibility and usability, in the conviction that its most important goal is to remain a highly trusted partner to all customers.

Structure

Sony has configured its global quality management system by defining quality management mechanisms across all processes, from product development, planning, design, and manufacturing through sales and customer service. This has included defining the roles, responsibilities, and authority of those responsible for product and customer service quality and establishing guidelines.

In addition, in order to respond effectively to quality problems and customer inquiries, Sony is taking steps around the world to open up Customer Service Centers and reinforce its customer service network.

To foster accessibility and usability, Sony incorporates human-centered design concepts and operates within a structure of intradepartmental cooperation that ties Sony Headquarters with the company's business units, approaching the planning, design, and testing of its products and services from the viewpoint of the user.

Main Achievements in Fiscal 2018

Here are the main results of fiscal 2018 initiatives:

- Delivers product quality and customer service that exceeds customers' expectations through a wide range of internal standards

- Startup guides developed with focus on connecting and setting up products, using basic functions
- Customer support staff attended regular training and seminars on new technologies and shared information on problem-solving to ensure truly useful service and information for customers.
- Customer feedback (including on social media) analyzed to improve products and quality
- Convenient instruction manuals posted online to enhance searchability and offer better online support
- Sony took part in an international accessibility conference in the U.S.
- At South by Southwest (SXSW) 2019, held in the U.S., Sony showcased a new inclusive design initiative by presenting an experiential exhibit that could be enjoyed without vision.
- Testing by users with disabilities used to evaluate BRAVIA®, PlayStation®4, and other products
- Human-centered design promoted and in-house accessibility seminars held
- Internal e-learning training implemented concerning human centered design (HCD) and accessibility



Milestones

- 2001:** Sony CS Charter established
- 2004:** Corporate quality standards established from the customer's perspective
- 2006:** Corporate executive in charge of product quality and safety appointed, and rules enhanced for rapid reporting of product incidents to senior management
- 2007:** Sony Pledge of Quality established (revised in 2012), and quality officers established for each electronics affiliate and region
- 2009:** Product security system enhanced, and Quality and Reliability Lab launched
- 2014:** Secure@Sony program established, allowing anyone to report security issues relating to Sony products, services, or websites

Looking to the Future

Sony continues to be committed to a fundamental policy of ensuring product safety, security, and accessibility, taking its customers' viewpoints into consideration in order to deliver product quality and customer service that exceed customers' expectations. With these aims in mind, Sony will continue making use of its worldwide network to collect and analyze information which can then be reflected in the next releases of products and services.

Activity Reports

- Philosophy and Policy for Product Quality and Services
- Product Quality and Quality Management
- Improving the Quality, Safety and Long-Term Reliability of Products
- Customer Service
- Accessibility and Usability

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Philosophy and Policy for Product Quality and Services

Sony is committed to improving product and service quality from its customers' viewpoints and works hard to maintain and enhance customer satisfaction, confidence and trust. This effort is driven by Sony's most important goal: to remain a highly trusted partner to its customers.

Philosophy and Policy

Since the start of its operations, Sony has been firmly committed across all of its businesses to providing customer-oriented, high-quality products and services. This philosophy is set forth in the Founding Prospectus drafted in 1946 by Sony's co-founder, Masaru Ibuka.



The Sony Group Code of Conduct mandates that Sony continuously strive to comply with or exceed legally mandated standards in all business activities to ensure the safety of its products and services.

Sony has established the Sony Pledge of Quality, which lays out its basic policy on product and customer service quality. This is aimed at reinforcing awareness of Sony's commitment to ensuring that the quality of its products and customer services exceeds the expectations of its customers around the world.

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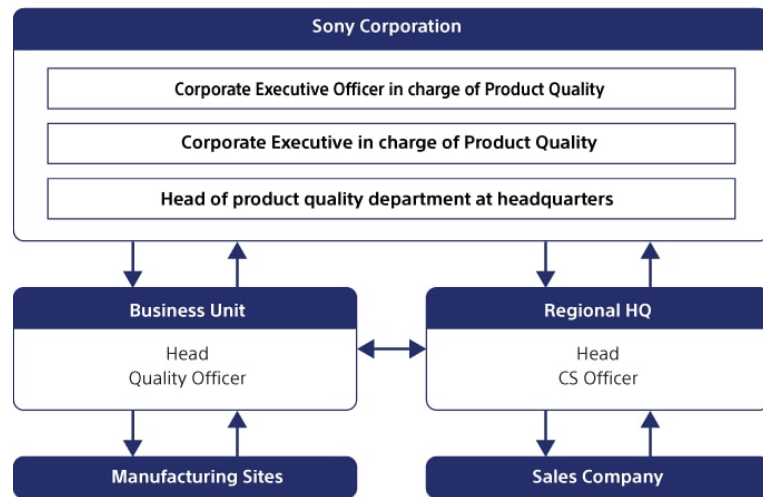
Product Quality and Quality Management

The Sony Pledge of Quality declares that "Sony employees will always respect our customers' viewpoints in striving to deliver product quality and customer service that exceed their expectations." To this end, Sony makes continuous, decisive efforts to enhance product quality and to reinforce its quality management system.

Sony's Quality Management System Framework

Sony has configured its quality management system by defining quality management mechanisms across all processes, from product planning, development, design and manufacturing to sales and customer service. This has included defining the roles, responsibilities and authority of those responsible for product and customer service quality and establishing guidelines.

Framework of Sony's Quality Management System



Based on this quality management system, Sony is implementing measures on an ongoing basis to improve the quality of its products and services. Examples of such measures are given below. Sony:

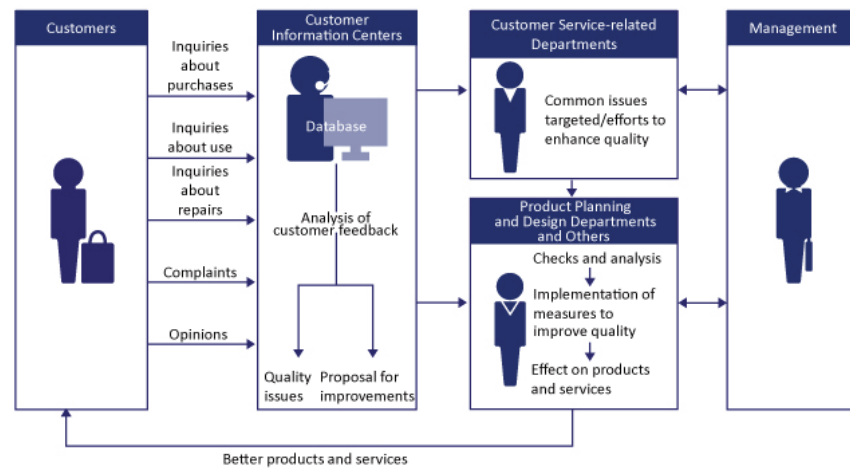
- Has appointed the Corporate Executive in charge of Product Quality and has tasked this person with coordinating efforts to improve product and customer service quality and ensure timely responses to problems;
- Has appointed Quality Officers within each business unit and has tasked them with promoting activities to improve product quality and spearheading initiatives to enhance the quality of products and services in specific business areas under the direction and supervision of the Corporate Executive in charge of Product Quality and the head of the relevant business unit;
- Has appointed CS Officers responsible for improving the quality of customer service in markets around the world where Sony products are sold and has tasked them with spearheading a network of global-level initiatives under the supervision of the Corporate Executive in charge of Product Quality and the individual in charge of the relevant regional headquarters;
- Has created a framework for promoting business unit- and region-specific initiatives to ensure Sony's products comply with pertinent laws and regulations;
- Has obtained certification under ISO 9001 for all sites manufacturing electronics products;
- Has formulated mid-term plan and fiscal year targets for the quality of and customer service related to Sony products, as well as key quality-related indicators for business plans, with the aim of fulfilling the Sony Pledge of Quality. Business units and regional headquarters subsequently devised their own fiscal year quality and customer service targets and business plans, in line with which they continue to promote quality improvement initiatives;
- Has held meetings of top managers of the electronics business to deliberate and decide on key strategies related to product quality and customer service;
- Has held regular meetings of Quality Officers from business units to evaluate the progress of quality-oriented business plans, promote initiatives aimed at achieving targets, and debate specific activities and responses to quality-related issues and common challenges;
- Has held meetings of business unit Quality Officers and regional CS Officers to evaluate the progress of quality and customer service business plans and promote initiatives aimed at achieving targets, and to share information on customer service and product quality activities and common challenges, thereby contributing to global efforts to improve product quality and customer service;
- Has formulated and administers Sony quality standards applicable to Sony's electronics products and related customer services, which focus on such criteria as product safety and performance, labeling and customer services. These standards are updated continuously to reflect technological advances, changes in applicable legal and regulatory requirements, and social changes, aiming to ensure Sony's ability to deliver quality and services that exceed the expectations of customers; and
- Has strengthened rules worldwide to ensure prompt reporting to the Corporate Executive in charge of Product Quality when Sony receives information about an incident involving a Sony product that affects customer safety or has the potential to do so. Based on the reports received, the Corporate Executive in charge of Product Quality provides the necessary follow-up and instructs the relevant divisions to investigate the incidents and respond appropriately to the customer. Under a similar system, Sony has been addressing software security issues found in products and managing potential software security issues.

Responding to the Customer

Sony makes active use of customer feedback to improve its products and customer services. Sony customer information centers promptly and accurately evaluate customer opinions, reports of malfunctions after purchase, questions regarding use, and other feedback. The planning, design and product quality groups work together to improve product quality and strengthen product performance, reporting progress to top management on an as-needed basis.

In recent years, the communication tools used by customers have become more diverse. In order to meet broader customer expectations, Sony has started to analyze customer feedback on social media, as well.

Utilizing customer feedback



Quality Hotline

It is vital to detect product quality-related problems at the earliest stage possible. To that end, Sony has established the Quality Hotline to gather product quality-related information, including reports of problems, as well as opinions from Sony Group employees. Group employees can use the Quality Hotline, an in-house website, to send messages regarding matters that are too difficult to handle at their workplace such as certain product quality issues. They can also share findings identified during customer use of products and any problems with the quality of product-related customer services as perceived by customers who have made use of those services. Upon investigating a problem to ascertain the veracity of the information received, the Quality Hotline office proposes

and introduces measures to prevent previous problems from recurring and precluding potential new problems.

Market Quality Improvements

Sony has established dedicated quality management organizations in each of its business areas that are responsible for improving the quality of pertinent products in each market. At Sony headquarters, information related to quality issues arising in the marketplace is gathered in a timely manner from a broad range of sources in Japan and overseas and reported weekly to headquarters quality management and technical specialists. Based on the reported information, Sony ascertains whether or not issues in the marketplace have been addressed appropriately. In addition to ensuring that such issues are thoroughly addressed, Sony is accelerating its quality improvement performance by promoting measures to prevent recurrence and proactive measures in relation to quality issues.

Responses to Quality Issues

Sony recognizes that ensuring its customers' satisfaction, confidence and trust is one of its most important management tasks and strives to prevent quality-related problems through the systems and efforts described above.

Sony responds swiftly in the event of a quality-related issue, with the relevant departments working together to investigate facts and take appropriate action on a global scale. When such an issue arises, Sony decides upon the need for public announcements and market action for customers and implements any needed steps, after undertaking various studies of the issue, following a process common to all Sony products. This process starts with the gathering of information from customer service centers worldwide and collaboration with concerned local parties to ensure an accurate grasp of the issue. Based on information collected, Sony then works to determine the correct response by identifying the cause of the issue, implementing countermeasures and promptly verifying the effectiveness thereof, and reviewing the issue from the customer's perspective. Sony also cooperates with CS officers at sites in each region to ensure the same level of service is provided to customers the world over. With regard to methods and media for issuing public announcements of product quality-related issues, Sony examines the effectiveness of the various means at its disposal, including the Internet, e-mail, notification via app, or other electronic media, as well as direct mail, newspaper advertisements or other conventional media.

> [Important notices regarding products and services](#)

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Improving the Quality, Safety and Long-Term Reliability of Products

Improving the Quality of Products

Sony pursues design-, manufacturing- and parts-related initiatives aimed at improving product quality.

- **Design-related quality initiatives**

In the initial stages of the design process, the individual in charge of a particular business unit verifies new technologies and new parts and, from a user's perspective, determines how a product is to be used. At the conclusion of the design process, the individual in charge confirms the degree to which the intended level of product quality, reliability and usability has been realized. In addition, to ensure that customers are provided with products of a quality worthy of the Sony brand, Sony requires relevant departments including original equipment manufacturer (OEM) and original design manufacturer (ODM) companies to comply with group-wide quality standards. Compliance with these standards is also tested at the end of the design process. Such approaches prevent the occurrence of problems pertaining to new technologies and new product parts, while also ensuring that product designs incorporate consideration of user convenience.

- **Manufacturing-related quality initiatives**

In its effort not to receive, manufacture or ship anything with quality-related problems, Sony adheres to a policy of workmanship at all of its manufacturing sites that ensures customers can use Sony products with confidence. Initiatives include setting important targets at each site and implementing Plan-Do-Check-Act (PDCA) processes, thereby facilitating the achievement of such targets and the continuous improvement of product quality. Sony has also established standard product quality rules to ensure Sony products manufactured by OEM/ODM companies are of the same high quality as those manufactured at Sony production sites.

- **Parts-related quality initiatives**

Recognizing the importance of parts and determined to manufacture products built for long-term use, Sony carefully selects key parts independently for each of its major product categories and is pursuing focused efforts aimed at increasing the reliability of the parts it uses through cooperation among relevant departments.

Improving Product Safety

Providing reliable products that customers can use safely is top priority for Sony. Accordingly, at every stage of its business activities, including product planning, development, design, manufacturing, marketing, and after-sales service for all products and services, Sony takes steps to comply with safety standards based on laws and

regulations while constantly striving to surpass those standards in order to maintain the safety of its products. As part of these efforts, Sony has established a team in charge of product safety assessment from a medical perspective. When developing products employing new technologies, Sony also seeks advice on product safety from a medical perspective from outside experts in order to ensure products do not affect customer health, and this advice is then incorporated into product development, design and engineering. When deemed necessary, Sony also conducts evaluation tests to assess safety with the assistance of a specialized organization.

In addition, Sony strives to ensure that the safety-related explanations and information it provides to customers are accurate, easy to understand, and clearly presented. If a safety-related problem involving a Sony product is reported, Sony immediately collects information and examines the facts, and then takes the steps necessary to rectify the problem.

Improving the Long-Term Reliability of Products

Sony has established a Quality Reliability Lab tasked with enhancing the long-term reliability of its products, supporting Sony's commitment to deliver safe, durable and reliable products to customers.

The Quality Reliability Lab has assigned specialists to work full time on improving technologies essential to product reliability and continues working to ensure the long-term reliability of products by developing elemental technologies for preventing the deterioration, wear and corrosion of materials and parts, as well as technologies necessary to ensure the reliability of new technologies and products and to evaluate such technologies and products.

The reliability and evaluation techniques, and the information obtained through these activities, are utilized to improve design and parts selection processes. Sony also presents some of its own knowledge on evaluation techniques at academic meetings and industry conferences and gatherings, seeking to go beyond its own walls and contribute to the industry.

Efforts to Improve Quality of Security of Products

With more products connecting to networks, there is a heightened danger of, among others, personal information leaks, the falsification or destruction of data, and product hacking. As a consequence, it is very important to improve the quality of the security of products and services.

Sony has a function for collecting security risk-related information from outside experts, researchers and other individuals. Sony assigns managers responsible for the software security of products and has a dedicated department for it at headquarters. The department coordinates with business units to address issues with the security of products. Based on the information received, the department led by these managers assesses the

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impact of risk on customers from a software security perspective and implements appropriate measures. To deliver products that customers can use with confidence, Sony has a system that will ensure the security of products over their entire life cycle—from planning and shipment to disposal—such as security inspections prior to product shipment using a software vulnerability detection tool. Sony has also established internal guidelines pertaining to the security of products and continues to implement employee training programs to strengthen product security.

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Customer Service

In addition to continuously improving product quality, Sony is taking various steps to improve its responsiveness and its customer service capabilities, in line with its commitment, set forth in the Sony Pledge of Quality: "Sony employees will always respect our customers' viewpoints in striving to deliver product quality and customer service that exceed their expectations." In customer service, this includes responding to changing customer needs, and in repair services, building organizations designed to ensure the best possible repair service quality.

System

Sony has assigned CS Officers responsible for improving the quality of customer service in markets around the world where Sony products are sold. Under the guidance and supervision of the Corporate Executive in charge of Product Quality, and of regional headquarters, Sony has also introduced a set of key performance indicators to enhance customer service quality on a global level. Sony has also established a network of bases through which it provides services tailored to the needs of customers in each region.

Training for Customer Support Staff

Committed to providing high-quality services to customers around the world, Sony provides ongoing training for employees and the staff of service partners. In addition to focusing on the acquisition of new service technologies and the sharing of solutions to ensure issues are swiftly and effectively addressed, staff are trained to help customers get the greatest possible enjoyment from their Sony products.

Customer Information Centers and Customer Service Improvements

Sony established its first Customer Information Center in 1963 in Japan to respond to customer inquiries. Today, Sony has Customer Information Centers worldwide, enabling it to provide prompt responses to customer needs that reflect customers' perspectives, thereby helping Sony to improve the quality of its customer service.

In addition to support via telephone and e-mail, in several regions Sony provides customer support via such means as live Internet chat sessions, support using social media platforms, and online community forums where

customers can share information to help each other find solutions. In these ways, Sony tailors its support to meet the increasingly diverse needs of its customers in every region of the world. In addition, Sony conducts surveys to determine customer satisfaction at various touchpoints, and makes improvements based on the survey results in its efforts to continually improve customer satisfaction.

More Convenient, Eco-Friendly Instruction Manuals

To provide better explanations on how to use its products, Sony is bolstering its online support and providing online instruction manuals for improved searchability and greater convenience so that users are able to quickly find what they are looking for.

The Sony website has a support section that offers not only information on the products themselves but also additional support information on software upgrades and network service updates. This is designed to help users better understand Sony products, software, and services, as well as to enable them, when needed, to troubleshoot as quickly as possible. To accommodate a variety of user environments, Sony also provides support information compatible with mobile devices for greater customer convenience.

When it comes to printed product manuals, Sony provides brief "startup guides" that focus on the information needed to begin using a product, such as how to connect and set up, and how to use the basic functions. For some products sold globally, Sony has developed instruction manuals with minimal text and more extensive visuals, making it possible to include multiple languages in a single manual, which is expected to contribute to environmental protection by reducing paper consumption.

Repair and Service Network

Currently, there are more than 3,800 Sony repair service locations worldwide. To enhance customer satisfaction, Sony is working to meet customer needs by performing immediate problem diagnosis at the repair reception desk, improving repair quality and reducing the number of days required for repairs, among other efforts. In addition, Sony is continuously enhancing its service network to ensure that it can respond appropriately to repair requests in each region for each product. By strengthening the feedback mechanism for product quality based on repair information, Sony also aims to keep enhancing quality.

Consumer AV Product Service Locations (Fiscal 2018)

| Region | Number of Repair Service Locations |
|-------------------------------------|------------------------------------|
| Japan | 473 |
| United States/Canada | 842 |
| Europe | 894 |
| Mainland China and Hong Kong Region | 560 |
| Asia-Pacific *1 | 627 |
| Others *2 | 416 |

Note:

*1 Southeast Asia, Oceania, India, South Korea and Taiwan Region

*2 Middle East, Latin America and Africa

Updated on August 29, 2019

Accessibility and Usability

"Accessibility and Usability" is an essential aspect of quality at Sony. Sony aims to create products and services that people can use with ease—independent of age and disabilities.

Structure

Sony's accessibility and usability initiatives are overseen by the Corporate Executive Officer in charge of Product Quality. The main implementers are the Quality and Environmental Department and HR Department at Sony headquarters, Sony Global Solutions Inc., and the Quality & Environmental Promotion Division at Sony Global Manufacturing & Operations Corporation, with further cooperation from other related departments and Sony Group organizations. Products and services are getting more multifunctional and their user interfaces tend to be more complex with advanced technology. Sony employs intradepartmental cooperation on development to deliver products and services that people can use with ease and comfort. In order to deliver a superior user experience, Sony incorporates human-centered design concepts and takes a user-centered approach to the planning, design, and testing of its products and services.

Providing Products and Services That Meet User Needs

Product and Service Development Based on Human-Centered Design

Sony conducts worldwide user research including home visits and user interviews in order to develop products and services that meet users' essential needs. In order to improve usability factors such as visibility, understandability, and responsiveness, Sony repeats cycles of detecting and correcting problems, employing usability testing from the prototype stage. In addition to pre-release testing, Sony also conducts long-term use surveys after products go on sale to gain an understanding of customer satisfaction and any usability problems that arise when products are used on a day-to-day basis.

In all these ways and more, Sony takes a multifaceted approach to human-centered design to deliver an inspiring user experience.



Usability testing

Formulating Internal Standards and Applying Acquired Expertise

Representatives of product and service designers across the Sony Group meet to formulate UI design standards for interactions, use of words and icons on devices and screens, and so on. The knowledge gained through usability testing, the expertise of the product development departments, and specific examples of UX design methods are shared across the Group, as well. UI design standards and expertise are posted on Sony's internal portal site so that everyone in the Sony Group has access to them. This information is used in product and service development as Sony continues to work to enhance usability for customers.

Employee Education on Human-Centered Design and Accessibility

Sony holds forums and seminars led by experts to increase employee understanding of human-centered design and accessibility. In September 2018, Sony invited individuals with visual impairments to speak to employees about their day-to-day lives and relationship with Sony products to help employees better understand the needs of people with visual impairments.

Ensuring More Customers Are Able to Use Sony Products and Services

Ease of use for everyone — that is what accessibility means to Sony.

Specific examples of this approach to products and services are described on the [Sony Accessibility and Usability page](#) at the Sony website.



The site showcases Sony products and services that are more comfortable and easier for people to enjoy. We divided them into three categories based on the senses: "VISION ASSIST—Easy to see / convert to sound," "HEARING ASSIST—Easy to hear / convert to text," and "ACTION ASSIST—Easy to use / support operation."

Sony Accessibility and Usability page



VISION ASSIST

Easy to see / convert to sound



HEARING ASSIST

Easy to hear / convert to text



ACTION ASSIST

Easy to use / support operation

Presenting examples of accessible Sony products and services in three categories

Sony participates in standardization efforts*1 to enhance accessibility, aiming to take a leading role in the industry. In March 2019, as in the previous year, Sony took part in the CSUN Assistive Technology Conference, one of the largest international conferences on accessibility in the world, held in Anaheim, California. Sony introduced the accessibility functions of its products, including BRAVIA®, PlayStation®4, and the software Marvel's Spider-Man for PlayStation®4. In the same month, at South by Southwest (SXSW) 2019, held in Austin, Texas, Sony provided hands-on exhibits that could be enjoyed without relying on the sense of sight. For this booth, Sony Group creators irrespective of differences in abilities, gender, cultures and languages, adopted inclusive design*2 principles.

*1 IEC 62731 Text to speech for television; IEC TC 100TA16 (active assisted living, accessibility, and user interface); IEC 62944 digital television accessibility.

*2 Inclusive design is an approach that obtains new insights into designs for all by ensuring that the needs of a wide range of users are included and understood.

Incorporating User Feedback in Products and Services

Sony also strives to reflect product feedback from diverse users. In developing televisions, Sony implements programs wherein users with visual impairments use products for a designated period of time and provide feedback to improve product design. In developing the system software for PlayStation®4, Sony Interactive Entertainment Inc. uses repeated cycles of user testing to improve the accuracy of the product's accessibility functions.

> [The Challenge of Accessibility Support - Making PlayStation® "The Best Place to Play"](#)

Working to Enhance Sony Website Accessibility

The Sony Group's effort to make its websites more accessible began with a set of Website Accessibility Guidelines issued on July 1, 2007. Over the years, the W3C Web Content Accessibility Guidelines (WCAG) 2.0 have become the international standard. Recognizing this, Sony replaced its guidelines with the Sony Group Website Accessibility Policy, which is based on WCAG2.0 on April 1, 2016. This policy also requires the Sony Group's external facing websites to comply within a specific period of time.

By designing and producing accessible websites based on the Sony Group Website Accessibility Policy, Sony is striving to improve and maintain the accessibility of all its websites so that every customer can enjoy a more user-friendly experience.

Creating an Environment for Carefree Internet Use

Sony Interactive Entertainment Inc. (SIE) aims to make games as popular as music, movies and broadcasting and has been developing the PlayStation® business for users in all age groups.



PlayStation®4

Console game industry organizations have responded to the proliferation of new game genres by introducing rating systems for customers in Japan, the United States and Europe (CERO, ESRB and PEGI, respectively), based on games' target age groups. The U.S. system has operated for more than 20 years and won top marks from the public, not only for indicating age categories but also for being the first to add descriptions that detail the contents of a game. PEGI is endorsed by the European Commission as a paradigm of self-regulation in the entertainment industry. In Japan, measures are being promoted to make the system more effective, including, with the cooperation of retailers, the voluntary refusal to sell software rated by CERO for ages 18 and above to underage customers.

To regulate access by underage users, SIE has included a Parental Control function in PlayStation®4, PlayStation®3 and PlayStation®Vita. This function enables customers to adjust access levels and limit children's access only to appropriate software across the PlayStation® platform.

As Internet use begins at younger and younger ages and Web-connected non-computer devices such as smartphones and tablets proliferate, the impact of harmful websites on children has become a social concern. Internet service provider Sony Network Communications Inc. offers various security services, which protects customer devices from threats such as viruses, hacking, and phishing, to provide a safer environment for families to use the Internet.

Environment

Management Approach

Materiality Rationale

Sony's corporate activities are only possible if the earth, which sustains all life on earth, is healthy. This is why Sony is so determined to fight climate change, preserve resources, manage chemical substances, conserve biodiversity, and take other needed steps to protect the environment. True to this commitment, Sony conducts its business in a sustainable manner and provides environmentally conscious products and services, always seeking to deliver innovation and develop uniquely superior technologies. Sony also works hand-in-hand with stakeholders to help build a more sustainable society.

Basic Approach

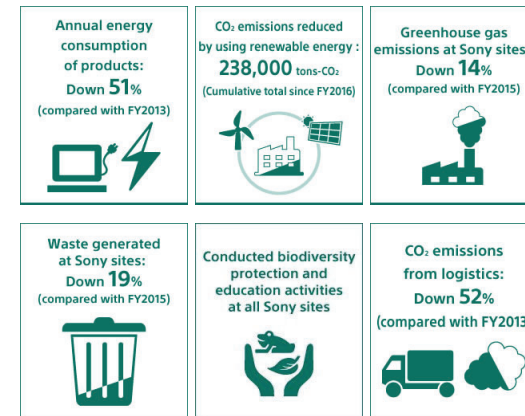
Since the early 1990s, Sony has pursued environmental initiatives in accordance with its environmental principles and targets. In April 2010, Sony announced the "Road to Zero," a new global environmental plan, the goal of which is to realize a sustainable society by achieving a zero environmental footprint throughout the life cycle of its products and business activities by the year 2050. Working toward a zero environmental footprint by 2050, once every five years Sony sets concrete environmental mid-term targets for each stage of the life cycle for its products with respect to climate change, resources, chemical substances, and biodiversity.

Structure

Sony has built and is continually improving its globally integrated environmental management system with the aim of realizing the Sony Group Environmental Vision, achieving the environmental mid-term targets, and complying fully with legal requirements, regulatory demands, and internal policies adopted by the Group. Sony has also established specialized functions at the Sony Group's environmental headquarters, which is overseen by a corporate executive officer of Sony Corporation.

Main Achievements in Fiscal 2018

Under the Green Management 2020 environmental mid-term targets, Sony put forward specific goals for each stage of the product lifecycle. Here are the main results of fiscal 2018 initiatives:



Milestones

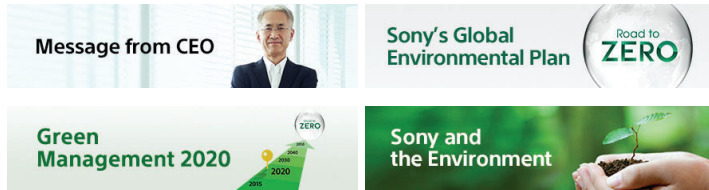
- 1976:** Company-wide Sony Environmental Conference established
- 1993:** Sony Global Environment Policy and Environmental Action Program developed
- 1995:** Began to acquire ISO14001 certification at manufacturing sites in Japan
- 2002:** Green Partner Environmental Quality Approval Program introduced
- 2006:** Integration of environmental management systems at sites around the world completed
- 2009:** 100% renewable electricity use achieved at European sites.
- 2010:** Road to Zero environmental plan aiming to realize a zero environmental footprint announced

Looking to the Future

Acting on the basis of Green Management 2020, which sets environmental mid-term targets for fiscal 2016-2020, Sony seeks to strengthen its own internal initiatives, encourage environmental initiatives in its entire value chain, and appeal to consumers and the public to take action. Sony will also focus on achieving its goal of sourcing 100% renewable electricity for all business sites by 2040. Aware of the risk of growing environmental impact as certain products get bigger and production increases, Sony is adopting even stronger measures to achieve its goal of "zero environmental footprint" by 2050.

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Related Links



Activity Reports

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| Environmental Policies and Targets | Sony Group Environmental Vision | Environmental Plan and Mid-Term Environmental Targets |
| | "Green Management 2020" Environmental Mid-Term Targets | Green Management 2020 Targets and Progress |
| | Environmental Management Structure | Overview of Sony's Environmental Impact |
| | Tackling Climate Change | |
| Environmental Technologies | Mid-Term Targets for the Development of Environmental Technologies | Developing the Environmental Technologies of the Future |
| Products and Services | Environmental Mid-Term Targets for Products and Services | Reducing Greenhouse Gas Emissions |
| | Conserving Resources | Reducing Use of Virgin Plastics |
| | Management of Chemical Substances | Reduction and Replacement of Chemical Substances of Very High Concern |
| | Creating Environmentally Conscious Products | Environmentally and Socially Beneficial Products and Services |
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| Sites | Environmental Mid-Term Targets for Operations | Reducing Greenhouse Gas Emissions |
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| | Feature: Working on Groundwater Recharge Projects | The Green Star Program |
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| | Recycling Activities in North America | Recycling Activities in Pan Asia |
| | Recycling Activities in Latin America | Recycling Activities in China |
| Environmental Communication | Environmental Communication Activities | Stakeholder Engagement |
| Environmental Data | | |

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Sony Group Environmental Vision

The Sony Group Environmental Vision presents a philosophy and principles for environmental management activities throughout the global Sony Group with the aim of contributing to the realization of a sustainable society. Since enacting the Sony Global Environmental Policy which is a predecessor of the Sony Group Environmental Vision and the Environmental Action Program, in 1993, Sony has pursued a broad range of environmental initiatives. Concurrent with the formulation of its Road to Zero global environmental plan, in 2010, Sony revised the Sony Group Environmental Vision.

Philosophy

Sony recognizes the importance of preserving the natural environment that sustains all life on the earth for future generations and thereby ensuring that all humanity can attain a healthy and enriched life. In order to realize such sustainable society, **Sony strives to achieve a zero environmental footprint throughout the lifecycle of our products and business activities.**

Principles

Sony reduces our environmental footprint and prevents environmental pollution throughout the lifecycle of our products and business activities by complying with all applicable environmental regulations and also by continually improving our global environmental management systems. Sony formulates the following goals in four key environmental perspectives and takes proactive actions to achieve those goals.



Climate Change

Sony reduces energy consumption and strives to achieve zero emissions of greenhouse gases*1 generated throughout the lifecycle of our products, service and business activities.

Resources Conservation

In order to minimize resource inputs for our business activities, Sony identifies "Key Resources" and strives to achieve zero usage of those virgin materials. Sony also uses water efficiently, minimizes wastes from sites and maximizes our effort for take back and recycling products from markets.

Management of Chemical Substances

Sony minimizes the risk of chemical substances that we use causing serious harm to human health and the environment. Sony maintains strict control over the chemical substances we use, while, in line with the precautionary approach, taking steps whenever possible to reduce, substitute and eliminate the use of substances that have potentially significant impacts on the environment even in the cases where scientific evidence is not fully proven.

Biodiversity Conservation

Sony protects and utilizes ecosystem services in a sustainable manner, while actively promoting maintenance and recovery of biodiversity through our business and local contribution activities.

*1 Gases that raise the temperature of the earth's surface by absorbing infrared radiation from reflected sunlight. Seven typical examples are carbon dioxide (CO₂), methane, nitrous oxides, hydrofluorocarbons (HFC), perfluorocarbons (PFC), sulfur hexafluoride (SF₆), and nitrogen trifluoride (NF₃)

In order to realize the Environmental Vision, Sony formulates targets and concrete plans and initiates actions to implement, while contributing to a better society through partnerships and communications with internal and external stakeholders.

> For more information, please refer to "Sony Environmental Plan" at the Sony and the Environmental website.

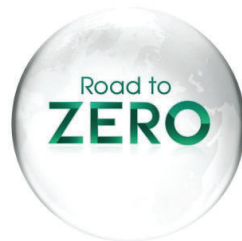
Updated on August 29, 2019

Environmental Plan and Mid-Term Environmental Targets

Since the early 1990s, Sony has pursued environmental initiatives in accordance with its environmental principles and targets. In April 2010, Sony announced the "Road to Zero," a new global environmental plan. This plan consists of the Sony Group Environmental Vision and several sets of mid-term environmental targets, which form key milestones on the road to achieving the Vision.

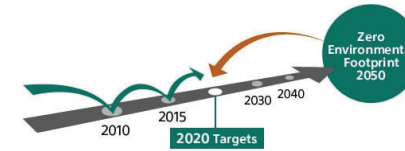
"Road to Zero," Sony's Global Environmental Plan

As stated in the Sony Group Environmental Vision, Sony strives to realize a sustainable society by achieving a zero environmental footprint throughout the life cycle of its products and business activities. It is this long-term goal that prompted Sony to name its new global environmental plan "Road to Zero." Under this plan, Sony aims to bring its environmental footprint to zero by 2050 and works to achieve incremental mid-term environmental targets toward this end.



Environmental Mid-Term Targets

Sony is working toward its goal of having a "zero environmental footprint" by 2050, setting mid-term (5-year) environmental targets progressively backcasted from 2050, and adjusting fiscal year targets based on current achievement levels. This approach will enable Sony to work steadily toward achieving the zero environmental footprint goal, while making ongoing adjustments based on current progress. In 2011, Sony established the Green Management 2015 environmental mid-term targets (fiscal 2011–2015), which was its first step on the road to a zero environmental footprint, achieving almost all of its targets by 2015. Currently, Sony is implementing initiatives to achieve the goals it has set under the Green Management 2020 environmental mid-term targets (fiscal 2016–2020).



Focusing on Four Environmental Perspectives

Sony's environmental mid-term targets define concrete targets at each stage of the product life cycle, from the four priority perspectives of climate change, resources, chemical substances, and biodiversity. Sony is working with multiple environmental NGOs and experts to gain feedback on Sony's initiatives under each priority perspective.



Policies on Four Environmental Perspectives

Sony carries out initiatives under the following policies, which it has outlined for four environmental perspectives of climate change, resources, chemical substances, and biodiversity, in order to achieve its environmental mid-term targets.

Policy on Climate Change

Sony strives to achieve zero emissions of greenhouse gases from its business activities and throughout the life cycle of its products and services. Sony sites make it their highest priority to reduce energy consumption and greenhouse gas emissions, use energy more efficiently, and switch to energy sources that generate less greenhouse gas emissions, while also promoting renewable energy use. Sony also develops and supplies energy efficient, environmentally conscious products and services, and works with manufacturing subcontractors and suppliers of components and raw materials in an effort to reduce greenhouse gas emissions both directly and indirectly.

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Policy on Resources

Sony seeks to minimize the consumption of resources and maximize resource recycling in order to use resources effectively in its business activities and throughout the life cycle of its products and services, while striving to achieve zero consumption of new materials made from "key resources."¹ Sony minimizes resource consumption by reducing the weight of products and utilizing resources more efficiently in its internal operations. Sony is also working to extend the life of products through quality and durability enhancements, to indirectly reduce resource consumption. In terms of waste, Sony recycles waste generated from internal operations, with the goal of eliminating landfilled waste. Additionally, Sony designs products to facilitate recycling and implements ongoing programs to collect and recycle end-of-life products according to the needs of local communities, while also promoting advanced recycling with recycling companies.

¹ At Sony, "key resources" are designated by taking the following factors into account: resource depletion, resource availability, environment impact of resource extraction, and loss of biodiversity and community impacts from resource extraction.

• Policy on Water Use

Although water circulates around the earth continuously through the water cycle, the amount of water available for use by the planet's inhabitants is limited. With population growth and other issues putting further pressure on water supplies, the importance of conserving this resource will increase in the years ahead. Taking into account the locations of its sites, as well as regional differences, Sony will continue taking steps to minimize its withdrawal of water and to ensure the water it returns to water sources is of a quality that does not negatively impact the environment.

• Policy on Paper Resources

Recognizing that paper resources are limited, under the Sony Group Paper / Printed Material Purchasing Policy, Sony constantly works to reduce paper consumption while prioritizing the procurement of environmentally preferable paper, such as paper made from resources sourced from certified forests and recycled paper.

> [For more information, please refer to "Sony Group Paper / Printed Material Purchasing Policy."](#) [PDF:306KB]

Policy on Chemical Substances

Sony endeavors to minimize the risk that chemical substances it uses might cause serious harm to human health and the environment. Chemical substances used in Sony products are suitably managed based on available data including national regulations, toxicity, environmental impacts, applications, and content level in components and products. Sony adopts a precautionary approach and takes steps to identify and strive to eliminate substances considered to be high-risk, even in cases where scientific evidence is insufficient, thereby reducing potential impact on the environment. Sony manages the type and application of chemical substances used at business sites, and for high-risk substances sets criteria for managing each substance to either prohibit their use or reduce emissions or

amounts transferred. Sony also prohibits the use of certain substances in manufacturing processes in the supply chain which are restricted under international frameworks because of environmental impacts throughout the life cycle.

Policy on Biodiversity

Recognizing the importance of natural capital and the ecosystem services it supplies, Sony endeavors to conserve natural capital and biodiversity, both in its business activities and through community initiatives. Sony has identified the following basic principles² to guide its initiatives.

- (1) Sony recognizes the importance of biodiversity issues. Sony recognizes that biodiversity is an important issue in its business activities, endeavors to reduce the impact of its business activities on biodiversity (both directly and indirectly in the supply chain),³ and engages in community initiatives that help to conserve natural capital and biodiversity.
- (2) Sony helps achieve the Aichi Biodiversity Targets by engaging in initiatives to conserve natural capital and biodiversity throughout the life cycle.
- (3) Sony cooperates with stakeholders where needed in pursuing the above principles.
- (4) Sony actively discloses information about these initiatives and endeavors to raise awareness about biodiversity.

² For Sony's stance on the consumption of paper resources as it relates to biodiversity, please refer to "Policy on Paper Resources."

³ This includes reducing the environmental impact of Sony's business activities, such as reducing greenhouse gases, conserving resources, and comprehensively managing chemical substances, while also reducing the impact on biodiversity as a result of achieving these environmental targets.

Risks and Opportunities

Identifying and Addressing Business Risks

Tackling environmental issues is consistent with Sony's commitment to build a sustainable world and is extremely important in terms of its business continuity. Sony endeavors to identify environment-related risks and to prepare to mitigate foreseeable risks. Risks include imposition of carbon taxes, broader regional adoption of emissions trading schemes, regulatory risks such as the introduction of stricter energy-efficiency standards for products, material risks such as abnormal weather events and sea level rise due to climate change, and market changes triggered by shifting consumer attitudes.

Creating and Expanding Business Opportunities

Sony believes that tackling environmental issues also leads to business opportunities. For example, the Paris Agreement¹ that emerged from the meeting of COP 21² in December 2015 addresses climate change issues, which

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has increased public awareness and is shifting consumer demand toward products with energy-efficiency features. Sony has already increased the energy efficiency of many of its products. In light of these social trends, demand for energy-efficient products may continue to grow. For instance, Sony manufactures image sensors that deliver high performance and low power consumption, which could lead to broader applications such as for on-board cameras for vehicles.

*1 The Paris Agreement was adopted at COP 21 held in Paris, France and serves as an international framework for climate change action starting from 2020.

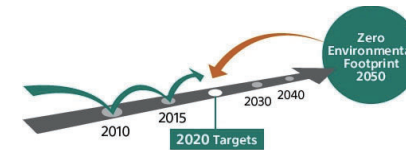
*2 COP 21 refers to the 21st session of the Conference of the Parties (COP) to the 1992 United Nations Framework Convention on Climate Change (UNFCCC).

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"Green Management 2020" Environmental Mid-Term Targets

Taking Environmental Initiatives to the Next Stage

Sony is working to reduce its environmental footprint to zero by 2050, and has set a series of environmental medium-term targets to get there. As the first step, Sony set the Green Management 2015 environmental mid-term targets which spanned fiscal 2011 to 2015. In April 2016, Sony introduced the Green Management 2020 environmental mid-term targets to be achieved by fiscal 2020. This transition takes Sony's environmental activities to the second stage of its journey to a zero environmental footprint.



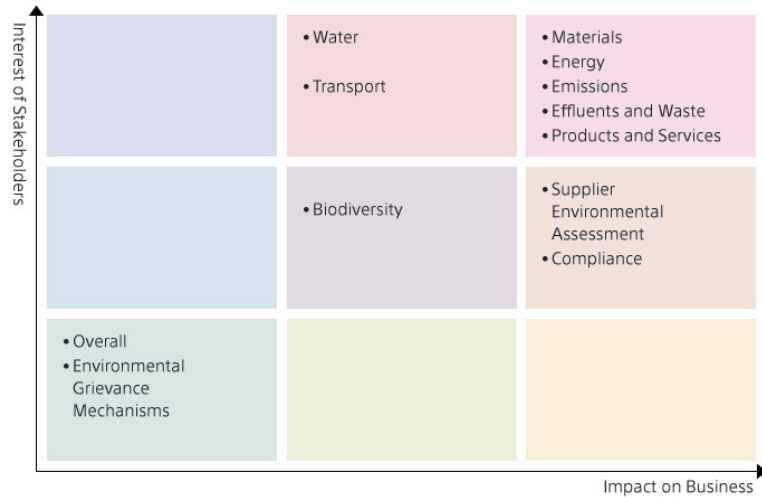
The Process of Formulating Green Management 2020

When formulating Green Management 2020, Sony examined its past environmental activities and conducted a materiality analysis*1 in order to incorporate the viewpoints of stakeholders outside the Sony Group. Based on these results, Sony specified raw materials, energy, atmospheric emissions, effluents and waste, and products and services as priority areas to tackle by 2020. It then designated water, biodiversity, and environmental assessments of suppliers as important issues to deal with. Sony has been addressing all of these issues already, and continues to focus on initiatives to address them through fiscal 2020.

*1 A materiality analysis is a method for identifying and specifying important issues for a company and its stakeholders.

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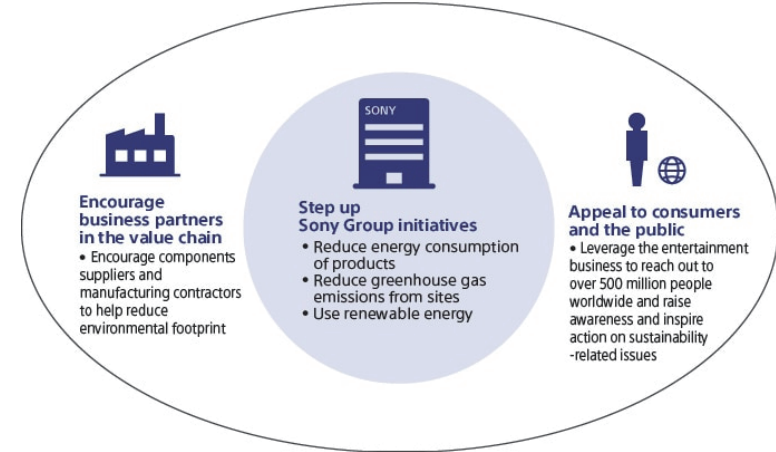
Sony Environmental Materiality Analysis



Note:
- The headings on the axes of the graph are environmental categories defined in the G4 Sustainability Reporting Guidelines from GRI.

Under the Green Management 2020 environmental mid-term targets, while the Sony Group is strengthening its internal initiatives to reduce power consumption in products and decrease greenhouse gas emissions from sites, Sony is expanding the reach of its environmental initiatives to outside the company such as: reaching more than 500 million people worldwide with its campaigns to raise awareness of sustainability issues, and encouraging consumers and other social groups to take action; and working with its component suppliers and manufacturing contractors to reduce their environmental footprint.

Expanding Sony's Environmental Activities under Green Management 2020



Sony is being recognized by stakeholders for setting goals and taking action under the Green Management 2020 targets. Sony's climate change targets have been approved by the Science Based Targets initiative^{*2}. This, in turn, led to Sony's involvement in the "Take Action" climate change initiative of the We Mean Business^{*3}, an international coalition of businesses and investors. Starting in fiscal 2017, Sony will also participate in the We Mean Business coalition's "Improve Water Security" initiative to reduce water risks.

^{*2} For more information, please refer to the Science Based Targets website.

^{*3} For more information, please refer to the We Mean Business website.

Green Management 2020: Target Matrix (abridged version)

Sony organized its activities under Green Management 2020 according to the six stages of the product lifecycle: product/service planning and design, operation, raw materials and components procurement, logistics, take-back and recycling, and innovation. In each of these stages, specific targets are set under the four categories of climate change, resources, chemical substances and biodiversity.

- › For more information, please refer to "Green Management 2020: Target Matrix (abridged version)." [PDF:64KB]
- › Sony and the Environment website: Green Management 2020 website

Updated on August 29, 2019

Green Management 2020 Targets and Progress

Under the Green Management 2020 environmental mid-term targets, which spanned from fiscal 2016 through fiscal 2020, Sony categorized targets and activities accordingly to product lifecycle stage. The targets and progress of activities for each stage are outlined below.

Product/Service Planning and Design

Sony is committed to delivering products and services with low environmental impact in all of its businesses. In electronics, Sony designs and manufactures products to have a low environmental impact throughout the product's entire lifecycle. In motion pictures, music, and other areas of its entertainment business, Sony makes the most of the content it creates to develop and implement environmental campaigns.

| | Targets (base year: 2013) | Progress in FY2018 |
|----------------|---|---|
| Overall | Employ environmental features in products | Created environmentally conscious products in major product categories. |
| | Promote environmentally conscious design throughout the life cycle (during production, in use, at disposal, etc.) | |
| | Raise awareness and inspire action on issues of sustainability from over 500 million people in the world through the entertainment business | Raised awareness and inspired action by reaching an audience of over 2,140 million through events and social media. |
| Climate Change | AC powered devices*1: Reduce annual energy consumption by 30% (average reduction rate) | Approx. 51% reduction |
| | Mobile phones and tablets: Power consumption at no load condition and in battery maintenance mode: No more than 0.03W | All smart phones launched in fiscal 2018 less than 0.03W in no load condition |
| | DC powered devices*2: Improve energy efficiency and charging efficiency | Improved energy savings and charging efficiency in many models. |

| | | |
|---------------------|--|--|
| Resources | Reduce amount of virgin oil-based plastics per product unit by 10% (average reduction rate). | Approx. 2.4% increase |
| | Reduce and substitute key resources other than oil-based resources | Reduced certain key mineral resources. |
| | Aim to minimize resource inputs | Continued to focus on making products smaller. |
| | Promote design for recycling | Promoted designs with recyclability based on Sony Group Environmental Design Standards. Regularly held training sessions on recycling for designers. |
| Chemical Substances | Eliminate high-risk applications of "Controlled Substances" *3 that are of high concern (polyvinyl chloride, brominated flame retardants, etc.) and use alternative substances*4 | Promoted use of alternative substances based on Sony standards for management of chemical substances. <ul style="list-style-type: none"> For more information on alternatives for polyvinyl chloride (PVC) and brominated flame retardants (BFR), please see below. <ul style="list-style-type: none"> Alternative substances for PVC Alternative substances for BFR |
| Biodiversity | Promote the use of recycled paper and certified paper | Promoted use of recycled and certified paper based on purchasing policy for paper and printed materials. |

*1 AC powered devices refers to energy-using products which operate the intended main function with energy input from the main electricity grid
 *2 DC powered devices refers to energy-using products which operate the intended main function only with energy input from the battery
 *3 "Controlled Substances" is an abbreviation for "Environment-related Substances to be Controlled," and it refers to substances contained in parts and devices that Sony considers to have significant environmental impact on both humans and the global environment
 *4 The list of Sony Mobile Communications (SOMC) controlled substances (the use of which is to be controlled, including polyvinyl chloride, bromine/chlorine compounds, and phthalic ester) applies to all products sold by and bearing the corporate name, on product or packaging, of SOMC.

Operations

Sony is accelerating its adoption of renewable energy at worksites and offices throughout the Sony Group as part of its focus on reducing its environmental impact. Sony has established targets for manufacturing outsourcing contractors and is reinforcing its efforts to reduce environmental footprint. Sony is also actively developing environmental activities that meet local needs.

Sony sites

| | Targets (base year: 2015) | Progress in FY2018 |
|---------------------|--|--|
| Climate Change | Reduce absolute GHG *1 emissions from Sony's sites by 5% | Approx. 14% reduction |
| | Use renewable energy equivalent to 300,000 CO2-tons | Approx. 238,000 tons |
| Resources | Reduce absolute waste generated by 5% | Approx. 19% reduction |
| | Landfilled waste rate under 1% (excluding waste that Sony cannot control) | Approx. 3.1% |
| | Reduce absolute usage of water by 5% | Approx. 10% increase |
| Chemical Substances | <p>Take actions for classes 1-4. Detailed groups of chemical substances are defined separately.</p> <ul style="list-style-type: none"> • Class 1 substances: Prohibit use • Class 2 substances: Prohibit use (Exemptions granted for certain applications) • Class 3 substances: Reduce the amounts released and transferred >Reduce the amount of VOCs*2 released to the air by 50% from FY 2000 level • Class 4 substances: Comply with the relevant laws and regulations and use under appropriate control | <ul style="list-style-type: none"> • Class 1 substances: No use of prohibited substances • Class 2 substances: No use of prohibited substances • Class 3 substances: Continued to reduce amounts released and transferred >Emissions of VOC into the air: Approx. 68% reduction • Class 4 substances: Compliance with relevant laws and regulations and use under appropriate control |
| Biodiversity | Implement environmental contribution activities (including conservation activities at Sony's sites) respecting the needs of local communities | Implemented activities to preserve, educate, and raise awareness of biodiversity at all sites as part of local contribution activities. |

Outsourcing contractors

| | Targets | Progress in FY2018 |
|---------------------|---|---|
| Climate Change | Request manufacturing outsourcing contractors with large business transactions to monitor GHG*1 emissions and reduce GHG*1 intensity by 1% per year | Requested relevant manufacturing outsourcing contractors to reduce and track emissions intensity and surveyed progress. |
| | Request contractors with large business transactions to continually use renewable energy | Surveyed relevant contractors on introduction of renewable energy. |
| | Prioritize the use of energy efficient data center | Promoted priority use of energy efficient data center based on internal guidelines. |
| Resources | Request manufacturing outsourcing contractors with large business transactions to monitor volume of water use and reduce water use intensity by 1% per year | Requested relevant manufacturing outsourcing contractors to reduce and track water use intensity and surveyed progress. |
| | Request manufacturing outsourcing contractors with large business transactions to monitor and reduce volume of waste generation | |
| Chemical Substances | Request manufacturing outsourcing contractors to respond to Sony's unified standard that takes into account laws around the world restricting and banning chemical substances used, for products and partially-finished products supplied to Sony | Requested response based on Sony standards for the management of chemical substances. |
| | Request manufacturing outsourcing contractors to ban from manufacturing processes the use of substances restricted at an international framework that Sony has specified | Requested manufacturing outsourcing contractors to ban the use of substances specified by Sony from manufacturing processes and surveyed status of the use of these substances. |

| | | | | | | | | | | | | | |
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| | | |
|---------------------|---|--|
| Biodiversity | Encourage manufacturing outsourcing contractors the environmental contribution activities (including conservation activities at Sony's sites) respecting the needs of local communities | Surveyed activities undertaken at major manufacturing outsourcing contractors. |
|---------------------|---|--|

*1 GHG stands for Greenhouse Gas.

*2 VOC stands for Volatile Organic Compounds.

Raw Materials and Components Procurement

The environmental impact throughout the entire supply chain, including parts suppliers and others, is clearly larger than the environmental impact created by the activities of a single company. Sony is focused on strengthening efforts to reduce environmental impact and achieve concrete results on targets across the entire product lifecycle.

| | Targets | Progress in FY2018 |
|----------------------------|---|---|
| Climate Change | Request suppliers dealing in component categories that create high environmental impact and/or suppliers involved in large business transactions to monitor GHG*1 emissions, establish their own targets and implement reduction measures | Requested relevant suppliers to reduce and track emissions and surveyed progress. Valid response rate: approx. 79% (transaction amount basis) |
| Resources | Request suppliers dealing in component categories that create high environmental impact and/or suppliers involved in large business transactions to monitor water consumption, establish their own targets and implement reduction measures | Requested relevant suppliers to reduce and track water consumption and surveyed progress. Valid response rate: approx. 79% (transaction amount basis) |
| Chemical Substances | Request suppliers to respond to Sony's unified standard that takes into account laws around the world restricting and banning chemical substances used, for raw materials, components and products supplied to Sony | Requested response based on Sony standards for the management of chemical substances. |
| | Request suppliers to ban from manufacturing processes the use of substances restricted in an international framework that Sony has specified | Began surveying use of banned substances. |
| Biodiversity | Request that consideration be given to biodiversity | Began surveying biodiversity activities. |

*1 GHG stands for Greenhouse Gas.

| | | | | | | | | | | | | | |
|----------|---------------------------------|--------------------|----------------------------|--|----------------------|-----------------------|--------------------------|------------|-----------|--------------------------|----------------------|-------------|----------------------|
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Logistics

In order to reduce CO2 emissions associated with distributing products, Sony takes steps to reduce shipping weight by making products lighter and smaller. Sony also pursues alternative shipping methods (modal shift, etc.) by identifying and employing methods that are most efficient and have less impact on the environment.

| | Targets (base year: 2013) | Progress in FY2018 |
|-----------------------|--|-----------------------|
| Climate Change | Reduce absolute CO2 emissions related to logistics between nations and within regions by 10% | Approx. 52% reduction |

Take Back and Recycling

Sony is focused on recycling-oriented product design and promotes take-back and recycling processing for used products. Meanwhile, Sony seeks to ensure that even items which the company itself is unable to recycle at the present time are recycled, and collaborates with recyclers to clarify the extent to which key resources are being recycled.

| | Targets | Progress in FY2018 |
|------------------|---|---|
| Resources | Establish recycling schemes suitable for the needs of local communities, and move ahead with efficient operations | Complied with all legal requirements in all areas where laws and regulations on take-back and recycling are established. Implemented voluntary collection and recycling activities in areas where laws and regulations are not yet established. |
| | Aim at the high-level return of waste to a form in which it can be used as a resource by acquiring a clear grasp of recycling key resources | Worked with a Sony Group recycling plant to establish a sorting process and recycling scheme, for key resources that are not yet being fully recycled. |

Innovation

Sony has continued to bring entertainment and pleasure to people through creativity and innovation, and this is equally true of its approach to environmental activities. Sony is focused on developing environmental technologies and on contributing to the establishment of technologies that will result in reducing environmental impact.

| | Targets | Progress in FY2018 |
|---|---|--|
| Climate Change, Resources, Chemical Substances | Promote the development of environmental technologies, and contribute to the establishment of technologies that result in reducing the environmental impact | Promoted technological development such as synecoculture and open energy systems, licensing of Triporous™, external sales of Sustainable Oriented Recycled Plastic (SORPLAS™), and new businesses such as support for environment-related business using drones. |
| | Promote the development of business models that contribute to reducing the environmental impact of the products and services provided in all fields | |

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Environmental Management Structure

Sony is implementing and continually improving its globally integrated environmental management system with the aim of realizing the Sony Group Environmental Vision, achieving its mid-term environmental targets and complying fully with legal requirements, regulatory demands and internal policies established for the Group.

Integrated ISO 14001 Certification for the Entire Sony Group

Since the 1990s, Sony sites*1 throughout the world have sought certification under ISO 14001, the international standard for environmental management systems. Acquisition of ISO 14001 certification at all sites was completed in fiscal 2000. Since then, Sony has expanded this effort, establishing a group-wide environmental management system that integrates headquarters with environmental departments, business units and sites globally, while taking advantage of the management systems already operational at each business site, and acquiring integrated ISO 14001 certification for the entire Sony Group in fiscal 2005. As of March 31, 2019, integrated ISO 14001 certification had been obtained by 97 of the Sony Group's business units and sites around the world.*2

*1 "Sites" refers to manufacturing and non-manufacturing sites.

*2 The scope of integrated ISO 14001 certification is all manufacturing, distribution centers with 100 or more employees and non-manufacturing sites with 1,000 or more employees.

Specialized Functions for Environmental Management

To deal with the increasingly diverse and complex environmental issues that affect Sony's operations, such as manufacturing and sales of environmentally conscious products, recycling, and environmental management at sites, Sony has established specialized functions at the Sony Group's environmental headquarters, specifically in the areas of environmental management related to energy consumed at sites and by products; resource conservation, including recycling; chemical substance management; biodiversity conservation; procurement; logistics; technological development; and communications. The Sony Group's environmental headquarters is overseen by management, and a Sony Corporation corporate executive officer assumes ultimate responsibility. The president of Sony Corporation and other executives share information on environmental issues of importance to the Sony Group in regularly held executive meetings, as well.

Each of these specialized functions works together with regional offices and departments that specialize in such areas as product quality, customer service, occupational health and safety, and disaster prevention, to achieve a uniform and effective management system. Each specialized function issues targets to the operating units, divisions and sites and reviews their progress. To promote integrated environmental management globally, Sony

has established six regional environmental offices to facilitate region-wide environmental management activities, such as a better understanding of local, legal and regulatory trends, effective communication of standards and instructions set forth by headquarters to the regional divisions and sites, and effective performance of audits at all regional business divisions and sites. These are the North America environmental office, Latin America environmental office, Europe environmental office,*1 Japan/East Asia environmental office,*2 China environmental office,*3 and Pan Asia environmental office.*4

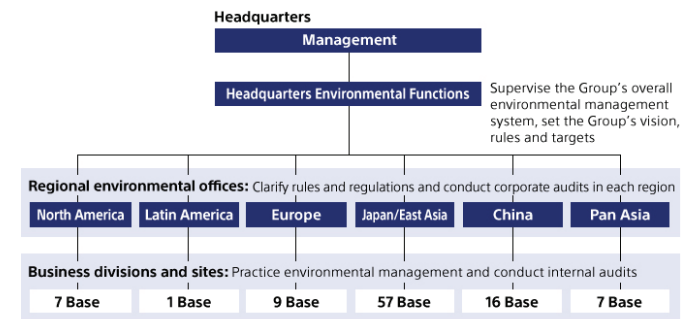
*1 The Europe environmental office supervises divisions/sites in the nations of Europe, Israel, Turkey, Russia, and former Soviet Union (except for Tajikistan, Turkmenistan, and Uzbekistan).

*2 The Japan/East Asia environmental office supervises divisions/sites in Japan, South Korea and the Taiwan Region.

*3 The China environmental office supervises divisions/sites in the mainland China and Hong Kong Region.

*4 The Pan Asia environmental office supervises divisions/sites in Mongolia and other Asia (except for divisions/sites supervised by the Europe environmental office, the Japan/East Asia environmental office, and the China environmental office), Africa, Middle East, Oceania, Tajikistan, Turkmenistan, and Uzbekistan.

The Sony Group Global Environmental Management System (As of March 31, 2019)



Integrated ISO 14001 certification for 97 Sony Group sites worldwide

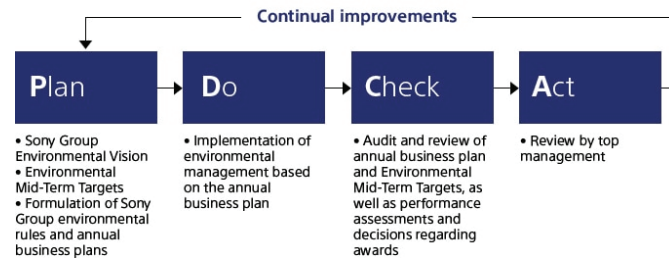
Continual Improvement by Using the PDCA Cycle

In compliance with ISO 14001, the global standard for environmental management systems that is based on the rationale of the Plan-Do-Check-Act (PDCA) cycle, Sony's corporate headquarters conducts annual assessments of the environmental impact of the entire Sony Group and, after identifying risks and opportunities, incorporates its findings into mid-range environmental targets and annual plans. In line with these plans, individual business units and sites establish and implement their own annual plans, incorporating essential elements of guiding principles established by the headquarters. Progress on the implementation of these business plans is reviewed regularly by a committee that is headed by the officer in charge of environmental affairs, contributing to ongoing improvement efforts. Awards are given annually at the global level to recognize outstanding activities in core businesses. These activities are counted as part of overall annual performance evaluations for main business units and sites and the results of these assessments are reflected in the bonuses awarded to management-level employees. To gauge the

progress of these environmental activities, Sony has developed an online data system for periodically collecting performance for, among others, power consumption by products, energy used by sites, and volume of waste generated. To ensure the effective functioning of the PDCA cycle, Sony has created an environmental document structure in line with the requirements of ISO 14001. The structure covers overall elements of environmental management such as management procedures on site and in the business groups, internal environmental communications, and efforts to make products more environmentally conscious.

Another means by which the Sony Group facilitates environmental action is to provide broad environmental education for employees that is tailored to specific objectives or the type of work they perform.

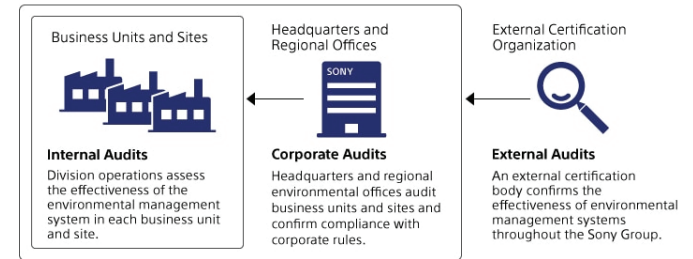
The Sony Group Environmental Management System PDCA Cycle



Environmental Audits

Sony has established an integrated environmental audit system that combines three kinds of audits – internal, corporate and external – and aims to facilitate continual improvements to the Sony Group's environmental management system, prevent environmental accidents at sites, and ensure the reliability of environmental data. In internal audits, business units and sites independently confirm the effectiveness of their own organization's environmental management system. In corporate audits, headquarters or regional environmental offices conduct audits of business units and sites in order to verify compliance with corporate rules. In external audits, an external certification body conducts audits to determine the effectiveness of environmental management systems throughout the Sony Group.

Sony Group Environmental Audit System



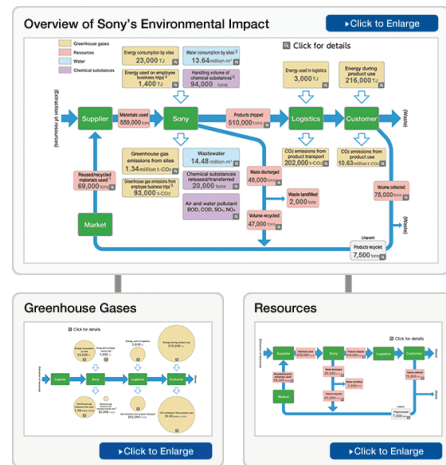
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Overview of Sony's Environmental Impact

Sony's business activities affect the environment in various ways. This overview looks at Sony's environmental footprint from the perspective of product life cycles.

Overview of Environmental Impact

The chart below shows Sony's impact on the environment over the entire life cycle of its business activities, including energy and resources used in business activities, energy consumed by Sony products when used by customers, and the recycling and disposal of products after use. The chart shows the principal environmental impact during fiscal 2018 for items that Sony can recognize and manage directly.



> For more information on calculation method, please refer to "Environmental Data Collection Methods and Rationale."

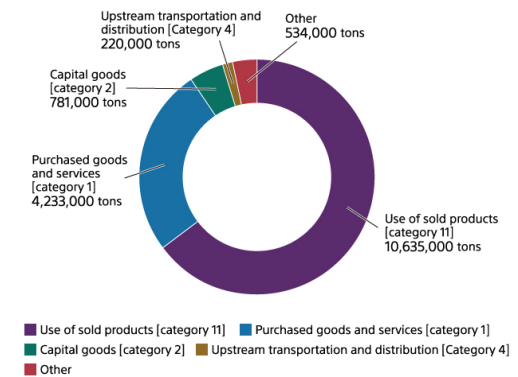
Assessing Greenhouse Gas Emissions over the Entire Value Chain

The recent escalation of climate change issues has prompted corporations to broaden the scope of efforts to ascertain the greenhouse gas emissions not just of their own operations but also those throughout their entire value chain.*1 Sony has determined emissions from its major component suppliers and manufacturing contractors. Furthermore, based on the level of emissions identified, Sony has estimated greenhouse gas emissions for its entire value chain.*2 The amount of greenhouse gas emissions from Sony's overall value chain in fiscal 2018 is estimated to be approximately 16.40 million tons. The largest volume of emissions, approximately 10.63 million tons, was from "energy consumed during product use." The next-largest category was "goods and services procured," which includes raw materials and components, at approximately 4.23 million tons. Sony plans to build its own system for identifying greenhouse gas emissions over the entire value chain and will work to enhance the accuracy of the system and strengthen management of emissions.

*1 Value chain refers to the entire product life cycle process, from procurement of materials through to manufacturing, use and disposal. It includes upstream and downstream manufacturing processes.

*2 Estimated greenhouse gas emissions are calculated in accordance with the Greenhouse Gas Protocol's scope 3 accounting and reporting standard and guidelines published by Japan's Ministry of the Environment.

Greenhouse Gas Emissions from the Value Chain



> For more information, please refer to "Environmental Data."

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Tackling Climate Change

Sony recognizes that its business depends upon the sustainability of the global environment and societies where people can live in security. Based on this understanding, Sony is constantly moving forward with environmental and social initiatives throughout the value chain. As a member of the global community, Sony embraces its responsibility to help in the fight against climate change. In 2010, Sony formulated the "Road to Zero", a long-term global environmental plan, under which it is striving to reduce the environmental footprint of its business activities and products, throughout the life-cycle, to zero by 2050. To accomplish this, Sony focuses on four environmental issues, one of which is climate change.

On May 27, 2019, Sony announced its endorsement of the final report published by the Task Force on Climate-related Financial Disclosures (the "TCFD Recommendations") established by the Financial Stability Board. Sony also became a member of the TCFD Consortium inaugurated on that day, and it will aim to expand its disclosure of climate change-related data in accordance with the TCFD Recommendations.

Policy on Climate Change

Basic Policy

Sony reduces energy consumption and strives to achieve zero emissions of greenhouse gases generated throughout the lifecycle of our products, service and business activities.

Specifically, Sony has designated the following initiatives to achieve its environmental mid-term targets.

Sony sites make it their highest priority to reduce energy consumption and greenhouse gas emissions, use energy more efficiently, and switch to energy sources that generate less greenhouse gas emissions, while also promoting renewable energy use. Sony also develops and supplies energy efficient, environmentally conscious products and services, and works with manufacturing subcontractors and suppliers of components and raw materials in an effort to reduce greenhouse gas emissions both directly and indirectly.

› For more information, please refer to "Principles."

› For more information, please refer to "Environmental Plan and Mid-Term Environmental Targets."

Governance

Under the Companies Act of Japan, Sony has adopted the "Company with Three Committees" corporate governance system as the most appropriate system for the company. Under this system, the Board of Directors (the

"Board") determines Sony Group's fundamental management policies and other material matters, while broadly delegating the decision-making authority to conduct Sony's business operation to Senior Executives in line with their respective responsibilities as defined by the Board, with a view to promoting timely and efficient decision-making within Sony Group.

The Board regularly deliberates and decides upon the med-term management plan and annual business plan, taking into account various risks and opportunities, including climate change, in its deliberations and decisions. Senior Executives implement strategies according to the management plans and the business plan while carrying out business execution, and the Board receives and discusses reports on the status of business execution as needed. Currently, matters concerning climate-related risks and opportunities are considered and executed by the management side.

In accordance with the delegation from the Board, the CEO of Sony established the Sony Group Environmental Vision, which stipulates the corporate philosophy on the global environment and corporate principles including on climate change matters. A Senior Executive in charge of environment matters who is appointed by the Board established the Sony Group Environmental Management Structure, which are internal regulations that stipulate the basic framework for Sony's global environmental management. The Senior Executive supervises the initiatives implemented by each business unit and business site to realize the Sony Group Environmental Vision, and also supervises their operation of and adherence to the Sony Group Environmental Management Structure.

The policy on the content of individual compensation for Senior Executives, including the CEO, and the amount of individual compensation are determined by the Compensation Committee. The Compensation Committee takes into account environment related matters as a factor in evaluating the remuneration linked to business results of Senior Executives and Senior Vice Presidents in charge of each business unit.

› For more information, please refer to "Sony Group Environmental Vision."

› For more information, please refer to "Environmental Management Structure."

Risks and Opportunities

Identifying and Addressing Business Risks

Tackling environmental issues is consistent with Sony's commitment to build a sustainable world and is extremely important in terms of its business continuity. Sony endeavors to identify environment-related risks and to prepare to mitigate foreseeable risks. Risks include imposition of carbon taxes, broader regional adoption of emissions trading schemes, regulatory risks such as the introduction of stricter energy-efficiency standards for products, material risks such as abnormal weather events and sea level rise due to climate change, and market changes triggered by shifting consumer attitudes.

| | | | | | | | | | | | | | |
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Creating and Expanding Business Opportunities

Sony believes that tackling environmental issues also leads to business opportunities. For example, the Paris Agreement*1 that emerged from the meeting of COP 21*2 in December 2015 addresses climate change issues, which has increased public awareness and is shifting consumer demand toward products with energy-efficiency features. Sony has already increased the energy efficiency of many of its products. In light of these social trends, demand for energy-efficient products may continue to grow. For instance, Sony manufactures image sensors that deliver high performance and low power consumption, which could lead to broader applications such as for on-board cameras for vehicles.

*1 The Paris Agreement was adopted at COP 21 held in Paris, France and serves as an international framework for climate change action starting from 2020.

*2 COP 21 refers to the 21st session of the Conference of the Parties (COP) to the 1992 United Nations Framework Convention on Climate Change (UNFCCC).

Risk Management

Each business unit, subsidiary/affiliated company and corporate division of Sony periodically reviews and assesses risks for the area of which it is in charge and works on finding, reporting, reviewing and responding to the risks. In addition, Senior Executives have established and maintain a system to identify and control risks that may cause losses to Sony regarding the areas of which they are in charge. The Corporate Executive Officer in charge of group risk control comprehensively promotes and manages the establishment and maintenance of the systems as stated above through the activities with related departments. The Board receives regular reports on the framework and its operational status, to confirm the validity of the framework.

Under the framework, each business units, subsidiary/affiliated company and corporate division also assesses and analyzes climate-related risks, when assembling its business strategies and business plans.

Metrics and Targets

In accordance with the Sony Group Code of Conduct, Sony recognizes the importance of reducing the global environmental footprint of the Group's business activities, including addressing climate change. In 2010, Sony formulated the Road to Zero global environmental plan, which it is implementing in its aim to reduce its environmental footprint to zero. From a climate change perspective, Sony is developing and supplying environmentally conscious products and services with the aim of reducing greenhouse gas emissions throughout the life cycle of its products, while also striving to reduce emissions from the production. Sony is also making energy-efficiency improvements at its business sites and shifting to renewable energy, while encouraging contract manufacturers and component suppliers to reduce their greenhouse gas emissions.

Under the Green Management 2020 environmental mid-term targets that Sony is working to achieve by the end of fiscal 2020, the life cycle of products has been divided into six stages: product and service planning and design, operations, raw materials and components procurement, logistics, take-back and recycling, and innovation. For each stage, Sony has set specific targets from the four perspectives of climate change, resources, chemical substances, and biodiversity, and implements initiatives to achieve these targets. For example, from the perspective of climate change, Sony is targeting an average 30% reduction in the annual energy consumption of Sony products, and a 300,000-ton reduction of CO2 emissions at Sony business sites by shifting to renewable energy.

Sony also joined the global Renewable Energy 100% (RE100)*1 initiative in September 2018, making a commitment to sourcing 100% renewable electricity for the worldwide operations of the Sony Group by 2040.

*1 A global initiative in partnership between the environmental non-government organization (NGO) The Climate Group and CDP. RE100 member corporations commit to sourcing 100% renewable electricity for all of their operations.

› [For more information, please refer to "Green Management 2020 Targets and Progress."](#)

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Mid-Term Targets for the Development of Environmental Technologies

Sony's Green Management 2020 environmental mid-term targets, which extend through fiscal 2020, include the following targets for technology development (innovation). Under these targets, Sony is changing its business models and developing new businesses, in addition to developing environmental technologies.

Green Management 2020 Targets for Technology Development (Innovation)

| | |
|--|--|
| Climate Change, Resources, Chemical Substances | <ul style="list-style-type: none"> Promote the development of environmental technologies, and contribute to the establishment of technologies that result in reducing the environmental impact Promote the development of business models that contribute to reducing the environmental impact of the products and services provided in all fields |
|--|--|

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Developing the Environmental Technologies of the Future

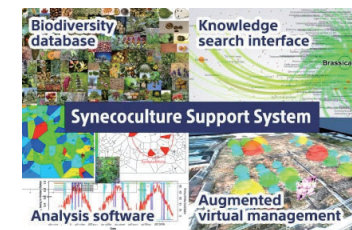
Synecoculture

Conventional agriculture largely focuses on increasing productivity from a single crop, by plowing top soil, spreading fertilizer, and applying pesticides based on the characteristics of the crop. These practices damage ecosystems and cause other environmental problems. Sony Computer Science Laboratories, Inc. (Sony CSL) is testing applications for synecoculture, a sustainable agricultural practice that balances productivity with the need to reduce environmental impact. Synecoculture eliminates the need for plowing, fertilizing, and pesticide use that impact the environment, by taking maximum advantage of the material cycling that occurs naturally in ecosystems, aiming to create rich ecosystems with a diverse mix of plants that coexist together and grow lushly. Synecoculture requires vast knowledge of plant ecology, and for several years Sony CSL has been conducting tests at a number of farms, cultivating a blend of plants in order to collect data on plant compatibility and soil conditions. Sony CSL is also using IT to develop systems to support greater social ecological diversity including synecoculture. The synecoculture project is directly related to 11 out of the 17 Sustainable Development Goals (SDGs) and is registered as a good corporate practice with the Japan SDGs Action Platform promoted by the Ministry of Foreign Affairs of Japan.

› For more information, please refer to "Renewing agriculture to rebuild a broken environment Sony Computer Science Laboratories, Inc." at the Stories website.



A synecoculture farm, where a diverse blend of useful plants is cultivated together



Elements of Synecoculture support system

Open Energy Systems

Although renewable energy sources such as solar and wind power generation have been attracting much attention in recent years, there are significant issues to overcome before thinly dispersed renewable energy can be utilized

effectively. Sony Computer Science Laboratories, Inc. (Sony CSL) is conducting research on Open Energy Systems (OES), a whole new type of bottom-up, distributed electric power system, which mainly uses renewable energy sources. From fiscal 2013 to 2016, Sony CSL collaborated with the Okinawa Institute of Science and Technology Graduate University (OIST) on a joint research project. The research was selected by the Okinawa Prefectural Government to be part of its subtropical and island energy infrastructure technology research subsidy program. Under the project, Sony CSL installed photovoltaic panels and energy storage systems at 19 faculty housing units on the OIST campus, and built a DC-based OES (DCOES) to interconnect the housing with DC power lines. The installation has been used to test automatic power exchange between the housing units since fiscal 2014. Since fiscal 2017, with support for energy infrastructure research that utilizes Okinawa Prefecture's advanced technologies, Sony CSL has been conducting joint empirical studies with OIST and other organizations to further develop the DCOES system. The OES Project is directly related to seven out of the 17 SDGs, and is registered as a good corporate practice with the Japan SDGs Action Platform promoted by the Ministry of Foreign Affairs of Japan.

> For more information, please refer to "Innovating ways to deliver electricity for everyone" at the Sony and the Environment website.

DCOES Powering 19 Residences in the OIST Faculty Housing Area



The electric power interchange system automatically compensates for imbalances between power generation and electricity consumption across residences, which are interconnected by DC power lines and communication lines

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Environmental Mid-Term Targets for Products and Services

Sony's Green Management 2020 environmental mid-term targets, which extend through fiscal 2020, include the following targets for product/service planning and design. Under these targets, Sony is working to develop environmentally conscious products in the electronics business and to raise awareness of the environment through the entertainment business.

Green Management 2020 Targets for Product/Service Planning and Design

| | |
|----------------------------|--|
| Overall | <ul style="list-style-type: none"> • Employ environmental features in products • Promote environmentally conscious design throughout the life cycle (during production, in use, at disposal, etc.) • Raise awareness and inspire action on issues of sustainability from over 500 million people in the world through the entertainment business |
| Climate Change | <ul style="list-style-type: none"> • AC powered devices*1: Reduce annual energy consumption by 30% (average reduction rate) (compared with FY2013) • Mobile phones and tablets: Power consumption at no load condition and in battery maintenance mode: No more than 0.03 W • DC powered devices*2: Improve energy efficiency and charging efficiency |
| Resources | <ul style="list-style-type: none"> • Reduce amount of virgin oil-based plastics per product unit by 10% (average reduction rate) (compared with FY2013) • Reduce and substitute key resources other than oil-based resources • Aim to minimize resource inputs • Promote design for recycling |
| Chemical Substances | <p>Eliminate high-risk applications of "Controlled Substances*3" that are of high concern (polyvinyl chloride, brominated flame retardants, etc.) and use alternative substances</p> <p>Apply Sony Mobile Critical Substance directive for all products sold by and marked with Sony Mobile Communication Inc. on the product and/or box.</p> |
| Biodiversity | Promote the use of recycled paper and certified paper |

*1 AC powered devices refers to energy-using products which operate the intended main function with energy input from the main electricity grid

*2 DC powered devices refers to energy-using products which operate the intended main function only with energy input from the battery

*3 "Controlled Substances" is an abbreviation for "Environment-related Substances to be Controlled," and it refers to substances contained in parts and devices that Sony considers to have significant environmental impact on both humans and the global environment

Updated on August 29, 2019

Reducing Greenhouse Gas Emissions

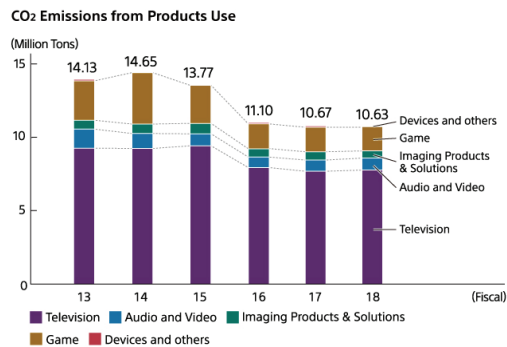
Reducing CO2 Emissions from Product Usage

Sony products consume electrical power while used by their owners, resulting in indirect emissions of CO2. Sony has adopted the target of reducing annual energy consumption per product*1 from product use by 30% by fiscal 2020 compared to the fiscal 2013 level. To achieve this, Sony is working to incorporate energy-saving features in a wide range of product categories. In fiscal 2018, annual energy consumption per product was 51% lower than in fiscal 2013. Since setting the target, Sony has made great progress, especially in reducing the power consumption of flat screen televisions and game consoles.

Total CO2 emissions in product use over the lifetime of all products sold in fiscal 2018 were approximately 10.63 million tons, which was 0.4% lower than in fiscal 2017, mainly due to the decreased energy consumption of game consoles.*2

*1 Energy-using products which operate the intended main function with energy input from a commercial power supply

*2 In theory, emissions during product use in the current fiscal year should be calculated from the total quantity of electrical power consumed by previously sold Sony products that are still in use by consumers in the current fiscal year. However, given the difficulty of determining how many previously sold Sony products are still in use by consumers of the total number of Sony products sold to date, Sony uses the total quantity of electrical power consumed while in use over the lifetime of Sony products sold in the current fiscal year as an indicator for CO2 emissions during use.



Reducing Product Power Consumption

Sony sets specific fiscal year targets to reduce product energy consumption in every product category. To achieve these targets, Sony engages in ongoing technology development to improve energy efficiency, while continually studying products for potential improvements and implementing diverse measures to reduce energy consumption. Regulations governing energy efficiency of products, such as the Energy-related Products Directive (ErP) enacted in the European Union in 2010, are enforced in countries around the world, and Sony products are ready for compliance in every country before these regulations go into effect.

Examples in Products (link to "Sony and the Environment" website)

- > [Reducing the Power Consumption of PlayStation®](#)
- > [Reducing the Power Consumption of Data Projectors](#)

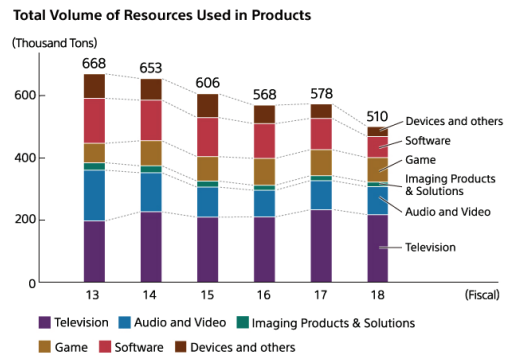
Updated on August 29, 2019

Conserving Resources

Reducing Resources Used in Products

Under its targets for minimizing resource inputs, Sony worked to reduce the average mass of products. In fiscal 2018, the total volume of resources used in products was approximately 510,000 tons,*1 which was down some 12% from fiscal 2017 due to the overall decline in the sales volume of products.

*1 Total volume of resources used is the total weight of resources used in products, accessories, instruction manuals and packaging materials. The weight of total products shipped is used to represent this value.



Using Fewer Resources in Products and Packages

Sony is working to make its products and packages even more lightweight and compact across a wide range of product categories in order to conserve resources.

Examples in Products (link to "Sony and the Environment" website)

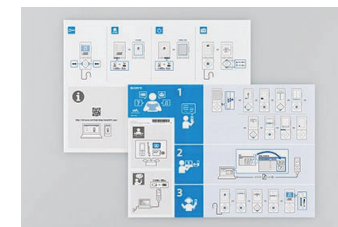
- > [Reducing the use of resources in the body of PlayStation®](#)
- > [Reducing the use of resources in the body for soundbars and home theater systems](#)
- > [Reducing the use of resources in the packages for soundbars and home theater systems](#)
- > [Packaging made with post-consumer recycled PET bottles](#)

Digitization of Product Manuals

Sony is conserving resources by making documentation digitally available for downloading, while working to keep documents readily understandable as documentation volume grows in support more multi-functional products. As a result, customers can more readily view documentation on a variety of devices including PCs, tablets, and smartphones, while the amount of paper used to print documentation is being reduced. Fewer printed pages also mean less carbon emissions from printing and having to ship documentation with products.

Textless Quick Start Guides

In fiscal 2015, as part of initiatives to conserve resources in documentation, Sony started to adopt textless quick start guides for Sony Walkman®, headphones, wireless speakers, and high power audio systems sold in markets outside of Japan that require instructions in multiple languages. These universal quick start guides, included with each product, use illustrations to guide consumers through setup and basic operation, replacing conventional multilingual documentation that used to be written in as many as nine languages. With textless quick start guides, consumers can directly comprehend the instructions without text, thereby reducing the waste generated by unneeded language documents. Sony introduced the textless quick start guide for Sony Walkman® and for headphones in fiscal 2015, for wireless speakers in fiscal 2017, and for high power audio systems in fiscal 2018. By adopting these textless guides, Sony has reduced the use of paper by approximately 291.1 tons. Textless quick start guides also help to reduce the bulk and weight of product packaging. Sony received a Good Design Award 2015 in recognition of its fresh approach to using textless documentation.



Textless quick start guide for Sony Walkman® overseas model

Sony Financial Group—Going Paperless

The Sony Financial Group has been reducing the use of paper for contracts and transactions, both to conserve paper resources and reduce mailing, which produces carbon emissions. Sony Life Insurance Co., Ltd. has introduced

a paperless application that enables customers to use an electronic signature to complete new contract application procedures as well as various post-contract procedures, such as changing contractual coverage, thereby realizing a reduction in paper usage. Sony Assurance Inc. enables customers to apply for automobile, medical, fire, and overseas travel insurance online, eliminating the printing and mailing of application forms. Customers who apply for automobile and fire insurance online can also opt out of receiving a printed copy of their insurance policies, receiving up to a 500-yen discount off the price of their insurance for going paperless. Sony Bank Inc. is also working to go paperless, providing transaction slips, product explanation materials, and transaction documents for customers only on websites or via electronic delivery as a general rule.



Paperless application at Sony Life Insurance Co., Ltd.

- › For more information on paperless initiatives at Sony Life Insurance, please refer to “About Life Planner” at the Sony Life Insurance website. (only in Japanese)
- › For more information on paperless initiatives at Sony Assurance, please refer to “Environmental Activity Report” at the Sony Assurance website. (only in Japanese)
- › For more information on paperless initiatives at Sony Bank, please refer to “Environmental Conservation by Promoting Electronic Delivery” at the Sony Bank website. (only in Japanese)

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Reducing Use of Virgin Plastics

Virgin Plastic Used Per Product

Sony has set a target of reducing virgin plastic used per product by 10% from the fiscal 2013 level, by fiscal 2020. To achieve this target, Sony has been working to expand use of recycled plastics while also making product chassis more lightweight and compact. However, in more recent years, stricter regulations on import and export of used plastic have impacted the procurement of recycled plastics, and the average screen size of TVs has increased. Consequently, in fiscal 2018, virgin plastic used per product was up 2.4% from the fiscal 2013 level.

Incorporating Recycled Plastic

To reduce the consumption of virgin plastic, Sony has expanded the use of recycled plastics in a broad range of product categories by developing recycled plastics while elevating quality and reducing manufacturing costs. Sony recently developed a recycled plastic for audio products that actually improves sound quality while retaining a high percentage of recycled content. This recycled plastic was used in soundbars and home theater systems that were sold in 2016.

In fiscal 2018, the Sony Group used some 11,000 tons of recycled plastic*1 in its products. This amount consisted of approximately 58% recycled plastic content from scraps and other waste materials generated from manufacturing by the Sony Group and other companies, and approximately 42% post-consumer recycled plastic content from used products, containers, and other sources.

*1 Consumption of recycled plastic is based on the gross value including virgin plastic and additives that are mixed with recycled materials.

- › For more information on recycled plastic in audio products, please refer to “Recycling and better listening experience” at the Sony and the Environment website.

Examples in Products (link to “Sony and the Environment” website)

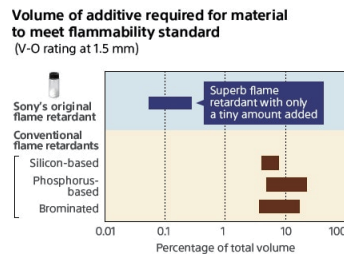
- › New, recycled packaging for aibo
- › Using recycled plastic in soundbars and home theater systems

SORPLAS™, Sony's Original Flame-Retardant Recycled Plastic

In 2011, Sony began practical use of Sustainable Oriented Recycled Plastic (SORPLAS™), a flame-retardant recycled

plastic made possible by a proprietary compounding technology that combines an original, non-halogen and non-phosphorus, flame retardant—itsself produced using a Sony-developed process—and waste plastics (polycarbonate resin) from various sources in an optimal blend. Thanks to Sony's novel flame-retardant, which makes it possible to impart flame-retardancy by the addition of a very small amount of less than 1% of total content, SORPLAS™ not only surpasses conventional flame-retardant plastics in terms of durability, flame-retardancy and recyclability, but also achieves an outstanding utilization rate of up to 99% waste plastics. The effective utilization of SORPLAS™ has been shown to reduce CO2 emissions in product manufacturing by up to 80%.^{*1} Moreover, Sony's versatile waste-plastic compounding technology makes it possible to tailor SORPLAS™ to the needs of a variety of products. Sony first used SORPLAS™ in its products in 2011 and has since incorporated it into a wide variety of Sony products. Then, in 2014, Sony commenced external sales. Sony will continue to make SORPLAS™ widely available also outside the group, promote resource recycling, and contribute to a society with a reduced environmental impact.

*1 In the case of SORPLAS™ in the BRAVIA™ LCD TV KDL-40EX52H. Based on Sony calculations, assuming plastic manufacturing (including shipping)



> For more information on external sales activities, please refer to “External Sales of SORPLAS™ Recycled Plastic.”

Examples in Products (link to “Sony and the Environment” website)

> Leading the development of recycled plastics

Management of Chemical Substances

Sony's Proprietary Global Standards for the Management of Chemical Substances

Many of Sony's electronics products contain between a few hundred and a few thousand parts that are made of a variety of chemical substances, some of which may be classified as hazardous and may harm the environment if they are not properly controlled prior to product disposal.

To prevent such environmental harm, some countries and regions have introduced laws and directives. In European Union, certain chemical substances in products are restricted by Restriction of the Use of Certain Hazardous Substances in Electrical and Electronic Equipment (RoHS) Directive^{*1} and REACH^{*2} regulation. In Japan, products that contain certain chemical substances are required to carry the J-Moss^{*3} mark, while in China it is required to disclose information on chemical substances contained in products in line with the Management Methods on the Pollution Control of Electronic Information Products, often referred to as China RoHS.^{*4}

In light of the global nature of its markets and supply chains, Sony has established its own global standards for the management of chemical substances, titled “Management Regulations for the Environment-related Substances to be Controlled which are Included in Parts and Materials (SS-00259)”,^{*5} taking into account the related laws and regulations around the world and simultaneously the opinions of various stakeholders. In line with these standards, Sony ensures globally consistent management of chemical substances in parts and materials.

*1 Directive on the restriction of the use of certain hazardous substances in electric and electronic products (RoHS)

*2 REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals) is a regulation for managing chemical substances introduced in Europe, whereby companies are required to, among others, register, apply for authorization, notify, restrict and communicate information on certain chemical substances.

*3 J-Moss refers to Japanese Industrial Standards (JIS) for marking the presence of certain chemical substances in electrical and electronic equipment

*4 Management Methods on the Pollution Control of Electronic Information Products regulates the use of six substances, including lead and mercury, in electronic products and components sold in the Chinese market.

*5 Management Regulations for the Environment-related Substances to be Controlled which are Included in Parts and Materials (SS-00259) refers to Sony standards that are used for giving directions to suppliers on chemical substances for items procured by Sony. (For more information, please refer to “Controlled Substances -SS-00259 for General Use-” at the Sony website.)

Complying with Regulations Governing Chemical Substances in Products

Sony has set up necessary procedures to ensure compliance with the EU's REACH regulation requirements and revised RoHS Directive. In response to its obligation under REACH to provide information to customers, as well as to the CE marking requirement of the RoHS directive, Sony has adopted the chemSHERPA*1 scheme based on IEC62474.*2 This enables Sony to collect data on specified chemical substances in parts and materials purchased from suppliers for management in an internal database.

*1 chemSHERPA is a scheme that facilitates sharing information throughout an entire supply chain on chemical substances that may be used in products.

*2 IEC 62474 is a set of international standards regulating the procedures, content, format and other aspects of reporting within the supply chain regarding the presence of chemical substances and constituent materials in electrical and electronic goods.

Three Core Principles for Managing Chemical Substances in Products

To guide its efforts to manage chemical substances in products in compliance with Sony's own global standards for management of chemical substances, titled "Management Regulations for Environment-related Substances to be Controlled which are included in Parts and Materials" (SS-00259), Sony has established three core principles:

- > For more information on Management Regulations for the Environment-related Substances to be Controlled which are Included in Parts and Materials (SS-00259), please refer to "Controlled Substances -SS-00259 for General Use-" at the Sony website.

Upstream management

In 2002, Sony established the Green Partner Environmental Quality Approval Program, which outlines Sony's Green Partner Standards for chemical substance management. Sony audits suppliers based on these standards. Sony purchases electronic parts only from suppliers who have passed this audit and have been certified as Green Partners. Sony also applies the Green Partner Environmental Quality Approval Program to manufacturing partners. To further enhance the efficiency of the system to manage chemical substances, in 2003 Sony introduced the Green Book, a raw materials database, which was made available to Sony's direct suppliers via its electronic supplier portal. In the Green Book, Sony has registered only those materials that it has measured and confirmed compliance with the SS-00259 standards for Sony's designated raw materials such as recycled plastics and wires, and also for molding resins, paints, inks, and other materials that are commonly used by multiple first tier suppliers. To assist REACH compliance, Sony has collected information on raw materials listed in Green Book data on the content of certain chemical substances and makes this data available to its suppliers and contract manufacturers.

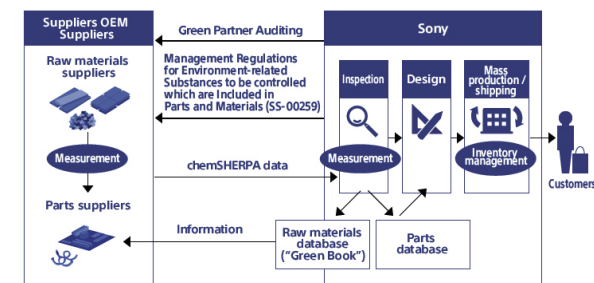
Management in Quality Control/Quality Assurance processes

New parts and materials are tested to ensure conformity with SS-00259 standards in addition to compliance with conventional quality control standards. Data on the content of certain chemical substances collected from suppliers are thoroughly evaluated for this purpose. By implementing these strict management procedures worldwide, incompliant products are prevented from entering the market.

Utilization of chemical analysis

To prevent prohibited substances from accidentally entering products, Sony requires suppliers to conduct ICP analysis on the specific parts and materials. For some high-risk substances Sony has also implemented internal control systems that involve using, for example, X-ray fluorescence (XRF) and other measurement devices, to Sony sites worldwide, to help confirm that prohibited substances are kept out of products.

System for Managing Chemical Substances in Products



Note:
-Since fiscal 2003, Sony's raw materials database (the Green Book) has been available to Sony's direct suppliers via its electronic procurement system.

Substance Management in Xperia™ Smartphones and Tablets

Sony Mobile Communications inc. (SOMC) is promoting efforts to manage chemical substances in its Xperia™ Smartphones and tablets. Starting in 2002, SOMC was known as one of the first companies in the industry to phase-out brominated flame retardants (BFRs) in mobile phone (circuit boards, cables and casings) . Since then SOMC has continued the journey and phased out BFRs in all parts, and also phased out chlorinated flame retardants (CFRs) , polyvinyl chloride (PVC) , as well as phthalates, beryllium, and antimony trioxide in plastic and resin. Going forward, SOMC will continue phasing out all brominated and chlorinated compounds as well as antimony.

- > For more information on the management of chemical substances for Xperia™, please refer to "Sustainability/Substance control" at the Sony Mobile Communications website.
- > For more information on SOMC critical substances, please refer to "Sony Mobile Critical Substance List" at the Sony Mobile Communications website.

Information on Color IQ™* Incorporated in Some Television Models

Some of the televisions sold by Sony employ Color IQ™, a light-emitting semiconductor technology developed by QD Vision, Inc. of the US. Combining QD Vision's Color IQ™ optical components with Sony's proprietary display technologies greatly expands the color gamut for display devices and makes it possible to provide a visual experience characterized by more natural, richer colors. The Color IQ™ component contains a very small quantity of cadmium. This cadmium is fixed within a hardened resin which is sealed in glass inside the television. Customers can therefore enjoy high image quality without being exposed to cadmium.

Color IQ™ televisions comply with all applicable environmental laws and regulations in countries and regions where Sony sells them. Sony provides its consumers, authorized repair workshops, and recycling companies with information relating to the Color IQ™ component in order to enable proper collection, handling, recycling, and disposal of the component upon repair or disposal of the televisions, in accordance with applicable local environmental laws and regulations.

* "Color IQ™" and the "Color IQ™" logo are trademarks of QD Vision, Inc.

- > For more information, please refer to "Information on "Color IQ™" Incorporated in Some Television Models" at the Sony website.

Management of Chemical Substances in Packaging Materials

Sony also takes precautions to increase the safety of its packaging materials and ensure that hazardous substances, including heavy metals, are not mixed into packaging materials by managing materials in line with its proprietary "Management Regulations for Environment-related Substances to be Controlled which are included in Parts and Materials" (SS-00259) . The packaging section of SS-00259 is based on, among others, EU directives on packaging and packaging waste.

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Reduction and Replacement of Chemical Substances of Very High Concern

Sony defines "Environment-related Substances to be Controlled" (hereafter "Controlled Substances") as certain chemicals that it has determined to have significant impact on both humans and the global environment, including substances that may not be controlled by laws. (Please refer to the list "Controlled Substances' Defined by Sony.") Sony either prohibits the use of these substances in parts or phases them out wherever a viable alternative that meets all product quality and technical requirements is available. In its Green Management 2020 mid-term management targets, Sony specifies high-risk applications from collected application- and content-related information, considering the hazardous nature and extent of exposure (volume) as risk factors, and plans to prohibit the "Controlled Substances" in the specified use.

"Controlled Substances" Defined by Sony

- Bis (2-ethylhexyl) phthalate (DEHP)
- Dibutyl phthalate (DBP)
- Benzyl butyl phthalate (BBP)
- Diisobutyl phthalate (DIBP)
- Cadmium and cadmium compounds
- Lead and lead compounds
- Mercury and mercury compounds
- Chromium (IV) compounds
- Polybrominated biphenyls (PBBs)
- Polybrominated diphenylethers (PBDEs)
- Hexabromocyclododecane (HBCDD) and all major diastereoisomers identified
- Polychlorinated biphenyls (PCBs) and specific substitutes
- Polychlorinated naphthalenes (PCNs)
- Polychlorinated terphenyls (PCTs)
- Alkanes, C10-13, chloro (Short Chain Chlorinated Paraffins) (SCCP)
- Tris (2-chloroethyl) phosphate (TCEP)
- Tris (1-chloro-2-propyl) phosphate (TCPP)
- Tris (1,3-dichloro-2-propyl) phosphate (TDCPP)
- Fluorinated greenhouse gases (PFC, SF6, HFC)
- Ozone depleting substances (ODS) (CFC, Halon, Carbon tetrachloride, 1,1,1-Trichloroethane)
- Ozone depleting substances (ODS) (HCFCs)
- Perfluorooctane sulfonates (PFOS)
- Perfluorooctanoic acid (PFOA) and individual salts and esters of PFOA
- Perfluorooctanoic acid (PFOA) and its salts and related substances
- Tri-substituted organostannic compounds
- Dibutyltin (DBT) compounds
- Dioctyltin (DOT) compounds
- Beryllium oxide
- Cobalt dichloride
- Diarsenic trioxide
- Diarsenic pentoxide
- Nickel and Nickel compounds
- Diisononyl phthalate (DINP)
- Di-isodecyl phthalate (DIDP)
- Di-n-Octyl phthalate (DNOP)
- Asbestos
- Formaldehyde
- Azocolourants and azodyes which form certain aromatic amines
- 2-benzotriazol-2-yl-4,6-di-tert-butylphenol (UV-320)
- Dimethyl fumarate (DMF)
- Polycyclic aromatic hydrocarbons (PAH)
- Brominated flame retardants (BFR)
- Chlorinated flame retardants (CFR)
- Di-n-hexyl phthalate (DnHP)
- Perchlorates
- Radioactive substances
- Substances in candidate list for authorization of EU REACH regulation
- Polyvinyl chlorides (PVCs) and PVC compounds

Note:

-Control level varies depending on application.

Polyvinyl Chloride (PVC)

Improper disposal of PVCs poses a risk of generating hazardous substances. For example, Sony is concerned about the possibility that its small electronic products, in particular, could be collected to obtain valuable materials, and then the unwanted parts could be improperly incinerated and disposed of in landfills, thus causing adverse environmental impacts. In addition, there are also concerns about the environmental and health impact of some of the substances used as plasticizers and stabilizers in PVCs. Although PVCs are not currently regulated by any laws that apply to chemical substances used in electronic products, Sony works to reduce PVC content in individual components.

As a result, Sony does not use PVCs in product packaging materials (with the exception of some packing materials for devices, semiconductors, batteries, and similar items) or in sheets/laminates used for product housings, contactless IC cards, and carrying bags/cases for products (excluding those for professional use). Sony has also successfully replaced PVCs by substitute materials for internal components that are difficult to remove prior to recycling, such as flexible flat cables, insulation plates, and heat-shrink tubes (excluding those for batteries). Also, Sony is working to end the use of PVCs in the housings and internal wiring of small electronic devices (the adoption of alternatives is subject to the ability to resolve issues relating to quality, technology, and supply).

As of the end of July 2019, Sony has replaced PVCs in new products and new models in the following products with alternative substances.

| PVC-Free Product Categories*1 |
|---|
| Xperia™ Smartphone |
| Xperia™ Tablet |
| MP3 players WALKMAN® |
| IC recorder / Portable Radio Recorder / Sound Monitoring Receiver |
| Video Camera Handycam® |
| Video Camera Action Cam |
| Digital Still Camera Cyber-shot™ |
| Interchangeable lens digital camera α™ |
| PlayStation®Vita |
| Portable DVD Player |
| Memory Stick™ |
| SxS™ memory card |

*1 PVCs have been eliminated from all plastic components in Xperia™ smartphones and tablets, and from the casings and internal wiring (excluding accessories) in products other than Xperia™ smartphones and tablets.

› For the names of models in each of the product categories listed above, please refer to "Examples of Polyvinyl Chloride (PVC) -Free Products and Brominated Flame Retardant (BFR) -Free Products."

Brominated Flame Retardants (BFRs)

Some BFRs are harmful to human health and tend to remain in the environment and accumulate in living organisms. As is the case with PVC, improper incineration of BFRs carries a risk of releasing harmful substances into the environment.

Sony has banned the use of components and materials containing any of three specified BFRs — polybrominated diphenyl ethers, polybrominated biphenyls, or hexabromocyclododecanes — and is working to phase out BFRs (the adoption of which is subject to the resolution of issues relating to quality, technology, and supply). Also, Sony is working to use Sony developed environmentally sound, bromine-free flame retardant for the manufacture of a polycarbonate plastic flame retardant in some product categories such as LCD TV.

As of the end of July 2019, Sony has replaced BFRs in new products and new models in the following products with alternative substances.

| BFR-Free Product Categories*1 |
|--|
| Xperia™ Smartphone |
| Xperia™ Tablet |
| MP3 players WALKMAN® |
| IC recorder / Memory Card Recorder / Portable Radio Recorder / Linear PCM Recorder / Sound Monitoring Receiver |
| Video Camera Handycam® |
| Video Camera Action Cam |
| Digital Still Camera Cyber-shot™ |
| Interchangeable lens digital camera α™ |
| PlayStation®Vita |
| Portable DVD Player |
| Memory Stick™ |
| SxS™ memory card |

*1 BFRs have been eliminated from all plastic components in Xperia™ smartphones and tablets, and from the casings and main PWBs (excluding accessories) in products other than Xperia™ smartphones and tablets.

> For the names of models in each of the product categories listed above, please refer to "Examples of Polyvinyl Chloride (PVC) -Free Products and Brominated Flame Retardant (BFR) -Free Products."

Sony has banned the use of tris (2-chloroethyl) phosphate, a chlorinated flame retardant identified as carrying risks similar to those associated with brominated flame retardants, as well as phosphoric acid tris (2-chloro-1-methylethyl) ester (TCPP) and tris (1,3-dichloro-2-propyl) phosphate (TDCPP) .

Phthalates

Sony is working to eliminate specific phthalates (phthalic esters) , which are used as plasticizers in PVC, among other substances. Among these specific phthalates, for example, Sony has succeeded in eliminating the phthalates DEHP, DBP, BBP, DIDP, DNOP and DINP*1 from Xperia™ smartphones.

*1 DEHP stands for bis (2-ethylhexyl) phthalate and di (2-ethylhexyl) phthalate; DBPs for dibutyl phthalate and di-n-butyl phthalate; BBPs for benzyl butyl phthalate and butyl benzyl phthalate; DIDP for di-isodecyl phthalate; DNOP for di-n-octyl phthalate; and DINP for di-isononyl phthalate.

Beryllium Compounds

Sony has designated beryllium oxide as "Controlled Substances" since 2007 and is working to eliminate these substances. No beryllium oxide is used in any of its products. Sony has also succeeded in eliminating beryllium compounds from Xperia™ smartphones.

Arsenic Compounds

In accordance with the 13th edition of the SS-00259, released in 2014, Sony has banned the use of LCD panels containing diarsenic trioxide and diarsenic pentoxide.

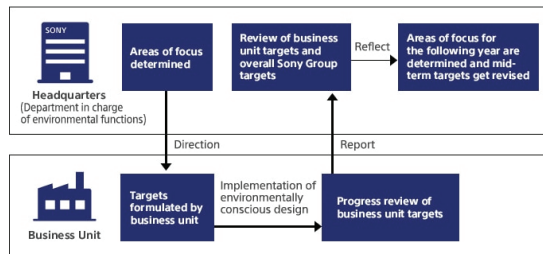
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Creating Environmentally Conscious Products

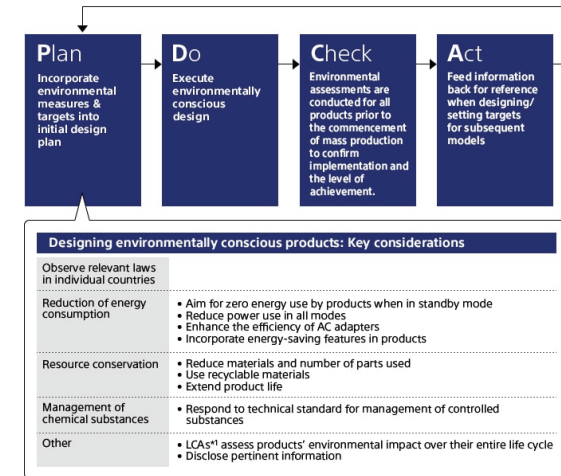
Promoting Environmentally Conscious Design

The Sony Group's mid-term targets include targets for products, which involve the reduction of annual power consumption, the promotion of resource conservation and the management of chemical substances. Business units identify the environmental impact throughout the lifecycle of target product categories and formulate their targets based on the category's specific characteristics. Then, they execute environmentally conscious design by setting environmental mid-term targets for each product. They review progress against their environmental mid-term targets for each product, and report results to the department in charge of environmental functions at headquarters. In turn, this department evaluates the targets and progress of each business unit, using these evaluations as the basis for its review of the Sony Group's progress on achieving its environmental mid-term targets. Based on the results of this review, Sony determines areas of focus and revises targets for the subsequent fiscal year. This method enables Sony to execute ongoing environmentally conscious processes for each business unit and product, which in turn ensure the development of environmentally conscious products.

Management Structure for Environmentally Conscious Product Development



PDCA Cycle for Environmentally Conscious Products Design



*1 LCA is an acronym for life cycle assessment.

Designing Recyclability into Products

One initiative Sony is taking to ensure that its products are environmentally responsible involves designing them with recyclability in mind. This means, for example, reducing the number of screws, and labeling the material type of plastic used in parts to make it easier to extract resources from used products during recycling. For example, Sony has issued Environmental Design Standards and Guidelines for TVs, which are used when planning and designing new products. These design standards and guidelines reflect the trends in regulations inside and outside of Japan as well as Sony's mid-term environmental targets. Additionally, Sony conducts an annual review and revision of these guidelines based on industry trends and the latest recycling information, which is gathered via regular sharing of information and opinions with the Green Cycle Corporation, a Sony Group company engaged in the recycling business.



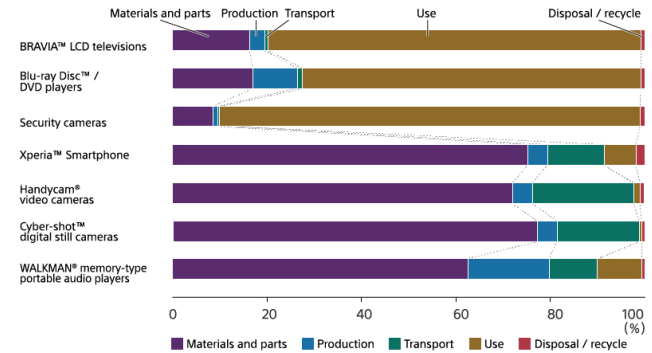
The sliding lock structure reduces the number of screws in some BRAVIA™ LCD televisions launched in 2018

Utilizing Life Cycle Assessments (LCA)

Product life cycle assessments (LCAs) are a means of identifying and quantifying the environmental impact of products at all stages of their life cycles, which include the manufacture of materials and parts used in products, the assembly and transport of products, product use and standby mode, and end of life (i.e., disposal and recycling). LCAs of major products help us to clarify priorities for product improvement for all product categories and reduce the environmental impact of Sony products.

As shown in the chart titled "Breakdown of CO2 Emissions Over the Life Cycle of Signature Sony Products," we see that the life cycle stages responsible for generating a large portion of a product's CO2 emissions differ depending on the product category. For example, for product categories such as LCD televisions, and Blu-ray Disc™/DVD players, emissions during product use account for a large proportion of total emissions. For this reason, reducing the power consumption of these products during use is particularly important. Conversely, among product categories such as smartphones and digital video cameras, a large portion of CO2 emissions occur at the manufacturing stage and in the production of materials and parts, rather than during use. For these products, such measures as reducing the parts count are crucial in lowering life cycle CO2 emissions. LCA results are reflected in mid-term environmental targets and incorporated into product design.

Breakdown of CO2 Emissions Over the Life Cycle of Signature Sony Products



Sony calculated the emissions based on the following assumptions:

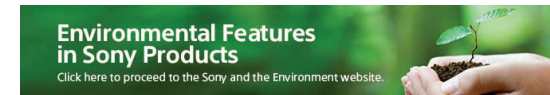
- Place of sale: Japan
- Product transportation: 500 kilometers by truck in Japan; by ship or by air for international transport
- Years of use: Walkman® Memory Type portable audio players: 5years; Cyber-shot™ compact digital camera: 2.7 years; Handycam® digital camcorder: 6.4 years; Xperia™ Smartphone: 4years; Security camera: 7years; Blu-ray Disc™ / DVD players: 7years; BRAVIA™ LCD television: 10years

Notes

- This chart shows the proportion of CO2 emissions at each stage of the life cycle. It does not indicate the degree of environmental impact of these products.
- The assumptions (usage assumptions, shipping distance, mode of shipping, manufacturing site assumptions, etc.) used for calculation of CO2 emissions differ among products.

Examples of Environmental Features in Sony Products

Sony is working on environmentally conscious and recycling-friendly designs and is improving environmental performance in terms of energy and resource conservation in a wide range of product categories. Signature products for these efforts are introduced on the "Sony and the Environment" website.



Updated on August 29, 2019

Environmentally and Socially Beneficial Products and Services

Digital Cinema Systems

Sony developed the HDW-F900, the world's first digital video camera for cinema production, back in the year 2000. Then, in 2007, Sony released 4K digital cinema projection systems featuring Sony SXRD projectors. These products helped usher in the era of energy- and resource-saving digital cinema, replacing traditional film, which uses water and chemicals for film manufacturing and processing. In addition to conserving resources, digital film distribution to theaters is simplified using hard disks, which is much more efficient than transporting cases of traditional film. In 2013, Sony released the PMW-F55 CineAlta 4K camera, which supports 4K capturing in a compact package that consumes even less power.



PMW-F55 CineAlta 4K camera



SRX-R515P digital cinema projection system

Video Conferencing Systems

Corporate meetings that require employees to travel from other locations generate CO2 emissions. The more meetings are held, the more transportation-driven emissions there are. To address this, Sony supplies video conferencing systems to help reduce CO2 emissions associated with employee travel. Sony is improving various aspects of the video conferencing experience, including image and audio quality, while increasing the number of locations that can join a single conference. The goal is to deliver a realistic conferencing experience that enables corporations to adopt video conferencing and reduce employee travel.



PCS-XG100 HD video conferencing

Digital Paper

Sony has been offering Digital Paper devices since 2013, featuring displays that use original Sony technology to render fine text so that it appears as sharp and readable as printed text. These devices ship with a stylus that enables users to take notes just as easily and smoothly as when using real paper. Major paper users such as universities, offices and hospitals are adopting this digital paper technology to go paperless and conserve resources.



Digital Paper DPT-RP1 (left) and DPT-CP1 (right)

Licensing of New Material Triporous™

Sony Triporous™ is a plant-based porous carbon material with excellent adsorption qualities. Sony obtained an end-to-end patent on this material and began licensing Triporous™ to other companies starting in 2019. Made from rice husks, Triporous™ has a unique microstructure that enables easy adsorption of substances with large molecular weights, which conventional activated charcoal does not easily adsorb. These substances include humic substances and toxic cyanobacteria bloom, both organic substances that cause water pollution, as well as viruses and allergens. The properties of Triporous™ can be leveraged to develop high-performance environmental cleaning filters that remove pollutants in water and air, and it promises to have applications for plant wastewater treatment facilities and water purification systems in developing countries. Japan alone generates around two million tons a year of rice husks, from which Triporous™ is made, with more than 100 million tons generated worldwide each year. Recycling this surplus biomass to make Triporous™ contributes to the realization of a more environmental conscious, recycling-oriented society.

> [News Release: Sony Begins Licensing of New Material Triporous™](#)

> [For more information on Triporous™, please refer to official website.](#)

> [For more information on the environmental performance of Triporous™, please refer to "Triporous™, contributing to a cleaner world" at the Sony and the Environment website.](#)



Triporous™ (foreground) is made from rice husks(background)



Triporous™ logo

External Sales of SORPLAS™ Recycled Plastic

Sony commenced external sales of its proprietary Sustainable Oriented Recycled Plastic (SORPLAS™) in 2014. SORPLAS™ is a flame-retardant recycled plastic that offers excellent heat resistance, durability, and recyclability. It contains up to 99% recycled materials. SORPLAS™ was first used in Sony products in 2011 and has since been incorporated into a wide variety of Sony products. By now offering SORPLAS™ to other companies, Sony aims to promote the recycling of resources and help reduce the environmental impact of society as a whole. Many companies are interested in using SORPLAS™. It is already being used in a wide variety of products, including televisions, smartphones, lighting fixtures, and office supplies.

- > [For more information on SORPLAS™, please refer to "Leading the development of recycled plastics" at the "Sony and the Environment" website.](#)
- > [News Release: Sony commences external sales of SORPLAS™ flame-retardant recycled plastic material that achieves high durability and heat resistance, and comprises up to 99% recycled content](#)



Sony's proprietary flame retardant (in vial) and two types of SORPLAS™ recycled plastic pellets

FeliCa™ IC Card Passenger Ticketing Systems

Sony's smart card passenger ticketing system, based on FeliCa™ contactless IC card technology, is helping to alleviate air pollution in Bangladesh. The city is facing serious air pollution issues due to increasing traffic congestion. The national bus company decided to adopt a FeliCa™ smart card passenger ticketing system in order to encourage the residents of Bangladesh to use municipal buses. The FeliCa™-based system has made it easier for users to get on and off buses. This added convenience has attracted more riders, which is in turn helping to alleviate traffic congestion.

Supporting Environmental Projects Using Drones

The Sony Group company, Aerosense Inc., supplies industrial solutions integrating drone technology with cloud services. The company supports local governments and corporations with their environmental projects and operations. In Minamisoma-shi in Fukushima Prefecture, where decontamination work is being done on radioactive substances released into the environment when the Fukushima Daiichi Nuclear Power Plant was damaged in the Great East Japan Earthquake, since May 2016, Aerosense drones have been regularly monitoring a temporary storage facility that holds removed decontaminated substances. The drones inspect for ageing and/or deterioration of the outer surface of the sheet covering these substances at the facility. Since September 2016, Aerosense has also been involved in a project tackling pine wilt disease in protected coastal forests, which is a serious problem across Japan. The Aerosense drones use their cameras to identify damaged trees precisely. This technology is helping to establish new methods of maintaining and managing protected coastal forests.



Aerosense drone

Updated on August 29, 2019

Reducing Environmental Impact at Suppliers and Outsourcing Contractors

Environmental Mid-Term Targets for Procurement / Outsourced Operation

Sony's Green Management 2020 environmental mid-term targets, which extend through fiscal 2020, include the following targets for raw materials and component procurement and for contract manufacturers. Under these goals, Sony is working even more closely with component suppliers and contract manufacturers to reduce environmental impacts throughout the life cycle of its products and services.

Green Management 2020 Targets for Raw Materials and Component Procurement

| | |
|----------------------------|---|
| Climate Change | Request suppliers dealing in component categories that create high environmental impact and/or suppliers involved in large business transactions to monitor greenhouse gas emissions, establish their own targets and implement reduction measures |
| Resources | Request suppliers dealing in component categories that create high environmental impact and/or suppliers involved in large business transactions to monitor water consumption, establish their own targets and implement reduction measures |
| Chemical Substances | <ul style="list-style-type: none"> Request suppliers to respond to Sony's unified standard that takes into account laws around the world restricting and banning chemical substances used, for raw materials, components and products supplied to Sony Request suppliers to ban from manufacturing processes the use of substances restricted in an international framework that Sony has specified |
| Biodiversity | Request that consideration be given to biodiversity |

Green Management 2020 Targets for Outsourced Operation

| | |
|----------------------------|---|
| Climate Change | <ul style="list-style-type: none"> Request manufacturing outsourcing contractors with large business transactions to monitor greenhouse gas emissions and reduce greenhouse gas intensity by 1% per year Request contractors with large business transactions to continually use renewable energy Prioritize the use of energy efficient data center |
| Resources | <ul style="list-style-type: none"> Request manufacturing outsourcing contractors with large business transactions to monitor volume of water use and reduce water use intensity by 1% per year Request manufacturing outsourcing contractors with large business transactions to monitor and reduce volume of waste generation |
| Chemical Substances | <ul style="list-style-type: none"> Request manufacturing outsourcing contractors to respond to Sony's unified standard that takes into account laws around the world restricting and banning chemical substances used, for products and partially-finished products supplied to Sony Request manufacturing outsourcing contractors to ban from manufacturing processes the use of substances restricted at an international framework that Sony has specified |
| Biodiversity | Encourage manufacturing outsourcing contractors the environmental contribution activities (including conservation activities at Sony's sites) respecting the needs of local communities |

> For more information on GHG emissions over the entire value chain, please refer to "Assessing Greenhouse Gas Emissions over the Entire Value Chain."

> For more information on the management of chemical substances of products, please refer to "Three Core Principles for Managing Chemical Substances in Products."

Working with Component Suppliers and Manufacturing Outsourcing Contractors to Reduce the Impact on the Environment

As part of its efforts to reduce environmental impact across the supply chain, Sony has been working with key component suppliers and manufacturing outsourcing contractors since fiscal 2016 to reduce their environmental footprint. For example, Sony has asked its manufacturing outsourcing contractors to reduce their greenhouse gas emissions and reduce water use intensity by 1% per year, while asking component suppliers to set voluntary reduction targets. Sony also collects data on greenhouse gas emissions and water consumption relating to the manufacturing and shipping of products and components delivered to Sony. In fiscal 2018, Sony obtained answer to the questionnaire about these data from component suppliers which account for approximately 79% of the total transaction value and from manufacturing outsourcing contractors which account for approximately 90% of the total transaction value.

Prioritizing Energy-Efficient Data Centers

Sony offers a wide variety of network services including gaming, Internet, and streaming services for movies and music. These services rely on data centers with facilities and components for transmitting large volumes of data to ensure seamless services for users. The amount of electricity consumed by data center equipment and facilities is increasing with the growth of network businesses. Sony's environmental mid-term targets include the target of prioritizing the use of energy-efficient data centers. Sony has been working on this by developing guidelines in fiscal 2016 that have been put into effect since fiscal 2017.

Promoting Green Purchasing

Having set internal standards for green purchasing, Sony chooses environmentally conscious products when procuring nonproduction materials such as printing paper, stationery and office equipment in Japan. At the same time, in principle, Sony carefully examines needs, amounts to be used and stock levels to purchase appropriate quantities. In addition, when choosing products to be purchased, Sony prioritizes select recommended products in consideration of environmental impact at all stages of a product's life, from resource extraction through to production, distribution, use and disposal. Information on recommended products is included in Sony's purchasing system of nonproduction materials, making it possible for individuals in charge of purchasing decisions to give priority to environmentally conscious products.

Updated on August 29, 2019

Environmental Mid-Term Targets for Operations

Sony's Green Management 2020 environmental mid-term targets, which extend through fiscal 2020, include the following targets for operations at sites. Under these targets, Sony works to reduce environmental impact by taking energy-saving measures at its manufacturing sites and offices.

Green Management 2020 Targets for Internal Operations

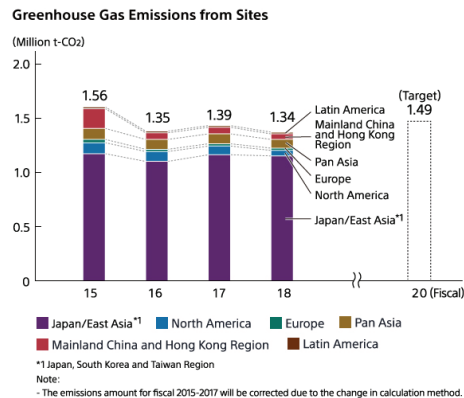
| | |
|----------------------------|---|
| Climate Change | <ul style="list-style-type: none"> Reduce absolute GHG emissions from Sony's sites by 5% (compared with FY2015) Use renewable energy equivalent to 300,000 CO₂-tons |
| Resources | <ul style="list-style-type: none"> Reduce absolute waste generated by 5% (compared with FY2015) Landfilled waste rate under 1% (excluding waste that Sony cannot control) Reduce absolute usage of water by 5% (compared with FY2015) |
| Chemical Substances | <p>Take actions for classes 1-4. Detailed groups of chemical substances are defined separately.</p> <p>Class 1 substances: Prohibit use</p> <p>Class 2 substances: Prohibit use (Exemptions granted for certain applications)</p> <p>Class 3 substances: Reduce the amounts released and transferred</p> <p>>Reduce the amount of VOCs released to the air by 50% from FY2000 level</p> <p>Class 4 substances: Comply with the relevant laws and regulations and use under appropriate control</p> |
| Biodiversity | <ul style="list-style-type: none"> Implement environmental contribution activities (including conservation activities at Sony's sites) respecting the needs of local communities |

Updated on August 29, 2019

Reducing Greenhouse Gas Emissions

Greenhouse Gas Emissions at Sony Sites

Under the Green Management 2020 mid-term environmental targets, Sony is working to achieve an absolute reduction in greenhouse gas emissions of 5% from the fiscal 2015 level by fiscal 2020. Main efforts toward this end included striving to reduce greenhouse gases such as CO₂ related to energy consumption and cutting emissions of perfluorocarbons (PFCs) and other gases. In fiscal 2018, Sony's emissions of greenhouse gases totaled approximately 1.34 million tons. This represents an approximately 4% down from the fiscal 2017 level.



CO₂ Emissions from Energy Use at Sites

In fiscal 2018, emissions of CO₂ from energy use at Sony sites*1 accounted for approximately 1.27 million out of the approximately 1.34 million tons of total emissions at Sony, down by about 49,000 tons from fiscal 2017. CO₂ emissions resulting from the use of energy at sites in Japan amounted to approximately 1.07 million tons, a decrease of approximately 11,000 tons from fiscal 2017. The above CO₂ emissions resulting from energy use at Sony sites include emissions from fuel used by Sony-owned business vehicles. In fiscal 2018, CO₂ emissions resulting from fuel used in vehicles amounted to approximately 20,000 tons.

Going forward, Sony will take efforts to restrict greenhouse gas emissions through infrastructure-related measures, including the installation of high-efficiency equipment and the promotion of energy recycling, and to enhance nonstructural measures, notably the introduction of training programs designed to foster energy-saving leaders.

*1 Emissions of CO₂ from energy use at Sony sites include CO₂ emissions from fuel use of business vehicles owned by Sony.

Emissions of PFCs and Other Greenhouse Gases

PFCs and other greenhouse gases with high global warming potential are used in cleaning and etching processes in the manufacture of semiconductors. Emissions of PFCs and other greenhouse gases in fiscal 2018 (calculated in terms of CO₂) totaled approximately 70,000 tons, down about 31,000 tons from fiscal 2017. The main decrease was attributable to introduction of gas abatement equipment and other reduction initiatives. Sony is taking further steps to reduce emissions, including installing gas abatement equipment.

Promoting Efficient Energy Use

To achieve its fiscal 2020 reduction targets, Sony is working on various energy conservation activities at its sites around the world. A sample of these initiatives follows.

Energy-Efficient Air Conditioning System

Sony Device Technology (Thailand) Co., Ltd. rebuilt its clean rooms used for semiconductor manufacturing to incorporate energy-efficient air conditioning (AC) systems. The systems use the warm air that rises from heat-producing machinery to carry dust particles away from clean room work surfaces. The warm air is circulated through the ceiling to supply fresh air, keeping work surfaces clean with less air flow than a conventional AC system. The new systems reduce CO₂ emissions by roughly 67%, saving approximately 2,700 tons of emissions annually compared to a conventional system. In addition this energy-efficient AC systems are also being deployed in the manufacturing lines of Sony Technology (Thailand) Co., Ltd. (STT-B)



Energy-efficient AC system deployed in manufacturing lines of STT-B

> For more information, please refer to "Helping to reduce our plant's footprint" at the "Sony and the Environment" website.

Using Waste Heat from Air Conditioners in Semiconductor Cleanroom Facilities

Sony Semiconductor Manufacturing Corporation's Nagasaki Technology Center is working to improve air conditioning systems with the goal of conserving energy in cleanroom facilities used to manufacture semiconductors. Previous systems consumed a great deal of energy blowing clean air into cleanrooms and cooling down waste heat generated by the rooms' production equipment. Focusing on waste heat generated by this equipment, the center installed waste heat recovery equipment and a two-fluid humidification system to effectively use waste heat to power air conditioning equipment. By releasing mist to humidify and cool the room and facilitate transpiration that traps heat from the surrounding environment, two-fluid humidification establishes a system that is remarkably easy to control to ensure a stable air condition. Cleanroom facilities where semiconductors are manufactured must meet rigorous criteria, including precise humidity levels and temperatures. Utilizing two fluids, this humidification system not only meets these conditions, but also saves energy. The Nagasaki Technology Center capitalizes on the synergistic effect between the two-fluid humidification system and the use of recovered waste heat, which had previously been lost as surplus energy, to significantly reduce energy consumption in its cleanroom facilities. This initiative has become the new model for maintaining cleanroom humidity/temperature in the manufacture of semiconductors by Sony.



The two-fluid humidification system releases mist

> For more information, please refer to "Helping to reduce our plant's footprint" at the "Sony and the Environment" website.

Energy Conservation: Initiatives Driven by Plant Employees

Sony promotes a broad range of energy-saving efforts at its sites around the world. In addition to increasing the energy efficiency of buildings and equipment, in recent years Sony has actively implemented activities for reducing energy consumption suggested by manufacturing site employees. These activities focus on the formulation and implementation of energy-saving solutions for manufacturing sites, which consume more electricity than any other part of Sony's manufacturing operations. Employees set ambitious project targets and take steps to shed light on energy consumed in different manufacturing processes. This enables employees to identify unnecessary uses of energy in such processes, as well as to develop and test solutions and, having confirmed the effectiveness thereof,

to effect ongoing improvements. Particularly outstanding solutions are subsequently expanded to other sites. These activities were prompted by the effectiveness of the Eco Challenge Project implemented in 2009 at Sony Corporation's Sendai Technology Center and Sony Storage Media Manufacturing Corporation's Tagajo site. Similar energy conservation activities are now being implemented at Sony manufacturing sites around the world.



Eco Challenge Project at Sony UK Technology Center

Updated on August 29, 2019

Use of Renewable Energy

Efforts to Reduce CO2 Emissions by Using Renewable Energy

Sony's Green Management 2020 environmental mid-term targets include reducing cumulative CO2 emissions by 300,000 tons by using renewable energy*1 by fiscal 2020. In order to achieve this target, Sony is working to adopt renewable energy in ways suited to the regional circumstances of its business locations worldwide, employing strategies such as procuring renewable energy from power utilities and purchasing renewable energy certificates. In order to accelerate the utilization of renewable energy, in 2018, Sony became a member of RE100*2. Sony's goal is to source 100% renewable electricity for the worldwide operations by 2040.

*1 Renewable energy includes solar, wind, water, geothermal and biomass. This is energy that comes from sustainable sources.

*2 RE100 is a global initiative led by the non-profit The Climate Group in partnership with CDP in which participating companies set a goal of procuring 100% renewable electricity for power used in their global business operations.

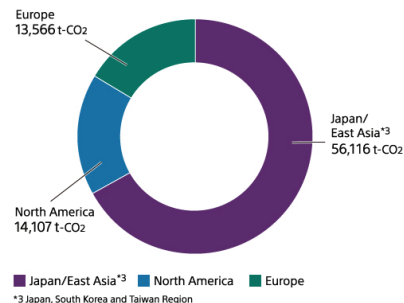
> News Releases: Sony Joins the Global Initiative RE100 in Pursuit of Operating with 100% Renewable Electricity



RE100 logo

In fiscal 2018, the total amount of CO2 emissions reduced by using renewable energy at Sony worldwide was approximately 84,000 tons. By region, renewable energy input breaks down to 56,000 tons in Japan and East Asia, 14,000 tons in North America, and 14,000 tons in Europe. Of the electricity used at Sony worldwide, electricity generated by renewable energy accounted for approximately 7%. The cumulative total of CO2 emissions reduced by using renewable energy since fiscal 2016 is 238,000 tons.

Quantity of Renewable Energy Use by Region (Fiscal 2018)



Japan: Increasing the Utilization of Renewable Energy

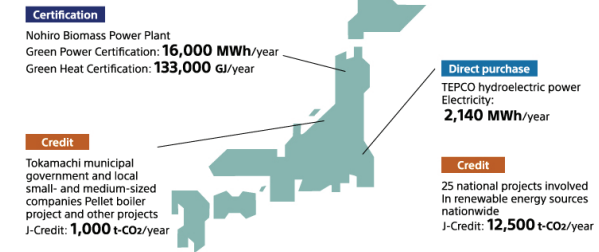
Utilizing Green Energy Certificates and Other Carbon Offset Credit Systems

In fiscal 2018, in Japan, Sony used Green Power Certificates*1 that amounted to 17,444 MWh of green electricity, equivalent to approximately 8,998 tons of CO2 emissions. Sony also used other renewable energy credits in addition to Green Power Certificates, which were equivalent to approximately 45,065 tons of CO2 emissions. Under an agreement to directly purchase hydroelectric power, which went effect in fiscal 2017, Sony purchased renewable energy from TEPCO Energy Partner, Inc., saving an equivalent of 1,193 tons of CO2 emissions.

*1 The Green Power Certification System was jointly developed in 2001 by Sony and power utilities. The scheme issues green certificates that represent the environmental value of electricity,

heat and other renewable energy generated by power plants across Japan. Entities can purchase and trade these green power and green heat certificates. They are considered equivalent to purchasing renewable energy, even if generated at a distant place.

Sony Procurement of Renewable Energy in Japan (As of March 31, 2019)



Note:
- Data indicated in the above diagram is calculated from contracts, and differs from data described in the main text, which is calculated from purchases.

Solar Energy System Deployed at Kumamoto Technology Center

Sony Semiconductor Manufacturing Corporation's Kumamoto Technology Center (Kumamoto TEC) engages in semiconductor manufacturing and development. The center deployed a 1,065 kW solar power project, the largest of its kind in the Sony Group in Japan. The solar energy system was brought online in 2019 and is expected to generate an estimated 1,240 MWh per year.

> For more information, please refer to "Mega Solar Installation Now in Use at Kumamoto Technology Center" at the [Sony and the Environment website](#).



Solar panels installed on the roof at Kumamoto TEC

Europe: Using 100% Renewable Electricity

In Europe, Sony has been using renewable electricity since 2002. From fiscal 2008 onward, 100% renewable electricity usage had been achieved by Sony sites*1 in Europe through the onsite photovoltaic power generation, through the direct purchase of electricity generated from renewable sources and through the purchase of Renewable Electricity Certificates if direct purchase or onsite generation of renewable electricity was not possible. In fiscal 2018, Sony used a total of approximately 56,333 MWh of renewable electricity in Europe.

Sony UK Technology Centre (UK TEC) based in Pencoed, United Kingdom is one of the Sony sites in Europe which use 100% renewable electricity. In fiscal 2018, UK TEC generated 219 MWh of renewable electricity from 897 PV solar panels installed at the facility, and it purchases Renewable Energy Certificates for the remainder of its electricity needs.

*1 Sony sites in Europe that have obtained ISO 14001 certification



Solar panels on the roof and ground of the UK TEC TEC

North America: Promoting the Use of Renewable Energy by Various Regional Group Companies

Beginning April 2008, four of Sony's sites in the United States—the Pitman (at the time) and Terre Haute plants of Sony DADC U.S. Inc., the New York office of Sony Corporation of America (SCA) and the San Diego office of Sony Electronics Inc. (SEL)—signed Renewable Energy Certificate contracts. Subsequently, the scope of purchases were expanded to cover additional sites, and in fiscal 2018 Green Power Certification purchased by the Sony Group covered more than 28,565 MWh of electricity in the United States at the following sites: Sony DADC's Terre Haute plant; Sony DADC's Bolingbrook distribution center; the New York office of SCA; Sony Pictures Entertainment Inc. (SPE), and major facilities of SEL. This is enough green power to meet an estimated 27% of these entities' electricity use in the United States. At the SPE headquarters, approximately 284 MWh of electricity was provided by the company's own solar power generation system in fiscal 2018.



Solar panels on the roof of SPE's headquarters

Pan Asia: Solar Energy System Deployed in Thailand

In the Pan Asia region, the Chonburi Factory of Sony Technology (Thailand) Co., Ltd. (STT-C) deployed a 1,814 kW solar energy system that started operating in 2019. This system is expected to generate an estimated 2,420 MWh per year. STT-C will also pursue energy-saving measures throughout the plant in order to reduce energy use.



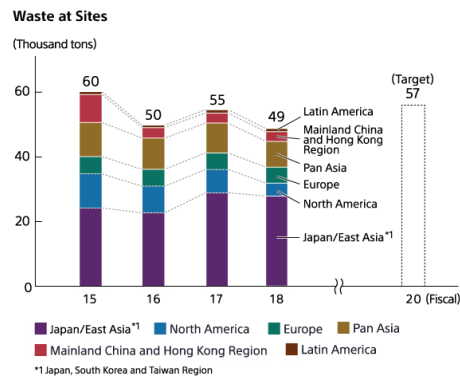
Solar panels on the roof of STT-C

Updated on August 29, 2019

Reducing Waste Generation

Absolute Waste Amount at Sony Sites

Under the Green Management 2020 mid-term environmental targets, Sony implements a variety of measures to reduce waste and use resources more effectively in line with its targets to achieve an absolute reduction in waste amount at Sony sites of 5% from the fiscal 2015 level. In fiscal 2018, absolute waste amount of Sony sites was approximately 49,000 tons. This represents an approximately 11% decrease from the fiscal 2017 level. Sony reuses the used packaging materials when shipping parts—a major component of waste generated by manufacturing sites—and pursues reuse and recycling throughout the Sony Group.



Landfilled Waste Rate for Sony Sites

In fiscal 2018, the landfilled waste rate for all Sony Group sites was approximately 3.1%. The rate for sites in Japan was 0.2%. However, the landfilled waste rate for Sony sites became approximately 3.5% when the calculation includes waste that Sony is required by law or ordinance to dispose by landfills. Sony strives to reduce the rate of waste disposed in landfills by recycling wastes generated by sites.

Management of Industrial Waste

Sony takes precautions to ensure waste from its sites is not inappropriately disposed of. For example, in Japan Sony has set consistent internal standards for selecting waste disposal contractors and inspecting disposal sites on an ongoing basis. It has also established an internal system of accreditation for disposal site inspectors, and is stepping up efforts to minimize risks associated with contracting out waste disposal. To reinforce this system, Sony implements periodic on-site inspections in the waste disposal contractors, thereby ensuring rigorous management procedures.

Example of Waste Reduction

All Sony Group sites are making efforts to cut down on waste. Sony EMCS Penang Tec has taken the initiative to recycle scrap wood left over from the manufacture of speaker cabinets. In the past, wooden planks were disposed as landfilled waste because the vinyl sheets attached to the wood made them difficult to recycle. After trying various measures in collaboration with the local government and waste treatment firms, the company found a way to recycle wood waste without separating the vinyl sheets. This led to a reduction in the amount of waste disposed in landfills and improved the production plant's overall recycling rate.

In addition, other types of production wood wastes are now also recyclable under this project.



Sony EMCS Penang Tec made it possible to recycle scrap wood from speaker cabinets

Improving Component Packaging

At all of its sites, Sony works to reduce the amount of waste through overall reviews of the packaging used in components and the optimization of this packaging.

For example, a range of measures are employed to reduce the amount of materials used in component packaging materials and hence curb the amount of waste. These include the complete elimination of protective bags for components, modifications to increase the capacity of containers used to store components, and the switch from disposable containers to multi-use returnable boxes. In particular, Sony is working to standardize the sizes of, and materials used in, returnable containers while aiming to expand the range of items for which such containers are used.



Returnable containers used to transport components at the Shanghai Suoguang Visual Products Co. Ltd.

> For more information on environmentally conscious initiatives in logistics systems, please refer to "Reducing the Environmental Impact of Logistics."

Updated on August 29, 2019

Reducing Water Consumption

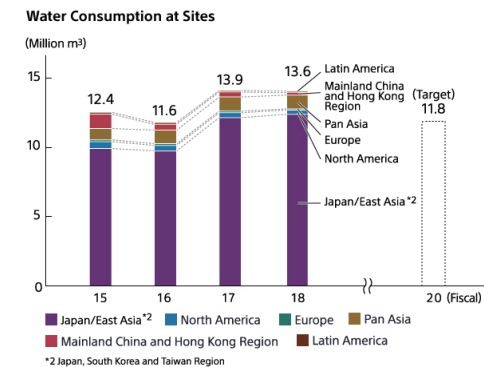
Water Consumption at Sony Sites

Under the Green Management 2020 mid-term environmental targets, Sony is working to reduce the consumption of water at its sites in line with its target of achieving an absolute reduction of 5%, compared with the fiscal 2015 level, by fiscal 2020. In fiscal 2018, Sony sites used approximately 13.64 million m³ of water, a decrease of approximately 2% compared with the fiscal 2017 level.

Sony also takes steps to ensure the quality of wastewater at its sites. In addition to observing related laws and regulations in each of the countries and territories in which it operates, Sony manages wastewater quality using stricter criteria than it is required to. For example, the introduction of sophisticated water treatment facilities has enabled it to reduce BOD and COD levels*1 in wastewater.

*1 Biochemical oxygen demand (BOD) and chemical oxygen demand (COD) levels are common measures of water pollution.

> For more information on BOD and COD levels, please refer to "Environmental Data."



Reducing Water Use at Manufacturing Sites

For semiconductor and consumer electronic products, vast amounts of water are needed not only in the manufacturing process but also in the recycling process. At its plants all over the world, Sony is taking a variety of measures to preserve local water resources, including wastewater, recycling and initiatives for reducing water consumption. Examples of these initiatives are described below.

Improvements to Wastewater Treatment System at the Kumamoto Technology Center

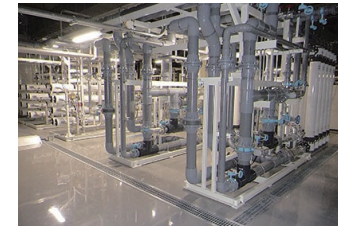
Sony Semiconductor Manufacturing Corporation's Kumamoto Technology Center has adopted improvements to reduce water used for combustion treatment to remove exhaust gas emitted from production lines. This water is recycled using wastewater recovery facilities, but in the case where total organic carbon (TOC) and fluorine concentrations exceed certain levels, the water is detoxified using wastewater treatment facilities and then released into the sewer system, necessitating a fresh supply of water. To reduce the volume of wastewater and fresh water consumption, the Kumamoto Technology Center collaborated with the manufacturer of the water treatment facilities to add biological treatment and ion removal membranes to the water treatment process, for TOC and fluorine removal. The resulting improvement in wastewater quality enabled the facility to increase the volume of water recycling and reduce fresh water consumption by approximately 45%.



Wastewater recovery facilities for water used for combustion treatment to remove exhaust gas

Controlling Water Consumption by Improving the Production System at the Nagasaki Technology Center

Sony Semiconductor Manufacturing Corporation completed an initiative for controlling water consumption at Nagasaki Technology Center, a semiconductor production plant, when it installed a new production line intended to boost production capacity. As one part of this initiative, the center began reusing wastewater for gas detoxification equipment, which renders the gases used in the semiconductor production process harmless. A large quantity of industrial water is needed to eliminate the toxins in such gases, and with the installation of the new production line and additional gas detoxification equipment, the amount of industrial water consumption was set for an increase. In response, the center installed a wastewater recovery system to reuse the wastewater from the gas detoxification equipment, enabling it to recover and reuse about 80% of the water. Moreover, the center began using the system to recover and reuse wastewater from other production equipment, allowing it to significantly limit the increase in industrial water consumption related to increased production.



A wastewater recovery system for gas detoxification equipment

Rainwater Harvesting at Green Cycle Corporation

Green Cycle Corporation is a Sony Group company that engages in the recycling of waste home appliances and other products. The company began harvesting rainwater in fiscal 2014 in an effort to reduce its water use. Rainwater was initially tested to confirm that it would not affect the recycling processes and now it is used in the recycling processes that involve crushing machine (and etc.) as well as the water for cleaning in toilet. In 2018, when the company renovated its warehouse, it also redesigned the entire 2,500 m² rooftop to serve as rainwater collection area and this replaced the existing 80 m³ underground rainwater storage tank. After the new system was deployed, from November 2018 to March 2019, the company has collected 430 m³ of rainwater and supplied 33% of the total water usage.



Rainwater collection system on warehouse roof

Updated on August 29, 2019

Managing Chemical Substances

The Sony Group has developed a group-wide approach to the management of chemical substances used at sites where the use of these chemicals is controlled by legislation, designated as having a potentially harmful impact on the environment, or used in large quantities.

Reinforcing Standards for Managing Chemical Substances

Under the Green Management 2020 environmental mid-term targets, chemical substances are categorized into four classes. Sony carefully manages and reduces the amount transferred as air, water, or soil emissions and waste. In countries where no legal reporting requirements exist for chemical management, Sony sites apply standards based on Japan's Pollutant Release and Transfer Register (PRTR) as internal rules. Chemical substances are classified as follows:

Class 1 substances : Prohibit use

- The substances regarded as having a serious impact on the human body or environment (carcinogenicity, mutagenicity, toxicity for reproduction, acute toxicity, ecotoxicity, etc.) which are prohibited to be produced or used under international treaties or individual countries' regulations
- The substances considered to have a high risk of environmental pollution such as soil contamination

> For more information, please refer to "List of Chemical Substances Registered as Class 1 (Prohibition of Use) in Site Operation by the Sony Group." [PDF:119KB]

Class 2 substances : Prohibit use (Exemptions granted for certain applications)

- The substances regarded as having a serious impact on the human body or environment (carcinogenicity, mutagenicity, toxicity for reproduction, acute toxicity, ecotoxicity, etc.) , which are subject to regulations that require their registration or to monitor the amounts released and transferred because they are of high risk.
- The substances recognized as needed to be eliminated because they are regarded as high risk in their management after considering the trend of regulations or the social circumstances.

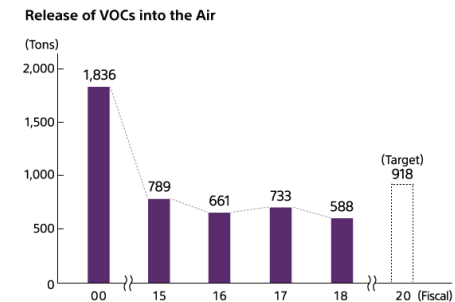
Class 3 substances : Reduce the amounts released and transferred

- The substances having a serious impact on the human body or environment, which are subject to regulations requiring monitoring of the amounts released and transferred.
- The substances which are recognized as needed to be reduced in the amount of release and transfer after considering the trend of regulations or the social circumstances.
- Volatile organic compounds (VOC) other than Classes 1 and 2

Class 4 substances : Comply with the relevant laws and regulations and use under appropriate control

- The substances not classified as Class 1, 2, or 3.
Note that water and air are not required to be managed as chemical substances.

Sony is working to achieve its targets for reducing the amount of volatile organic compounds (VOCs) released into the air by 50% from the fiscal 2000 level. VOC emissions into the air were approximately 588 tons in fiscal 2018, 68% lower than fiscal 2000 levels and down 20% from fiscal 2017. At its semiconductor fabrication facilities, which are the main source of VOC emissions, Sony is replacing VOCs with alternative substances and reducing VOC use in manufacturing processes. Sony has also been developing compact VOC treatment systems, and it is steadily installing them.



Example of Reduction in Chemical Substance Usage

Sony Semiconductor Manufacturing Corporation (SCK) collaborated with an equipment manufacturer to develop a proprietary volatile organic compound (VOC) treatment system as part of efforts to reduce the amount of VOCs released. Conventional VOC treatment systems are installed near ventilation duct outlets. Since such equipment is designed to treat extremely rarefied organic substances, it is very large, making space and cost constraints an issue for semiconductor plants that want to install these types of systems. SCK responded by focusing on production equipment for highly concentrated organic substance and developed a small, fixed condensing-type VOC treatment system in conjunction with an equipment manufacturer. The newly developed system can be installed near production equipment and is able to treat VOCs efficiently.



Small, fixed, condensing-type VOC treatment system developed by SCK in conjunction with an equipment manufacturer

Ozone-Depleting Substances

Sony succeeded in completely eliminating first-generation chlorofluorocarbons (CFCs) from its manufacturing processes in 1993 and banned the use of second-generation hydrochlorofluorocarbons (HCFCs) at the end of fiscal 2000. Sony business sites currently prohibit the use of ozone-depleting substances stipulated under the Montreal Protocol. Sony uses CFCs as a refrigerant in some air-conditioning units only. Compliance with laws and regulations in each country is ensured, and strict care is taken to prevent leakage of CFCs from these units during maintenance.

Environmental Risk Management at Sony Sites

To carry out effective risk management of chemical substances and emergency responses, the Sony Group has enacted the Sony Group Standards for Site Environmental Risk Management, which set the management standard and give examples of improvement measures. Based on these standards, at each site Sony has implemented accident prevention measures, including prohibiting the burial of tanks for chemical substances and pipes, and various leak prevention measures. In addition, Sony rigorously works to prevent environmental accidents through ongoing improvements to its systems based on regular audits at each site, information sharing among sites and other initiatives. Sony has established a system whereby its sites are required to promptly report environmental accidents to the authorities and to take appropriate countermeasures. No such accidents were reported at any of Sony's sites in fiscal 2018.

Response to Soil and Groundwater Contamination

In the event that an incident of soil or groundwater contamination is identified at a Sony site in a voluntary check or other assessment, remediation processes are implemented in compliance with pertinent local laws and ordinances. For example, Sony Group companies in Japan deal with the occurrence of contamination of soil and groundwater at Group sites by taking steps in line with the Sony Group Standard for Assessing Soil and Groundwater, an internal document that sets out procedures that comply with Japanese laws and ordinances. This manual stipulates that issues be addressed through the following three phases:

Phase 1: Investigate past and present chemical use and confirm the existence or otherwise of used or unused underground tanks, buried piping, other similar equipment, or previous incidents, at the site. Perform an inspection of the site to ascertain whether there is any residual soil or groundwater contamination.

Phase 2: Based on the investigations undertaken in Phase 1, carry out an assessment of the areas that are potentially contaminated. Undertake measurements at these locations in line with the Soil Contamination Countermeasures Act.

Phase 3: If any contamination is identified based on these results, carry out prevention and remediation procedures.

Incidents of soil and groundwater contamination resulting from operations have been confirmed at two Sony Group sites, as shown below. In response, Sony has been remediating the contamination and submitting regular reports to authorities.

Progress of Soil and Groundwater Remediation

Updated on August 29, 2019

| Site | Date Contamination Confirmed | Substance(s) Detected | Cause | Response/Current Status |
|---|---|----------------------------|---|--|
| Sony Global Manufacturing & Operations Corporation Inazawa Site (Japan) | June 2001 (Result of voluntary assessment) | Fluorine | Leak from crack in drainage pipe | The site has discontinued use of the equipment that caused the contamination, removed the contamination, and is monitoring groundwater. Analysis carried out in fiscal 2018 found substances in a concentration of 1.06 mg per liter. |
| Sony Corporation's Atsugi Technology Center (Japan) | March 2015 (Result of voluntary assessment) | Fluorine and its compounds | Leakages in areas where the substances had been previously used | According to the results of reporting to government, the site was designated as an "area that poses no risk of damage to human health" because, despite the fact that soil and groundwater contamination have been confirmed on the premises, there is no likelihood that the contamination has leaked into neighboring sites. The site continues to remove contamination from areas exceeding legal concentrations and to monitor groundwater as directed by the government in August 2016. Designation was partially withdrawn in January 2018. Groundwater is being monitored for contamination. Concentration in groundwater is currently below legal standards. |

Guiding Principles for Biodiversity Conservation Initiatives and Case Examples

Guiding Principles for Conservation Initiatives

Sony has established a Basic Policy on Biodiversity Conservation, pledging its commitment to help achieve the twenty Aichi Biodiversity Targets by conserving natural capital and biodiversity through the entire product life cycle.

Sony business sites are intricately connected with the natural environment and ecosystems that surround them. In light of this, Sony is focused on helping to achieve the Aichi Biodiversity Targets by promoting activities to protect biodiversity in these regions and further afield. Sony introduced its Green Star Program in fiscal 2011 as an internal framework for assessing the green performance of business sites and advancing green measures, and categorizes biodiversity considerations and initiatives as outlined below. Sony also communicates with employees about the importance of pursuing initiatives under the Green Star Program as a way to help achieve the Aichi Biodiversity Targets, working to build a shared recognition of the significance of these initiatives that will encourage action.

- > [For more information on the Basic Policy, please refer to "Policy on Biodiversity."](#)
- > [For more information on the Aichi Biodiversity Targets, please refer to "Aichi Biodiversity Targets" at the Convention on Biological Diversity website.](#)

Biodiversity Considerations/Initiatives and Associated Aichi Biodiversity Targets

| | Measures | Main Associated Aichi Targets |
|---|--|--|
| Education and awareness | <ul style="list-style-type: none"> Conduct education, seminars, and lectures concerning biodiversity Conduct nature observation programs | Target 1 Awareness increased: Focus on raising awareness of the value of biodiversity and protective measures |
| Investigation | <ul style="list-style-type: none"> Monitor living things Give consideration to the ecological services related to site and business Grasp status of land use Give consideration to local biodiversity preservation plans | Target 19 Knowledge improved, shared and applied: Improve related knowledge, science and technology |
| Improve ecosystems | <ul style="list-style-type: none"> Improvement of environment for living things Give consideration to ecological network and green corridor Give consideration to three-dimensional vegetation Adoption of local species | <p>Target 5 Habitat loss halved or reduced: Cut the loss of natural habitats, including forests, to at least half; significantly reduce degradation and fragmentation</p> <p>Target 10 Pressures on vulnerable ecosystems reduced: Protect coral reefs and other ecosystems that are particularly susceptible to environmental changes</p> |
| Measures against negative impact | <ul style="list-style-type: none"> Measures against alien species Give consideration to bad effects on ecosystems caused by emissions | <p>Target 8 Pollution reduced: Control contamination from chemical substances, fertilizers and pesticides to within parameters that are not harmful</p> <p>Target 9 Invasive alien species prevented and controlled: Control or eradicate invasive alien species</p> <p>Target 12 Extinction prevented: Prevent the extinction of known threatened species</p> |

| | | |
|--|---|--|
| Protection and conservation of ecosystem services | <ul style="list-style-type: none"> Grasp and conserve endangered species Conserve a wildlife sanctuary Groundwater recharge | <p>Target 11 Protected areas increased and improved: Protect at least 17% of terrestrial areas and 10% of marine areas</p> <p>Target 14 Ecosystems and essential services safeguarded: Restore and safeguard ecosystems that provide natural abundance</p> |
| Management | <ul style="list-style-type: none"> Ensure the appropriate management and use of chemical substances Ensure the effective use of organic resources Promote procurement that leads to biodiversity | Target 4 Sustainable consumption and production: Implement plans for sustainable production and consumption among all stakeholders |
| Cooperation with stakeholders | <ul style="list-style-type: none"> Cooperation with stakeholders Support for organizations that engage in biodiversity conservation activities | Associated targets depend on focus of activities |

Education and Awareness

Promoting initiatives for biodiversity conservation starts with getting people in diverse positions to better recognize and understand the value of biodiversity. With the understanding that awareness leads to conservation, Sony engages in a broad range of biodiversity education and awareness initiatives including organizing nature walks, biodiversity-themed photo contests, environmental education for students, and art competitions, as well as using social media to raise biodiversity awareness. These initiatives will enable Sony to help achieve Target 1 "Awareness increased" of the Aichi Biodiversity Targets.

Wow! Wow! Biodiversity Project

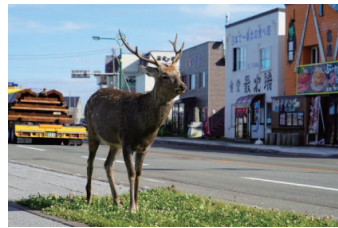
Sony launched the Wow! Wow! Biodiversity Project in fiscal 2015, as a platform for organizing nature appreciation events for the general public and to spread awareness of biodiversity through social media. Sony China joined the project in fiscal 2016 and has been continuously organizing activities which designed to raise biodiversity awareness, including a nature- and biodiversity-themed photo contest in China. The annual photo contest has drawn roughly 3,700 submissions since the start of the contest in fiscal 2016. The submissions have been shared

with approximately 200,000 people via social media, including employees of Sony Group companies in China and their friends. To further spread awareness among the general public, Sony China has held a public exhibition of the winning entries at the Shanghai Pudong Software Park in conjunction with organizing biodiversity lectures and biodiversity-themed photography workshops using Sony cameras. These events have helped to direct attention toward biodiversity and educate the broader public on the importance of biodiversity.

> For more information on project activities including in Japan, please refer to "Wow! Wow! Biodiversity Project" at the Sony and the Environment website. (only in Japanese)



Public exhibition of winning entries for photo contest



Grand prize winners from the photo contest in fiscal 2018

Welcoming Environmental Field Trips from Local Primary Schools

Sony UK Technology Centre manages, within its premises, a nature and wildlife habitat, which was maintained with the help of employee volunteers, to provide Forest School sessions at their facility and it was called Environmental Centre. Sony UK Technology Centre is working with local schools and groups to enable each student attending Forest School sessions to have the opportunity to develop an inquisitive and positive relationship with the natural environment. Throughout 2018, the Environmental Centre organized various activities. For example, it hosted 768 participants of all ages & abilities and welcomed 8 local primary schools for weekly forest school sessions. It also provided monthly Saturday sessions for children and young people with additional learning needs.



The Environmental Centre within the verdant natural grounds of the Sony UK Technology Centre

Investigation

As part of their environmental conservation activities, various Sony sites survey the natural habitats located on their grounds and in the surrounding areas by monitoring and fixed-point observations. They then reflect the results of these studies in conservation plans, allowing them to carry out activities in consideration of the local ecosystem. The disclosure of the survey results will enable Sony to help achieve Target 19 "Knowledge improved, shared and applied" of the Aichi Biodiversity Targets.

Monitoring Ecosystems Surrounding Offices

The Kunisaki Satellite at the Oita Technology Center of Sony Semiconductor Manufacturing Corporation in Japan monitors red-clawed crab and other marine creatures living along the coast, as well as wildlife living in the forest on the center's premises, which has been the focus of conservation since the site was established. The site has also been monitoring the status of a group of endangered Golden Orchid and Cephalanthera Erecta plants discovered during surveys in 2013. In 2015, the site began monitoring for alien species and has enacted conservation plans to protect the ecosystem on its premises through a variety of measures, including selecting trees to be removed.



An employee monitors growth

Improve Ecosystems

Sony's business sites endeavor to protect biodiversity through conservation of the environment that provides a habitat where local species can hide and lay their eggs. Business sites carry out various activities intended to preserve the environment in consideration of local ecosystems, from planting local varieties of trees and composting fallen leaves and trimmings to installing birdhouses and constructing ponds and waterways. Sony is also helping to preserve marine habitats that are so important to sea life through conservation efforts for coral reefs and mangrove forests that serve as nesting and feeding grounds. These initiatives are enabling Sony to help achieve Targets 5 "Habitat loss halved or reduced" and 10 "Pressures on vulnerable ecosystems reduced" of the Aichi Biodiversity Targets.

Participating in Local Nature Conservation Activities in the United Kingdom

In Enfield, UK, employees of Sony DADC contributed to nature conservation activities organized by Friends of Firs Farm, a local volunteer group. One of their environmental goals is the consideration of the green space's impact on its local environment. The employees participated in activities such as tree-planting, clearing of invasive species to enable native species to thrive and restoring of local ponds. New green spaces created by these activities are now used to host activities for young people learning about local biodiversity.



Nature conservation activities

Greening and Biodiversity Conservation in China

Sony Digital Products (Wuxi) Co., Ltd. (SDPW) has been engaged in on-site greening activities from its commencement, so as to conserve the biodiversity of Wuxi, Jiangsu Province where SDPW is located. As a result of these efforts, one-fourth of the site has been maintained as green space and 833 native-specie trees have been planted. The ongoing maintenance includes consideration of biodiversity such as the composting of fallen leaves to leaf mould. These efforts have given rise to a rich ecosystem and habitat for birds and other wildlife to make nests and breed. In addition, the company has also opened the green space to local schoolchildren to learn about biodiversity. In 2018, SDPW received the green factory certification from the Wuxi government for contributing to the local biodiversity conservation.



The ceremony for tree planting

Other initiatives

- › Feature: "Sony Forest" Hosts a Blossoming Ecosystem
- › Old Growth Conservation Efforts in Kunisaki City, Oita Prefecture (Sony and the Environment website)
- › Participation in Project to Plant 10,000 Trees at Kirishima City (Sony Semiconductor Manufacturing website) (only in Japanese)
- › Sony India supports "Trees for Life" – an agro forestry project (Sony and the Environment website)
- › Promoting Forest Management Activity at So-net Forest (Sony Network Communications website) (only in Japanese)

Measures Against Negative Impact

The Sony Group has been taking measures to remove non-native species that negatively affect local ecosystems. Furthermore, Sony Group's sites limit the harmful effects on local ecosystems by using only appropriate amount of pesticides and chemical fertilizers at their green spaces in order to prevent soil pollution and the buildup of excessive nutrients in the soil. In addition, Sony is also addressing the ocean pollution issue that caused by plastic wastes, by having the initiatives which focus on reducing plastics, such as "reducing virgin plastic in products and product packaging and internally reducing single-use plastics (plastic shopping bags, straws, etc.) that used by employees" and "addressing pollution by cleaning up rivers, beaches and communities near Sony business sites". These initiatives are enabling Sony to achieve Targets 8, "Pollution reduced," 9, "Invasive alien species prevented and controlled," and 12, "Extinction prevented," of the Aichi Biodiversity Targets.

Cleaning Up a Nesting Area for Migratory Birds

In 2018, Sony Philippines, Inc., together with Hands-on Manila (HOM), cleaned the coast of Freedom Island in Manila Bay, which is part of the Las Piñas City. The area is part of the East Asian-Australian Migratory Flyway, and migratory birds from China, Japan and Siberia come to nest in the mangrove forest and swamps surrounding the area. The coast of Freedom Island had become inundated with trash, which threatens the environment and nesting areas for migratory birds. Employees of Sony Philippines and HOM volunteers collected 38 garbage bags full of trash including plastics, fabric waste, and disposable containers.



Employees of Sony Philippines cleaning the coast

| | | | | | | | | | | | | | |
|----------|---------------------------------|--------------------|----------------------------|--|----------------------|-----------------------|--------------------------|------------|-----------|--------------------------|----------------------|-------------|----------------------|
| Contents | About the Sustainability Report | Management Message | Approach to Sustainability | Sony's Challenge to achieve the RE100 commitment | Corporate Governance | Ethics and Compliance | Respect for Human Rights | Technology | Employees | Responsible Supply Chain | Quality and Services | Environment | Community Engagement |
|----------|---------------------------------|--------------------|----------------------------|--|----------------------|-----------------------|--------------------------|------------|-----------|--------------------------|----------------------|-------------|----------------------|

Other initiatives

> [Restoration activities of rivers in UK \(Sony and the Environment website\)](#)

Protection and Conservation of Ecosystem Services

Sony is working to conserve ecosystem services through activities such as groundwater recharging, identifying and protecting threatened species, and protecting wildlife and flora. These initiatives are enabling Sony to help achieve Targets 11, "Protected areas increased and improved," and 14, "Ecosystems and essential services safeguarded," of the Aichi Biodiversity Targets.

Activities to Protect the Harpy Eagle

Based in Panama, Sony Inter-American, S.A. (SIA) has been carrying out activities to protect the harpy eagle (*Harpia harpyja*), which, while recognized as the national bird of Panama, is also designated as an endangered species. Since 1998, SIA has been sponsoring the Harpy Eagle Center, a facility that promotes protection activities. In 2008, SIA sponsored the center with several Sony BRAVIA™ LCD televisions, which have been combined into a large wall-mounted screen. In 2016, the wall-mounted screen was replaced by a 4K 84" Sony BRAVIA™ LCD television and Sony Home Theater System to show high-definition videos in an effort to raise awareness among visitors of the importance of efforts to protect the harpy eagle. SIA through the patronage of "Amigos del Águila Harpía," provides maintenance to the bird enclosures and appoints a biologist who watches over the health of the harpy eagles and gives talks to native communities in areas near the eagle's habitat.



Harpy eagle

"The Home of Firefly" Regeneration Project

Sony Global Manufacturing & Operations Corporation's Kosai Site in Japan has been implementing a project to revitalize the firefly habitat in cooperation with the local government. Fireflies were previously abundant in the woodland area neighboring the Kosai Site, but their numbers have been dwindling in recent years. In response, the company has begun maintaining the woodlands and raising the native species of firefly larvae to restock the population.



An emerged firefly

Other initiatives

- > [Feature: Working on Groundwater Recharge Projects](#)
- > [Biodiversity Event Focused on Bees Held in Sweden \(Sony and the Environment website\)](#)
- > [Protecting Spawning Grounds of the Endangered Loggerhead Turtle in Japan \(Movie\)](#)

Management

Sony works to ensure that chemical substances are properly managed; organic resources are effectively utilized, including composting fallen leaves; and the items it procures have been produced with biodiversity in mind. These initiatives will enable Sony to help achieve Target 4 "Sustainable consumption and production" of the Aichi Biodiversity Targets.

Environmentally Preferable Paper Purchasing

Recognizing that paper resources are finite, Sony strives to use paper in an environmentally responsible manner, and it has established a related purchasing policy for paper and printed materials. Accordingly, Sony makes a point of purchasing environmentally preferable paper, such as recycled paper and forest-certified paper.

> [For more information on Sony's policies related to paper and printed materials, please refer to "Policy on Paper Resources."](#)

Cooperation with Stakeholders

With a view to make its initiatives to protect biodiversity even more effective, the Sony Group seeks the opinions of related experts, NGOs, and other stakeholders while carrying out environmental conservation activities. For example, Sony works with research organizations when conducting studies and nature conservation groups when becoming involved in conservation activities. It also cooperates with governments and NGOs when maintaining the natural environment. In addition, Sony provides support and assistance to organizations involved in protecting biodiversity.

Initiatives

- > [Environmental Conservation Initiative in New York City in Partnership with a Non-Profit Organization \(Sony and the Environment website\)](#)
- > [Participating in the Forest Conservation Project in Sumatra](#)

Updated on August 29, 2019

Feature: "Sony Forest" Hosts a Richer Ecosystem

Kohda Site conserves natural woodlands on the grounds to create "Sony Forest" with local cooperation

Since its inception in 1972, the Kohda Site of Sony Global Manufacturing & Operations Corporation in Japan has had the goal of creating a park-like factory with lush greenery, and has conserved the natural forest on the site, naming it "Sony Forest." Since 2008, Sony has been building an owl-friendly environment at the forest. Bird feeders, bird houses and spaces where the owl can fly, for example, have been set out continually since that time. As a result, a family of owls built a nest at Sony Forest in 2016, with three chicks hatching that year and more hatching every year since. While the owls are the most notable residents, the vibrant ecosystem at Sony Forest is also home to bush warblers, Japanese white-eyes, Japanese pygmy woodpeckers, and many other small birds, as well as raccoon dogs, mice, and other small animals.

The Kohda Site has also contributed to the local community by building a walking path and installing athletic equipment in the forest for locals to use. It is used for outdoor educational purposes by many local elementary school students. In 2015, Sony participated in the Kagayake Aichi Sustainability Research Institute, an Aichi prefectural government project. The researchers, who are local university students, planned and executed PR measures to publicize the Sony Forest throughout the area. The activities associated with this project have raised environmental awareness among employees and raised public awareness of the rest of the environmental activities taking place at the Kohda Site.



An owl chick that hatched in 2018



Local university students develop PR measures amongst the trees in Sony Forest

Certified as top-level greening activities in Japan

In recognition of Sony Forest activities, the Kohda Site received Superlative Stage certification under SEGES*1 from the Organization for Landscape and Urban Green Infrastructure in 2011, making it the first site in Japan to earn this honor. Moreover, in 2017, the Kohda Site received Green Legacy*2 certification in recognition of its ongoing activities. The Kohda Site is also conducting a nature conservation project using Sony Forest, in cooperation with other local companies. Seedlings of native species in the area are essential in conservation of the local ecosystem, and Sony Forest has preserved many trees unique to the area, including the konara oak and the Japanese clethra. The Kohda Site's nature conservation project entails collecting seeds of trees within Sony Forest, raising them until they become seedlings, and then donating them to local administrations and NPOs for reforestation projects. This project was certified as an exemplary project in 2015 by the Japan Committee for the United Nations Decade on Biodiversity (UNDB-J).

*1 The Social and Environmental Green Evaluation System (SEGES) is an accreditation system run by the Urban Green Space Development Foundation. SEGES evaluates the environmental conservation activities of businesses that aim to help improve society and the environment, and recognizes outstanding initiatives by businesses.

*2 Green Legacy certification is the highest-level SEGES label awarded in recognition of corporate green spaces that satisfy the following conditions:

- (1) Continuous SEGES accreditation for ten or more years
- (2) Three consecutive renewals of Superlative Stage certification for greenery grown in the space
- (3) Recognized as a model for other corporate green spaces to follow



This local nature conservation project has been certified by the Japan Committee for the United Nations Decade on Biodiversity (UNDB-J)



Planting seedlings grown from seeds in Sony Forest as part of a nature observation program

Updated on August 29, 2019

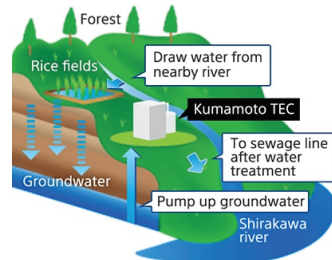
Feature: Working on Groundwater Recharge Projects

Kumamoto TEC Continues Groundwater Recharging Initiatives

At Sony Semiconductor Manufacturing Corporation's Kumamoto Technology Center (Kumamoto TEC), a large volume of water (groundwater) is used in semiconductor production. The Kumamoto area, home to Kumamoto TEC, has always been blessed with abundant groundwater resources. However, the decline in groundwater has been a deep concern in recent years, and has been attributed to a decrease in the area of land used for rice paddy cultivation and an increase in the land used for residential purposes. Kumamoto TEC recognizes the importance of groundwater as natural capital, and is involved in continuous efforts to recharge*1 groundwater using neighboring paddies in cooperation with local environmental NPOs as part of its responsibility as a local business. From May through October, Kumamoto TEC uses its water facilities to help fill unused rice paddies with river water, thus allowing the extra water to penetrate into the soil and ultimately replenish the aquifer.

*1 Groundwater recharge refers to the process of water on the surface of the ground (rainwater, river water, etc.) permeating the soil and replenishing the groundwater in the aquifer.

"Groundwater recharge" using rice fields



Efforts to recharge groundwater using paddy fields



Rice grown in paddies on farmland used to recharge groundwater

Recharged Groundwater Lauded as an Advanced Example of Biodiversity Conservation

Groundwater recharge efforts at Kumamoto TEC began in fiscal 2003, and in fiscal 2018, 2.79 million m³ more water than Kumamoto TEC's yearly water usage (including tap water and groundwater) was recharged. Activities such as these are called payment for ecosystem services (PES) ,*1 and they are an important part of protecting natural

capital and biodiversity. These efforts have also been noted as an advanced example in the Annual Report on the Environment, the Sound Material-Cycle Society and the Biodiversity in Japan 2014 published by the Ministry of the Environment in Japan. In 2018, these efforts were also recognized as a Japan Committee for United Nations Decade on Biodiversity (UNDB-J) Cooperation Project for collaboration with the local community to protect biodiversity. In recognition of these persistent activities, in March 2019, Kumamoto TEC also received the grand prize at the 2nd Ground Water Protection Awards from the Kumamoto Ground Water Foundation. Kumamoto TEC is also involved in initiatives to encourage employees to purchase the agricultural crops produced in the groundwater recharge farming areas, thus helping to support local farmers and conserve groundwater resources.

*1 PES means compensating the ecosystem with something equivalent in value or working to conserve the ecosystem in a way that compensates for the services received.



Kumamoto TEC groundwater recharge efforts are a UNDB-J recommended project

Updated on August 29, 2019

The Green Star Program

In fiscal 2011, Sony launched the Green Star Program, an in-house system for assessing the environmental performance of Sony Group sites worldwide. Under the program—one of several initiatives designed to ensure achievement of the ultimate goal of Sony's "Road to Zero" global environmental plan—each site's activities are evaluated comprehensively through quantitative and qualitative assessments from four key perspectives: climate change, resource conservation, chemical substance management and biodiversity conservation. The achievement levels are indicated by number of stars. Implementation of the Green Star Program shows how well each site is performing and elucidates their strengths and weaknesses, thus indicating what needs to be done next. The program is useful as a tool for ongoing efforts to make improvements.

Sony's Green Management 2020 environmental mid-term targets run through fiscal 2020. Sony has been working to achieve them under updated evaluation standards since fiscal 2016. Progress against the mid-term environmental targets is indicated by up to as many as seven stars.

Example of qualitative assessment criteria

| | |
|----------------------------|---|
| Climate change | Monitor and analyze energy use with an appropriate monitoring system; adopt highly efficient systems and equipment for effective operation; and promote activities to improve energy savings in the manufacturing process |
| Resources | Waste Reduce generated waste; promote resource recovery and recycling; and ensure proper management of waste disposal contractors |
| | Water Monitor and analyze water use; take steps to promote the efficient use of water and reduce water consumption, etc. |
| Chemical substances | Properly manage handling of chemical substances; monitor and analyze handling amount and amount released and transferred; and reduce volume used and replace with alternative substances |
| Biodiversity | Implement biodiversity conservation plans that give consideration to the characteristics of regional ecosystems; promote land use and green space management that take the importance of biodiversity into account |

Updated on August 29, 2019

Progress Toward Achieving Mid-Term Targets for Logistics

Environmental Mid-Term Targets for Logistics

In its Green Management 2020 environmental mid-term targets, which run through the end of fiscal 2020, Sony set the following target for logistics. To meet the target, Sony pursues initiatives to reduce shipping weights by designing more compact, lighter products, as well as to optimize shipping efficiency (smaller product packaging, better load efficiency, improved parts packaging, joint shipping) and switch to modes of transportation with less environmental impact (modal shift, use of fuel efficient vehicles).

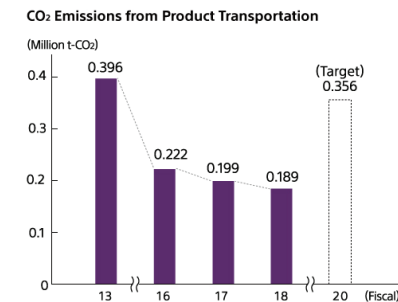
Green Management 2020 Target for Logistics

| | |
|-----------------------|--|
| Climate change | Reduce absolute CO2 emissions related to logistics between nations and within regions by 10%(compared with FY2013) |
|-----------------------|--|

CO2 Emissions from Transport of Finished Products

Under the Green Management 2020 environmental mid-term targets, which run through fiscal 2020, Sony reduced CO2 emissions generated by transportation in fiscal 2018 by approximately 189,000 tons (both international and intraregional transportation*1), an approximate 52% reduction from fiscal 2013 and an approximate 5% reduction from fiscal 2017. These results are due to switching to low-emission modes of transport and shortening transportation routes, as well as increased load efficiency achieved by downsizing product packaging and improving component packaging, in addition to change in shipping volume.

*1 Some countries and regions are excluded from "intraregional transportation."



Updated on August 29, 2019

Reducing the Environmental Impact of Logistics

Sony is reducing energy consumption from transport and packaging materials in all aspects of logistics, from international freight transport to the movement of goods at business sites. Discussed here are just a few of the ways in which Sony is reducing the environmental impact of logistics.

Promoting Modal Shift

As a part of its efforts to reduce environmental impact from the transport of finished goods, Sony promotes modal shift, switching the modes of transport it uses from air to sea and from truck to railroad.

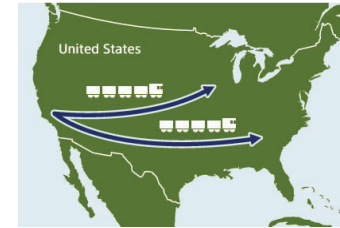
Modal Shift Outside Japan

Sony's efforts to advance modal shift also include transport in markets outside Japan. In Brazil, Sony has been switching from air and truck transport to marine transport for freight destined for Sao Paulo shipped out of the Manaus Plant of Sony Brasil Ltda. Since fiscal 2015, nearly all freight over this route has been shipped by marine transport, significantly reducing CO2 emissions from transport.



Modal shift to marine transport in Brazil

Sony Electronics Inc. (SEL) in the United States has optimized the use of rail transport for product shipments from the West Coast to reduce CO2 emissions generated during transport. In addition, SEL has participated in the U.S. Environmental Protection Agency's SmartWay program and has used environmentally responsible logistic partners.



Modal shift to rail transport in the United States

Modal Shift in Japan

In Japan, Sony has promoted modal shift from truck to rail transport. For large-sized products such as BRAVIA™ LCD TVs or Blu-ray Disc™/DVD recorders, in particular, Sony proactively uses railroad, which accounts for more than 15% of all long-distance (500km or more) domestic transport. These efforts have gained recognition. Sony has been certified by the Japanese Ministry of Land, Infrastructure, Transport and Tourism as a certified company in the "Eco Rail Mark" system since 2011, while BRAVIA™ LCD TVs and Blu-ray Disc™/DVD recorders have earned product certification. Sony also promotes domestic sea transport. In fiscal 2018, CO2 emissions attributable to the transport of products in Japan were approximately 348 tons lower than would have been the case if products had been transported by truck.



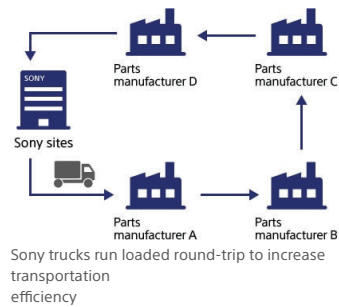
Logo indicating Eco Rail Mark certification for businesses

Improving Transport Efficiency with Joint Delivery and Milk Runs

Efficient transport realized by maximizing loading volume per truck reduces environmental impact. Sony seeks to improve transport efficiency by utilizing joint delivery with other companies and milk runs.*1

Sony has been using joint delivery by truck in some regions of Japan. In China, Sony has been improving transport efficiency, which helps to reduce CO2 emissions, using a combination of transport solutions such as milk runs* and round trips.

*1 In a milk run, a truck follows a route to collect parts from several suppliers, thereby improving transport efficiency compared with the routing method of separate runs to each supplier.



Raising Transport Efficiency by Improving Shipping Boxes

At Sony DADC US Inc., warehousing, packaging, returns processing and distribution of assorted media had previously used regulation size boxes. Space inside the boxes was often left unused depending on the shipment size and number of orders. Cushioning material was also needed inside the empty spaces to protect the goods during transport, which resulted in additional expenditures for materials. In response to these circumstances, the Bolingbrook Distribution Center improved the boxes by redesigning them into a shape optimally suited for the size and amount of products to be shipped. Ultimately, the Distribution Center eliminated the wasted space in the boxes, increased the rate of products shipped, and substantially improved transport efficiency. The initiative also helped to reduce the amount of cushioning material used.



The shape of the shipping boxes was changed to optimally suit the products being shipped

Promoting the Use of Reusable Bands for Products and Parts Transport in Manufacturing Sites and Warehouses

To keep stacked cartons from collapsing during transport of products and parts in manufacturing sites and warehouses, Sony employs reusable bands as one of packaging materials. This has contributed to the reduction of use and disposal of packaging materials such as stretch films.



A reusable band in use

Updated on August 29, 2019

Product Recycling Policy and Performance

Sony's Product Recycling Policy

Sony subscribes to the principle of individual producer responsibility (IPR), that is, the idea that a producer bears responsibility for its products over their entire life cycle. Accordingly, Sony is focused on recycling-oriented product design, collection and recycling used products, and building global recycling systems that suit the needs of individual countries and regions. Sony recognizes its social responsibility as a manufacturer to deal with its used products and actively promotes product collection and recycling, and complies with recycling laws and regulations in countries and regions around the world.

Environmental Mid-Term Targets for Take-Back and Recycling

Sony's Green Management 2020 environmental mid-term targets, which extend through fiscal 2020, include the following targets for product take-back and recycling. Under these targets, Sony promotes easy-to-recycle product design and continues take-back and recycling programs of end-of-life products around the world. Sony aims to achieve even more advanced recycling through efforts such as recycling materials that have not been recycled in the past and is working with recycling companies to acquire a clear grasp of recycling key resources.

Green Management 2020 Targets for Take-Back and Recycling

| | |
|------------------|--|
| Resources | <ul style="list-style-type: none"> Establish recycling schemes suitable for the needs of local communities, and move ahead with efficient operations Aim at the high-level return of waste to a form in which it can be used as a resource by acquiring a clear grasp of recycling key resources |
|------------------|--|

Product Recycling Initiatives

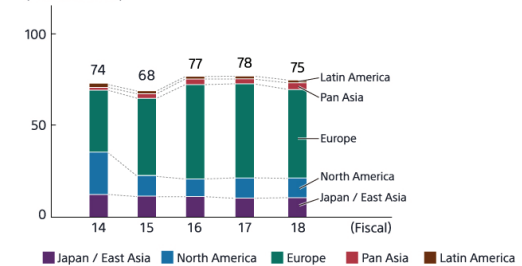
In the treatment of used products, Sony complies with recycling laws and regulations in countries and regions around the world, including Japan's Home Appliance Recycling Law, the EU's Waste Electrical and Electronic Equipment Directive (WEEE Directive), state recycling laws on waste electrical and electronic equipment in the US, China's Management Regulations for Recycling and Disposing of Consumer Electronics and Electronic Waste, and India's recycling laws on electronic waste.

Sony's Recycling Record

In fiscal 2018, Sony collected approximately 75,000 tons of end-of-life products (as of July 2019). Sony's overall take-back volume fell in fiscal 2015 due to the decrease of collection points in North America. However, the take-back volume increased in Europe in fiscal 2016, and since then the overall volume has been steady.

Take-Back of End-of-Life Products Record

(Thousand tons)



Notes:

- The figure for fiscal 2018 is as of July 2019.

- Japan / East Asia refers to the Japan, Korea and Taiwan region.

- Sony's overall take-back volume does not include Sony Interactive Entertainment and Sony Mobile Communications products.

Updated on August 29, 2019

Improving Product Recyclability

Working with the Sony Group's Specialized Recycling Company

As one of its strategies for resource efficiency, Sony works to increase the recyclability of its products. When examining various related measures, Sony receives feedback from Green Cycle Corporation, a Sony Group company specializing in the recycling business. Green Cycle Corporation presents ideas and proposals for improvements to Sony headquarters departments with environmental responsibilities, including how to make it easier to disassemble products and separate materials, based on the expertise it has gained through recycling used electronic products and personal computers. Practical measures incorporating those ideas are then drawn up and submitted to design departments for each product category. Meanwhile, Sony supports the efforts of Green Cycle Corporation to improve its recycling technologies while sharing the latest information on product manufacturing. Green Cycle Corporation also offers company tours that ordinary customers can participate in.



Recycling at Green Cycle Corporation's facilities in Nagoya, Aichi Prefecture

Holding Workshops on TV Recycling

Sony has been regularly holding workshops on TV recycling since 2006 at Green Cycle Corporation. Its product designers, mechanical designers and other employees in various positions participate. The workshops aim to reaffirm the importance of and need for considering recyclability in product designs, and to ensure those ideas are later applied when creating products. During the workshops, the participants first observe a television disassembly line onsite, and then try to take apart an LCD television themselves. Afterwards, line managers at Green Cycle Corporation explain current challenges and needs, and then exchange ideas with the participants in a discussion. Participants then apply what they have learned when designing products that will be sold worldwide, with a first-hand understanding of the difficult work of disassembling products and ways to make it easier, as well as an appreciation of the importance of reusing materials that have been separated from used products.



Employees disassemble an LCD television

Updated on May 31, 2019

Recycling Activities in Japan

Sony recycles televisions and personal computers in line with applicable recycling-related laws in Japan. Sony also bears the cost of recycling lithium-ion batteries and other small rechargeable batteries, as well as packaging materials, as required by law.

Recycling of Television Sets

Japan's Home Appliance Recycling Law, which came into effect in April 2001, initially covered four major home appliances: televisions, refrigerators, washing machines and air conditioners. In April 2009, the law was revised to also cover LCD and plasma televisions and clothes dryers. Among applicable products, Sony manufactures televisions*1 (CRT, LCD and plasma models). The Home Appliance Recycling Law requires consumers to pay collection, transport and recycling fees when disposing of applicable home appliances, retailers to take back such appliances and return them to manufacturers, and manufacturers to recycle these appliances.

Sony has established a nationwide cooperative recycling network with four other manufacturers. As a consequence, Sony-manufactured televisions are now recycled at 15 recycling plants across Japan. One of these plants is operated by Green Cycle Corporation, which manages a recycling business as a Sony Group company.



TV being dismantled at Green Cycle Corporation

In fiscal 2018, Sony recycled approximately 170,000 CRT televisions and 272,000 flat-screen televisions. The Home Appliance Recycling Law obliges manufacturers to maintain recycling rates of at least 55% for CRT televisions and at least 74% for flat-screen televisions. Sony has consistently exceeded these rates since fiscal 2001. In fiscal 2018, the recycling rate for Sony-manufactured CRT televisions was 74%, while for Sony-manufactured flat-screen televisions it was 87%.

*1 Sony-manufactured televisions include products bearing the Aiwa brand manufactured in and before 2005.

Television Recycling in Japan (Fiscal 2018)

| | Units | CRT televisions | LCD and plasma televisions |
|---|----------|-----------------|----------------------------|
| Number of products brought into designated collection locations | Thousand | 164 | 272 |
| Number of products recycled | Thousand | 170 | 272 |
| Total weight of products processed | Tons | 3,997 | 5,011 |
| Total weight of recycled products and materials | Tons | 2,982 | 4,402 |
| Recycling rate | % | 74 | 87 |

Notes:

- Figures have been truncated.
- The number of products recycled and total weight of products processed refer to the number and weight of products for which recycling processes were implemented in fiscal 2018.
- The number of products brought into designated collection locations and number of products recycled do not include products for which responsibility for recycling is undecided owing to, for example, the entry of incorrect information in tracking sheets.

Breakdown of Total Weight of Recycled Products and Materials in Japan (Fiscal 2018)

| | Units | CRT televisions | LCD and plasma televisions |
|----------------------------------|-------|-----------------|----------------------------|
| Iron | Tons | 449 | 2,175 |
| Copper | Tons | 165 | 45 |
| Aluminum | Tons | 3 | 218 |
| Nonferrous and ferrous compounds | Tons | 6 | 8 |
| CRT glass | Tons | 1,420 | |
| Other valuable resources | Tons | 938 | 1,954 |

Notes:

- Figures have been truncated.
- Total weight of parts and resources which were processed to become possible to be transferred for profit or free of charge for use as parts or materials in other products.
- Other valuable resources include plastics, among others.

> For historical data on television recycling, please refer to "Environmental Data."

Recycling of Personal Computers

Although Sony sold off its personal computer business in July 2014, it is collecting and recycling its PC products in Japan that are no longer used by households and businesses, including long-time corporate users, in accordance with Japan's Act on the Promotion of Effective Utilization of Resources. Items being recycled are desktop PC units, notebook PCs, CRT displays, and LCDs.

The many used computers made by Sony are being recycled with close attention to information security, with hard drives being physically destroyed in a dedicated work space at Green Cycle Corporation. In fiscal 2018, Sony collected and recycled the total amount of approximately 26,000 units, for a total weight of approximately 152.6 tons. From these items, about 106.1 tons of materials were reused, including metal, plastic, and glass parts.



Notebook PC being dismantled

Personal Computer Recycling in Japan (Fiscal 2018)

| | Unit | Desktop PC units | Notebook PCs | CRT displays | LCDs |
|---|-----------|------------------|--------------|--------------|------|
| Number of products brought into plants | Thousands | 2.4 | 13.4 | 1.4 | 9.4 |
| Total weight of products processed | Tons | 24.2 | 31.3 | 26.0 | 70.9 |
| Total weight of recycled products and materials | Tons | 17.4 | 15.8 | 16.3 | 56.5 |
| Recycling rate | % | 71.7 | 50.7 | 62.7 | 79.6 |

Note:
- Figures have been truncated to one decimal place.

Updated on August 29, 2019

Recycling Activities in Europe

Take-back legislation in Europe - in particular, the European Union (EU) Directives on Waste Electrical and Electronic Equipment (WEEE) *1, Batteries*2 and Packaging*3 - requires manufacturers to organize and finance the collection and recycling of end-of-life products and packaging.

Sony takes full responsibility for its take-back obligations in all applicable European countries.

This is exemplified by our strong commitment to actively create a competitive market for professional recycling activities in Europe.

As such, in 2002, Sony joined forces with Braun GmbH, AB Electrolux and Hewlett Packard Europe S.A., to form the European Recycling Platform (ERP). The aim of ERP was to establish efficient and cost-effective systems for the collection and recycling of end-of-life electrical and electronic products to enable member companies to fulfill their obligations as manufacturers. Sony continuously strives to find the best recycling partners across Europe.

*1 Directive 2012/19/EU on waste electrical and electronic equipment (WEEE)

*2 Directive 2006/66/EU on batteries and accumulators and waste batteries and accumulators

*3 Directive 94/62/EC on packaging and packaging waste

Sony's Recycling Compliance Systems

Sony utilizes authorized collection schemes for the collection and recycling of WEEE, batteries and packaging across Europe. These conduct regular on-site audits of all contracted recyclers to ensure compliance and prevent illegal shipments outside the EU. Sony engages authorized partners that undertake recycling on behalf of manufacturers to ensure our products are recycled in a compliant manner, in accordance with European Directives and country specific regulations.

In 2018, Sony financed the costs of recycling approximately 49,325 tons*1 of end-of-life products and packaging in Europe. In collaboration with other manufacturers, Sony discloses relevant information on components that require special treatment for product categories placed on the market in Europe for recyclers to facilitate safe recycling.

*1 End-of-life products and packaging in 2018 does not include WEEE and packaging for Belgium and Netherlands.

Updated on August 29, 2019

Recycling Activities in North America

Sony Electronics Inc. in the United States and Sony of Canada Ltd. continue to contribute to the development of the recycling infrastructure in North America. All recycling and support activities are committed to a responsible recycling process that complies with a growing mandate of state and provincial legislation.

North America

Promoting the Sony Take Back Recycling Program

In the United States, Sony Electronics Inc. (SEL) continues to operate its voluntary recycling sponsorship program and compliance programs in states with take back regulations. In fiscal 2007, the company introduced the Sony Take Back Recycling Program, which aims to further encourage consumers to recycle and dispose of electronics equipment in an environmentally sound manner. Developed in collaboration with waste administration and recycling companies in the United States, the program allows consumers to drop off Sony products at designated collection centers free of charge. In fiscal 2018, these collection centers and through compliance channels collected approximately 10,913 tons (24,009 thousand pounds) of used consumer electronics. SEL aims eventually to provide a collection center within 32km (20 miles) of the homes of 95% of the country's population. SEL in 2018 recycled 0.35kg (0.77 pounds) for every 1kg (2.20 pounds) sold which measures progress towards the goal of recycling the equivalent weight of recovered consumer electronics for every new product sold.



Sony Take Back Recycling Program collection activity (United States)

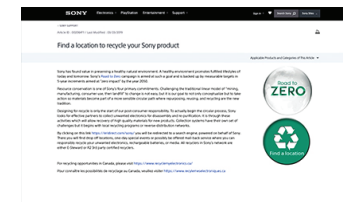
Recycling Program Website

SEL provides a website through which consumers may search for the optimal method of returning and recycling used electronics products (including non-Sony products). The site enables consumers to learn about state specific recycling programs. It also includes various ways of bolstering the recycling rate, including a search function for the nearest take-back recycling center. For consumers whose closest center is more than 40km (25 miles) away, Sony products up to 11kg (25 pounds) are taken back by free-post and recycled free of charge. SEL has continuously collected electronics equipment scrap, thereby contributing to reduced use of natural resources. In the future, through the site, SEL plans to promote higher rates of used electronics collection and conduct educational campaigns on appropriate recycling methods of used products.

As a member of the Call2Recycle program*1, SEL recycles rechargeable batteries free of charge in line with Call2Recycle's recycling scheme.

*1 Call2Recycle is a nonprofit public service organization that conducts and manages rechargeable battery recycling programs and provides related consulting services in the United States and Canada.

- › For more information of the collecting stations of used electronics products, please refer to the [Sony Take Back Recycling Program website](#).
- › For more information of the drop-off locations for rechargeable batteries, please refer to the [Call2Recycle website](#).



Take back Recycling Program Website

Recycling Responsibly

In addition to conducting its own independent audits of recyclers and the downstream processing firms to which they subcontract, SEL has set forth a recycling policy whereby all recyclers it does business with must obtain Responsible Recycling (R2) or e-Stewards certification. R2 and e-Stewards are certification systems for recyclers organized in part by the U.S. Environmental Protection Agency (EPA) that evaluate such factors as environmental management performance and workplace environment. SEL participates in the EPA Sustainable Material Management program Electronics Challenge since its program inception.

Canada

Working with Provincial Governments to Set Up Electronics Equipment Recycling Programs

Since the first provincial program was launched in 2004, Sony of Canada Ltd. (Sony Canada) has worked with provincial governments to set up recycling programs for end-of-life electronics equipment. From 2008 through 2015, Sony Canada operated an expanded recycling program for small electronics equipment across Canada by enabling consumers to take such products to its retail partners across the country. More recently, compliance obligations with provincial programs matured to deliver appropriate collection opportunities for consumers through the Electronic Products Recycling Association (EPRA). Consumers and businesses can drop off their end-of-life electronics free of charge for responsible recycling at an EPRA-authorized drop-off location in nine provinces. In addition, Sony Canada is a founding and current active member of Electronics Product Stewardship Canada (EPSC). EPSC is comprised of leading electronics manufacturers who work to design, promote and implement sustainable solutions for end of life electronics.

- › For more information, please refer to "Recycling your Sony products" at the [Sony Canada website](#).
- › For more information of EPRA, please refer to [official website](#).

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Recycling Activities in Pan Asia

The operations of Sony in the Pan Asia region stretch from Africa to New Zealand. Throughout the region, Sony offices and manufacturing locations continually work to ensure that the recycling needs of the local community are met. In terms of national electronic waste recycling legislation, Sony actively works with local partners to ensure that local requirements are met.

India: Working with a Local Partner to Collect and Recycle E-Waste

In order to ensure compliance with local legislation, Sony India has partnered with a leading third party recycling company to provide recycling services for e-waste. In fiscal 2018, Sony India collected approximately 1,418 tons of e-waste, including generated service waste, through the recycling partner. Additionally, Sony India has focused on creating a broad network of e-waste collection points, thereby making it easier for customers to turn in their e-waste. As of the end of March 2019, 25 collection points across the country had been established. Sony India continues to review the results and formulate future plans accordingly.

- › For more information on the recycling of Sony products in India, please refer to "Electronic Waste ("E-Waste") Management" at the [Sony India website](#).

Australia: Participating in the "Government-Accredited Recycling Partner" System

Since 2012, Sony Australia has been taking part in a recycling system with partners accredited by the Australian federal government under new home appliance recycling legislation, specifically the "National Television and Computer Recycling Scheme". Under the recycling system, Sony Australia has been making a concerted recycling effort over this period of time. From July 2018 through June 2019, approximately 2,358 tons of discarded home appliances had been recycled.

Korea: "ART" (Action Really Together) Campaign

In Korea, the recycling law has been in place since 2003 and covers electronics, battery as well as packaging. Sony Korea has been working with related associations to collect the specific volume assigned by the government annually. In addition, to educate and encourage employees and local community to play their parts in e-waste recycling, Sony Korea has initiated the 'Zero Waste Campaign' in Korea since 2012. This initiative has since been extended to Sony group companies, neighbors and friends of Sony employees as well as other organizations. Hence, the campaign was renamed "Action Really Together (ART) " in 2016 to emphasize the importance of taking actions together for a good cause, regardless of brands. Besides collecting end-of-life products for recycling, Sony Korea also collects unwanted used products in good working condition and donates them to a local NGO.

> For more information, please refer to "["ART" \(Action Really Together\) Campaign in Korea](#)" at the [Sony and the Environment website](#).



"ART" campaign logo

Updated on August 29, 2019

Recycling Activities in Latin America

Sony has offices in a number of Central and South American countries, including Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Ecuador, Mexico, Panama and Peru. These offices operate recycling programs designed to meet the needs of their particular areas. Here we introduce a joint project operated throughout Latin America as well as representative examples of Sony commitment to recycling initiatives.

Sony Joint Project : Green Service Program

Since 2010, Sony sales companies in Latin America-including Sony Mexico, Sony Inter-American, Sony Colombia, Sony Peru, Sony Chile, Sony Argentina and Sony Bolivia gradually launched the Green Service Program. Under this initiative, using participating companies' service networks, products and components that are under warranty but discarded during repair are appropriately treated. Also the e-waste generated by Sony sales companies facilities in Latin America are appropriately treated under this program as well. This program marks a shift in focus from simple disposal to the proper management and repair of products, helping Sony fulfill its responsibility to reduce the environmental impact of its products after they are sold and respond to the expectations of customers. In fiscal 2018, approximately 161 tons of scrap were collected and processed appropriately. Going forward, the companies will continue to implement the Green Service Program.

Recycling Programs in Latin America

Sony encourages the customers to recycle their products under each recycling program in countries existing the take-back and recycling regulations.

In Mexico and Peru, Sony handles the individual take-back and recycling scheme through 13 collection points, and complies with the recycling regulation based on producer responsibility.

In Costa Rica and Colombia, Sony belongs to a collective scheme promoting take-back and recycling, and complies with the recycling regulation.

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Recycling Activities in China

Compliance with Regulations on Recovery Processing of Waste Electrical and Electronic Products (China WEEE)

In 2011, China enacted the Regulations on Recovery Processing Waste Electrical and Electronic Products. Popularly known as "China WEEE," the regulations that mandate the recycling of five types of products: televisions, refrigerators, washing machines, air conditioners and PCs. As a manufacturer of two of the products-televisions and PCs-Sony is affected by these regulations, which oblige manufacturers and importers to contribute to a fund that is used to cover the cost of processing of waste electrical and electronic products. In compliance with the regulations, Sony (China) Limited makes regular contributions to the fund.

Sony (China Spearheads Project to Recover and Recycle End-of-Life Broadcasting Equipment

Since 2009, Sony (China) has promoted a project aimed at recovering and recycling end-of-life broadcasting equipment. Since the 1990s, Sony has sold broadcasting equipment in China, including U-matic video recording systems. Sony (China) collects end-of-life equipment directly from broadcasters free-of-charge and delivers them to a recycling company that specializes in commercial equipment, ensures they are dismantled and recycled appropriately. Sony (China) also submits a report on the recycling of these products to broadcasters. In addition, Sony (China) gives broadcasters free pass to attend lectures on HD technology at Sony Academy of Imaging Technology according to the number of end-of-life broadcasting equipment it collects from them.

Through this project, Sony (China) aims to build a cooperative industry-wide circle of cooperation by getting individuals from across the broadcasting industry involved in environmental activities.

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Environmental Communication Activities

Sony provides a wide variety of stakeholders with environmental information in an accurate, timely and continuous manner. Sony also holds events with environmental themes and actively promotes environmental education with the aim of encouraging greater general awareness of environmental issues.

Taking Advantage of Sony Events to Raise Environmental Awareness

Since 2015, Sony Electronics Inc. (SEL) in the United States has worked with partners to conduct the Sony Open in Hawaii, a PGA Tour event*1 with an environmental focus. During the tournament, spectators are encouraged to recycle their waste and to use public transportation, bicycles, and other low-impact means of transportation to attend the event. Styrofoam containers and plastic straws were phased out from food service at the event with support from vendors, sponsors, Waialae Country Club and others. The Sony Open in Hawaii has been recognized by receiving the Hawaii Green Event Certification by the State of Hawaii for four consecutive years.

*1 PGA Tour is the US men's professional golf tour.



Sorting of waste by type to recycle plastic bottles etc

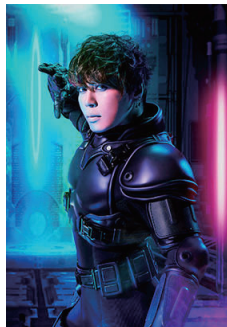
Environmental Initiatives Leveraging Music, Artists, and Events

The Sony Music Group is actively working to protect the environment by encouraging Sony Music artists to help raise awareness of environmental issues through their music and also by taking environmental initiatives in its diverse events and promotional materials.

Since 2009, Sony Music artist Takanori Nishikawa has been organizing the Inazuma Rock Fest, which is the biggest annual music festival in Shiga Prefecture, Japan. The purpose of the festival is to promote the region and raise money for efforts to conserve the water quality of Lake Biwa. The 2018 festival featured many Sony Music artists

| | | | | | | | | | | | | | |
|----------|---------------------------------|--------------------|----------------------------|--|----------------------|-----------------------|--------------------------|------------|-----------|--------------------------|----------------------|-------------|----------------------|
| Contents | About the Sustainability Report | Management Message | Approach to Sustainability | Sony's Challenge to achieve the RE100 commitment | Corporate Governance | Ethics and Compliance | Respect for Human Rights | Technology | Employees | Responsible Supply Chain | Quality and Services | Environment | Community Engagement |
|----------|---------------------------------|--------------------|----------------------------|--|----------------------|-----------------------|--------------------------|------------|-----------|--------------------------|----------------------|-------------|----------------------|

including Nishikawa himself, UVERworld, and Keyakizaka46, who all performed under the festival slogan "Raise Your Voice for the Future of Water" for some 150,000 spectators. Profits from the festival were donated to local municipalities and public organizations such as the Mother Lake Shiga Foundation, in order to fund ecosystem and aquatic environment conservation efforts including the removal of specified invasive species, and conservation efforts to maintain forests that sustain the water sources of Lake Biwa. A charity auction is held every year in conjunction with the festival, featuring donations from the performing artists. In 2018, the charity auction raised 1.9 million yen for the Shiga prefectural government to fund environmental conservation efforts for Lake Biwa. Meanwhile, innovation also continues to reduce the environmental footprint of live events. With FreFlow®, a wireless LED light system for live events co-developed by Sony Music Solutions Inc. and Sony Engineering Corporation, the transmission system was reconfigured to accommodate outdated signal transmission standards, enabling older LED lights to be reused and contributing to resource circulation.



Sony Music artist Takanori Nishikawa organizes the Inazuma Rock Fest, which raises money for Lake Biwa conservation efforts

Raising Environmental Awareness through Visual Storytelling

Sony Pictures Entertainment, in association with Sony Pictures Television Networks and the United Nations Foundation, organized the Picture This Festival for the Planet, a short-film competition designed to bring greater awareness of the Sustainable Development Goals (SDGs) through the power of visual storytelling. The competition asked filmmakers and change makers to submit short films that highlight any one of eight selected goals out of the 17 SDGs. The competition received around 600 submissions from creators in more than 70 countries, which were made available through the Picture This Festival for the Planet website and on social media. The competition raised awareness of SDGs through visual storytelling, attracting around 350,000 website views from 200 countries and

regions, and more than one million impressions on social media.



Promotional poster for the Picture This Festival for the Planet

Green Road Environmental Leadership Program for Students

Sony business sites around the world organize environmental programs for students. One example is Sony China's Green Road program for university students in China, which was launched in 2017 to foster environmental leaders dedicated to building a sustainable society. In fiscal 2018, Sony China organized the Green Road Sony Environmental Camp for University Students, a three-day event attended by leading members of university student environmental groups. The camp was held at a Sony precision component manufacturing plant in China, where the students listened to presentations on Sony's environmental plan and received a guided tour of the energy-saving air-conditioning system at the plant. The students attended workshops on chemical substance management and resource recycling, all part of a program designed to expand their environmental knowledge.

› For more information on Green Road in fiscal 2018, please refer to "Sony Green Road Environmental Camp Held for University Students in China" at the Sony and the Environment website.



Students and other participants of Sony China's environmental camp

Management of Risks Related to Chemical Substances

As a company that uses chemical substances, Sony discloses information on emissions of such substances and exchanges views on safety and environmental issues with residents in the vicinity of its sites, as well as with local authorities, with the aim of reinforcing mutual understanding. For instance, Sony Semiconductor Corporation actively participates in local community events and organizes its own interactive events at all of its in-plant. The company also holds tours of its manufacturing plants, during which it explains to visitors how wastewater is processed by environmental-related equipment.

Raising the Environmental Awareness of Employees

Sony shares information on environmental issues with employees of the global Sony Group. All Group employees in Japan are required to take an environmental e-learning course, and the teaching materials from the course are being used to conduct environmental education at business sites outside of Japan. Sony is raising the environmental awareness of Group employees worldwide, using channels such as the corporate intranet to provide timely environmental information.

Sony organizes an annual event for all Group employees in Japan, where the president and CEO of Sony addresses employees to raise environmental awareness. In addition, Sony presents its environmental initiatives to employees in environmental education courses and events held at sites around the world. In China, for example, Sony Digital Products (Wuxi) Co., Ltd. (SDPW) set up an EHS^{*1} hands-on education facility in 2016 to provide visitors with an interactive environmental learning experience.

^{*1} EHS is the combination word of the initial letters of Environment, Health and Safety.



Interactive environmental learning experience at EHS hands-on education facility in SDPW

Updated on August 29, 2019

Stakeholder Engagement

Sony is active in a wide range of fields, and its stakeholders have diverse expectations. In order to promote a healthy, spiritually abundant, sustainable society, Sony is deeply committed to stakeholder engagement, a process whereby it seeks to earn greater trust from stakeholders and cooperate with them to achieve common aims. Described here are three of the more notable examples of this approach.

Sony Joins RE100 Global Initiative

In 2018, Sony joined RE100^{*1} and itself is working toward sourcing 100% renewable electricity for the worldwide operations of the Sony Group by 2040. Sony has already switched to 100% renewable electricity in Europe and is increasing its renewable energy use in other regions using various strategies including deploying solar energy systems. To address its energy-intensive operations in Japan, Sony is developing a self-wheeling electric power transmission system that will enable a network of business locations to transmit and distribute solar panel-generated electricity among themselves. Sony will also cooperate with other RE100-member companies to shape renewable energy markets and realize regulatory changes that will lead to the plentiful and stable supply of affordable renewable energy.

^{*1} RE100 is a global initiative led by the non-profit The Climate Group in partnership with CDP in which participating companies set a goal of procuring 100% renewable electricity for power used in their global business operations.

› [News Release: Sony Joins the Global Initiative RE100 in Pursuit of Operating with 100% Renewable Electricity](#)



RE100 logo

Participation in the WWF's Climate Savers Programme

In July 2006, Sony joined the Climate Savers Programme, established by the World Wide Fund for Nature (WWF), a leading international environmental NGO. Under the Climate Savers Programme, the WWF partners with leading corporations to establish targets for reducing absolute emissions of greenhouse gases. Progress toward the achievement of these goals is monitored by the WWF, as well as by an independent body. Participation in the program has enabled Sony to set more ambitious targets, and monitoring by the WWF and an independent body has enhanced the transparency of Sony's various environmental initiatives.

Sony's participation in the Climate Savers Programme includes meeting the climate change targets set in its Green Management 2020 group environmental mid-term targets.

> For more information, please refer to "Partnership and Participation in Multi-stakeholder Frameworks."



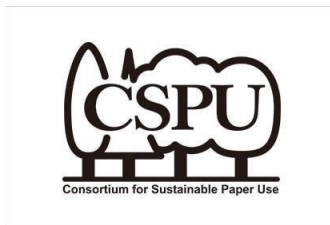
Climate Savers logo

Membership in the Consortium for Sustainable Paper Use

In November 2013, Sony became a founding member of the Consortium for Sustainable Paper Use (CSPU), the aim of which is to encourage environmentally preferable and socially responsible paper use—usage of forest-certified paper and recycled paper—by both companies and society at large. The consortium was established by a group of companies promoting progressive initiatives in the area of sustainable paper use in collaboration with World Wide Fund for Nature (WWF) Japan and Response Ability, Inc. Through participation in the consortium, Sony is advancing the practical application of measures to ensure sustainable paper use and to disseminate information and promote public awareness. Consortium members exchange information regularly and interview non-member companies with the goal of promoting the consortium-wide application of particularly outstanding initiatives.

With regard to certified-forest paper, Sony promotes the use of FSC-certified paper*1, which is not merely in conformance with the regulation, but is in fact highly valued as a means of supporting forest sustainability. For example, Sony uses FSC-certified paper in its corporate publications and other printed materials, including company brochures, product catalogs, calendars, business cards and envelopes. Sony used 279 tons of FSC-certified paper in fiscal 2018.

*1 FSC-certified paper is any paper product made from wood that has been certified by an international body called the Forest Stewardship Council, which aims to promote forest preservation.



CSPU logo

Environmental Data

For the following data, please refer to "Environmental data file."

- Greenhouse Gas Emissions
- Eco-Efficiency
- Environmental Cost
- Environmental Data for Products
- Product Recycling Data
- Television Recycling in Japan
- Environmental Data for Site
- Emissions of Air and Water Pollutant(Worldwide)

> [Environmental data file \[Excel:156KB\]](#)

Others

- > [Environmental Data Collection Methods and Rationale](#)
- > [Overview of Environmental Impact](#)
- > [Examples of Polyvinyl Chloride\(PVC\)-free Products and Brominated Flame Retardant\(BFR\)-free Products](#)
- > [ISO14001 Certified Sites](#)
- > [Independent Assurance Statement](#)
- > [History of Environmental Activities](#)

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Environmental Data Collection Methods and Rationale

- > [Worldwide Data Collection System](#)
- > [Scope, Collection Period, and Accuracy of Compiled Data](#)
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Worldwide Data Collection System

Sony uses a cloud-based data collection system to monitor and manage the progress of the environmental impact of all sites in the Sony Group. This system permits headquarters to collect data monthly from sites around the world.

Persons in charge at each site input data concerning energy, water, waste, chemical substances and environmental costs into the data collection system, which is then checked and approved by supervisors. Data administrators at each regional environmental office also check the data. To ensure efficient collection and tabulation, in addition to checks at several points during the process, data checks are executed by the system at data input, thereby reducing the possibility of errors.

Scope, Collection Period, and Accuracy of Compiled Data

Collection Period: April 1, 2018-March 31, 2019

In principle, data for results was compiled in the period stated above. Estimates have been used, however, at some sites where the impact on overall results is deemed to be extremely minor.

Scope of Data Collection

Site data: All ISO 14001-certified sites as of March 31, 2019

Among Sony Group consolidated sites, all manufacturing sites, distribution sites with 100 or more employees, and non-manufacturing sites with 1,000 or more employees are, in principle, expected to obtain ISO 14001 certification.

Product data: Data covers all products manufactured by the Sony Group and sold outside the Group. Accessories, semi-manufactured products and components are included. Weight data includes the weight of packaging materials.

Data Accuracy

Site data: Chemical substance data and environmental cost data collected from certain sites may be slightly less accurate than other data.

Product data: Data for some semi-manufactured products, components, and some products produced and sold overseas may be slightly less accurate than other data.

Greenhouse Gas Related Data Collection Methods and Rationale

Greenhouse Gas Emissions from Sites

Quantity of power, heat, and fuel usage and quantity of greenhouse gases used for manufacturing process, within facility and others are collected.

CO2 emissions from energy consumption (energy-related)

CO2 emissions from energy consumption are calculated by multiplying the quantity of electrical power, heat and fuel (including fuel for motor vehicles, etc.) used at sites by the CO2 conversion rate. For energy consumption using renewable energy including certificates, the CO2 conversion rate is zero.

Emissions of PFCs and other greenhouse gases (non energy-related)

Emissions of PFCs and other greenhouse gases are converted to CO2 by multiplying greenhouse gas emissions from each site by global warming potentials. Global warming potentials are based on the Fifth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC).

CO2 conversion rates

- Electricity

Japan: Rates for fiscal 2014 provided by the Federation of Electric Power Companies in Japan
 Countries other than Japan: Rates for 2013 provided by the International Energy Agency (IEA)

- Fuel and Heat

Worldwide: Rates based on Japan's Law concerning the Promotion of the Measures to cope with Global Warming

> [Systems for Calculation, Reporting and Public Disclosure of Greenhouse Gas Emissions \(Only in Japanese\)](#)

> [International Energy Agency \(IEA\) website](#)

Total CO2 Emissions from Product Use

CO2 emissions from product use are calculated by multiplying the quantity of electrical power consumed throughout the lifetime of products sold in the current fiscal year by the CO2 conversion rates. (In other words, it is not the actual quantity of CO2 emitted in the current fiscal year.) CO2 emissions from product use are calculated by the following equation.

Sales x (Operating power consumption x Hours of operation per year + Power consumption during standby time x Standby time per year) x Years of product use x CO2 conversion rate

In theory, emissions during product use in the current fiscal year should be calculated from the total quantity of electrical power consumed by previously sold Sony products that are still in use by consumers in the current fiscal year. However, given the difficulty of determining how many previously sold Sony products are still in use by consumers of the total number of Sony products sold to date, Sony uses the total quantity of electrical power consumed while in use over the lifetime of Sony products sold in the current fiscal year for CO2 emissions during use.

The hours of operation per year, standby time per year, and years of product use are calculated based on data obtained by various surveys. In Japan, Sony uses the 2014 CO2 conversion rate provided by the Federation of Electric Power Companies of Japan. Outside of Japan, it uses the 2013 country-specific CO2 conversion rates provided by the International Energy Agency (IEA).

CO2 Emissions from Logistics

Total CO2 emissions from logistics include emissions arising from international logistics and logistics within over 40 countries and regions such as Japan, the United States, Europe, and Asia associated with Sony Group's electronics products. For logistics within Japan, CO2 emissions from parts logistics are partially included.

CO2 emissions from logistics are primarily calculated by multiplying ton-kilometers transported (weight of goods transported x distance traveled) by the CO2 conversion rate. In certain instances, CO2 emissions arising from transport by truck are calculated by multiplying the amount of fuel used (fuel consumption per kilometer x number of kilometers traveled) by the CO2 conversion rate. For international transport by ship, the calculation uses the weight of goods transported including the weight of shipping containers.

For international transport, the CO2 conversion rate used to calculate CO2 emissions is based on the emissions intensity supplied by the GHG Protocol. For regional transport, priority is given to using the rate supplied by the region or country. For Japanese domestic transport by truck, CO2 emissions calculations multiply the weight of freight transported by two factors: the amount of fuel used per unit of freight transported, as defined in the Law concerning the Rational Use of Energy, and the emissions factor of fuel type used, as defined by the Law concerning the Promotion of Measures to Cope with Global Warming. For transport in the United States, Sony uses the emissions rate supplied by the SmartWay Transport Partnership, which is administered by the U.S. Environmental Protection Agency (EPA).

CO2 Emissions from Employee Business Trips

Emissions are calculated for business trips undertaken by employees in central departments, which account for the largest share of business trips taken by employees of Sony Corporation and Sony Group Electronics Business companies in Japan, Europe and North America and for business trips taken by employees from some electronics-related companies in Asia. (In the case of Japan and North America, some music-related companies are included.)

CO2 emissions are calculated by multiplying the distance traveled by the number of employees traveling using the basic unit of output proposed by the GHG Protocol.

Reducing Greenhouse Gas Emissions by Using Renewable Energy

Sony's efforts to reduce greenhouse gas emissions by using renewable energy include using electrical power produced from renewable energy sources, purchasing electrical power produced from renewable energy sources, and purchasing green energy certificates and other carbon offset credits. The greenhouse gas emissions reduction achieved by using renewable energy is calculated by multiplying the renewable energy used by the CO2 conversion rate.

Overview of Calculation for Scope 3 Emissions

| Category | Overview of Calculation |
|---|---|
| Category 1 Purchased goods and services | Emissions associated with raw materials and parts for use in electronics products sold by and the goods purchased by the Sony Group, from the extraction of resources through to production, as well as emissions related to certain data center use. |
| Category 2 Capital goods | Emissions associated with the production of capital goods invested in by the Sony Group. |
| Category 3 Fuel- and energy-related activities (not included in scope 1 or scope 2) | Emissions associated with procurement of fuels and energy consumed by Sony Group sites. |

| | |
|---|--|
| Category 4 Upstream transportation and distribution | Emissions associated with the transportation and storage of electronics products sold by the Sony Group and purchased parts. |
| Category 5 Waste generated in operations | Emissions associated with the treatment and disposal of waste generated by Sony Group sites. |
| Category 6 Business travel | Emissions associated with travel (by air) for business purposes by Sony Group electronics group companies employees, mainly in Japan, Europe, and North America. |
| Category 7 Employee commuting | Emissions associated with employees' commutes from their homes to their workplace. |
| Category 8 Upstream leased assets | Not applicable (accounted for in other categories) |
| Category 9 Downstream transportation and distribution | Emissions associated with the distribution of electronics products sold by the Sony Group from retailers to consumers. |
| Category 10 Processing of sold products | Emissions associated with the assumed post-sale third-party processing of electronics products sold by the Sony Group. |
| Category 11 Use of sold products | Emissions associated with the consumption of electricity over their lifetime by electronics products sold by the Sony Group. |
| Category 12 End-of-life treatment of sold products | Emissions associated with the assumed end-of-life recycling or disposal of electronics products sold by the Sony Group. |
| Category 13 Downstream leased assets | Not applicable |
| Category 14 Franchises | Not applicable |
| Category 15 Investments | Emissions associated with the business activities of companies in which the Sony Group has invested. |

Resource Related Data Collection Methods and Rationale

Volume of Waste Generated at Sites

Total volume of industrial waste and non-industrial waste.

Volume of Waste Landfilled from Sites

Of the waste generated at sites, the weight sent to landfill.

Volume of Water Consumption/Discharged

- The volume of water consumption represents the total volume of water used at sites (municipal water, industrial water, well water) ; for municipal water and industrial water, purchase volume is substituted for the purpose of calculation.
- The volume of water discharged represents the sum of discharges of water to rivers and to sewerage. For Sony sites where it is not possible to accurately grasp actual discharge volume, a calculation based on the volume of water used x average per-site rate for volume of water discharged is substituted.

Product Resource Input

Total volume of resources used in products, accessories, manuals and packaging materials. Total weight of products shipped is used as a substitute.

Volume of Reused/Recycled Materials

Total volume of reused/recycled materials and vegetable-based plastics used for products, accessories, manuals and packaging

Volume of Resource Recovery from End-of-Life Products

Volume of products collected from recycling multiplied by the reused/recycled ratio.

Volume of products collected from recycling is the weight of recycled products in Japan/East Asia, Europe, North America, Pan Asia, and Latin America.

Some amounts calculated based on the recycling expenses are included.

The reused/recycled ratio is the volume reused/recycled compared with the total volume collected. The amount of collected end-of-life products is substituted under the current situation.

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Other Data Collection Methods and Rationale

Volume of Chemical Substances Handled/Emitted

Class 3 and Class 4 chemical substances for which the amount handled annually is 100kg (Class3) /1,000kg (Class4) or more are subject to reporting.

- The volume of chemical substances handled represents the volume of chemical substances used at sites; purchase volume is substituted when exact volume of usage cannot be determined.
- Volume of chemical substances released from sites in relation to their operation; calculations are based on purchase volume x distribution coefficient.

Emissions of Water Pollutants (BOD, COD)

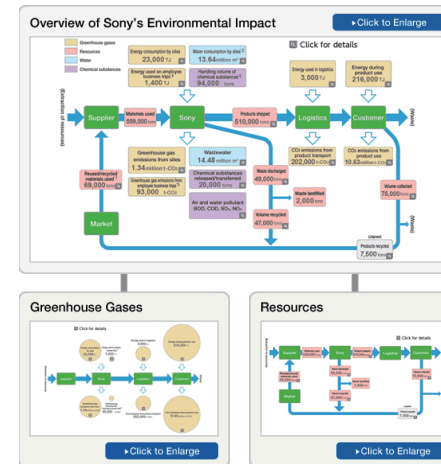
Concentrations in water emitted x volume of water emitted. Sites that are requested by law and/or by other demands such as contracts are subjected to this data collection.

Emissions of Air Pollutants (NOx, SOx)

Volume calculated by multiplying emission volume by emission concentration. Sites that are requested by law and/or by other demands such as contracts are subjected to this data collection.

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Overview of Environmental Impact



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Examples of Polyvinyl Chloride (PVC) -free Products and Brominated Flame Retardant (BFR) -free Products

Examples of PVC-free Products and BFR-free Products: Model Name (As of July 2019)

| | Polyvinyl chloride (PVC) | Brominated Flame Retardant (BFR) |
|-------------------------|---|---|
| Product Category | Examples of PVC-free Products Model Name (*1) | Examples of BFR-free Products Model Name (*2) |
| Xperia™ Smartphone | All models | All models |
| Xperia™ Tablet | All models | All models |
| MP3 players WALKMAN® | NW-A55 / NW-A55HN / NW-A56HN / NW-A57 | NW-A55 / NW-A55HN / NW-A56HN / NW-A57 |
| | NW-A45 / A45HN / A46HN / A47 | NW-A45 / A45HN / A46HN / A47 |
| | NW-S313 / S313K / S315 / S315K | NW-S313 / S313K / S315 / S315K |
| | NW-E393 / E394 / E395 | NW-E393 / E394 / E395 |
| | NWZ-B183F / B183 | NWZ-B183F / B183 |
| | | NWZ-WS623 / WS625 |
| IC recorder | | NW-WS413 / WS414 |
| | ICD-UX565F / UX560F / UX560 | ICD-UX565F / UX560F / UX560 |
| | ICD-TX650 | ICD-TX650 |
| | ICD-TX800 | ICD-TX800 |
| | ICD-PX370 / PX470 / PX470F | ICD-PX370 / PX470 / PX470F |
| | ICD-PX240 | ICD-PX240 |
| Memory Card Recorder | | ICD-BX140 |
| | | ICD-LX31 |
| Portable Radio Recorder | ICZ-R110 | ICZ-R110 |
| | | ICZ-R260TV |

| | | |
|---------------------------|------------|----------------------|
| Linear PCM Recorder | | PCM-D100 / A10 / D10 |
| Sound Monitoring Receiver | SMR-10 | SMR-10 |
| Video Camera Handycam® | HDR-CX240 | HDR-CX240 |
| | HDR-CX405 | HDR-CX405 |
| | HDR-CX440 | HDR-CX440 |
| | HDR-CX450 | HDR-CX450 |
| | HDR-CX455 | HDR-CX455 |
| | HDR-CX470 | HDR-CX470 |
| | HDR-CX625 | HDR-CX625 |
| | HDR-CX675 | HDR-CX675 |
| | HDR-CX680 | HDR-CX680 |
| | HDR-PJ410 | HDR-PJ410 |
| | HDR-PJ440 | HDR-PJ440 |
| | HDR-PJ675 | HDR-PJ675 |
| | FDR-AX33 | FDR-AX33 |
| | FDR-AX40 | FDR-AX40 |
| | FDR-AX45 | FDR-AX45 |
| | FDR-AX53 | FDR-AX53 |
| | FDR-AXP55 | FDR-AXP55 |
| Video Camera Action Cam | FDR-AX60 | FDR-AX60 |
| | FDR-AX100 | FDR-AX100 |
| | FDR-AX700 | FDR-AX700 |
| | HDR-AS50 | HDR-AS50 |
| | HDR-AS50R | HDR-AS50R |
| | HDR-AS300 | HDR-AS300 |
| | HDR-AS300R | HDR-AS300R |
| | FDR-X3000 | FDR-X3000 |
| FDR-X3000R | FDR-X3000R | |

| | | |
|----------------------------------|---------------|-------------|
| Digital Still Camera Cyber-shot™ | DSC-HX60 | DSC-HX60 |
| | DSC-HX80 | DSC-HX80 |
| | DSC-HX90 | DSC-HX90 |
| | DSC-HX90V | DSC-HX90V |
| | DSC-HX95 | DSC-HX95 |
| | DSC-HX99 | DSC-HX99 |
| | DSC-HX350 | DSC-HX350 |
| | DSC-HX400 | DSC-HX400 |
| | DSC-H300 | DSC-H300 |
| | DSC-H400 | DSC-H400 |
| | DSC-W800 | DSC-W800 |
| | DSC-W810 | DSC-W810 |
| | DSC-W830 | DSC-W830 |
| | DSC-WX220 | DSC-WX220 |
| | DSC-WX350 | DSC-WX350 |
| | DSC-WX500 | DSC-WX500 |
| | DSC-WX700 | DSC-WX700 |
| | DSC-WX800 | DSC-WX800 |
| | DSC-RX0 | DSC-RX0 |
| | DSC-RX0M2 | DSC-RX0M2 |
| | | DSC-RX1 |
| | | DSC-RX1 R |
| | | DSC-RX1 RM2 |
| | | DSC-RX1 0 |
| | | DSC-RX1 0M2 |
| | | DSC-RX1 0M3 |
| | | DSC-RX1 0M4 |
| | | DSC-RX1 00 |
| | DSC-RX1 00M2 | |
| | DSC-RX1 00M3 | |
| | DSC-RX1 00M4 | |
| | DSC-RX1 00M5A | |
| | DSC-RX1 00M6 | |

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| Interchangeable lens digital camera α™ | ILCA-68 | ILCA-68 |
| | ILCA-77 M2 | ILCA-77 M2 |
| | | ILCA-99 M2 |
| | ILCE-51 00 | ILCE-51 00 |
| | | ILCE-6000 |
| | | ILCE-6400 |
| | | ILCE-6500 |
| | | ILCE-7 |
| | | ILCE-7 M2 |
| | | ILCE-7 M3 |
| | | ILCE-7 RM2 |
| | | ILCE-7 RM3 |
| | | ILCE-7 S |
| | | ILCE-7 SM2 |
| | | ILCE-9 |
| PlayStation®Vita | PCH-11 00 series | PCH-11 00 series |
| | PCH-2000 series | PCH-2000 series |
| Portable DVD Player | DVP-FX780 | DVP-FX780 |
| Memory Stick™ | MS-HX32B / HX1 6B / HX8B | MS-HX32B / HX1 6B / HX8B |
| SxS™ memory card | SBP-256E / 128E / 64E | SBP-256E / 128E / 64E |
| | SBP-120F / 240F | SBP-120F / 240F |
| | SBS-128G1 C / 64G1 C / 32G1 C | SBS-128G1 C / 64G1 C / 32G1 C |
| | *1 Parts in which PVC is eliminated are as below (excluding accessories) : Xperia™ Smartphones: in all plastic components. Products other than Xperia™ Smartphones: in casings and internal wiring. | *2 Parts in which BFRs are eliminated are as below (excluding accessories) : Xperia™ Smartphones: in PWBs, casings and cables. Products other than Xperia™ Smartphones: in casings and main PWBs. |

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ISO14001 Certified Sites

Since the early 1990s, Sony sites throughout the world have sought certification under ISO14001 and this was achieved in early fiscal year 2002. In fiscal year 2003, Sony further developed this activity by implementing a Group-wide, globally integrated environmental management system. In fiscal year 2005, all Sony Group sites, including the Sony Group's headquarters, which represents the core of this management system, acquired integrated ISO14001^{*1} certification in accordance with the fundamental requirements of this integrated management system.

^{*1} ISO certification covers all Sony Group manufacturing sites, distribution sites with 100 or more employees and non-manufacturing sites with 1,000 or more employees.

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| > List of ISO14001 Certification - Jurisdiction under Japan/East Asia Regional Environmental Office | > List of ISO14001 Certification - Jurisdiction under Europe Regional Environmental Office |
| > List of ISO14001 Certification - Jurisdiction under North America Regional Environmental Office | > List of ISO14001 Certification - Jurisdiction under Latin America Regional Environmental Office |
| > List of ISO14001 Certification - Jurisdiction under Pan Asia Regional Environmental Office | > List of ISO14001 Certification - Jurisdiction under China Regional Environmental Office |

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List of ISO14001 Certification - Jurisdiction under Japan/East Asia Regional Environmental Office

ISO14001 Global Environmental Management System (GEMS) Certification

(As of March 31, 2019)

Headquarters/Business Unit

| Name of Organization | Acquired (Global EMS) |
|---|-----------------------|
| Sony Corporation HQ Environmental Office | 2004/06 |
| Sony Visual Products Inc. | 2004/09 |
| Sony Video & Sound Products Inc. | 2004/09 |
| Sony Imaging Products & Solutions Inc., Professional Products & Solutions Group, Medical Business Group | 2004/09 |
| Sony Semiconductor Solutions Corporation | 2004/10 |
| Sony Imaging Products & Solutions Inc., Digital Imaging Group | 2005/01 |
| Sony Interactive Entertainment Inc. | 2004/06 |
| Sony Mobile Communications, Inc. | 2005/01 |
| Sony Storage Media Solutions Corporation | 2004/08 |

Manufacturing Sites

| Name of Organization | Number of Certified Sites | Acquired (Global EMS) |
|--|---------------------------|-----------------------|
| Sony Global Manufacturing & Operations Corporation | 4 | 2004/07 |
| Sony Storage Media Manufacturing Corporation | 3 | 2004/08 |
| Sony Semiconductor Manufacturing Corporation | 8 | 2004/10 |
| Sony DADC Japan Inc. | 4 | 2004/10 |
| Sony/Taiyo Corporation | 1 | 2005/01 |
| Sony Electronics of Korea Corporation | 1 | 2005/04 |
| Green Cycle Corporation | 1 | 2013/02 |

Non-Manufacturing Sites

| Name of Organization | Number of Certified Sites | Acquired (Global EMS) |
|---|---------------------------|-----------------------|
| Sony Corporation Technology Center | 8 | 2004/07 |
| Sony LSI Design Inc. | 2 | 2004/11 |
| Sony Assurance Inc. | 1 | 2004/12 |
| Sony Music Group | 2 | 2004/12 |
| Sony Customer Service (Japan) Inc. Togane Technology Site | 1 | 2004/12 |
| Sony Life Insurance Co., Ltd | 3 | 2005/05 |
| Jared Inc. | 6 | 2005/07 |
| Sony Taiwan Ltd. | 7 | 2005/09 |
| Sony Korea Corporation | 1 | 2006/01 |
| Frontage Inc. | 2 | 2006/02 |
| Sony Bank Inc. | 2 | 2008/03 |

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List of ISO14001 Certification - Jurisdiction under Europe Regional Environmental Office

ISO14001 Global Environmental Management System (GEMS) Certification

(As of March 31, 2019)

Manufacturing Sites

| Name of Organization | Number of Certified Sites | Acquired (Global EMS) |
|--------------------------|---------------------------|-----------------------|
| Sony DADC Europe Limited | 2 | 2004/10 |
| Sony Europe BV | 1 | 2005/06 |

Non-Manufacturing Sites

| Name of Organization | Number of Certified Sites | Acquired (Global EMS) |
|---|---------------------------|-----------------------|
| Sony DADC Germany GmbH (Distribution Centre) | 1 | 2011/05 |
| Sony DADC IBERIA S.L. (Distribution Centre) | 1 | 2012/01 |
| Sony Music Entertainment UK Limited | 1 | 2012/03 |
| Sony DADC Czech Republic, s.r.o. | 1 | 2013/06 |
| Sony DADC Europe Ltd. Enfield Distribution Centre | 1 | 2014/06 |
| Sony Mobile Communications AB Sony Nordic (Sweden) , Filial till Sony Europe B.V. (NL) Qoitech AB | 1 | 2015/01 |

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List of ISO14001 Certification - Jurisdiction under North America Regional Environmental Office

ISO14001 Global Environmental Management System (GEMS) Certification

(As of March 31, 2019)

Manufacturing Sites

| Name of Organization | Number of Certified Sites | Acquired (Global EMS) |
|-------------------------|---------------------------|-----------------------|
| Sony DADC - Terre Haute | 1 | 2005/03 |

Non-Manufacturing Sites

| Name of Organization | Number of Certified Sites | Acquired (Global EMS) |
|---|---------------------------|-----------------------|
| Sony American Zone | 3 | 2006/01 |
| Sony Pictures Entertainment (SPE) Group | 3 | 2006/01 |

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List of ISO14001 Certification - Jurisdiction under Latin America Regional Environmental Office

ISO14001 Global Environmental Management System (GEMS) Certification

(As of March 31, 2019)

Manufacturing Sites

| Name of Organization | Number of Certified Sites | Acquired (Global EMS) |
|----------------------|---------------------------|-----------------------|
| Sony Brasil Ltda. | 1 | 2004/09 |

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List of ISO14001 Certification - Jurisdiction under Pan Asia Regional Environmental Office

ISO14001 Global Environmental Management System (GEMS) Certification

(As of March 31, 2019)

Manufacturing Sites

| Name of Organization | Number of Certified Sites | Acquired (Global EMS) |
|---|---------------------------|-----------------------|
| Sony Technology (Thailand) Co., Ltd. | 2 | 2004/10 |
| Sony Device Technology (Thailand) Co., Ltd. | 1 | 2005/06 |
| Sony EMCS (Malaysia) Sdn. Bhd. (PG Tec) | 1 | 2005/09 |
| Sony EMCS (Malaysia) Sdn. Bhd. (KL Tec) | 1 | 2005/09 |

Non-Manufacturing Sites

| Name of Organization | Number of Certified Sites | Acquired (Global EMS) |
|--|---------------------------|-----------------------|
| Sony India Pvt. Ltd. | 1 | 2006/01 |
| Sony India Software Centre Private Limited | 1 | 2012/03 |

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List of ISO14001 Certification - Jurisdiction under China Regional Environmental Office

ISO14001 Global Environmental Management System (GEMS) Certification

(As of March 31, 2019)

Manufacturing Sites

| Name of Organization | Number of Certified Sites | Acquired (Global EMS) |
|--|---------------------------|-----------------------|
| Sony Digital Products (Wuxi) Co., LTD. | 1 | 2004/09 |
| Shanghai Suoguang Visual Products Co., Ltd. | 1 | 2005/02 |
| Sony Precision Devices (Huizhou) Co., Ltd. | 1 | 2005/02 |
| Shanghai Suoguang Electronics Co., Ltd. | 2 | 2005/04 |
| Shanghai Epic Music Entertainment Co., Ltd. Sony DADC China Co., Ltd. | 1 | 2010/04 |

Non-Manufacturing Sites

| Name of Organization | Number of Certified Sites | Acquired (Global EMS) |
|---|---------------------------|-----------------------|
| Sony (China) Limited. Sony Supply Chain Solutions (China) Ltd. Sony Global Information System (China) Co., Ltd. | 9 | 2005/03 |
| Sony Mobile Communications (China) Co. Ltd. | 1 | 2015/01 |

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Independent Assurance Statement

Purpose and Scope of Verification

Sony has obtained third-party verification since fiscal 2001 to ensure the credibility of data reported and facilitate the ongoing improvement of its environmental management. Since fiscal 2003, Sony has sought independent verification from the Bureau Veritas (BV) Group, the external auditing organization for the Sony Group's global environmental management system. In fiscal 2018, Sony asked the BV Group to undertake independent verification of the reliability of data collection and reporting processes, as well as the accuracy and the appropriateness of conclusions drawn from such data, at production sites, non-manufacturing sites, design sites and Sony's headquarters. Furthermore, amount of greenhouse gas emissions is verified in accordance with ISO14064-3 since fiscal 2011.

Independent Assurance Statement

› [Click to enlarge \[PDF:161KB\]](#)

INDEPENDENT ASSURANCE STATEMENT

To: Sony Corporation



Bureau Veritas Japan Co., Ltd. (Bureau Veritas) has been engaged by Sony Corporation (Sony) to provide limited assurance and to conduct an external review over sustainability information selected by Sony. This Assurance Statement applies to the related information included within the scope of work described below.

Selected information

The scope of our assurance work was limited to assurance over the following information included within Sony's Sustainability Report 2019 (the "Report") or reported internally to Sony Group only for the purpose of internal management for the period of April 1, 2018 through March 31, 2019 (the "Selected Information"):

- 1) The following environmental performance data through business operations of all ISO 14001-certified sites as of March 31, 2019 in Sony Group
 - Greenhouse gas emissions (Scope 1 and Scope 2): CO₂ emissions from energy use and other greenhouse gases including PPCs
 - Energy consumption (including fuel for motor vehicles)
 - Water consumption and discharge
 - Water pollutant (BOD/COD) emissions
 - 2) Categories 4, 6 and 11 of Scope 3 GHG emissions accounted within the boundaries defined by Sony for each category
 - Category 4: CO₂ emissions from logistics (*1)
 - Category 6: CO₂ emissions from employee business trips (*2)
 - Category 11: CO₂ emissions from the electricity consumption during product use
- (*1) Total CO₂ emissions from logistics include emissions arising from transportation of electronics products handled by the Sony Group over 48 countries around the world including Japan, the United States, Europe, and Asia. GHG emissions from logistics within Japan also include those from components transportation.
- (*2) Emissions are calculated for business trips undertaken by employees from central departments, which account for the largest share of business trips taken by employees of the Sony Corporation and Sony Group Electronics Business companies in Japan, Europe, North America and China. (In the case of Japan and North America, trips taken by employees from some music-related companies are included.)

The scope of our review work was limited to assurance over the following information reported internally to Sony Group only for the purpose of internal management for the period of April 1, 2018 through March 31, 2019 (the "Selected Information"):

- CO₂ emissions reduction achieved by using renewable energy

Note: The reporting boundaries and calculation methodologies were defined by Sony.



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History of Environmental Activities at Sony

1970-

| | | |
|------|-------|---|
| 1976 | April | Establishes Environmental Conference, chaired by the President |
| | April | Promotes prevention of hazardous materials use and occupational health and safety in Sony Group operations in Japan |
| | May | Establishes Environmental Science Center |
| | May | Hazardous waste materials and working environments of Group operations in Japan are evaluated |

1980-

| | | |
|------|-------|---|
| 1985 | April | Sony Corporation of America begins environmental audits |
| 1989 | March | Convenes special committee to study measures to eliminate CFC use |

1990-

| | | |
|------|----------|---|
| 1990 | August | President's Policy on the Environment is disseminated among Sony Corporation staff |
| | October | Organizes Sony Environmental Conservation Committee |
| 1991 | October | Formulates policy for product assessment |
| | November | Signs business charter for sustainable development of the international chamber of commerce |

| | | |
|------|-----------|---|
| 1993 | January | Inaugurates Environmental Fund System, a program supporting development of environmental protection technologies |
| | March | Sony Global Environmental Policy and Environmental Action Program is formulated |
| | April | Use of fluorocarbons for cleaning is completely phased out from the Sony Group's production processes worldwide |
| 1994 | February | Launches Sony Environmental Award program |
| | April | Establishes Corporate Environmental Affairs Department Establishes Center for Environmental Technologies (CET) at the Sony Research Center (operated until 1999) |
| | May | Launches Greenplus Project to promote environmental consideration with respect to products |
| | July | Guidelines for acquiring ISO environmental certification are established and introduced |
| 1995 | May | Sony Kohda Corporation becomes the first Sony company in Japan to acquire ISO 14001 certification |
| 1996 | July | Sony Deutschland's Service Division becomes the first non-manufacturing site in the Sony Group to acquire ISO 14001 certification |
| | October | Revises Sony Environmental Action Program and formulates Green Management 2000 |
| 1997 | October | Initiates operations at Recycle Research Center in Ichinomiya (ongoing until 2005) |
| | December | Four sites in Singapore become the first non-manufacturing sites in Asia to acquire ISO 14001 certification |
| 1998 | September | Establishes environmental R&D laboratory in the Environmental Center Europe, Germany |
| | November | Establishes the Green Management 2002 Sony Mid-Term Environmental Action Program |

| | | | | | | | | | | | | | |
|-----------------|--|---------------------------|-----------------------------------|---|-----------------------------|------------------------------|---------------------------------|-------------------|------------------|---------------------------------|-----------------------------|--------------------|-----------------------------|
| Contents | About the Sustainability Report | Management Message | Approach to Sustainability | Sony's Challenge to achieve the RE100 commitment | Corporate Governance | Ethics and Compliance | Respect for Human Rights | Technology | Employees | Responsible Supply Chain | Quality and Services | Environment | Community Engagement |
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|--------------|-----------|--|
| 1999 | February | Completes the process of acquiring ISO 14001 certification at all 38 manufacturing sites in Japan |
| 2000- | | |
| 2000 | April | Incorporates environmental factors into Network Companies' evaluations |
| | April | Formulates Guideline for the Environmental Risk Management |
| | October | Establishes the Sony Environmental Vision |
| 2001 | March | Revises Sony Mid-Term Environmental Action Program; Formulates Green Management 2005 |
| | April | Japan's Home Appliance Recycling Law becomes effective and the 14-plant recycling network of Green Cycle Corporation, where Sony is the principal shareholder, begins processing four types of appliances. |
| | April | Environmental evaluation standards are extended from Electronics to Game, Music and Pictures businesses |
| | September | Begins using the Green Power Certification System |
| | October | PS one game console shipments temporarily halted in the Netherlands due to containing cadmium above the legal limit |
| 2002 | March | Formulates Sony Technical Standards, SS-00259 "Management Regulations for the Environment-related Substances to be Controlled which are included in Parts and Materials" |
| | April | Completes ISO 14001 certification process at all manufacturing sites worldwide |
| | June | Initiates "Sony Group Environmental Month" |
| | July | Introduces Green Partner Environmental Quality Approval Program |

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|-------------|-----------|---|
| 2003 | July | Revises Sony Mid-Term Environmental Targets (Green Management 2005) |
| | November | Revises Sony Environmental Vision and renames it "Sony Group Environmental Vision" |
| 2006 | March | Finishes putting in place the globally integrated environmental management system it commenced in fiscal 2004 |
| | April | Establishes Green Management 2010 |
| | July | Begins participation in World Wide Fund for Nature (WWF) 's Climate Savers Programme |
| 2007 | November | Use of renewable energy at Sony DADC Austria's Anif Plant reaches 100% |
| 2008 | April | Launches a scheme to support forest conservation efforts in Noshiro, Akita prefecture using a Green Power Certification system purchase contract |
| | June | Announces the energy-saving KDL-32JE1 LCD television |
| | September | Commences pilot program to collect small e- waste in the city of Kita-Kyushu |
| 2009 | January | Announces new V5/VE5/WE5 series of BRAVIA™ LCD televisions with energy-saving features, including a "Presence Sensor" and "Energy Saving Switch," that facilitate a substantial reduction in energy consumption |
| | June | Releases mercury-free alkaline button battery (LR) |
| | July | Achieves use of 100% renewable energy at European sites; percentage of total energy used by Tokyo headquarters building accounted for by renewable energy reaches 50% |
| | October | Sony Chemical & Information Device Corporation's Kanuma Plant wins Minister of Economy, Trade and Industry Award for "Resource Recycling Techniques and Systems" |
| | November | Announces at presentation to the media that it has positioned "the environment" as one of four key strategic priorities |

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2010-

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| 2010 | February | Announces VAIO W series of "eco body model" PCs with features that evoke Sony's commitment to environmental conservation, including components that are 80% made with recycled plastic and carrying case made from 100% recycled PET materials |
| | April | Announces new "Road to Zero" global environmental plan, revises Sony Group Environmental Vision and formulates "Green Management 2015," a new set of mid-term environmental targets for the Sony Group |
| | October | Presentation on groundwater recharge for idle rice paddies (project undertaken by Sony Semiconductor Kyushu Corporation's Kumamoto Technology Center) given at COP10 Biodiversity Conference |
| 2011 | February | Develops SORPLAS™, plastic made 99% from recycled materials, for use in the bezel (screen rim) components of BRAVIA™ LCD televisions |
| | March | Sony Forest, maintained by Sony EMCS Corporation's Kohda Site, earns Superlative Stage (top rank) certification under the Social and Environmental Green Evaluation System (SEGES) in Japan |
| | April | Launches 1.2 kWh-capacity energy storage modules containing rechargeable lithium-ion batteries made with olivine-type lithium-ion iron phosphate |
| | June | Begins implementation of "Green Star Program" which assesses the environmental performance at each site |
| 2012 | February | Developed "authentication outlets" that let a user proactively manage his/her use of electric power |
| | September | Xperia™ P smartphone receives European Green Smart Phone award from the European Imaging and Sound Association |
| | December | The DSC-HX30/20 series of Cyber-shot™ digital still cameras and BDV-N790W Blu-ray Home Theater System are honorees in the Eco-Design and Sustainable Technologies category at the CES Innovation Awards 2013 |

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| 2013 | March | Sony Electronics Asia Pacific Pte Ltd. presented with the 2013 Green Luminary award by Channel NewsAsia, which praised Sony's medium-to long-term commitment to sustainability under the Road to Zero initiative, innovative environmentally conscious materials such as SORPLAS™ and local CSR activities involving both employees and the community |
| | March | Sony Semiconductor Corporation's Oita Technology Center earns top-rank Superlative Status certification under Japan's Social and Environmental Green Evaluation System (SEGES) |
| | November | Sony Service and Operations of Americas receives Mexico's Index National Environmental Award 2013 for its environmental activities and performance |
| 2014 | January | Sony EMCS Malaysia KL Tec's environmental management system and activities to reduce environmental footprint receive two Prime Minister's Hibiscus Awards from the Malaysian Ministry of Natural Resources and Environment (MNRE) |
| | February | The television advertisement "Water Rock"-showcasing one of Sony's environmental initiatives-receives the Grand Prix award at the 17 th Environmental Communication Awards in Japan in the environmental television advertisement category |
| | October | Sony EMCS Malaysia KL Tec selected as 2 nd runner up for the 2014 ASEAN Energy Awards in the Large Industry Category of the Energy Management in Building Industry for its Sustainable Energy Management Program |
| | December | Sony Electronics Inc. receives the Sustainable Materials Management from the United States Environmental Protection Agency for its initiatives for recycling waste from electronic goods |
| 2015 | March | Sony EMCS Kohda Site certified by Japan Committee for the United |

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|-----------------|--|---------------------------|-----------------------------------|---|-----------------------------|------------------------------|---------------------------------|-------------------|------------------|---------------------------------|-----------------------------|--------------------|-----------------------------|
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| 2015 | March | Sony EMCS Kohda Site certified by Japan Committee for the United Nations Decade on Biodiversity (UNDB-J) as exemplary project for activities that create seedlings of domestic tree species in the Nishimikawa district and build owl-friendly forest environment |
| | May | Establishes Green Management 2020 environmental mid-term targets |
| | October | Sony EMCS Kohda Site receives 3 rd Green Society Award for environmental activities such as corporate greening and biodiversity protection |
| | October | Sony EMCS (Malaysia) KL Tec wins ASEAN Energy Award for second consecutive year |
| 2016 | March | Recognized for exemplary long-term goals in the Low-Carbon Cup 2016, an event supported by the Ministry of the Environment, the Ministry of Education, Culture, Sports, Science and Technology, and other Japanese organizations |
| | April | Sony Open in Hawaii golf tournament certified as Kela (Excellent) Level Green Event by State of Hawaii |
| | October | Angry Birds for a Happy Planet campaign featuring characters from The Angry Birds Movie by Sony Pictures Entertainment receives the award for Excellence in Advertising at the 2016 Environmental Media Awards |
| 2017 | October | Kohda Site of Sony Global Manufacturing & Operations Corporation recognized by the Social and Environmental Green Evaluation System (SEGES) program with Green Legacy certification. |

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| 2018 | March | Wow! Wow! Biodiversity Project (Sony Corporation) and groundwater recharge project (Sony Semiconductor Manufacturing Corporation's Kumamoto Technology Center) certified as exemplary projects by the Japan Committee for the United Nations Decade on Biodiversity (UNDB-J) |
| | September | Sony Corporation joins RE100, a global initiative whose members commit to sourcing 100% renewable electricity |
| | October | Kunisaki Satellite Office of Oita Technology Center, Sony Semiconductor Manufacturing Corporation, receives 6th Green Society Contribution Award for community and environmental initiatives including biodiversity conservation |
| | November | Sony Korea receives Prime Minister's Prize at the 2018 Low-carbon Life Practice National Competition |

Note:
-Organization names appear as they were at the respective dates; some may not be current.

Community Engagement

Management Approach

Materiality Rationale

In Sony's Founding Prospectus, co-founder Masaru Ibuka set "contributing to Japanese culture through technology" and "the promotion of education in science among the general public" as primary goals of founding and has focused on science education for children, who will shape the next generation. These philosophies are inherited as the basis of Sony's CSR activities.

Basic Approach

Under the slogan "For the Next Generation," which inherits the aspiration of Sony co-founder Masaru Ibuka, Sony aims to contribute to the resolution of a wide range of global social issues in our business regions around the world by making the most of its products, content, and technologies. Sony's areas of focus are: supporting education in various countries and regions; providing emergency relief and assistance in large-scale disasters; employing technology to solve social issues; and using entertainment as a source of public awareness.

Structure

In addition to global projects, which are spearheaded by Sony Corporation, Sony Group companies worldwide and the Group's five foundations cooperate with stakeholders such as international organizations and NGOs on initiatives tailored to local needs. Sony encourages employees to play an active role in these activities, as well.

Main Achievements in Fiscal 2018

Here are the main results of fiscal 2018 initiatives:

- Community engagement expenditures were 2.5 billion yen. A total of 70,000 employees took part in volunteering programs (including fund-raising and blood donation).
- Sony Science Program workshops were held approximately 100 times, attracting 3,900 participants.
- Launched Kando Experience Program and held 15 workshops with a total of approximately 300 participants.
- Disaster assistance was provided for affected areas and people in Japan, Indonesia, India, and Africa.



Milestones

- 1959:** Founded Sony Fund for the Promotion of Science Education in Elementary Schools
- 1972:** Established Sony Foundation for Education (currently Sony Education Foundation)
- 1984:** Established Sony Music Foundation
- 1992:** Introduced leave for volunteering purposes
- 1999:** Established Sony Foundation Australia
- 2000:** Established Sony ExploraScience (Beijing)
- 2002:** Established Sony ExploraScience (Tokyo) *1
- 2006:** Became a corporate sponsor of the UNHCR Refugee Film Festival in partnership with Japan for UNHCR
- 2009:** Launched Sony Science Program
- 2010:** Started a partnership with Save the Children Japan for disaster assistance
- 2012:** Launched a project for forest conservation in Sumatra in cooperation with the World Wide Fund for Nature (WWF)
- 2016:** Co-established the Emergency Disaster and Recovery Fund for Children with Save the Children Japan

*1 To be closed permanently at the end of October 2019

Looking to the Future

Sony strives to make the most of its products, content, technologies, strengths of employees, and stakeholder partnerships to help address global issues, including those targeted by the Sustainable Development Goals (SDGs), and to meet various needs in local communities.

Activity Reports

- Policy, Framework and Main Scope of Community Engagement
- Results of Community Engagement Initiatives
- Volunteer Systems for Employees
- Disaster Assistance

Updated on August 29, 2019

Policy, Framework and Main Scope of Community Engagement

Vision of Sony's Founder

In Sony's Founding Prospectus, co-founder Masaru Ibuka set "the promotion of education in science among the general public" as a primary goal. He was convinced that enhancing scientific literacy would be critical for the recovery of post-war Japan and that science education for children was the key. In 1959, 13 years after Sony's establishment, he set up the Sony Fund for the Promotion of Science Education to support elementary schools in the pursuit of science education excellence.



Masaru Ibuka

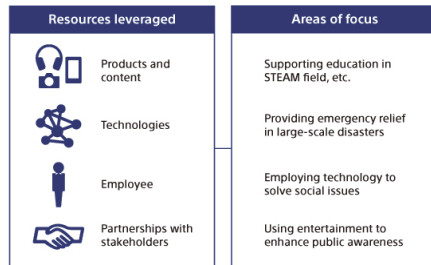


Research presentation by schools assisted under the Sony Fund for the Promotion of Science Education

Policy of Community Engagement

Under the slogan "For the Next Generation," which inherits the aspiration of Sony co-founder Masaru Ibuka, Sony engages with communities, mainly in our business regions, through its products, content, technologies, the strengths of employees, and also by partnering with its stakeholders. Taking into consideration of the SDGs,¹ Sony strives to address diverse global issues by deploying STEAM² field educational activities; providing emergency relief and assistance in large-scale disasters; employing technology to solve social issues; and using entertainment as a source of public awareness.

For the Next Generation Under the slogan "For the Next Generation," Sony addresses diverse social issues

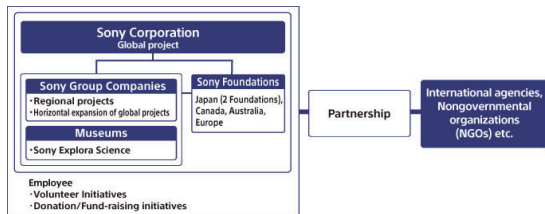


*1 The Sustainable Development Goals adopted by the United Nations

*2 An acronym that refers to the field of Science, Technology, Engineering, Arts and Mathematics

Framework for Community Engagement

Sony's global projects are spearheaded by its headquarters in Tokyo. In addition, Sony Group companies worldwide, along with its foundations and science museums, are involved in initiatives tailored to local needs. These efforts are all guided by the Sony Group's community engagement policy, and often include cooperation with international organizations including NGOs. Employees are also encouraged to play an active role in their communities by volunteering, taking part in fundraising, and in other programs.



Sony Museums and Foundations

Sony ExploraScience (Tokyo and Beijing)

In these Sony science museums, visitors can actually see, touch and enjoy the principles and laws of science in action as they experience the progress and fascination of digital technology.

> [Sony ExploraScience \(Tokyo\)](#) *1

> [Sony ExploraScience \(Beijing\)](#)

*1 To be closed permanently at the end of October 2019

Sony Foundations

- > [Sony Education Foundation \(Japan\)](#)
- > [Sony Music Foundation \(Japan\)](#)
- > [Sony Foundation Australia Limited \(Australia\)](#)
- > [Sony Canada Charitable Foundation \(Canada\)](#)
- > [Stichting Sony Europa Foundation \(Pan-Europe\)](#)

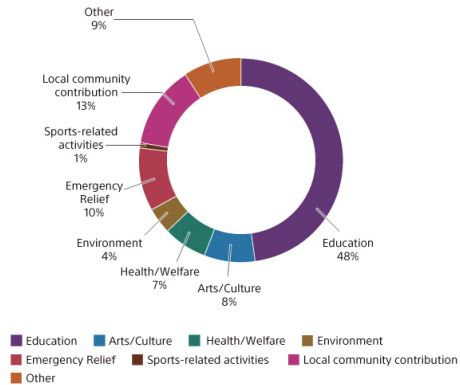
Updated on August 29, 2019

Results of Community Engagement Initiatives

In fiscal 2018, the Sony Group contributed approximately 2.5 billion yen*1 to community engagement initiatives. By category, approximately 50% of the expenditure went to supporting education, such as science education. The next highest area of expenditure went to contributing to local communities and emergency disaster relief.

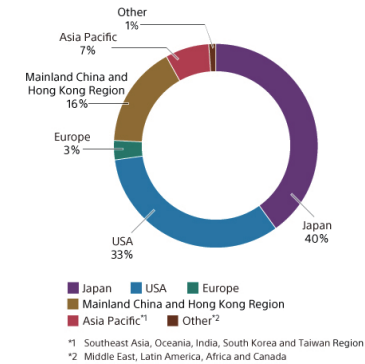
*1 Cumulative figure. In addition to donations, sponsorships and independent program expenses (including facility operation expenses), this amount includes the market value of products donated.

Community Engagement Expenditures by Field (Fiscal Year 2018)



By region, approximately 40% of the total expenditure was in Japan, followed by 33% in the United States and 16% in Mainland China and the Hong Kong region.

Community Activity Expenditures by Region (Fiscal Year 2018)



Sony Science Program

The Sony Science Program offers programs and workshops for children, who will shape the next generation, to gain skills for making the world a better place by applying the power of science. Sony held approximately 90 workshops in fiscal 2018, giving approximately 3,900 children the opportunity to create crafts and make inventions with Sony products and services. Also in fiscal 2018, Sony's hands-on science museums in Tokyo and Beijing, called Sony ExploraScience, attracted some 270,000 visitors.*1

Sony also held a series of workshops in fiscal 2018 making use of MESH™*2 IoT blocks. These workshops took place in Japan, Singapore, South Korea, Taiwan, Vietnam, and the Hong Kong region providing large numbers of children with opportunities to learn programming.

> Sony Science Program

*1 Including participants for workshops carried out outside the museums

*2 Anyone can easily use MESH™ to build digital gadgets by linking small blocks together via wireless connection. Even without understanding difficult electronic or programming matters, anyone who can imagine a useful IoT gadget can find a way to make their own device.



MESH™ Workshop

Kando Experience Program

In an effort to address the educational inequality in Japan, Sony launched its Kando Experience Program in September 2018. In this program, Sony provides diverse *kando* (to move people emotionally) experiences aiming at developing creativity and curiosity to children who have had few such opportunities. The program focuses primarily on elementary school students and takes place after school, in rural districts and on remote islands. Making use of the Sony Group's technologies and content, Sony partners with non-profit organizations and other outside groups to provide workshops in the STEAM*1 field. In 2018, Sony held the program at seven different elementary schools (after-schools), and it included workshops featuring programming by making use of MESH™ IoT blocks, experiencing different cultures using virtual reality (VR) technology Warp Square, and seminars utilizing the know-how of Sony Music Entertainment (Japan) Inc., offering children the opportunity to make animation and learn how to perform a musical. At *Kodomo Shokudo* (children's community diner), Sony offered programming experiences with MESH™ and science experiment demonstrations at three different locations. MESH™ workshops were also offered to five elementary school children in rural districts and remote islands as distance learning opportunities. In fiscal 2018, Kando Experience Program workshops took place in 15 locations, benefitting approximately 300 children in total.

[> Kando Experience Program](#)

*1 An acronym that refers to the field of Science, Technology, Engineering, Arts and Mathematics



Experiencing different cultures using Warp Square VR technology

Global Refugee Crisis

Sony recognizes the refugee crisis as an important global issue and is working with Japan for UNHCR*1 to raise awareness. In addition to being a corporate sponsor of the UNHCR Refugee Film Festival in Japan since 2007, Sony has been holding sports activities and other events to raise awareness of refugee issues among Sony Group employees. In fiscal 2018, we held three events including in-house showing of films from the UNHCR Refugee Film Festival on World Refugee Day (set for June 20 by the United Nations General Assembly), and other fund-raising events attracting a total participation of some 130 employees in fiscal 2018. Donations made by Sony Group employees at these events go to Japan for UNHCR, which forwards the proceeds to UNHCR so it can be used for refugee protection and support measures.

[> Tackling Refugee Issues](#)

*1 United Nations High Commissioner for Refugees, the UN refugee agency, is a global organization dedicated to saving lives, protecting rights and building a better future for refugees, forcibly displaced communities and stateless people. It was established in 1950. Japan for UNHCR is the official entity in Japan that raises awareness and funds for UNHCR from the private sector.

Sony Group Community Initiatives Across the Globe

Sony Group Sponsors Girls Make Games (USA, UK)

Since 2017, Sony Interactive Entertainment Inc. (SIE) has been a sponsor of Girls Make Games (GMG), a game-making experience for young girls provided by LearnDistrict Inc., a firm based in the United States. With an eye on fostering the next generation of game designers, creators, and engineers, GMG holds game-making workshops and summer camps in various locations around the U.S. Approximately 20 girls who attend the three-week camp at the SIE campus in San Mateo, California, form into teams that develop and produce their own original games. At the end of the three-week camp, GMG holds a competition for the games which have been created that year. The winner of the competition in fiscal 2018 created a game about issues that children face at school and in their daily lives. Over the past year, the winning team has worked with professional game designers to make the full game ready for publishing. In fiscal 2019, SIE supported GMG workshops to be held in the United Kingdom for the first time, and also held workshops in cooperation with local game makers.



GMG Workshop
©Girls Make Games

Life Planning Courses (Japan)

Since fiscal 2006, Sony Life Insurance Co., Ltd. has sent its Lifeplanner life insurance consultants to junior high schools, high schools, and universities throughout Japan to conduct Life Planning Courses to allow students to experience financial planning for different life stages. These courses encourage students to describe their dreams and future plans and teach the importance of planning ahead and working hard to realize one's dreams. In fiscal 2018, Life Planning Courses were held at 174 schools and attracted a total attendance of 19,855 and over 1,300 employee volunteers served as instructors. Since 2006, the courses have been held at 1,377 schools and have attracted a total attendance of 147,805.



Life Planning Course

"Unheard City Stories" Project for Support of At-Risk Youth (Hong Kong region)

Sony Hong Kong has partnered with non-profit organizations to implement the "Unheard City Stories" project, which tells the stories of a range of initiatives undertaken in Hong Kong to assist youth facing various issues and help them to rebuild their lives. For example, to advocate for better understanding of problems affecting at-risk youth, such as drug addiction, Sony Hong Kong produced videos showing the process of young people's struggle to kick addiction and get their lives back on track. Sony Hong Kong also offered in-kind sponsorship, co-organized a fund-raising photo exhibition and supported hip hop dance competitions. Artists from Sony Music Entertainment Hong Kong were involved in some of the activities to maximize synergies. In addition to helping young people overcome difficulties and build confidence, these initiatives aim to motivate them to pursue their dreams.



Rookie Stars Hip Hop Dance Contest in Hong Kong
©Sony CURATOR Gary Chan

Support for Persons with Disabilities (Australia)

Sony Foundation Australia runs a number of programs to provide support to children and youth in Australia suffering from severe illnesses and disabilities, who tend to receive insufficient social care, which causes isolation. An example is the Children's Holiday Camp Program, which for the past 20 years has been providing respite care to family members and caretakers of children with disabilities while simultaneously giving the children an incredible holiday with student camp volunteers. The camps which run over four days, are hosted at schools and universities around the country. In fiscal 2018, there were a total of 28 camps where 1,150 high school student volunteers provided care for over 650 children with special needs. Many of the volunteers continue to help children with disabilities after the camps conclude, expanding the impact of the program into mainstream society. Artists from Sony Music Entertainment and well-known athletes also take part in the camps and interact with the children. In fiscal 2018, this program expanded beyond Australia and was also held in New Zealand for the first time.



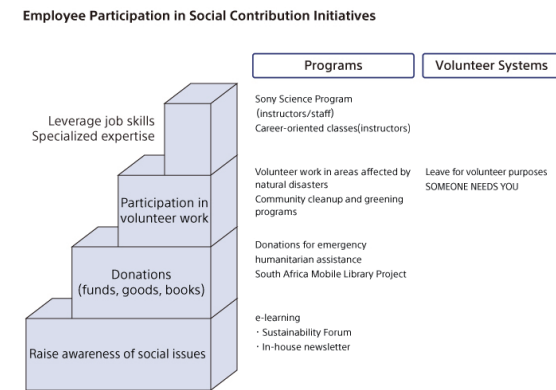
Notable Australian footballer, Jonathan Thurston, bringing smiles to the children at a Children's Holiday Camp in Queensland

Updated on August 29, 2019

Volunteer Systems for Employees

Employee Participation in Social Contribution Initiatives

Sony uses a three-step approach to engage its employees in social contribution initiatives: raising awareness of social issues, encouraging volunteering, and leveraging job skills.



Employee Volunteer Promotion Program: "SOMEONE NEEDS YOU"

Sony has a global in-house volunteer program known as "SOMEONE NEEDS YOU" (the name was developed using the letters S, O, N and Y), the aim of which to encourage employee involvement in efforts to help local communities. Under this program, Sony Group companies create volunteer programs tailored to local needs and encourage continued employee participation in the community. In fiscal 2018, a total of approximately 70,000 Sony Group employees*1 participated in volunteering initiatives.

*1 Cumulative participants in fundraising initiatives, blood drives and other activities.

Leave for Volunteering Purposes

To support employee participation in volunteering activity initiatives, Sony Corporation has an employee volunteering support system, making it easier for employees to participate in these activities by allowing them to use accumulated holidays for initiatives requiring extended leaves of absence. In fiscal 2018, Sony employees used

leaves to volunteer at programming workshops for elementary school students that were held by Sony and the non-profit organization HOUKAGO NPO AFTER-SCHOOL.

Charitable Donation Systems for Employees

Sony has put several systems in place for encouraging employees to donate money for emergency relief and other worthy causes, including matching gift programs. Employees can donate money by bank transfer or by using electronic money with Sony's Felica™ contactless IC card system.

Related information:

> [Organizational Structure](#)

Updated on August 29, 2019

Disaster Relief

Sony provides humanitarian aid in response to large-scale disasters and emergency crises around the world, taking into account the degree of urgency and its relationship with the region.

Sony Group Disaster Relief

In fiscal 2018, the Sony Group made monetary donations to assist the areas and victims of the natural disasters listed below.

| Date disaster occurred | Incident | Amount of donation (yen, approx.) | Recipient |
|------------------------|-------------------------------------|-----------------------------------|---|
| March 2019 | Cyclone Idai in Southeastern Africa | 2 million | Save the Children |
| December 2018 | Sunda Strait Tsunami in Indonesia | 1.3 million | Indonesian Board for National Disaster Affairs |
| | | | Singapore Red Cross |
| September 2018 | Sulawesi Earthquake in Indonesia | 5 million | Save the Children |
| | | | Indonesia Red Cross |
| August 2018 | Kerala Floods in India | 25 million | Save the Children Government of Kerala Chief Minister's Distress Relief Fund |
| July 2018 | Lombok Earthquakes in Indonesia | 3 million | Save the Children |
| July 2018 | Heavy Rain in West Japan | 37 million | Save the Children |
| | | | Central Community Chest of Japan |
| | | | The Japanese Red Cross Society |

Emergency Disaster and Recovery Fund for Children

In October 2016, Sony, in partnership with NGO Save the Children Japan, co-established the Emergency Disaster

and Recovery Fund for Children, which provides immediate support upon the sudden onset of natural disasters or humanitarian crises as well as medium- to long-term recovery support to children. The fund pools a certain amount of funds at all times, which enables a rapid response to crises around the world by making monetary disbursements to Save the Children's relief activities. The funds are used to deploy everyday goods and hygiene kits, to create Child Friendly Spaces, which are safe and secure settings for children to play and spend time in, and to provide training in Psychological First Aid for Children, an approach used to reduce the initial distress of children exposed to crisis situations.

› [Emergency Disaster and Recovery Fund for Children](#)



Child Friendly Space created after the Heavy Rain in West Japan, 2018



Training program on Psychological First Aid for Children provided to caregivers and teachers after the Hokkaido Eastern Iburu Earthquake, 2018

Supporting Children's Mental Health and Providing Psychosocial Support in Times of Emergencies

In 2013, Save the Children developed an approach called Psychological First Aid for Children (PFA for Children), based on the Psychological First Aid manuals issued by the World Health Organization (WHO), etc. PFA for Children is designed to reduce the initial distress of children caused by accidents, natural disasters and conflicts according to their stage of cognitive development. Since 2014, Sony has been supporting Save the Children's training programs and public awareness activities, aiming to ensure that PFA for Children can be utilized by anyone when disasters occur to provide psychosocial support for children. Save the Children conducted the training 62 times in 2018, with a total of 9,106 participants from 2014 to the end of March 2019.

Charity Events for Emergency Relief

In March 2019, Sony held a number of charity events to raise public awareness about natural disasters and to ensure that the lessons learned from the disasters of the past will not be forgotten. At Ginza Sony Park, Sony held an exhibition entitled "For the Next Generation—Recovery of Disaster Affected Areas Captured through the Eyes of Children and Relief Efforts at Sony." The exhibition showcased Sony's ongoing disaster relief activities, as well as pictures and messages from the "3/11 Kids' Photo Journal," a project for children affected by the Great East Japan Earthquake. It also displayed the processes used to restore Sony manufacturing facilities that were affected by the Great East Japan Earthquake and the Kumamoto Earthquake. In addition to the exhibition, charity badges were sold at the venue to raise funds. For Sony group employees, seminars and panel exhibits showing the relief activities deployed by Save the Children and Sony were held at the Sony Headquarters' cafeteria. Charity lunch meals were introduced during the period, and employees contributed by selecting and enjoying the charity meals. Sony Music Foundation held a charity concert to raise funds to support disaster recovery. The charity concert provided elementary, junior high, and high school students the opportunity to sing along with a piece of music from Beethoven's Ninth Symphony. The proceeds raised through these charity events, which came to a total of approximately 2 million yen, were donated to the Emergency Disaster and Recovery Fund for Children.



Exhibit at Ginza Sony Park

GRI Sustainability Reporting Standards and its Content Index

Sony's Sustainability reporting refers to international standards and guidelines related to Sustainability activity reporting.

Below GRI Sustainability Reporting Standards Content Index includes related information available on Sony websites.

| Index No. | Index name | Related page |
|-----------|--|--|
| 102-1 | Name of the organization | Corporate Info Form 20-F Item4 |
| 102-2 | Activities, brands, products, and services | Form 20-F Item4 Risk Management System Framework Crisis Management System Framework Sony's Approach to Supplier Relations Important Notice |
| 102-3 | Location of headquarters | Form 20-F Item4 |
| 102-4 | Location of operations | Risk Management System Framework |
| 102-5 | Ownership and legal form | Crisis Management System Framework |
| 102-6 | Markets served | Sony's Approach to Supplier Relations |
| 102-7 | Scale of the organization | Form 20-F Item6 |
| 102-8 | Information on employees and other workers | Employee Data |
| 102-9 | Supply chain | Form 20-F Supply Chain Management |
| 102-10 | Significant changes to the organization and its supply chain | Form 20-F |
| 102-11 | Precautionary Principle or approach | Environment |
| 102-12 | External initiatives | Ethics and Compliance Approach to Sustainability |
| 102-13 | Membership of associations | Approach to Sustainability |

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|--------|---|--|
| 102-14 | Statement from senior decision-maker | Management Message |
| 102-15 | Key impacts, risks, and opportunities | Form 20-F Item3 |
| 102-16 | Values, principles, standards, and norms of behavior | Sony Group Code of Conduct |
| 102-17 | Mechanisms for advice and concerns about ethics | Ethics and Compliance Respect for Human Rights |
| 102-18 | Governance structure | Corporate Strategy, Business Strategy and Other Policies Governance Framework |
| 102-19 | Delegating authority | Corporate Governance |
| 102-20 | Executive-level responsibility for economic, environmental, and social topics | |
| 102-21 | Consulting stakeholders on economic, environmental, and social topics | |
| 102-22 | Composition of the highest governance body and its committees | Governance Framework |
| 102-23 | Chair of the highest governance body | Governance Framework |
| 102-24 | Nominating and selecting the highest governance body | Governance Framework |
| 102-25 | Conflicts of interest | Evaluation of the Board and the Committees |
| 102-26 | Role of highest governance body in setting purpose, values, and strategy | Corporate Governance |
| 102-27 | Collective knowledge of highest governance body | Relationship with Shareholders and Other Stakeholders |
| 102-28 | Evaluating the highest governance body's performance | Evaluation of the Board and the Committees |
| 102-29 | Identifying and managing economic, environmental, and social impacts | Corporate Governance |

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| 102-42 | Identifying and selecting stakeholders | Approach to Sustainability |
| 102-43 | Approach to stakeholder engagement | |
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| 102-46 | Defining report content and topic Boundaries | Approach to Sustainability |
| 102-47 | List of material topics | Approach to Sustainability |

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| 102-48 | Restatements of information | - |
| 102-49 | Changes in reporting | Refer the end of this page |
| 102-50 | Reporting period | About Sustainability Reporting |
| 102-51 | Date of most recent report | |
| 102-52 | Reporting cycle | |
| 102-53 | Contact point for questions regarding the report | CSR Contacts |
| 102-54 | Claims of reporting in accordance with the GRI Standards | About Sustainability Reporting |
| 102-55 | GRI content index | GRI Sustainability Reporting Standards and its Content Index |
| 102-56 | External assurance | Environmental Data |
| 103-1 | Explanation of the material topic and its Boundary | Approach to Sustainability |
| 103-2 | The management approach and its components | Approach to Sustainability Corporate Governance Ethics and Compliance Respect for Human Rights Technology Employees Responsible Supply Chain Quality and Services Environment Community Engagement |
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| 201-1 | Direct economic value generated and distributed | Form 20-F |
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| 201-4 | Financial assistance received from government | - |
| 202-1 | Ratios of standard entry level wage by gender compared to local minimum wage | Careers |
| 202-2 | Proportion of senior management hired from the local community | Talent Acquisition Employee Data |
| 203-1 | Infrastructure investments and services supported | Community Engagement |
| 203-2 | Significant indirect economic impacts | Form 20-F |
| 204-1 | Proportion of spending on local suppliers | Responsible Supply Chain |
| 205-1 | Operations assessed for risks related to corruption | Ethics and Compliance |
| 205-2 | Communication and training about anti-corruption policies and procedures | |
| 205-3 | Confirmed incidents of corruption and actions taken | |
| 206-1 | Legal actions for anti-competitive behavior, anti-trust, and monopoly practices | |
| 301-1 | Materials used by weight or volume | Overview of Sony's Environmental Impact |
| 301-2 | Recycled input materials used | Conserving Resources |
| 301-3 | Reclaimed products and their packaging materials | Product Recycling Policy and Performance Environmental Data |
| 302-1 | Energy consumption within the organization | Overview of Sony's Environmental Impact |
| 302-2 | Energy consumption outside of the organization | Environmental Data |

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| 302-3 | Energy intensity | Conserving Resources Overview of Sony's Environmental Impact |
| 302-4 | Reduction of energy consumption | Reducing Greenhouse Gas Emissions Overview of Environmental Impact and Eco-Efficiency |
| 302-5 | Reductions in energy requirements of products and services | Reducing Greenhouse Gas Emission Environmental Data |
| 303-1 | Water withdrawal by source | Overview of Sony's Environmental Impact Reducing Water Consumption |
| 303-2 | Water sources significantly affected by withdrawal of water | - |
| 303-3 | Water recycled and reused | Reducing Water Consumption |
| 304-1 | Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas | Guiding Principles for Biodiversity Conservation Initiatives and Case Examples |
| 304-2 | Significant impacts of activities, products, and services on biodiversity | - |
| 304-3 | Habitats protected or restored | Guiding Principles for Biodiversity Conservation Initiatives and Case Examples |
| 304-4 | IUCN Red List species and national conservation list species with habitats in areas affected by operations | - |
| 305-1 | Direct (Scope 1) GHG emissions | Reducing Greenhouse Gas Emissions Environmental Data |
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| 305-3 | Other indirect (Scope 3) GHG emissions | Overview of Sony's Environmental Impact Reducing Greenhouse Gas Emissions Environmental Data |
| 305-4 | GHG emissions intensity | Reducing Greenhouse Gas Emissions Overview of Environmental Impact and Eco-Efficiency |
| 305-5 | Reduction of GHG emissions | Reducing Greenhouse Gas Emissions (Sites) Reducing Greenhouse Gas Emissions (Products and Services) Progress Toward Achieving Mid-Term Targets for Logistics |
| 305-6 | Emissions of ozone-depleting substances (ODS) | Managing Chemical Substances |
| 305-7 | Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions | Managing Chemical Substances Environmental Data |
| 306-1 | Water discharge by quality and destination | Environmental Data |
| 306-2 | Waste by type and disposal method | Reducing Waste Generation Environmental Data |
| 306-3 | Significant spills | Managing Chemical Substances |
| 306-4 | Transport of hazardous waste | - |
| 306-5 | Water bodies affected by water discharges and/or runoff | - |
| 307-1 | Non-compliance with environmental laws and regulations | Managing Chemical Substances |
| 308-1 | New suppliers that were screened using environmental criteria | Responsible Supply Chain |

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| 308-2 | Negative environmental impacts in the supply chain and actions taken | Responsible Sourcing of Raw Materials Reducing the Environmental Impact of Suppliers and Outsourcing Contractors |
| 401-1 | New employee hires and employee turnover | Form 20-F Employee Data |
| 401-2 | Benefits provided to full-time employees that are not provided to temporary or part-time employees | - |
| 401-3 | Parental leave | Diversity and Inclusion |
| 402-1 | Minimum notice periods regarding operational changes | - |
| 403-1 | Workers representation in formal joint management-worker health and safety committees | Occupational Health & Safety |
| 403-2 | Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities | Global Workplace Injury Statistics |
| 403-3 | Workers with high incidence or high risk of diseases related to their occupation | Occupational Health & Safety |
| 403-4 | Health and safety topics covered in formal agreements with trade unions | Basic Policy and Management System |
| 404-1 | Average hours of training per year per employee | Talent Development |
| 404-2 | Programs for upgrading employee skills and transition assistance programs | |
| 404-3 | Percentage of employees receiving regular performance and career development reviews | |
| 405-1 | Diversity of governance bodies and employees | Employee Data Diversity Talent Development |

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| 405-2 | Ratio of basic salary and remuneration of women to men | Form 20-F |
| 406-1 | Incidents of discrimination and corrective actions taken | Ethics and Compliance Respect for Human Rights |
| 407-1 | Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk | Supply Chain Management |
| 408-1 | Operations and suppliers at significant risk for incidents of child labor | |
| 409-1 | Operations and suppliers at significant risk for incidents of forced or compulsory labor | |
| 410-1 | Security personnel trained in human rights policies or procedures | - |
| 411-1 | Incidents of violations involving rights of indigenous peoples | - |
| 412-1 | Operations that have been subject to human rights reviews or impact assessments | - |
| 412-2 | Employee training on human rights policies or procedures | Respect for Human Rights |
| 412-3 | Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening | - |
| 413-1 | Operations with local community engagement, impact assessments, and development programs | Community Engagement |
| 413-2 | Operations with significant actual and potential negative impacts on local communities | Investor Relations |

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| 414-1 | New suppliers that were screened using social criteria | Supply Chain Management |
| 414-2 | Negative social impacts in the supply chain and actions taken | |
| 415-1 | Political contributions | - |
| 416-1 | Assessment of the health and safety impacts of product and service categories | Product Quality and Quality Management |
| 416-2 | Incidents of non-compliance concerning the health and safety impacts of products and services | |
| 417-1 | Requirements for product and service information and labeling | Products and Services > Management of Chemical Substances Product Recycling > Product Recycling Policy and Performance |
| 417-2 | Incidents of non-compliance concerning product and service information and labeling | - |
| 417-3 | Incidents of non-compliance concerning marketing communications | - |
| 418-1 | Substantiated complaints concerning breaches of customer privacy and losses of customer data | Ethics and Compliance |
| 419-1 | Non-compliance with laws and regulations in the social and economic area | - |

Changes in reporting