### SONY

# SUSTAINABILITY REPORT 2024

### Sony's Purpose & Values

#### **Purpose**

Fill the world with emotion, through the power of creativity and technology.

#### **Values**

#### **Dreams & Curiosity**

Pioneer the future with dreams and curiosity.

#### Diversity

Pursue the creation of the very best by harnessing diversity and varying viewpoints.

#### Integrity & Sincerity

Earn the trust for the Sony brand through ethical and responsible conduct.

#### Sustainability

Fulfill our stakeholder responsibilities through disciplined business practices.



## The Sony Group Code of Conduct

The Sony Group Code of Conduct (the "Code") sets forth the basic standards of ethical and responsible business conduct that must be followed by all Sony officers and employees ("Sony Group personnel") in their daily work. The Code provides a set of principles to guide us, as we engage in our day-to-day roles to pursue our Purpose, in alignment with our Values.

The Code requires that we ask if our business conduct contributes to a better future, not only for Sony, but also for society as a whole. The Code provides a set of guiding principles to conduct our business fairly. Following the Code in our day-to-day work helps nurture trust from our stakeholders which contributes to Sony's sustainable growth.



☑ The Sony Group Code of Conduct

## Sony's Basic Policy for Sustainability Initiatives

Sony Group Corporation has established the following basic policy on sustainability with the approval of the Board of Directors.

Sony manages diverse businesses with people at the core, and aims for sustainable value creation based on such diversity and mid- to long-term growth in the Sony Group's corporate value under its Purpose to "fill the world with emotion, through the power of creativity and technology," and its Corporate Direction of "getting closer to people."

In order to have people connected to each other through emotion, it is necessary to create a society in which everyone can live with peace of mind in a healthy global environment. Sony acts with due consideration of the impact of its business activities on stakeholders, including shareholders, customers, employees, suppliers, business partners, local communities and other organizations as well as the global environment, and focuses on building trust with stakeholders through dialogue.

Through innovation and sound business practice, Sony endeavors to enhance its corporate value and contribute to the development of a sustainable society.

☑ Vision of Founder and Basic Policy for Sustainability Initiatives

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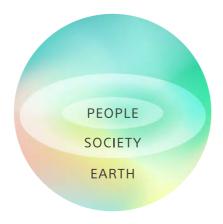
Technology

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#### Sony's Sustainability Vision

## Inspire a World Filled with Emotion for This Generation and Beyond



#### **PEOPLE**

Celebrate individual differences and enrich hearts and minds

#### SOCIETY

Foster a society in which everyone can live with peace of mind

#### **EARTH**

Protect and preserve the Earth, which is the foundation of life

Sony manages diverse businesses and works for sustainable value creation and long-term growth in corporate value under its Purpose to "fill the world with emotion, through the power of creativity and technology." The entire Sony Group endeavors to address sustainability issues, with each business leveraging its unique characteristics in taking action for sustainability.

To address a variety of sustainability issues, Sony recently established a new Sustainability Vision to more clearly articulate the direction in which the Sony Group aims to proceed, with the goal to "inspire a world filled with emotion for this generation and beyond." This vision expresses Sony's resolve to take action to create, and fill the world with, *Kando* through sustainability initiatives, defining the direction of its

activities from the standpoints of People, Society and the Earth. Sony strives to celebrate individual differences and enrich hearts and minds so that people can share *Kando* with one another. It pledges to work to foster a society in which everyone can lead healthy, fair and equitable lives with peace of mind so that *Kando* is amplified, while ensuring that *Kando* is sustained by protecting and preserving the Earth, the foundation of all life.

Since its founding, Sony has worked to be a corporation that is valuable to society. The principles of its founders are deeply rooted in its corporate culture and carried forward in Sony's Sustainability Vision.

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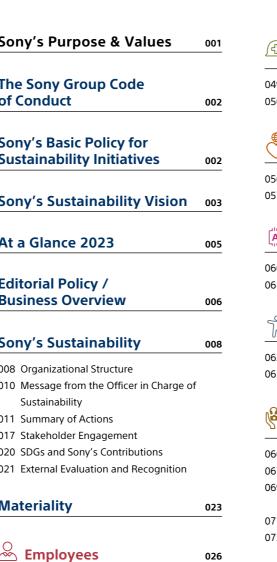
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#### At a Glance 2023

Note: Except as noted individually, the figures are based on the results for fiscal year 2023 (April 1, 2023 to March 31, 2024).

## Established Sony's Sustainability Vision



Established
Sony Group
Human Rights Policy

Redefined DE&I
Statement

We Belong, We Create, We Grow, Together To Bring KANDO to the World.

Established internal guidelines governing use of generative

Al tools

(Sony Group Corporation)

ISO 45001 54 of 60 sites\* received certification

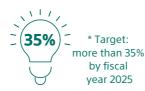


Revised\*
the Sony Group
Code of Conduct

\* April 2024



Achieved renewable electricity rate target\* two years ahead of schedule



Partnerships with international organizations totaling
15 million USD through

Sony Global Relief Fund for COVID-19

Continued medium- to long-term support through
Global Social Justice Fund

Established
the rules of product
commercialization
processes for
implementing
inclusive design

Exhibited accessible products at CEATEC and CSUN

More than

240 supplier assessments\* conducted

\* Including assessments using questionnaire and remote/on-site assessments

## Adopted the Clawback Policy\*

(Sony Group Corporation)

\* Each Executive Officer as defined in the policy will be in scope.

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### **Editorial Policy**

#### **Editorial Policy**

Sony started to issue its Environmental Report in 1994. The report was then issued as Sony's CSR Report from 2003 to 2017, and has been issued as the Sustainability Report since 2018.

The Sustainability Report 2024 has been issued to provide a comprehensive and detailed report on non-financial information for a wide range of stakeholders. This report focuses on major sustainability efforts in fiscal year 2023. It is issued with the approval of the Senior Executive in charge of sustainability.

#### Scope:

Sony Group Corporation, consolidated subsidiaries and other companies within the scope of consolidation.

In this report, "Sony" refers to the "Sony Group," as distinct from Sony Group Corporation and Sony Corporation. "Headquarters" refers to Sony Group Corporation. The "Sony Group" refers to Sony Group Corporation (the parent company operating in Japan) and all consolidated subsidiaries in which Sony Group Corporation holds a capital stake of more than 50%. For a list of consolidated subsidiaries please see "Affiliated Companies" on Sony Group Portal.

✓ Affiliated Companies

#### **Period Covered**

Fiscal year 2023 (April 1, 2023 - March 31, 2024) Some information on activities in April 2024 and after is also included.

#### Date of Issue

August 2024 (Previous report issued: August 2023; issued annually)

#### **Referenced Guidelines**

The information in this report is presented with reference to the Global Reporting Initiative (GRI) Standards. This report also refers to the Environmental Reporting Guidelines (fiscal year 2018 version) published by Japan's Ministry of the Environment.

→ GRI Standards Content Index

#### Reporting Principles of Materiality

Sony has defined materiality as "material topics related to sustainability that impact Sony's value creation and are based on mid- to long-term social changes and the needs of diverse stakeholders," and conducted a materiality assessment from the perspectives of both the company and the stakeholders.

→ Materiality

#### **Third-Party Verification**

For a third-party report on the assurance of environmental data, please use the link below.

→ Independent Assurance Statement

#### Disclosure and Communication of Financial and Non-Financial Information

Sony understands the importance of appropriate disclosure to and communication with stakeholders. Since 2019, Sony has been issuing its Corporate Report to comprehensively communicate financial information and non-financial information, including policies for mid- to long-term value creation and business strategies. Sony also posts financial data, non-financial information and business summaries designed primarily for investors and shareholders on the Investor Relations section of its website. In addition, Sony issues its Sustainability Report to provide a wide range of stakeholders with non-financial information on topics such as activities related to sustainability and CSR.

#### Disclosure of Financial and Non-Financial Information

#### Corporate Report

Integrated report covering financial and non-financial information, such as business strategy and management policies for mid- to long-term value creation

- Messages from the CEO and the COO/CFO
- Value Creation at Sony
- · Value Creation in Each Business
- Corporate Governance

#### Investor Relations Website

A business overview, with financial and non-financial information, particularly relevant to investors and shareholders

#### Briefings for Investors

- Corporate Strategy Meeting
- Earnings Announcement
- Business Segment Meeting
- Sustainability Meeting
- Technology Meeting

#### **Financial Reports**

- Securities Report (Japanese only)
- SEC Filings

#### Corporate Governance and Internal Controls

Corporate Governance Report

#### Sustainability Report

Covers non-financial information, such as activities related to sustainability and CSR, relevant to a wide range of stakeholders

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#### Other Media for Disclosure

#### Reports

- Corporate Governance Report (in Japanese)
- √ SEC Filings

#### Website Links

- Sustainability

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#### **Business Overview**

#### Corporate Data (as of March 31, 2024)

Company name	Sony Group Corporation
Founded	May 7, 1946
Headquarters	1-7-1 Konan, Minato-ku, Tokyo, 108-0075 Japan
Common stock	881.4 billion yen
Subsidiaries	Subsidiaries: 1,667 Affiliated companies: 163 Out of which 1,634 are consolidated subsidiaries (including structured entities), and 150 are equity-method affiliates (including jointly-controlled entities)
Headcount (consolidated)	113,000
Listed stock exchanges	Tokyo Stock Exchange (Japan) New York Stock Exchange (outside Japan)
Shares per unit	100
Fiscal year-end	March
Ordinary general meeting of shareholders	June
Number of shares issued	1,261,231,889
Number of shareholders	373,144

#### Distribution by shareholder type

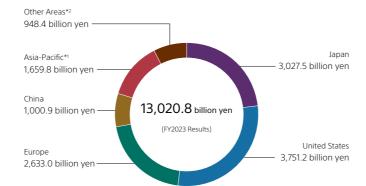


☑ Securities Report (in Japanese)

[/] Form 20-F

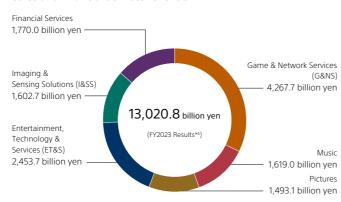
#### **Data by Geographic Segment**

#### Sales and financial services revenue

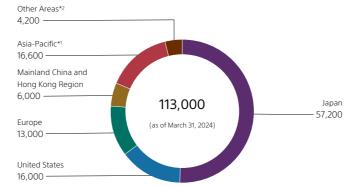


#### **Data by Segment**

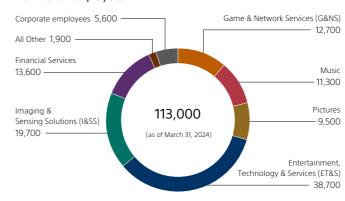
#### Sales and financial services revenue



#### Number of employees\*3



#### Number of employees\*3



- \*1 Asia-Pacific: Southeast Asia, India, Oceania, Taiwan Region and South Korea
- \*2 Other Areas: Middle East, Latin America, Africa and Canada
- \*3 Numbers rounded to the nearest hundred employees
- \*4 Including All Other, Corporate and elimination

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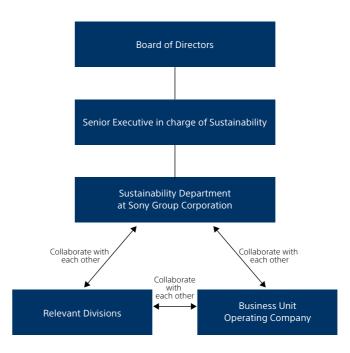
## Sony's Sustainability

## Organizational Structure

Sony Group Corporation has established the Sustainability Department under the supervision of the Senior Executive in charge of Sustainability. The Sustainability Department promotes various sustainability-related initiatives throughout the Sony Group in cooperation with each business unit and operating company (Business Unit (s) ) and other corporate divisions, including Compliance, Human Resources, Corporate Planning & Control, Finance and Legal (Relevant Divisions).

#### **Sony's Sustainability Efforts**

The Sustainability Department, operating under the above structure and the aforementioned "Sony's Approach to Sustainability," strives to spread this policy across Sony's business operations. Through dialogue with stakeholders and materiality analysis, the Sustainability Department identifies sustainability issues that need to be addressed by the Sony Group as a whole. Additionally, the Sustainability Department promotes the group-wide sustainability initiatives by formulating relevant Group policies on identified sustainability issues, including a global environmental plan, "Road to Zero," and communicating across the Sony Group by collaborating with the Senior Executives in charge of Sony's headquarters functions and the Relevant Divisions. The Senior Executive in charge of Sustainability regularly reviews and assesses risks and engages in detection, communication, evaluation and response for the risk of loss related to sustainability.



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## Pursuing Sustainability Activities in Management and Business Units

The Business Units consider sustainability issues and opportunities for their respective businesses, and, with unique perspectives, implement sustainability-related initiatives that align with their respective business characteristics. In addition, the Business Units, consulting with the Sustainability Department, have introduced key performance indicators (Sustainability KPIs), which measure the Business Units' sustainability efforts. The Sustainability KPIs are incorporated into the Business Units' performance evaluations, and the Sustainability Department evaluates the status of achievement of such Sustainability KPIs. Additionally, achievement of the Group Sustainability Evaluation is incorporated into one of the indicators for Senior Executives' remuneration linked to business results. The Group Sustainability Evaluation is an evaluation of efforts by Senior Executives to enhance the mid- to long-term corporate value and sustainable growth of the Sony Group as a whole, not limited to their respective businesses and organizations, including management succession and investment in human capital, sustainability initiatives related to social value creation and ESG (Environment, Social, Governance), value creation through collaborations among the businesses of the Sony Group, and engagement indicators based on employee surveys.

In the fiscal year ended March 31,2024, Sony newly established "Sony's Sustainability Vision," with the goal to "Inspire a world filled with emotion (Kando) for this generation and beyond," to more clearly define the direction in which the overall Sony Group aims to promote sustainability-related initiatives. In addition, a global sustainability conference was held, where the Senior Executive in charge of Sustainability, the Senior Executive in charge of Human Resources, and personnel in charge of sustainability from the Business Units came together to confirm and share sustainability initiatives for the Business Units and their progress on the Sustainability KPIs.

For the fiscal year ended March 31,2024, the Sustainability KPIs included reducing the power consumption of Sony's products, reducing GHG emissions in Sony's manufacturing processes, increasing the ratio of

women in management positions, implementing environmental awareness-raising activities using Sony's content IP, conducting diversity, equity, and inclusion ("DE&I") programs and training, and improving product and service accessibility.

#### **Dialogue with Stakeholders**

Through the issuance of various reports such as its Corporate Report and Sustainability Report, and through its Sustainability Briefing and websites, Sony communicates its approach to sustainability and information about initiatives regarding sustainability.

Corporate Report

☑ Sustainability Meeting

Sustainability

#### **Raising Employee Awareness**

ASony recognizes the importance of boosting employee awareness of sustainability and engages in a variety of initiatives to do so.

- Sustainability Awards
- Sustainability forums
- · Dissemination of information via intranet websites
- E-learning training programs

## Reports to the Board of Directors for Review

The Sustainability Section submits quarterly reports on its activities to the Board of Directors. Once a year, in principle, it reports to the Board of Directors on the status of Sony's entire set of sustainability initiatives (initiatives of climate change and other environment matters, and initiatives of human rights, diversity and other social matters, such as prevention of forced labor in the supply chain) and the Board reviews them. In addition, as part of reporting on each Business Unit's mid-range plan, the Board of Directors receives

reports from each Business Unit on the sustainability challenges and opportunities relevant to their respective business operations and their efforts in those areas.

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## Message from the Officer in Charge of Sustainability



Shiro Kambe
Sony Group Corporation
Senior Executive Vice President
Corporate Executive Officer
Officer in charge of Sustainability

## Inspire a World Filled with Emotion for This Generation and Beyond

Sony manages diverse businesses and pursues sustainable value creation and long-term growth in corporate value under its Purpose to "fill the world with emotion, through the power of creativity and technology," and the Corporate Direction of "getting closer to people." Each of our businesses is taking action for sustainability while leveraging their own unique characteristics. We newly established "Sony's Sustainability Vision" to more clearly articulate the direction in which the Sony Group aims to proceed, with the goal to "inspire a world filled with emotion for this generation and beyond." It is important for us to take action so that people can share Kando, and that Kando is amplified and sustained.

#### **Diversity Initiatives**

Diversity in business and people, along with creativity and technology, are drivers of value creation. This is accomplished by our approximately 110,000 employees, who represent myriad nationalities, ethnicities and identities, as well as expertise across countless fields around the world. In fiscal year 2023, we redefined our Diversity, Equity and Inclusion (DE&I) Statement for the first time in a decade, rededicating

ourselves to the further evolution of diversity based on our belief that innovation is born from interaction between diverse talent in every field. At the same time, we are actively engaged in activities that contribute to the development of the next generation of talent and the promotion of diverse talent.

#### **Initiatives Addressing Global Social Issues**

The environment around us is constantly changing. Recent years have seen even greater changes in the global environment in which we live, both societally and environmentally. These include an increase in the frequency of severe natural disasters due to climate change, greater risks to human rights, COVID-19, and societal division.

In response to these issues, in 2020, we established the Sony Global Relief Fund for COVID-19 and the Global Social Justice Fund, each for the amount of 100 million U.S. dollars, through which we have provided various support.

Furthermore, in September 2023, Sony signed a partnership with each of three international organizations, UNICEF, UNHCR and Save the Children, to support their respective education, vocational training and mental health programs helping young people and children around the globe, while supporting health and hygiene to forcibly displaced persons. These also include the cash assistance for children in Japan and the promotion of better protection and resilience for children and youth overseas.

#### **Contribution to an Inclusive Society**

Nearly 1 in 6 people, that's over 1.3 billion worldwide, have some kind of disability, and at Sony, we promote accessibility initiatives through our mission of "delivering innovation for an accessible future." We believe that in pursuing accessibility, it is necessary to understand and consider the needs of such diverse users. By working together with these individuals, we aim to implement inclusive design that incorporates their perspectives into our product commercialization processes by fiscal 2025.

Among others, initiatives include those for consoles, game titles and peripherals in the Game & Network Services (G&NS) segment. Our Access™ controller for PlayStation®5, launched in 2023, was developed through input from organizations and experts on accessibility. The controller features customizable functionality to suit a wide range of

needs, enabling gamers with disabilities to play games more comfortably and for longer periods of time.

Accessibility efforts not only benefit these groups, but also make things easier to use for many people, which contributes to the realization of an inclusive society.

#### **Initiatives Addressing Environmental Issues**

Sony promotes environmental initiatives based on the dual axes of "responsibility" and "contribution," with the former represented in our long-term environmental plan, Road to Zero, which we first published in 2010. In this plan, Sony strives to achieve a zero environmental footprint by 2050 from the four perspectives of "climate change," "resources," "chemical substances" and "biodiversity." We are working to reduce environmental impact by setting medium-term targets in five-year increments backcasted from the final year of the plan. Among the four aforementioned perspectives, we view responding to climate change as an especially urgent issue, so we are working to achieve net-zero greenhouse gas emissions by 2040. GHG emissions in the supply chain fall under Scope 3, and fully capturing and reducing such emissions is a major challenge faced by many global businesses. At Sony, we take the long-term perspective in addressing this challenge, as we believe reducing supplier emissions is essential to achieving our 2040 target. First, we aim to reduce emissions from the use of purchased electricity at our major suppliers'

A major focus in recent years has been integrating sustainability into our business strategy, particularly in terms of making such initiatives a part of our business operations. Each business unit considers sustainability issues and opportunities for its respective businesses, and implements sustainability-related initiatives that align with its business characteristics.

Moving forward, we will continue to emphasize information disclosure and dialogue with our diverse stakeholders to strengthen sustainability efforts.

sites to net-zero by 2030.

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## **Summary of Actions**

Area of Focus	Key Focus	Fiscal Year 2023 Results	Looking to the Future	Coverage
Employees	Respect and support each employee's ambitions to grow and take on new challenges, and provide a range of experiences and opportunities for each diverse employee to make the most of their individual strengths, skills, abilities and creativity	<ul> <li>Diversity, Equity and Inclusion (DE&amp;I)</li> <li>Redefined the Sony Group DE&amp;I Statement to rededicate ourselves to the further evolution of diversity</li> <li>Percentage of management positions held by women: 30.7% (Sony Group, as of March 31, 2024)</li> <li>Percentage of employees with disabilities: 2.76% (Sony Group Corporation, as of March 31, 2024)</li> <li>As one of the Iconic Partners of The Valuable 500, provided support for the Media Hub project</li> <li>Talent Development and Employee Engagement</li> <li>Provided more accessible learning opportunities, including personalized content and online courses on a wide range of topics</li> <li>Promoted an environment where employees consciously build their own career and aim for self-growth</li> <li>Sony University, which supports the professional growth of key personnel, accepted entrants from all businesses and expanded its program to include various forms of participation by top management</li> <li>The Sony Cross-Mentoring Program, which aims to pass on the wealth of experience accumulated by management to the next generation of leaders, foster new synergies within the Group and contribute to talent development, was carried out with the participation of 22 pairs transcending business and regional boundaries</li> <li>2023 employee survey response rate of 93%, 2023 employee engagement index of 90% (Percentage of employees who did not give an unfavorable response to four questions regarding employee engagement)</li> </ul>	Aim to increase the respective percentages of women and non-Japanese nationals among Sony Group Corporation's executives* to more than 30% by 2030 as part of Sony's commitment to further advance DE&I  Directors, Senior Executives including Corporate Executive Officers, and other officers  Focus on DE&I attracting and acquiring diverse talent; employee challenge and growth; and creating an environment where individuality is maximized  Help employees work comfortably and provide opportunities for them to improve and make the most of their individual strengths, skills, abilities, and creativity	→ Employees  ☑ Corporate Report  ☑ Sony Group Portal Website Diversity, Equity and Inclusion
Occupational Health & Safety	Committed to reaching ZERO injury and ZERO illness, and to securing safe and engaging environment of workplace for all the workers in any business activity.	Fiscal years 2024 to 2026: Established the global Occupational Health & Safety (OHS) Medium-Term Plan targets     Implemented OHS initiatives targeting zero injury and zero illness     54 sites from amongst our 60 sites worldwide have obtained comprehensive ISO 45001 certification	Develop a safe and healthy work environment for all employees in order to achieve Vision Zero based on our global OHS Medium-Term Plan targets for fiscal years 2024 to 2026     Implement more proactive and sustainable OHS initiatives     Acquire ISO 45001 certification for 60 group sites	→ Occupational Health & Safety

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Area of Focus	Key Focus	Fiscal Year 2023 Results	Looking to the Future	Coverage
Respect for Human Rights	Continued reasonable efforts to avoid causing or contributing to adverse human rights impacts that may arise from our operations, products, services and/or business relationships	Established the Sony Group Human Rights Policy     A working group consisting of the Sustainability Department and the department in charge of legal and compliance met once a month and the working group reviewed the progress of initiatives in priority areas: "responsible supply chain," "respect for diversity, equity and inclusion," and "responsible development and use of technologies" and reviewed and updated action plans considering the trends in laws and regulations.     Supported social justice and human rights initiatives through the Global Social Justice Fund	Raise awareness of the Sony Group Human Rights Policy Under the above policy, conduct human rights due diligence on an ongoing basis and continue efforts to prevent or mitigate potential adverse impacts on human rights in areas of focus, working closely with each business segment Continue to analyze and monitor human rights risks throughout Sony Group's business activities and value chains	→ Human Rights
Responsible Al	Strengthened systems and initiatives that tackle Al ethics	<ul> <li>Sony Group Corporation established internal guidelines for the use of generative AI tools</li> <li>Continued to implement an AI ethics assessment of the development life cycle of electronics products and services</li> <li>Continued to conduct employee education and awareness activities regarding AI ethics</li> </ul>	Improve AI ethics assessment processes and streamline their operation     Improve and continue employee education and awareness activities regarding AI ethics     Update guidelines as needed	→ Responsible AI  Sony Group's Initiatives for Responsible AI
Accessibility	Driving initiatives to improve accessibility so that people with diverse needs can enjoy our products, services, and experiences.	<ul> <li>By working together with individuals with diverse needs, we continued to implement inclusive design features that incorporate their perspectives into our product development processes.</li> <li>In order to further promote these initiatives for inclusive design across the Sony Group, internal workshops were regularly held where employees had the opportunity to have dialog with people with disabilities, and to learn about their needs to gain new insight.</li> <li>Continued to exhibit at accessibility events (CEATEC2023, CSUN Assistive Technology Conference 2024, etc.) both in Japan and the rest of the world to ensure we obtained customer feedback needed to improve products and services</li> </ul>	Continue to pursue accessibility and inclusive design to develop accessible products and services.     Continue to hold internal workshops to raise employee understanding and awareness of accessibility	→ Accessibility  ☑ Sony Group Initiatives for Accessibility  ☑ Exhibiting at CEATEC2023  ☑ Exhibiting at CSUN Assistive Technology Conference 2024

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Area of Focus	Key Focus	Fiscal Year 2023 Results	Looking to the Future	Coverage
Quality and Customer Service	Exceed customer expectations of product quality and customer service, pursue product safety and product security, and improve customer experience, thereby remaining a highly trusted partner to all customers	Maintained the quality management system and continued to improve the quality of products     Continued with initiatives to ensure the safety, long-term reliability, and security of products     Continued with efforts to improve customer satisfaction by improving customer information centers and other customer services     As part of Sony's initiatives to enhance the user experience, continued to take action from the customer's perspective by employing Human-Centered Design (HCD) processes, and continued our certification system for HCD experts	Strengthen preventive measures, product compliance systems, and compliance with the product security regulations, thereby improving quality from the perspective of customers and achieving quality that exceeds customer expectations  Continue leveraging its worldwide network to collect and analyze information which can then be reflected in the next releases of products and customer services  Strengthen the processes for Human-Centered Design (HCD) and develop new talent with HCD skills	→ Quality and Customer Service  ☑ Sony Group Portal Website Human-Centered Design
Responsible Supply Chain	Address risks to human rights, labor conditions, health and safety, and the environment throughout the electronics product supply chain	<ul> <li>Conducted assessment using questionnaire at 12 Sony manufacturing sites and at the plants of 235 new and existing suppliers</li> <li>Managers in departments involved in procurement of raw materials and parts received training on supply chain human rights issues and education on climate change initiatives. All raw materials and parts procurement personnel also received training on Sony's sustainable procurement policy and related initiatives, basic information on efforts to curb climate change and Sony's targets for the reduction of greenhouse gas emissions in the supply chain</li> <li>Donated to RMI's RMAP Audit Fund and Better Mining Project</li> </ul>	Enforce strict compliance with the Sony Supply Chain Code of Conduct in Sony and its suppliers' operations     In addition to training for employees, enhance awareness-raising activities through communication with suppliers.     Continue to collaborate with various stakeholders to enhance measures regarding the sourcing of high-risk minerals	→ Responsible Supply Chain
Community Engagement	Under the slogan "For the Next Generation," contribute to the resolution of a wide range of global social issues in places where Sony does business around the world by fully utilizing its products, content, and technologies	<ul> <li>Community engagement expenditures: approx. 4.7 billion JPY</li> <li>Educational programs for children (approx. 330 thousand participants)</li> <li>WWF Japan, WWF Indonesia, Sony Group Corporation and SynecO launched a collaborative pilot project to utilize Synecoculture™ for reforestation of Sumatra</li> <li>Implemented the Social Issue Experience Program as an initiative to utilize Sony's technology and aim for the resolution of social issues</li> <li>Through the Sony Global Relief Fund for COVID-19, Sony partnered with the United Nations Children's Fund (UNICEF), the United Nations High Commissioner for Refugees (UNHCR), and Save the Children to pledge approximately 15 million USD to address social issues becoming more serious or more apparent and are still ongoing since the outbreak of COVID-19.</li> <li>Supported initiatives to promote social justice and human rights through the Global Social Justice Fund (total expenditure of approx.9.8 billion JPY (78.t million USD ) as of fiscal year 2023)</li> </ul>	<ul> <li>Continue striving to make the most of Sony's products, content, technologies, strengths of employees, and stakeholder partnerships to help address global issues and to meet various needs in local communities</li> <li>Through the Global Social Justice Fund, continue to support activities that leverage the Sony Group's assets and expertise</li> <li>Implement awareness-raising initiatives for people in and outside the Sony Group to address global issues, and strengthen employee engagement</li> <li>Apply technologies to solve social issues</li> </ul>	→ Community Engagement  Sony Group Portal Website Social Contribution Initiative

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Environment	Strive to achieve a zero environmental footprint throughout the life cycle of Sony's products and business activities in order to realize a sustainable society	Climate Change Annual energy consumption rate per product: Down 0.7% (compared to fiscal year 2018) Greenhouse gas emissions from sites: Down 12.6% (compared to fiscal year 2020) Use of electricity derived from renewable energy (renewable energy ratio): 35.3% GHG emissions related to logistics between nations and within regions: Down 25.4% (compared to fiscal year 2018)  Resource Conservation Use of virgin oil-based plastics per product unit: Down 16.1% (compared to fiscal year 2018) Use of plastic packaging per product unit: Down 25.1% (compared to fiscal year 2018) Amount of waste generated at sites: Worsened by 51.2% (compared to fiscal year 2020) Promoted the One Blue Ocean Project worldwide, and encouraged reduction of single use plastic use at Sony sites  Chemical Substances Facilitated the use of alternative substances for PVC and BFR based on Sony standards for the management of chemical substances  Biodiversity Worked to conserve biodiversity while providing education and raising awareness in response to local needs at sites around the world Promoted the One Blue Ocean Project at sites worldwide, and held community clean ups for plastic waste Expanded the Food for the Future project to Sony Group sites worldwide, distributed a guidebook detailing environmentally conscious foods to employees, and provided meals that use environmentally conscious foods to employee, and provided meals that use environmentally conscious foods to employee cafeterias. Designated October as Food for the Future Month, holding events related to utilizing environmentally conscious foods  Characterization for the Future project to Sony Group sites worldwide, distributed a guidebook detailing environmentally conscious foods to employee cafeterias. Designated October as Food for the Future Month, holding events related to utilizing environmentally conscious foods	Accelerate initiatives to achieve net-zero targets across the value chain from scopes 1 to 3 by 2040 and a zero environmental footprint by 2050     Develop and leverage technologies that contribute to global environmental conservation     Enhance supply chain engagement     Strengthen environmental awareness-raising activities in the entertainment and other businesses     Expand the adoption of renewable electricity by installing photovoltaic panels at Sony sites to achieve the target of sourcing 100% renewable electricity for worldwide operations by fiscal year 2030     Achieve net-zero targets for direct and indirect emissions (scopes 1 and 2) in Sony's own operations by 2030     Further strengthen initiatives to achieve climate change targets by fiscal year 2035, which were approved as 1.5°C science-based targets (SBTs)     Research and contribute to carbon removal/fixation     Reduce plastic packaging materials used for products and the use of virgin oil-based plastics	→ Environment → Technology  ☑ Sony Group Portal Website Environment

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Area of Focus	Key Focus	Fiscal Year 2023 Results	Looking to the Future	Coverage
Technology	Connect the entire Group through technology and support growth in individual businesses Promote collaboration, connection and growth of engineers across businesses Incorporate changes in the external environment and promote external collaboration	<ul> <li>Implemented joint research and demonstration testing for Sony's Earth MIMAMORI platform utilizing IoT technology at sites worldwide</li> <li>Promoted practical use of Triporous™ in healthcare</li> <li>Began provision of Camera Authenticity Solution to select news media agencies to enhance transparency and trustworthiness in news workflows</li> </ul>	Emphasize R&D to maximize creator output in a variety of fields, maximize the value of IP created and deliver the results to diverse users worldwide, with growth and collaboration for sensing, AI and virtual spaces as the core pillars of these efforts     Begin development of large-scale AI models to transform Sony into an AI and data-driven company	→ Technology
Ethics and Compliance	Foster an ethical culture based on Sony's Purpose & Values and the Sony Group Code of Conduct     Continuously assess compliance risks in relation to business activities and review the compliance program based on the results of the assessment     Strengthen and continue to run programs that address changes in the privacy environment and technological development	<ul> <li>Revised the Sony Group Code of Conduct</li> <li>Provided training and messaging on ethics and compliance via the Global Ethics &amp; Compliance Network</li> <li>Operate the Sony Ethics &amp; Compliance Hotline for internal reporting (Number of reports: 492 in fiscal year 2023)</li> <li>Implemented third party risk-management based on the Sony Group Third Party Engagement Policy</li> <li>Implemented anti-corruption programs based on the Sony Group Anti-Bribery Policy</li> <li>Enhanced the global privacy management system and ran programs in order to respond to key changes in the privacy environment</li> <li>Improved the efficiency of privacy assessment processes through the use of privacy management software and provided privacy training to all employees</li> </ul>	<ul> <li>Continue to improve training and to set the tone from the top in order to create a corporate culture that values integrity and to ensure that every employee acts in a way that is ethically responsible</li> <li>Continue to assess risks and programs related to Sony's business activities and review the compliance programs based on the results of the assessment</li> <li>Effectively operate the Global Ethics &amp; Compliance Network which was reorganized in fiscal year 2024 to better align with Sony Group's business reporting structure</li> <li>Improve technology and processes to further streamline privacy-related operations</li> <li>Monitor compliance with privacy-related policies, ensure that training is given, and strengthen action to boost awareness</li> </ul>	→ Ethics and Compliance

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Area of Focus	Key Focus	Fiscal Year 2023 Results	Looking to the Future	Coverage
Corporate Governance	Establish and enhance the corporate governance system that best suits the Sony Group     Manage risks that may cause losses to the Sony Group     Enhance information security management system and activities     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	Enhanced corporate governance system  Reviewed the progress and result of the fourth mid-range plan and established the fifth mid-range plan  Continuously monitored the business portfolio and capital allocation  Continuously supervised risks including geopolitics and cybersecurity  Continued and deepened discussions about Sony's strategies regarding new technologies and social changes (including generative AI and sustainability)  Risk Management  Manage impact on global operations due to trade restrictions and economic sanctions imposed by certain countries and regions  Continued initiatives to maintain and strengthen the functions of the crisis management framework and reduce business disruption risks  Cybersecurity  Revised information security policies for all group companies to strengthen information security management  Improved the information security management structure and strengthened information security governance  Monitored and responded to security threats on a 24/7 basis via the global security operations center  Tax Strategy  Continue to manage our tax affairs in line with business objectives and operations, as well as regular reporting and communication regarding tax with CFO, who is a Board member, and the Audit Committee  Built open and transparent relationships with governments regarding our tax affairs  Provided support to governments and the OECD regarding tax reform efforts and tax policy to ensure any future rules are fair and administrable	<ul> <li>Enhanced Corporate Governance System</li> <li>Monitoring the progress of the Fifth Mid-Range Plan and long-term growth strategy</li> <li>Deepened discussions about and supervision over focusing areas (growth through IP value maximization)</li> <li>Risk management (including, cybersecurity and economic security / geopolitical risks)</li> <li>Selection of Director candidates to ensure diversity/continuity of the Board of Directors</li> <li>Further consideration of the use of stock-based compensation and strengthening remuneration governance measures</li> <li>Audit Committee to ensure effective cooperation with management side and appropriate relationships with the accounting auditor and internal audit department</li> <li>Risk Management</li> <li>Continuously manage impact on global operations due to trade restrictions and economic sanctions imposed by certain countries and regions, and other geopolitical risks</li> <li>Strengthen cooperation with group companies and headquarters, conduct and continuously improve practical drills, thereby enhancing the effectiveness of crisis management and BCP</li> <li>Continue to reduce risks of buildings by optimizing facility renewal or facility renovation</li> <li>Continue to reduce fire risk at manufacturing sites, in accordance with Sony Group guidelines</li> <li>Cybersecurity</li> <li>Strengthen security management based on the revised information security policies for all group companies</li> <li>Examine increasingly sophisticated cyber-attacks on a daily basis, improve countermeasures, and identify new threats, thereby continuing to swiftly and appropriately respond to information security sisues</li> <li>Continuously secure and develop high-level security professionals</li> <li>Tax Strategy</li> <li>Continue to manage our tax affairs in line with business objectives and operations, as well as regular reporting and communication regarding tax with CFO, who is a Board member, and the Audit Committee</li> <li>Maintain and improve open and transparent relationships</li></ul>	→ Corporate Governance  ☑ Corporate Report  ☑ Sony Group Portal Website Internal Control  ☑ Securities Report

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## Stakeholder **Engagement**

#### **Communication with Stakeholders**

Sony recognizes that, by addressing issues that are of concern to its many stakeholders, it is strengthening its operating foundation, which is in turn vital to its business activities and the achievement of sustainable growth. Sony strives to earn the trust of all stakeholders by conducting its business responsibly and engaging in stakeholder dialogue.

Stakeholders	Principal Goals	Main Communication Methods
Customers	Provide products and services 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	Inquiries from customers, important notices regarding products and services, contact point for reporting vulnerabilities in products and network services, surveys of purchasers, trade shows, seminars, the Sony Group Portal Website "Accessibility" and "Human-Centered Design," social media sites, etc.
Shareholders and investors	Ensure swift and appropriate disclosure     Achieve continued growth in corporate value	Shareholders' Meeting, Earnings Announcement, Corporate Strategy Meeting, Business Segment Meeting and meetings for individual investors, Sustainability Meeting, Technology Meeting, the Sony Group Portal "Investor Relations", Corporate Report (integrated report), small meetings, one-on-one sessions and ESG dialogue with institutional investors, etc.
Business partners	<ul> <li>Ensure appropriate, transparent and fair procurement practices, in line with the Sony Group Code of Conduct and Sony Supply Chain Code of Conduct</li> <li>Ensure that procurement practices are in harmony with the environment and society (including labor issues, human rights and conflict minerals)</li> </ul>	Explanatory meetings for suppliers, audits and surveys related to CSR procurement and the environment, conflict mineral surveys, dedicated website for suppliers and a department established for handling their inquiries, regular consultations with suppliers, Grievance System for Sony Group Electronics Supply Chain, etc.
Employees	<ul> <li>Support the growth of each unique employee and provide opportunities to take on new challenges</li> <li>Acquire diverse talent</li> <li>Support employees with diverse backgrounds</li> <li>Nurture global business leaders and engineers who will drive growth in the future</li> <li>Support employee-driven career-building efforts</li> <li>Provide a safe and secure working environment where employees can make the most of their individual strengths</li> <li>Promote dialogue through employee surveys and town hall meetings</li> </ul>	Quarterly global meetings, town halls, management blog Internal newsletter, website and email notifications Career interviews and counseling Employee engagement surveys Sony Ethics & Compliance Hotline, labor management negotiations, safety and health committees, Social Issue Experience Program, etc.
Local communities	Promote initiatives that contribute to communities in fields where Sony is best able to do so  Emergency humanitarian assistance  Collaborate with NGOs and NPOs to help address social challenges  Support and system development for employee volunteer participation	Local volunteer initiatives, participation in events held by local organizations and governments, social contribution initiatives, etc.
Global environment	Reduce the environmental footprint of Sony's business activities and products throughout their life cycle to zero	Activities for contributing to the community and reducing the environmental burden at each site, measures that take the environment into consideration over the lifecycle of products and services, environmental information provided through communication with various stakeholders, information provided on the Sony Group Portal "Environment"
NGOs, NPOs and other organizations	Collaborate with NGOs, NPOs and other organizations to help address social challenges     Participate in global frameworks     Participate in CSR-related organizations and projects	Activities held in collaboration with NGOs and NPOs, etc.

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#### Partnership and Participation in Multi-Stakeholder Frameworks

For Sony, engaging and working together with various stakeholders is vital for pursuing sustainability initiatives. In addition to promoting stakeholder engagement, Sony participates in multi-stakeholder efforts to forge a global framework for sustainability.

Organization/Initiative	Overview	Sony Actions
Responsible Business Alliance (RBA)  Responsible Business Alliance  Advancing Sustainability Globalty	An alliance dedicated to supply chain responsibility encompassing human rights, labor conditions, health and safety, and the environment	Founding member (of the former EICC)     Formulated the Sony Supply Chain Code of Conduct, which incorporates the provisions of the RBA Code of Conduct     Member of the RBA Board of Directors since 2020
Council for Better Corporate Citizenship (CBCC)	Established under an initiative of Nippon Keidanren (Japan Business Federation) Helps Japan-affiliated companies engaged in business overseas to form good relations with various stakeholders	Sony co-founder Akio Morita served as its first chairman     Continues to be actively involved in its initiatives
BSR BSR	A global non-profit organization with experts in CSR	Member of the Human Rights Working Group and Sustainability Strategy Working Group organized by BSR

- → Responsible Supply Chain
- → Respect for Human Rights

Organization/Initiative	Overview	Sony Actions
Save the Children  Save the Children	An international NGO that works in approximately 120 countries in a wide range of fields such as education and humanitarian response, aiming to make children's rights to survival, development, protection, and participation a reality worldwide	Jointly implemented projects and established a humanitarian fund in order to continuously support the children who lead the next generation     Provides cash assistance for children in Japan who are from households with economic and living difficulties, as well as support activities such as protecting and improving resilience of children and youth in Bangladesh and Mozambique
United Nations High Commissioner for Refugees (UNHCR) (UN Refugee Agency)  UNHCR The UN Refugee Agency	Protects people forced to flee due to conflict and persecution in over 130 countries, protecting millions of people by responding with life-saving support, safeguarding fundamental human rights and helping to build brighter futures	Support forcibly displaced persons and their host communities in Bangladesh and southern Africa recover from the impacts of COVID-19, including through the delivery of access to health, and water, sanitation and hygiene (WASH) services
United Nations Children's Fund (UNICEF)  unicef  for every child	Works in some of the world's toughest places, to reach the world's most disadvantaged children. Across more than 190 countries and territories, UNICEF works for every child, everywhere, to build a better world for everyone	Support work to create environments with equal access to digital education and activities to improve mental health for children and young people world-wide
The Valuable 500  Valuable 500	An international initiative to promote participation by people with disabilities so that they can demonstrate their latent potential to bring value to business, society, and the economy	Joined in 2019     Selected from among the 500 signatories as one of the Iconic Partners that are a driving force in their respective countries, regions, and industries
G20 EMPOWER  G20 Spearment of Physical Section Control Sec	An alliance to increase the number of women who play a key role in the economy and business, and to empower women	Participated as an advocate in 2020 to support action in Japan

- → Community Engagement
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The World Wide Fund for Nature	Overview	,
Climate Savers Programme  Climate Savers Programme  CLIMATE SAVERS 最新井寺  BEFENSORES DO CLIMA クライメート・セイバーズ A NEW GLOBAL SPIT-CH WITH BURGESS	A program where WWF partners with companies to formulate and implement plans to reduce emissions of greenhouse gases	Participated since 2006     Signed a three-year comprehensive corporate partnership agreement with WWF Japan in 2021 to collaborate in the field of promoting biodiversity through forest conservation as well as the field of climate change. Renewed in 2024
Japan Climate Initiative (JCI)  JAPAN  CLIMATE  INITIATIVE	A network committed to strengthening communication and information sharing among companies, local governments, NGOs and all other actors that are implementing climate actions in Japan	Participated since 2018  Endorsed recommendations to the Japanese government
RE100	A global initiative led by The Climate Group in partnership with CDP Participating companies set a goal of procuring 100% renewable electricity for power used in their global business operations	Joined in 2018     Committed to procuring 100% renewable electricity for power used in its global business operations by 2030     Selected as a corporate member of the RE100 Advisory Committee in 2022
TCFD Consortium  TCFD Consortium	Launched as a forum for discussion between organizations that support the Recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD Recommendations) established by the Financial Stability Board	Announced its endorsement of the TCFD Recommendations in 2019     Joined the TCFD Consortium
Playing for the Planet Alliance  PLAYING FOR THE PLANET	An international alliance to curb climate change established when the United Nations Environment Programme (UNEP) reached out to the gaming industry	Sony Interactive Entertainment joined in 2019

Organization/Initiative	Overview	Sony Actions
Business Ambition for 1.5°C  BUSINESS 1.5°C	A call to set targets that keep the global temperature rise to 1.5°C or less, led by the United Nations Global Compact, We Mean Business and SBTi	• Joined in 2020
Race To Zero Campaign	An international campaign by the United Nations Framework Convention on Climate Change (UNFCCC) calling for actions to achieve zero greenhouse gas emissions by 2050	• Joined in 2021
Music Climate Pact  MUSIC  CLIMATE  PACT	A global platform initiated by the British Phonographic Industry (BPI) and Association of Independent Music to promote decarbonization throughout the music industry	Sony Music Group signed up in 2021 through Sony Music Entertainment (UK)
THE CLIMATE PLEDGE	An initiative aiming to achieve net zero carbon emissions by 2040	• Joined in 2023
Music Industry Climate Collective (MICC)  MUSIC INDUSTRY CLIMATE COLLECTIVE	An alliance for addressing global environmental challenges and changes within the music industry	Sony Music Group joined as a founding member in 2023

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## SDGs and Sony's Contributions

Sony manages diverse businesses with people at the core under its Purpose to "fill the world with emotion, through the power of creativity and technology," and its Corporate Direction of "getting closer to people." In order to have people connected to each other through emotion, it is necessary to create a society in which everyone can live with peace of mind in a healthy global environment. Through innovation and sound business practice, Sony endeavors to contribute to the development of a sustainable society. Sony believes that its diverse business portfolio is very relevant to the 17 SDGs, and aims to contribute to the achievement of the SDGs through its technologies, products, services and content, as well as various partnerships.





#### **Sustainability Initiatives and SDGs**

## Responsibilities toward the Global Environment and Positive Contributions

Sony endeavors to reduce environmental impact and prevent pollution in its business activities and throughout the life cycle of its products. To address Goal 13 (climate action), Sony is reducing energy consumption from business activities and the life cycle of products and services, aiming to achieve zero emissions of greenhouse gases by 2040, including Scope

3. Sony has also joined the RE100 initiative by making a commitment to sourcing 100% renewable electricity for the worldwide operations of the Sony Group by 2030. This concrete commitment is in line with securing renewable energy as sought by Goal 7 (affordable and clean energy). To minimize inputs of virgin resources into its business activities, Sony identifies key resources and strives to achieve zero usage of those virgin materials. Furthermore, Sony endeavors to ensure the appropriate use of water, minimize waste from its business sites, and collect and recycle products from the market to contribute to Goal 12 (responsible consumption and production).

→ Materiality (Climate Change) → Environment

#### Diversity, Equity and Inclusion (DE&I)

Sony leverages its diverse businesses and workforce as strengths in its business strategy. In order to further promote diversity as a key management strategy, in addition to promoting diversity in business and geography and hiring diverse talent, Sony provides opportunities to think more deeply about diversity, whether it be in terms of race, nationality, disabilities, gender, sexual orientation, values, or work styles. These opportunities are also extended to other companies and external organizations. By promoting the message of diversity to society, Sony is promoting inclusive and sustainable economic growth, employment, and decent work for all, as outlined in Goal 8 (decent work and economic growth).

Sony is working to achieve gender equality and empower women as outlined in Goal 5 (gender equality) by establishing action plans to increase career opportunities for women and implementing ongoing initiatives at group companies.

- → Materiality (Diversity, Equity and Inclusion (DE&I))
- → Diversity, Equity and Inclusion

#### **Human Rights and Diversity**

All stakeholders who are connected to the business activities of the Sony Group, including employees and creators, are important and help support Sony in its drive to contribute to social change that will help achieve the SDGs. Sony ensures that all employees are aware of the Sony Group Code of Conduct, in which its fundamental human rights policy is set out. In March

2024, Sony newly established the Sony Group Human Rights Policy. Sony also implements initiatives to advance social justice, protect human rights and promote DE&I through the Global Social Justice Fund it established in 2020.

Via such initiatives, Sony is working to eliminate discrimination as addressed by Goal 10 (reduced inequalities), as well as to secure equal opportunities by encouraging appropriate behavior and correcting inequalities in outcomes.

- → Materiality (Respect for Human Rights)
- → Respect for Human Rights

#### **Initiatives throughout Supply Chains**

Sony works with its suppliers to secure compliance with the Sony Supply Chain Code of Conduct and Sony Group Policy for Responsible Supply Chain of Materials, applying the policies to its sites, suppliers and contract manufacturers. In this way, Sony and its suppliers are addressing issues in the supply chain including human rights, labor conditions, occupational health and safety, and the environment. Through this initiative, Sony is endeavoring to provide safe, decent, and humane work as called for by Goal 8 (decent work and economic growth), and contribute to suitable and equitable skills development and economic activity as sought by Goal 10 (reduced inequalities). By implementing such initiatives throughout the supply chain, Sony is aiming to realize peaceful and inclusive societies as described by Goal 16 (peace, justice and strong institutions).

→ Responsible Supply Chain

#### **Community Engagement**

Under the slogan "For the Next Generation," Sony engages in various social contribution activities across countries and regions worldwide. Leveraging Sony's products, content, technology, and the power of its employees, Sony Group collaborates with partners to address three key areas: support for education to nurture the next generation, disaster relief and humanitarian assistance, and tackling global challenges. These activities contribute to Goal 4 (quality education) and create a positive social impact while partnering with external groups as prescribed by Goal 17 (partnerships for the goals).

→ Community Engagement

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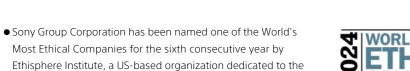
## **External Evaluation** and Recognition

#### ESG External Evaluations and Inclusion in Indexes

Sony is consistently ranked highly for its ongoing efforts to promote sustainability by the world's leading ESG evaluation institutions, and it has been chosen for inclusion in various ESG indexes.

#### **ESG External Evaluations**

- In CDP surveys, Sony Group Corporation received the highest A List rating for climate change (February 2024)
- Sony Corporation was selected as a Supplier Engagement Leader in CDP's 2023 Supplier Engagement Assessment in recognition of its climate change initiatives in cooperation with the supply chain (March 2024)



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

study and advancement of ethical business practices (March 2024)

• Sony Group Corporation received the highest AAA ranking in the MSCI ESG Ratings assessment for the fifth consecutive year (December 2023)









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☑ Sustainability-related External Evaluation and ESG Index

#### Inclusion in ESG Indexes







**FTSE Blossom** Japan Index







**FTSE Blossom** 

**Japan Sector** 

Relative Index

FTSE Russell (the trading name of FTSE International Limited and Frank Russell Company) confirms that Sony Group Corporation has been independently assessed according to the criteria of the FTSE4Good and FTSE Blossom Index Series and has satisfied the requirements to become a constituent of those index series. Created by the global index provider FTSE Russell, those index series are designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices and used by a wide variety of market participants to create and assess responsible investment funds and other products.

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#### **Major External Awards Received for Sustainability Initiatives**

Organization names appear as they were at the time of award receipt. Organizations with no country name given in "Awarded by" are in Japan.

#### Fiscal Year 2023 (in order received)

Name of Award	Award-winning company/ organization	Award content	Awarded by	Month received
Minister for Internal Affairs and Communications' Award at the 6th Space Development and Utilization Awards	Sony Group Corporation	This is awarded to those who have made significant contributions to the promotion of space development and utilization, such as by taking leading initiatives. A forest fire detection system which allows low power data transmission by applying Sony's proprietary low power wide area (LPWA) communication standard ELTRES™ to space has been recognized for its contribution to addressing issues in Southeast Asia and its potential utilization in developing countries.  ■ Initiative/product awarded: Sony's Earth MIMAMORI platform	Cabinet Office	March 2024
2024 World's Most Ethical Companies	Sony Group Corporation	This honors companies demonstrating exceptional leadership and a commitment to business integrity through best-in-class ethics, compliance, and governance practices. Sony has been recognized for its efforts related to ethics and compliance.	Ethisphere Institute (United States)	March 2024
HCD-Net AWARD 2023 Special Jury Award	Sony Group Corporation	An award recognizing expertise and knowhow that offer high shared value in the field of human-centered design. Evaluation is based on five perspectives: novelty, uniqueness and originality, extent of value in use and shared value, results in actual use cases and presentation.  Initiative/product awarded: Human Resource Development and Awareness-raising Activities on HCD	Human Centered Design Organization (NPO)	March 2024
Award for Companies Promoting Experience-based Learning Activities for Youth 2023 "Special Needs Award"	Sony Life Insurance Co., Ltd.	An award established to encourage and promote educational CSR activities by companies utilizing their unique strengths. Its purpose is to promote opportunities for youth to engage in hands-on activities, such as helping children, who will lead the next generation, acquire the skills to survive in society.  Initiative/product awarded: Life Planning Lessons	Ministry of Education, Culture, Sports, Science and Technology	February 2024
IAUD International Design Award 2023	Sony Group Corporation / Sony Interactive Entertainment Inc. / Sony Interactive Entertainment LLC	This award is given to organizations and individuals who implement activities or make proposals that are particularly important for the realization of a Universal Design society in which as many people as possible can live comfortably and easily, without experiencing difficulties in their lives due to differences such as ethnicity, culture, customs, nationality, gender, age, and ability.  ■ Initiatives/products awarded: XR Catch, rehabilitation/wellbeing gamification*, Access™ controller	International Association for Universal Design (IAUD)	February 2024
Platinum Eruboshi	Sony Group Corporation	Certification given to companies that have made particularly outstanding efforts to promote greater opportunities for women. Sony has received certification having met all standards set by Japan's Ministry of Health, Labor and Welfare, including the percentage of women in management positions.	Ministry of Health, Labour and Welfare	January 2024
Gold certification in the PRIDE Index 2023	Sony Group Corporation and 18 Sony Group companies in Japan	An evaluation index for initiatives for LGBTQ+ employees. Sony has received certification in recognition of its efforts in areas relating to LGBTQ+ employees, including system enhancement, training, sponsoring of external events, and internal network building.	General Incorporated Association Work with Pride	November 2023
"Nationally Certified Sustainably Managed Natural Site" certification (first half of 2023)	Kohda Site, Sony Global Manufacturing & Operations Corporation	A certification system established by Japan's Ministry of the Environment in 2023 as an initiative working towards the new global Kunming-Montreal Global Biodiversity Framework's "30by30" target, which aims to ensure effective protection or conservation of at least 30% of land and sea areas by 2030 in order to protect healthy ecosystems. Sony Forest has been certified as a "Nationally Certified Sustainably Managed Natural Site" for being an area where biodiversity is conserved through the efforts of the private sector and other parties.	Ministry of the Environment	October 2023

#### ☑ Major External Awards Received for Sustainability Initiatives

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<sup>\*</sup> Trials of the rehabilitation and wellbeing gamification initiative were conducted at facilities operated by Lifecare Design Inc., a member of the Sony Lifecare Group.

### **Materiality**

## Overview and Purpose of Materiality Analysis

The Sony Group develops diverse businesses globally. Sony recognizes that stakeholders expect it 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.

In response to such expectations, and to various social and environmental changes, Sony reviewed material topics in sustainability from the standpoints of all its businesses in fiscal 2022. In that process, Sony designated creativity and technology, two components of its Purpose, as drivers for value creation along with diversity of employees and businesses, and defined materiality as "material topics that are related to sustainability, impact Sony's value creation, and are determined with longer-term social change and diverse stakeholder needs in mind."

### The Materiality Assessment Process

#### Step 1: Identify and classify material topics

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

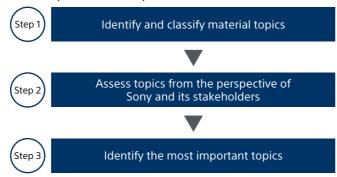
## Step 2: Assess the topics from the perspective of Sony and its stakeholders

The topics identified and classified in the Step 1 were assessed from the perspectives of Sony and its stakeholders. The senior executives in charge of Sony headquarters functions assessed each topic from the angle of its mid- to long-term positive or negative impact on value creation at Sony to determine its importance from the company's perspective. The assessment of the importance of each topic from the perspective of stakeholders was based on information published by NGOs, investors, ESG rating agencies, the mass media and other sources.

#### Step 3: Identify the most important topics

The most important topics were specified after being reviewed by top management and the Board of Directors on the basis of the assessment conducted in Step 2.

#### Materiality Assessment Steps

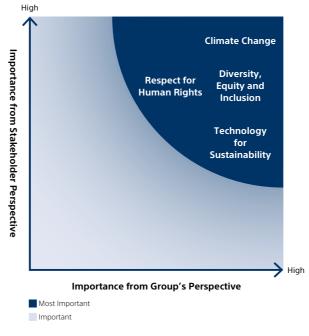


## Analysis Results and Sony Group Material Topics

As a result of the aforementioned assessment process, climate change; diversity, equity and inclusion (DE&I); respect for human rights; and technology for sustainability as the most important. The identified materiality remains the same in the fiscal year ended March 31, 2024.

The Sustainability Report 2024 classifies Sony's materiality topics, including the above, into major sustainability efforts areas: employees, occupational health & safety, respect for human rights, responsible Al, accessibility, quality and customer service, responsible supply chain, community engagement, environment, technology, ethics and compliance, and corporate governance.

#### Sony Group Material Topics



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## Background for selecting the Most Important Topics

#### **Climate Change**

Sony acknowledges that climate change impacts are becoming more apparent and that the transition towards a decarbonized society is a crucial issue for all companies and that Sony's stakeholders have elevated expectations of Sony's environmental initiatives along two axes: the first being its "responsibility," for instance, to reduce it's environmental impact, and the second being the "contribution" it can make by leveraging its diverse businesses and technologies. Sony's corporate activities are only possible if the earth, which sustains all life, is healthy. Sony believes that it is important to respond to the environment, including by taking measures against climate change.

#### DE&I

Sony recognizes that diverse organizations are more innovative in corporate activities than non-diverse organizations. Sony believes that it is important to respect our employees' diverse values, remember the importance of equity, and foster an inclusive organizational culture. Expectations are also rising for corporate initiatives to address social issues such as social justice and inequality, and Sony believes that it is important for the Sony Group to further promote initiatives aimed at resolving issues both inside and outside the Sony Group.

#### **Respect for Human Rights**

Sony is aware of the potential human rights impacts of its global business activities. Sony recognizes that respecting human rights throughout Sony's value chain and addressing any potential human rights risks, whether the relationship with Sony's business operation is direct or indirect, are responsibilities that a diverse range of stakeholders expect of Sony. Considering recent changes in the external environment related to respect for human rights, Sony believes that it is important to further strengthen its efforts in this area.

#### **Technology for Sustainability**

Sony recognizes that our stakeholders have expectations regarding our ability to both grow our business and solve social and environmental issues through technology. Sony believes that it is an important mission of Sony to lead and contribute to the resolution of sustainability issues not only by increasing business revenue through the technologies and, products and services Sony develops, but also by having a positive impact on society and the environment.

## Strategy and targets for the Most Important Topics, and major initiatives

#### **Climate Change**

Under the "Road to Zero," a long-term environmental plan established in 2010 that aims to achieve a zero environmental footprint for the entire Sony Group by the year 2050, Sony is promoting environmental impact reduction activities in each of the following four perspectives: climate change, resources, chemical substances, and biodiversity. In May 2022, Sony announced that it had determined to accelerate its environmental impact reduction activities in the climate change area and to push its goal of achieving a net-zero footprint throughout the entire value chain, moving the target year from 2050 to 2040. Sony's net-zero\*¹ target for 2040 was approved as the net-zero target for the Science Based Targets initiative ("SBTI") \*² in August 2022.

- \*1 Sony's net-zero target follows the SBTi Corporate Net-zero Standard below: (a) reducing Scope 1, 2 and 3 emissions to zero or a residual level consistent with reaching net-zero emissions at the global or sector level in eligible 1.5°C scenarios or sector pathways; and
- (b) neutralizing any residual emissions at the net-zero target date and any GHG emissions released into the atmosphere thereafter.
- \*2 Science Based Targets initiative (SBTi) is a global initiative that encourages companies to set science-based targets to reduce their GHG emissions towards the goal of limiting the increase in global average temperature due to climate change to 1.5°C above pre-industrial levels.

Specific targets for achieving the above net-zero target by 2040 are as follows.

1. By 2030, Sony aims to make direct and indirect GHG emissions

(Scopes 1 and 2) of its own business operations net-zero. For other emissions originating from stages such as products, supply chains, and logistics (Scope 3), Sony aims to reduce GHG emissions during product use by 45% compared to the fiscal year ended March 31, 2019 by 2035. By 2040, Sony aims to achieve net-zero emissions in all Scopes.

 By 2030, Sony aims to achieve 100% renewable electricity used at its own business sites. The percentage of electricity use derived from renewable energy targeted to be achieved as of 2025 has been set at 35%.

To achieve the targets in 1 and 2 above, Sony intends to implement the following measures.

- Continuous reduction of environmental impact at Sony Group's own business sites: Acceleration of energy saving, installation of solar power generation equipment, and introduction of renewable energy throughout the Sony Group. Virtual PPA (Power Purchase Agreement) using the FIP (Feed-in-Premium) system in Japan.
- Promotion of energy-efficient products: Acceleration of initiatives to reduce annual power consumption of Sony products.
- Strengthening efforts with partners: Encouragement of business partners engaged in parts, materials and finished product manufacturing to manage their GHG emissions, save energy, and convert to renewable energy.
- Contribution to carbon removal/fixation\*<sup>3</sup>: Exploration of investments in start-ups engaged in carbon removal, and development of an index integrating biodiversity and carbon fixation associated with augmented ecosystem businesses, such as Synecoculture™\*<sup>4</sup> being rolled out by SynecO, Inc.
- \*3 Process by which carbon from the atmosphere is converted into organic compounds.
- \*4 Synecoculture is a trademark of Sony Group Corporation.

#### → Environment

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#### DE&I

Sony brings value to society through its Purpose & Values and implements DE&I initiatives based on its People Philosophy. "Special You, Diverse Sony", and Sony Group Diversity, Equity & Inclusion Statement redefined in February 2024.

Sony maintains operations in countries and regions around the world, hiring employees with high potential who best meet local needs. Approximately half of all Sony Group employees are engaged in business activities outside Japan, and more than 90% of these employees are locally hired. Sony aims to globally promote greater opportunities for women as part of our efforts to ensure an inclusive work environment in which diverse employees can play an active role. As of March 31, 2024, the percentage of women to men in the workforce was 34.0% and the percentage of women to men in management positions was 30.7% at the whole Sony Group. Additionally, Sony focuses on increasing gender diversity in Japan, where few women major in science or engineering, by cooperating with educational institutions and providing scholarships. Sony also hires and provides workplace support for people with disabilities. Beyond complying with the laws, rules, and regulations of each nation and region in which it operates. Sony is devoted to creating inclusive workplaces where all employees, regardless of disability, can build careers.

The Sony Group as a whole endeavors to increase the accessibility of its products and services, and undertakes initiatives related to diversity and social justice. In 2020, the Group established the 100 million USD "Global Social Justice Fund" to provide support to organizations advocating for social justice and human rights, and promote DE&I initiatives worldwide.

Sony is committed to DE&I group-wide, aiming for women and non-Japanese nationals to comprise 30% or more of our executives\*5 by 2030. By further evolving Sony's DE&I initiatives, Sony promotes diversity, the source of innovation, creating new value that leads to both the growth of the Sony Group and the development of society.

\*5 Directors, Senior Executives including Corporate Executive Officers, and other officers

#### → Employees

(3) Human Capital Strategies, Metrics and Targets, Sustainability Disclosure, B. Business Overview, Item 4. Information on the Company, Form 20-F (Annual Report) for Fiscal year ended on March 31, 2024

#### **Respect for Human Rights**

Sony's policy requiring respect for human rights is set forth in the Sony Group Code of Conduct. Sony expects all Sony Group companies to practice responsible business conduct by respecting all human rights in compliance with the code as well as all relevant laws and regulations.

Under this policy, Sony established and implemented Group policies for specific areas regarding human rights, such as the "Sony Supply Chain Code of Conduct" which sets forth the code of conduct for Sony's own manufacturing sites and suppliers, and aims to work towards a responsible supply chain, and the "Sony Group Al Ethics Guidelines," which guide all Sony officers and employees to utilize artificial intelligence ("Al") and/or conduct Al-related R&D in a manner that conforms with our values and emerging social norms. Sony conducts human rights risk impact assessments in line with the frameworks regarding human rights due diligence set out in the United Nations Guiding Principles on Business and Human Rights (UNGP) issued by the United Nations Human Rights Council and the OECD Guidelines for Multinational Enterprises. After identifying potential human rights risks by considering the characteristics of each business operation and the value chains important to each business, the assessments further identified three areas as priority areas for enhancing initiatives throughout the Sony Group: responsible supply chains, respect for diversity and responsible development and use of technologies. For issues where significant adverse human rights impacts are identified or are of concern in these priority areas, Sony promotes initiatives to prevent or mitigate those impacts for each of these areas. In the fiscal year ended March 31, 2024, Sony again conducted a human rights risk impact assessment, confirmed that the three areas of potential human rights risk which were previously identified as most relevant to Sony's business activities remained the same, and promoted individual initiatives in each business. Sony has also established the "Sony Group Human" Rights Policy," with the aim of expressing its commitment to respecting human rights both internally and externally and promoting more systematic human rights due diligence across the Sony Group.

→ Respect for Human Rights

#### Technology for Sustainability

Sony supports technological development that helps businesses grow and innovation that betters society and industry for the future. For example, Sony is carrying out R&D regarding sensing technology that measures the water content in soil, ultra-wide area sensing network technology, and sophisticated predictive data analytics technology. Additionally, in order to address issues such as the proliferation of fake images and false information due to the rapid development of generative AI models, Sony Corporation has begun to provide certain media agencies with Camera Authenticity Solutions that verify the authenticity of images in compliance with the Coalition for Content Provenance and Authenticity's (C2PA) \*6 standard and through the use of Sony's proprietary in-camera digital signature. Sony is also working to reduce the environmental impact of its products through the development of environmentally-conscious materials and technologies to reduce power consumption. Furthermore, SSS supplies its image sensors equipped with global shutter pixel technology Pregius™ to a company engaged in resource collection and recycling projects. The company's reverse vending machines equipped with the image sensor can accurately identify the shape of a used beverage container in approximately one second. contributing to effective sorting and the optimization of resource recovery systems.

\*6 A standards-setting organization that develops open standards and technical specifications for the provenance and authenticity of digital content.

→ Technology

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## Employees



#### **Overview**

#### **Basic Approach**

Starting from the electronics business, Sony has continued to evolve, expanding the breadth of its businesses to include semiconductors, music, financial services, pictures and games. Half of our six main business segments are headquartered in the U.S., and our diverse businesses operating across different regions are sustained by our diverse employees, one of Sony's most important management resources, who form the foundation for creative innovation. Our approximately 110,000 employees around the world represent a wide array of nationalities, ethnicities and occupations, and they are the driving force behind all of our growth. This diversity is one of our key strengths, and encouraging our employees to maximize both their individuality and engagement leads to sustainable value for both Sony and society at large.

## Sony's People Philosophy: "Special You, Diverse Sony"

Sony has always viewed employees as individuals rather than as a group, respecting their independence and enthusiasm for taking on challenges, and cherishes a corporate culture that places the company and employees on equal terms, based on a chosen partnership between the company and the employee where both are accountable for being responsive to each other's needs. Sony's People Philosophy, "Special You, Diverse Sony," shares our message of accepting every diverse individual so that we can continue to grow together, with our Purpose at our core. Our group-wide People Strategy is based on this philosophy and is organized around the themes of "Attract talented individuals," "Develop talented individuals," and "Engage talented individuals," leading to people policies that reflect the characteristics

of the environments and regions in which each individual business operates.



#### **Structure**

Material issues related to employees are discussed and deliberated at group-level meetings and by HR committees for each business segment. The Sony Group Corporation officer in charge of human resources and a diverse group of HR leaders from the main six business segments also hold regular meetings. As part of the new management system for fiscal year 2023, Sony has further enhanced its organizational structure through the appointment of a Senior Executive and a Senior Vice President in charge of Lead of Group DE&I.

#### **Looking to the Future**

Internal job posting program started

We prioritize diversity, working on initiatives focused on Sony's People Philosophy to drive sustainable growth for the Sony Group and create social value. Sony also supports employees' continued growth by providing opportunities for them to improve and make the most of their individual strengths, skills, abilities, and creativity.

#### Milestones

1973:	Sony Technology Exchange Fair started
1978:	Sony/Taiyo Corporation founded
1988:	Flex-time System introduced
1990:	Parenting leave and flex holiday programs introduced
2000:	Sony University program started
2008:	Flexible work policy introduced
2015:	Flexible career leave and free agent programs introduced
2018:	PORT, a place for employees to learn and interact, established
2021:	Sony's People Philosophy and People Strategy redefined Sony selected as one of the Iconic Partner of The Valuable 500
2023:	Senior Executive and Senior Vice President in charge of Lead of Group DE&I appointed
2024:	Diversity, Equity and Inclusion Statement redefined

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## **Diversity, Equity and** Inclusion (DE&I)

Sony aims to realize an organization in which diverse personalities, opinions, views, and values coexist in a corporate setting. As part of our commitment to further promote DE&I, we have set new numerical targets, aiming to increase the percentage of women and non-Japanese nationals among Sony Group Corporation's executives\* to more than 30%, respectively, by 2030. We also redefined our Diversity Statement, creating our new Diversity, Equity and Inclusion Statement.

The unique individuals that make up our employees connect across both business segments and regions to create new value by combining both their creativity and the resulting technologies. Moving forward, we will continue to more resolutely promote DE&I, the source of growth at Sonv.

\* Directors, Senior Executives including Corporate Executive Officers, and other officers

#### The Diversity, Equity and Inclusion Statement

We Belong, We Create. We Grow, Together To Bring KANDO\* to the World.

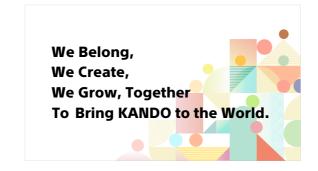
We believe that innovation happens when we embrace the diversity in each other beyond boundaries.

The Sony Group will continue to evolve as a place where everyone belongs and demonstrates their individuality, inspiring an inclusive society.

\*KANDO = emotion

Ever since Masaru Ibuka co-founded Sony with Akio Morita with the belief that "Innovation is born out of the intersection of diverse ideas." diversity has remained core to our DNA and we consider it key to innovation. Our new Diversity, Equity and Inclusion Statement was redefined for the first time ten years after its establishment in 2013 taking into account growing global awareness of human rights, and expressing our dedication to societal contribution through the promotion of evolving diversity group-wide and the creation of a fair and inclusive organizational structure.

The Diversity, Equity and Inclusion Statement



#### The Evolution of DE&I

Sony's Founding Prospectus states, "We shall place emphasis on a person's ability, performance and character, so that each individual can fully exercise their abilities and skills." This idea of focusing on the individual continues to be passed down as a cornerstone of group culture—we respect the diversity of our businesses, employees and their autonomy to foster an environment where diverse talent is empowered to take on the challenge of creating a wide range of value. We have set growth through diversity as a key phrase in our management policy, which drives us to strengthen our DE&I promotion system and hire talent with new perspectives that spur innovation. In turn, we focus on developing our employees and providing opportunities for both individuals and businesses to connect and share their knowledge, experience and technologies across organizational, regional and national boundaries. DE&I

promotion initiatives have expanded beyond individual sites as our business grows, and we have further evolved to support the creator community as we work to develop the next generation, who will create the exciting breakthroughs of the future.

We will continue to take on the challenge of further building upon DE&I in order to achieve sustainable growth for Sony and promote an inclusive society where diversity is respected.

## **Diverse Employees**

#### **Gender Equity Initiatives**

Sony promotes gender equity globally as a part of our DE&I initiatives. As of March 31, 2024, the ratio of women o men in the workforce was 34.0% and the ratio of women to men in management positions was 30.7% for the entire Sony Group.

With the aim of increasing the percentage of women among Sony Group Corporation's executives to more than 30% by 2030, the Sony Group Corporation has set two targets to be achieved by the end of fiscal year 2025, having women hold over 20% of management positions and ensuring that 100% of employees with newborns take childcare leave (legal childcare leave of absence and/or Sony's paid childcare leave), with the men among them taking an average of more than 10 days of childcare leave, all part of our effort to promote gender equity. We received Platinum Eruboshi certification in January 2024 in recognition of our efforts to empower women.

Japanese group companies set individual goals, while as a whole, Sony is expanding its efforts to disclose information regarding gender diversity, including in its Securities Report. It carries out disclosure of information and action plans at its companies in Japan 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. The companies continue to play an active supporting role, holding lectures about inclusive leadership to ensure we make the most of our diversity, and developing programs and systems to

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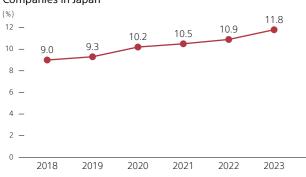
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encourage male employees to participate in childcare. Remuneration levels are determined by role rather than age or years of service. Sony launched Sony Women in Technology Award with Nature as an initiative to promote societal gender equity. This award recognizes and supports women researchers who work to contribute to a better society and planet through technology. In Japan, we hold the Technovation Girls startup pitch competition, an international app and business development contest, and are providing comprehensive support through science and engineering collaboration with University of Tokyo's Metaverse School of Engineering and Nara Women's University the aim of reducing gender bias and enhancing DE&I. In April 2024, we launched SONY STEAM GIRLS EXPERIENCE scholarship to support young women majoring in science and engineering fields at university. Outside Japan, we support Girls Make Games, Women in Film and Women in Animation as initiatives to encourage creators who are the source of excitement.

Every March, Sony holds lectures by outside experts and other events around the world in honor of International Women's Day with the aim of promoting actions through a deeper understanding of gender equity.

- ☑ Sony Group Corporation's Action Plan for the Act on Promotion of Measures to Support the Development of the Next Generation
- Sony Group Corporation: Action Plan for Promoting Women's Participation
- Sony Group Corporation Awarded Platinum Eruboshi Certification by Japan's Minister of Health, Labour and Welfare for Its Outstanding Performance in Promoting Women's Participation in the Workplace (in Japanese)
- ☑ Securities Report (Japanese only)

#### Percentage of Women in Management Positions in Sony Group Companies in Japan



#### Targets for Percentage of Women in Management Positions at Major Sony Group Companies in Japan (End of Fiscal Year 2025)

Company	Targets for Percentage of Women in Management Positions by End of FY2025*1
Sony Group Corporation	20%
Sony Corporation	10%
Sony Semiconductor Solutions Corporation	4.4%*2
Sony Interactive Entertainment Inc.	15%
Sony Music Entertainment Inc.	28%
Sony Financial Group	18%*3

- \*1 Targets for the "percentage of women workers in management positions" as of the end of fiscal year 2025 are described, pursuant to the provision of the Ordinance on the Action Plans for Business Owner based on the Act on Promotion of Female Participation and Advancement in the Workplace (Ordinance No. 162 of the Ministry of Health, Labour and Welfare, 2015).
- \*2 Percentage calculated from the numerical target for women in management positions by the end of fiscal year 2025, prescribed according to the total number at the end of fiscal year 2023.
- \*3 The value obtained by calculating the sum of the numerical targets for women in management positions by the end of fiscal year 2025 at applicable companies under the Sony Financial Group umbrella (Sony Financial Group Inc., Sony Life Insurance Co., Ltd. (employees working within main company only), Sony Assurance Inc., Sony Bank Inc., Sony Lifecare Inc., Lifecare Design Inc. and Proud Life Inc.), then dividing the result by the expected total number of employees as of the end of fiscal year 2025

#### Men to Women Earnings Ratio (Sony Group Corporation)

Group		Men	Women
Permanent Employees* <sup>4</sup>	Management	100	97.9
	Assistant Manager / Leader Level	100	99.0
	Senior Professional Level	100	99.6
	Professional Level	100	101.9

Period: April 1, 2023 to March 31, 2024

(FY)

Figures shown are rounded to one decimal place.

Earnings include basic pay, overtime pay and bonuses but do not include retirement allowances or commuting allowances.

Levels of compensation are determined based on significance of role, independent of age or years of service, and earnings of men and women at the same grade are approximately equal.

\*4 Excluding employees on secondment from outside of Sony, inpatriates in Japan, and employees who do not meet the eligibility due to international assignment, leave of absence, hiring, resigning timing etc., including short-term employees

### Key Activities to Gender Equity at the Sony Group around the World

#### Japan

In September 2023, the Sony Women Leaders Forum (SWLF) was held in Japan. This networking event is for women in the department management level or above across the group who are at the forefront of our business. In March 2024, we held the SWLF for women in managerial positions. The event coincided with International Women's Day, and provided an opportunity for women to share their career and leadership skills while forging connections that transcend individual businesses. Top management delivered a powerful message: "You can embody the myriad ways to be a leader." We continue to implement women's leadership programs and mentoring to provide ongoing skill development.

#### United States

Sony Music Publishing invests in the development of women with high potential and performance to further promote gender equity in leadership, implementing the Women's Leadership Program worldwide, especially within the U.S. Sony Interactive Entertainment helps women employees to further develop their capabilities through activities such as the Senior Women's Leadership Forum, which provides a space to connect with women managers and learn practices and strategies relating to leadership.

#### Europe

In the UK, Sony Pictures Entertainment produced 21 short films showcasing role models, with three films released externally on its YouTube channel and LinkedIn in celebration of International Women's Day.

Sony Europe is improving the gender ratio by strengthening recruitment and hiring practices, updating policies and procedures,

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and collaborating with 3<sup>rd</sup> party initiatives such as Top Women Tech, RISE Women in Broadcast, and Pink Programming. They celebrated International Women's Day through a live panel session featuring women leaders from across the Sony Group sharing their experiences and ideas to inspire inclusion.

### **Promoting Greater Opportunities for People** with Disabilities

Sony employs and supports people 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 lbuka 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 create an environment that makes it possible for people with disabilities to manufacture products that exceed those manufactured by people without disabilities."\* Sony's senior management has been seeking to build an environment in which people do not feel held back by their disability and disabilities do not create barriers, enabling everyone to thrive.

Sony/Taiyo Corporation, which was established in 1978 prior to the legal institution in Japan of special-purpose subsidiaries, has begun to share throughout the Sony Group the know-how and experience it has amassed on the employment of people with disabilities. Sony has created an inclusive environment at its three special-purpose subsidiaries: Sony/Taiyo Corporation, Sony Kibou/Hikari Corporation, which specializes in providing employment opportunities for people with intellectual and mental disabilities, and Sony Life Business Partners Co., Ltd., to carry out clerical work and other tasks for Sony Life. Sony is now expanding initiatives to create an inclusive environment throughout the group. Sony Group special-purpose subsidiaries are independent businesses that seek to provide job satisfaction via carefully thought-out employment, such as duties carried out jointly with other business sites or individual companies. At Sony Kibou/Hikari Corporation, employees with disabilities are empowered to work in accordance with their individual strengths, performing office maintenance and administrative support, working

with development engineers on the Alpha mirrorless single-lens reflex camera and supporting core image processing development. At Sony/Taiyo Corporation, people with visual impairments are involved in Xperia development, working to create features that are easy for people with visual impairments to use, like customizing screen reading options or double-tapping to take a photo. These employees have wisdom and ingenuity that make them uniquely suited to this work. Bringing together employees of varying backgrounds and experiences generates new perspectives and ideas that allow us to provide products and services catered to a wider range of customers. Every response through these operations is leveraged in the employment of people with disabilities at each group company. Guidance is provided to prepare suitable work environments and raise employee awareness so that everyone can flourish at work, wherever they are, and to increase workplace knowledge about disability employment and expand job opportunities in individual companies. Amongst other steps, Sony prepared group-wide guidelines on reasonable workplace accommodations, prior to legislative changes introduced in Japan in 2016. These guidelines ensure that sufficient discussions take place with individual employees who have a disability prior to making such accommodations. Group companies outside Japan also employ people with disabilities

in partnership with national and local government agencies or as allowed by local circumstances, and in some cases have received external recognition for employment of people with disabilities or have been cited as examples for other companies to follow. Sony provides opportunities for learning about special-purpose subsidiaries in Japan and approaches to employing people with disabilities, as well as avenues for companies to share expertise. By employing people with disabilities in a way that only Sony can, Sony is practicing the approach of co-founder Masaru Ibuka both locally and globally. Sony became a signatory of The Valuable 500, an initiative of the World Economic Forum that focuses on the inclusion of people with disabilities. Sony has been selected as one of the Iconic Partner, and aims to propel action by managers and companies. In addition to employing people with disabilities and giving

consideration to the accessibility of products and services, Sony aims

to lead the inclusion of people with disabilities throughout the global

community, linking its efforts to spread the sentiments of Sony's

founders and expand its corporate initiatives to Sony's Purpose & Values.

Employees with disabilities accounted for 2.76% of Sony Group Corporation's workforce as of March 31, 2024, while the average for the Sony Group in Japan (companies with over 101 employees, consolidated basis) was 2.48%, both above the 2.3% mandated by Japanese law for companies over a certain size.

\* Based on the approach of Sony co-founder Masaru lbuka that, although there are people without disabilities, no one is healthy all the time.

### Key Activities to Promote Career Development of People with Disabilities

#### Japan

The Sony Group in Japan is creating inclusive workplace environments where a disability is no impediment to building a career, and is working with employees with disabilities to check building accessibility with the aim of ensuring a comfortable workplace environment for all. In addition to active recruitment efforts on an individual company level, 14 Sony Group companies participated in the annual job fair, which included company information sessions and individual interviews. This was an opportunity for job seekers to engage directly with Sony Group companies, get an overview of individual companies and the type of work they engage in, and hear details about the approach taken to supporting employees with disabilities on a group and company level. As a part of efforts for the next generation, we work with external vendors with disabilities on events for university students, especially in their first and second years, to provide opportunities for people both with and without disabilities to dream of big goals for the future.

#### ■ United States

Sony Corporation of America works with external organizations, such as Disability:IN, which focuses on disability inclusive endeavors in business, to provide education that supports employees with disabilities. Sony Music Publishing US includes accessibility and disability awareness training in their e-learning for new hires. Sony Pictures Entertainment (SPE) partners with nonprofits such as Lime Connect to provide opportunities to aware and understand disability

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and accessibility through virtual workshops.

#### Europe

In Europe, SPE includes accessibility and disability awareness training in their e-learning for employees to further understand their DE&l efforts. Sony Music Entertainment UK is also a member of The Valuable 500, a World Economic Forum initiative focusing on inclusion of people with disabilities to encourage action from both managers and companies.

#### China

Sony China holds events through a variety of programs at 10 affiliated companies within the country to provide opportunities to consider DE&I. They also go beyond simply providing employment opportunities for people with disabilities; they promote the hiring of people with disabilities through practical courses that help university students with disabilities adapt to their future life as a working adult.

## Building Safe, Authentic Workplaces for LGBTQ+ Employees

Sony globally strives to provide LGBTQ+\*I employees with working environments in which they can feel comfortable being themselves, striving to be a leader whilst acknowledging various national and regional considerations and circumstances. Sony Group introduced a Pride logo in fiscal year 2022 to express its embracing of LGBTQ+ employees and the wider community to people within the group and beyond. This logo is used on a global basis for internal and external initiatives relating to LGBTQ+ topics.

In Japan, Sony has expanded certain personnel programs\*2 to encompass same-sex partners and implements an e-learning course covering LGBTQ+ topics for all employees, while also offering LGBTQ+ 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.

In addition, Sony organizes internal and external events designed to raise awareness on working environments that are comfortable for everyone.

In recent years, Sony has also been focusing on the impact that the presence of allies\*3 who understand LGBTQ+ topics and offer active support has on the psychological safety and willingness to work of LGBTQ+ employees. It is making efforts to increase the numbers and visibility of such allies in its workforce, and these allies have also planned and attended events since fiscal year 2022.

- \*1 LGBTQ+ is an acronym for lesbian, gay, bisexual, transgender, queer or questioning, and others. The expression is broadly used to refer to persons who do not identify as straight (heterosexual) or cisgender (identifying with the gender assigned at birth).
- \*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.
- \*3 Ally: A person that understands the issues facing the LGBTQ+ community and acts in support of it. In English, "ally" means a person who cooperates or helps a supporter.



Pride logo

#### LGBTQ+ Initiatives by the Sony Group Around the World

#### Japan

In order to gradually increase employee understanding, we expanded our e-learning courses to include online panels about LGBTQ+ issues for people inside and outside the group. The event provided an opportunity for employees in Japan to learn about these issues while also communicating the need to address these issues outside the company as well. In response to the needs of Sony Group companies in Japan, study sessions were held for employees in Human Resources, Public Relations and other departments more likely to interact with members of the LGBTQ+ community. A handbook on basic LGBTQ+ information was made and shared via the intranet for employee reference. To further instill understanding, Sony Group Japan took part in Tokyo Rainbow Pride (TRP) 2024. At the event, we set up a booth showcasing group technology and IP. The booth was run by allies, and welcomed a large number of guests. About 150 people joined the parade, including executives, employees, their partners and families. Sony sponsors and participates in the Diversity Career Forum, an event organized by the NPO ReBit. Through the forum, Sony shares its LGBTQ+ and diversity initiatives with the public. 19 Sony Group companies in Japan received a Gold rating in the PRIDE Index from LGBTQ+ rights organization, work with Pride, in recognition of internal and external efforts to promote understanding of LGBTO+ topics.

#### United States

In the United States, Sony Corporation of America and Sony Interactive Entertainment reviewed their healthcare plans to align with updated standards set by the World Professional Association for Transgender Health (WPATH). Sony Music Entertainment installed gender-neutral restrooms at group company locations, with further installation

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planned for locations under renovation. Employee group OutLoud also took part in the Nashville Pride Parade. In 2023, Sony Pictures Entertainment (SPE) was once again a Gold Sponsor of the GLAAD Media Awards, held by the LGBTQ+ media advocacy organization GLAAD. Employee group Out Culver Sity @ Sony Pictures also took part in the Los Angeles Pride Parade.

#### Europe

In the UK, SPE supported employee group OUT EMEA @ Sony Pictures, joining Pride in London and hosting screenings of Philadelphia, a film that looks at AIDS and stigma of the gay community, in Spain. The screen featured a journalist-led discussion of the film.

Sony Europe supports the LGBTQ+ community and promotes inclusivity by participating in and sponsoring several Pride parade events across Europe including Christopher Street Day Parade in Berlin, LundaPride in Sweden, and Pride Cymru in Cardiff Wales.

#### Creating a Workplace and Culture for Diverse Employees, Regardless of Nationality or Region

To better support employees of all nationalities and languages, the Sony Group in Japan follows up on employees after hiring and assists 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. Using these results, those companies have identified issues faced by these employees and are working on devising and implementing necessary measures. Specifically, Sony provides opportunities for non-Japanese employees to explore their own career development and gain insights. This includes Sony Happy Hour, a regular networking event for non-Japanese employees, cross-cultural communication events, and talks on diversity by globally known outside speakers. Sony also implements ongoing initiatives to foster a culture that respects diversity, including the creation of online training content demonstrating basic approaches for working together with employees from different

cultural backgrounds. As of March 31, 2024, approximately 900 non-Japanese nationals work for the Sony Group in Japan across a variety of fields.

Additionally, many multinational employees work outside Japan for group companies. Sony Electronics in the U.S. hosted nearly 100 employee engagement events in fiscal year 2023 aimed at celebrating diverse cultures and fostering a sense of belonging among the team. With such initiatives and internal DE&I surveys, we aim to create a workplace where employees of various backgrounds thrive.

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## Attracting and Acquiring Diverse Talent

Diverse talent who share our Purpose & Values and are committed to taking on challenges and continuing to grow are essential to a thriving Sony. Group companies across the globe employ strategic recruitment strategies to acquire skilled talent by hiring talent with expertise beyond the scope of the company who bring in new perspectives and hiring people who are proactively interested in the position, thus creating a cycle of positive growth for Sony and its employees. Opportunities to take on new challenges attract diverse talent who are the core of our value creation.

#### **Attracting Diverse Talent**

Sony develops, designs, sells and markets products, services and content in many different countries and regions around the world, and promotes the localization of these operations by securing talent that can meet the specific needs of each market through its global network of R&D bases. Our recruitment is based on our stance on DE&I, with measures in place to ensure employment opportunities are available regardless of an individual's background or circumstances. In terms of diversity of knowledge and experience, Sony promotes emergence within the organization through activities that foster increased awareness and learning from new perspectives, including appointing people with extensive experience outside Sony to be responsible for core individual business units and headquarters functions. Through this, it continues to evolve while responding swiftly to rapid changes in the business environment. Further, there is no difference in job title, evaluation or general treatment of new and mid-career hires, and opportunities for career development are provided fairly.

## Realizing Diversity and Equity in Talent Acquisition

We center diversity in our recruitment activities because a dynamic mix of diverse and unique talent fosters innovation and a vibrant corporate culture. We recruit skilled talent from regions around the world, even for locations in Japan, to be more competitive on an international scale, ensure a more global perspective and acquire a greater wealth of experience. We are also involved in international academic conferences for a variety of technological fields to promote global innovation, increase opportunities for internal human resource development and improve our corporate environment. For recruitment of women, we go beyond simply offering career advice, we work to assuage further concerns or doubts they might have about joining the workforce. We provide opportunities to experience the appeal of our workplace through employee visits, roundtable discussions and networking events. We further offer information in both written and video format to ensure availability at the time and in the format most accessible to them, which is vet another way we convey our dedication to providing an environment where individuals can thrive and be respected regardless of gender or background.

#### **Acquisition of Talent with Specialized Skills**

Based on the pillars of technology and creativity, Sony is further emphasizing acquisition of talent with specialized skills in a variety of fields in order to continue creating products, content and services that fill the world with emotion.

We are particularly focused on attracting talent with cutting-edge IT and Al expertise. To this end, it is essential to communicate the ways Sony is an excellent place to work through our business, technological capabilities, initiatives and development environment. We showcase these features through direct engagement with our engineers at competitions, workshops and other events created in partnership with internal working groups, through which we are able engage with perspective talent firsthand.

"Ideathons" and entrepreneurial internships are among the initiatives we promote to acquire talent for development of our businesses, specifically, the Sony Startup Acceleration Program, new business model development, and a wide range of design work where creativity is paramount to success.

In the United States, Sony is providing people from underrepresented communities with opportunities to learn through the production of actual films, supporting the development and acquisition of talented and creative people from diverse backgrounds.

## Supporting Women in Science and Engineering Studies

In Japan, fewer women major in science and engineering. We are dedicated to ensuring gender diversity among the engineers that support our technological endeavors, so we work with educational institutions to hold seminars and workshops for junior and high school students as an initiative to develop the next generation of scientists and engineers.

By conveying the appeal of science to students who have not yet chosen a field of study, we encourage them to consider their future career path, transcending company boundaries and helping to expand the future pool of professionals working in scientific fields. We also launched SONY STEAM GIRLS EXPERIENCE in fiscal year 2024 to support young women majoring in science and engineering fields at university. The program provides scholarships of up to 1.2 million yen annually to encourage ambitious study. Recipients are also provided with the opportunity to connect with women in engineering fields inside the Sony Group. Recipients and employees also run the STEAM GIRLS Baton Program, where they promote both study and work in science and engineering with junior and high school girls. Through SONY STEAM GIRLS EXPERIENCE, we help to develop diverse talent in science and engineering, increasing interest in these fields among prospective talent while helping to eliminate unconscious bias and anxiety as these aspiring professionals choose a career path.

SONY STEAM GIRLS EXPERIENCE (Japanese only)

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## Transcending Boundaries of Business and Geography

#### **Cross-Business Collaboration**

Sony is engaged in a broad range of businesses, and its diverse employees collaborate across them to take on new challenges in areas such as the development of products, services and content, and marketing. In fiscal year 2023, approximately 2,000 Sony Group employees transferred to other companies within the Group. This enables employees to branch out in their careers and build crossbusiness connections, creating new opportunities for collaboration around the Group.

#### **Employee Activities Across Regions**

As of March 31, 2024, approximately 960 employees were working outside of their home country as part of Sony's global deployment of personnel, in order to transfer technology and knowledge, and launch new businesses. Of these, approximately 150 have been transferred to group companies both inside Japan and around the world to myriad positions, and approximately half of total expatriates play key roles as management. By transcending regional boundaries, we harness expertise for a variety of endeavors, including software development employed in a range of businesses. To ensure

smoother and more efficient international transfers, Human Resources Department collaborate on the creation and regular improvement of group-wide policies and guidelines that accommodate diversity in the formats of overseas assignments.



International employees at a meeting in the Singapore Office

#### **Diverse Career Initiatives**

#### **Autonomous Career Building**

Sony has always encouraged its employees to take on new challenges, and to foster this mindset to achieve both personal and company growth.

Back in 1966, Sony became the first Japanese company to launch an internal job posting program, which has now been in place for 58 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 8,000 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. In fiscal year 2015, Sony introduced 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 demonstrate their expertise and knowledge in various areas.

Moreover, in order to ensure that career development is focused on the individual, Sony has greatly expanded its existing open recruitment system, adding new programs to it. These include 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, and Sony CAREER LINK, a program in which employees who register a profile can be contacted by a specific workplace or Human Resources Department when a position matching their skills and experience becomes available.

Every autumn, Sony offers employees opportunities to network and explore new avenues through its Career Month, during which it holds lectures and workshops to encourage employees to be more proactive about their career and provides career counseling. Employees also meet directly with their supervisors to discuss development plans regarding their careers and growth, and to review their skills. They receive support in autonomously shaping their career path in a way that is appropriate to their current career stage. In fiscal year 2023, Hitachi, Ltd. and Sony teamed up for a trial run of the Intercompany Side Job Project, which focuses primarily on developing R&D and new business areas. Such new options support autonomous challenges unhindered by individual company frameworks to help companies and employees grow in tandem, incorporating new perspectives and awareness while encouraging collaborative creation and the cultivation of a more inclusive corporate culture. 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.

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## **Employee Challenge** and **Growth**

Sony aims to be a place where each unique employee can grow and be challenged to the utmost, and where their growth leads to the growth of the company. Sony strives to 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 creating even more opportunities to bring their capabilities into full play.

#### **Learning and Career**

#### **Learning and Development**

Sony has systematically organized the skills required for roles, levels and job fields to better facilitate group training, e-learning and other opportunities for diverse employees to achieve their individual career goals.

Beyond mandatory training tailored to specific roles, levels and job fields, we focus on measures that encourage employee-driven learning, providing opportunities that fit the goals and needs of our employees, including partnerships with external training organizations, expansive online training and lectures.

Training platforms previously introduced at Japanese group companies continue to deliver individualized training. Specifically, this is done by recommending content based on each employee's individual skills when they need it, and through visual representation of their learning trajectory. Sony is also working on content in collaboration with overseas group companies using a common platform. We work to

help management in creating organizations that recognize the value of diversity through interaction that creates new value. In fiscal year 2023, we expanded both the levels and content of middle management training in Japan, providing opportunities for discussion and training transcending business divisions.

We further endeavor to provide opportunities for growth at overseas locations that is tailored to individual needs and bolstering managerial skills. These opportunities cover areas of high need through regular workshops on themes of relevance to individual employees, and new content is created in collaboration with external organizations/ vendors, all with appropriate timing and location in mind. We also ensure participants obtain the latest managerial knowledge so vital to their work through writing in the form of a management newsletter, and in-person through a leadership academy program where they study leadership techniques and receive valuable feedback, leading to improvement in management capabilities company-wide. Information on training sessions conducted globally in fiscal year 2023 is shown below.

#### Learning and Development

ltem	Japan	Outside Japan	Total
Number of programs	2,660	17,118	19,778
Number of times offered	11,647	26,954	38,601
Cumulative total participants	225,707	195,458	421,165
Cumulative total training hours	983,087	752,673	1,735,760

#### **Career Support for Senior Employees**

In today's era of extended longevity, work and life planning are not uniform. Each individual has different needs and values, and the options available to them are also diversifying. Sony has deployed the Career Canvas Program for veteran and senior employees to encourage them to think about, design and implement their own life plans while working actively within Sony. In line with Sony's founding philosophy of "building one's own career," we offer a variety of programs, including workshops on career development and financial assistance, to help employees relearn how to keep developing

themselves. These workshops are held at ages 35, 45, 50-53 and 57, with approximately 2,000 employees within the group participating in fiscal year 2023.

To further set up our older and more experienced employees for successful careers, we have started a new open recruiting program called the Senior Internship to provide experience in regional revitalization and other external efforts.



The Senior Internship

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#### **Leadership and Future Leaders**

Identifying and developing future leaders is a key element of Sony's management strategy. Sony provides opportunities for professional growth across the Sony Group by leveraging the comprehensive capabilities of its diverse businesses to ensure that it continues to nurture future leaders.

#### Sony University

Sony University, established in 2000, develops talent to take on top managerial roles in the group. Based on our three missions, the institution continues to spearhead educational programs essential to developing future managerial candidates and global leaders who will drive our business endeavors.

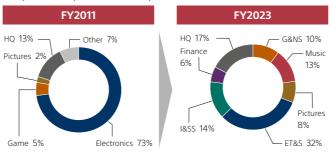
# The Sony University Missions Developing leaders who create management vision and strategy Pass down the Sony spirit Form personal networks for group management

Approximately 1,500 employees from businesses across Sony Group worldwide have taken part to date, bringing together a diverse group of people with different backgrounds from all over the world. Participation among women employees and entertainment business employees have both reached approximately 30%.

Sony has established global and domestic Japanese programs with the aim of reflecting the needs of each business. There are three levels: Advanced Program, Elevate Program and Emerging Program. Aiming to become leaders who can drive Sony forward as a creative entertainment company with a solid foundation of technology that makes a difference to its surroundings, participants chosen from Sony Group's diverse range of businesses take part in six-month programs to cultivate and enhance their management literacy and leadership skills. By working hard together, participants form personal

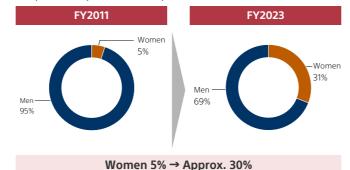
networks that transcend business and organizational boundaries, fostering collaboration and cooperation between businesses. In fiscal year 2023, a total of five programs were held in Japan and abroad. In addition to the Global Advanced Program and Global Elevate Program, the Global Emerging Program was added, each offered in partnership with internationally acclaimed institutions such as University of California, Berkeley, IESE Business School and Singularity University. Participants from Sony Group companies, businesses and other sites around the world attended lectures and engaged in group discussions among themselves and with members of the management teams from various business segments, working to improve their skills and mindsets in areas such as leadership, strategic planning and vision. All participants were divided into teams for theme-specific discussions, with findings presented to management team. In the Global Advanced Program, for example, participants interacted with multiple

#### Sony University Attendance by Business



Mainly electronics → Various fields

#### Sony University Attendance by Gender



executives, including Chairman/CEO Kenichiro Yoshida and President/COO/CFO Hiroki Totoki, which expanded the perspectives of participants, while also providing an opportunity for top management to learn more about promising talent within the group. Similarly, the Japan Advanced Program and Japan Elevate Program served to cultivate and strengthen the skills and mindset participants require to take on management roles while also providing an opportunity for mutual study and networking among participants from various businesses. Participants in the Japan Elevate Program proposed business concepts unique to Sony Group management. Lively discussions ensued with Chairman/CEO Kenichiro Yoshida, President/ COO/CFO Hiroki Totoki and other executives, including those in charge of Sony's business segments. This helped to promote participants' learning, broaden their perspectives, and enhance motivation. In addition to the above examples, various executives and management team are involved in supporting professional development in numerous ways throughout Sony University. Moving forward, Sony Group will continue its efforts towards further



Final presentation for Chairman/CEO Kenichiro Yoshida

development in the cultivation of future leaders.



Photo with President/COO/CFO Hiroki Totoki

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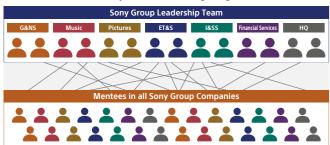
## **Sony Cross-Mentoring Program**

Sony launched the Sony Cross-Mentoring Program in 2022 with the aim of promoting mentorships across Sony Group. In addition to being an opportunity for networking, strategic connections between management teams from different businesses and the next generation of leaders enable mentees to build relationships with mentors, deepen their understanding of new fields beyond their own business area, and develop new awareness and ideas that contribute to their individual development plans.

The program takes place over about six months, and mentors share their wealth of experience and knowledge through regular communication covering themes such as management skills, leadership skills, business, and careers, helping mentees to enhance their qualities and expand their horizons.

In fiscal years 2022 and 2023, a total of 22 pairs were formed across six major businesses within Sony Group. Through this program, Sony aims to pass on the wealth of experience accumulated within the group to the next generation, contributing to employees' professional development and the creation of new value.

#### Sharing Diverse Knowledge and Experience Through the Sony Cross-Mentoring Program



Support future leader development and new value creation by connecting with senior management beyond business and regional boundaries

# **Roundtables with Top Management**

Sony provides opportunities for direct dialogue between top management and employees working in various businesses and areas of expertise throughout Sony Group. Roundtables provided an opportunity to share individual thoughts and ideas regarding shared topics. This open discussion led to inspiration and lessons regarding potential future developments in each business and area of expertise. This also contributed to the building of connections and networks among participants.

These regular talent reviews in each business segment and lateral group-wide opportunities for wide-ranging professional growth serve to maximize knowledge of other business segments, expand personal networks and support synergies between business segments. Having a robust talent pipeline also helps Sony to formulate systematic business succession plans.

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# **Engineering Talent**

To fulfill its purpose of "fill the world with emotion, through the power of creativity and technology," Sony must engage in innovation to win new customers. Technology underpins the value creation that drives all Sony Group businesses, so Sony constantly seeks to get even closer to people, to understand their motivations, and to pursue "technology that inspires emotion."

# Using Field-Specific Technology Strategy Committees to Achieve Intra-Group 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 Committee is 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 year 2015, and they involve approximately 1,700 employees both in Japan and abroad.

#### Field-Specific Technology Strategy Committees

•		5,	,		
G&NS	Music	Pictures	ET&S	I&SS	Financial Services
	Me	chanical Stra	tegy Commit	tee	
		Optics Strate	gy Committee		
	S	oftware Strate	egy Committe	e	
		LSI Strategy	Committee		
	Informat	ion Processin	g Strategy Co	mmittee	
	Devic	e & Material S	trategy Comr	nittee	
		lectric Strate	gy Committee	e	
	Productio	n Engineering	Strategy Cor	nmittee	
	Desi	gn Process St	rategy Comm	ittee	
	Conten	t Technology	Strategy Con	nmittee	
	l	IX/HCD Strate	gy Committe	e	



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 core technology training courses 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**

Measures to develop technical skills, mainly for engineers, are implemented group-wide, with initiatives for specific technical skills spearheaded by the relevant company or business.

Core technology training is conducted across the group, ensuring employees obtain cross-organizational skills and knowledge. Approximately 450 Sony engineers with frontline expertise in key technological fields serve as instructors, developing curricula and textbooks and contributing to the enhancement of technical skills of group employees. These courses, which serve as the foundation for gaining further technical skills, have been in continuous development since the 1980s. Employees with a high level of expertise in a specific technical field serve as leaders who plan courses with selected themes that are in demand based on the latest conditions in specific fields and Sony goals. The courses are used by employees to expand their knowledge of specialized subjects, brush up on their knowledge for application in other areas, or re-learn subjects. In fiscal year 2023, new courses were established through partnership with the Technology Strategy Committee to promote the use of content that improves skill in every role, from data analysis to cloud computing. Fourteen technical courses in approximately 400 subjects were offered to a total of 20,600 participants, most of whom were from group companies in Japan.

Basic technology training courses are offered as a part of our basic curriculum group-wide, based on the guidance of internal experts. In fiscal year 2023, a total of 33,200 employees participated in our core and basic technology training courses. These courses are

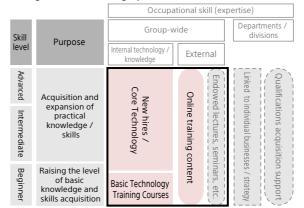
fundamental to the improvement of technical capabilities within Sony Group and will continue to be provided as opportunities for professional development.

Such opportunities are provided in a variety of formats, including online through our content platform, through endowed courses, lectures and training sessions run by external experts and open houses, all to ensure the ideal environment for growth.

#### Core and Basic Technology Course Enrollment



### **Technological Skills Training System**



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## **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 group engineers, both in Japan and abroad. 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.



# **Corporate Distinguished Engineer Program**

Based on Sony's Purpose, the Corporate Distinguished Engineer program is designed to accelerate formulation and implementation of technology strategies that support sustainable growth and the development of talent. The term Distinguished Engineer (DE) designates those engineers group-wide, both in Japan and abroad, who possess outstanding expertise and technical knowledge in key technological fields and are capable of carrying out the DE mission, shown below. The program highlights the important role that the DEs play as "the faces of Sony technology" who take the lead in formulating technology strategies and supporting talent development. Publicizing this program within the company and in society at large demonstrates this awareness and legacy at a group-wide level.

# ■ The Distinguished Engineer's Mission

The DE is to formulate and execute technology strategies while identifying signals of change, and support the development of talent in order to ensure Sony's sustainable growth. The DE:

- Formulates the technological strategies that underpin Sony's corporate strategy beyond the existing frameworks
- Supports the execution of corporate strategies through technology by building global networks and identifying signs of change
- Discovers engineers with high potential and supports their development



# Sony Technology Exchange Fair

The annual Sony Technology Exchange Fair (STEF) provides an opportunity for Sony Group engineers to present their R&D work to colleagues and create new value by sharing information and ideas among a diverse range of employees in Japan and overseas. This annual event has served as a launchpad for numerous research and development projects since it was first organized in 1973. Fiscal year 2023 marked the 51st time the event was held, with over 20,000 people from Sony Group companies in Japan and overseas attending exhibitions online and in person. The event sparked discussion across the group, showcasing cutting-edge technology by engineers from a variety of segments, while also featuring conferences and seminars from internal and external lecturers, a panel discussion chaired by a DE, and technology exhibitions about bottom-up initiatives led by recipients of the Sony Innovation Fund. Sony is a creative entertainment company with a solid foundation of technology, and STEF is a key corporate event that brings employees together to spark innovation throughout the Sony Group. STEF is intended to generate technologies that inspire emotion.



## **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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# Main Initiatives to Train Employees and Develop Skills Worldwide in Sony Group Companies

Many of music group companies are engaged in a variety of

#### Music

initiatives as they work to develop our human resources on a global scale in the music field. They employ job rotation across companies to strengthen connection between fields in order to develop talent with comprehensive skills and create new business opportunities. Sony Music Entertainment, in particular, provides training for management with high potential. In the U.S., job rotation programs are underway for global finance and data & analysis. Sony Music Publishing is engaged in the Women's Leadership Program, Global Data Literacy Academy and other development and training programs.

Sony Music Entertainment (Japan) Inc. (SMEJ) has implemented a system where employees can have an interview with the head of the department they want to be transferred to, as well as an international exchange program for employees at global Sony offices and SMEJ.

#### Pictures

Sony Pictures Entertainment (SPE) works to improve employees' skills, in terms of general specialist ability as well as both leadership and technical skills specifically. SPE further works to foster connections between employees and help them share information through networking events at their headquarters in Culver City, U.S. Employees across levels participate in the company's top talent management development programs, providing them with opportunities to experience SPE's specific business strategy and culture as they are readied for futures in leadership. One such program is the Leadership Academy in Culver City. Here both U.S. and Canada-based employees learn about topics such as inclusive leadership, communication and delegation.

#### ■ Game & Network Services

Sony Interactive Entertainment (SIE) engaged in initiatives to improve internal communication and develop managers in fiscal year 2023.

A Global Internal Talk was held to promote world-wide, cross-

business communication.

SIE focused particularly on leadership development. For example, as a part of SIE's People Leader Lab series for talent development, the company held the Leading People program, taking through the managerial levels on the key themes related to management and leadership. In addition, in Leading Teams, meanwhile, directors explored what it means to hold a directorship at SIE and how to lead other leaders, with special focus on developing those who will be future leaders of the company. Other initiatives include the monthly Manager Quests newsletter, which provides critical information to those working in management.

#### ■ Entertainment, Technology & Services

Sony Corporation aims to increase its corporate value through a two-pronged management style that balances profit stability with accelerated growth. Within this process, they are also working to strengthen human resource development. To this end, their greatest strength lies in the diversity of their employees, so they work to maximize their unique abilities.

Ongoing programs at all levels are available to everyone from candidates for the next generation of management to key talent still in their late 20s. This ensures the company is constantly working to develop leaders who encourage differing views while also focusing on supplying a variety of communication opportunities and encouraging new challenges that drive a better corporate culture including open and transparent communication, respect for differing views and challenging ourselves without fear of failing. Initiatives also include efforts toward training and promoting women in management. They comprehensively identified and created visual guidance to help find candidates. The company then thoroughly discuss training on an individual basis, while further engaging in oneon-one interviews between selected leadership-class women and senior management, as well as providing opportunities to engage in leadership programs. They also proactively promote measures to strengthen specialized technology skills, particularly for AI and the cloud, supporting our employees in efforts to obtain relevant qualifications, which further helps them develop the talent to lead, transform and drive the future of Sony.

## ■ Imaging & Sensing Solutions

In Imaging & Sensing Solutions, they restructured their human resource development system, setting six key themes intended to strengthen integrated operation of the Sony Semiconductor Solutions (SSS) Group. This talent management structure was deployed at Sony Semiconductor Manufacturing (SCK) in fiscal year 2023, creating a platform shared across the SSS Group. Adding to three middle-management training courses launched in fiscal year 2022, they proactively introduced a variety of new initiatives to further expand training horizontally in SCK. This included training with a focus on team building, where they created a collection of case studies that looked at daily challenges and how to address them.

At SSS, they implemented measures to support autonomous career growth, launching a career curation website to answer even basic questions, such as "What is a career?," and shared these videos with all employees.

#### Financial Services

The Sony Financial Group (SFG) is working to achieve sustainable growth within a rapidly changing business environment that includes both demographic changes and rapid technological innovation. In response to these issues, the group has positioned human resource management as a priority issue.

In order to support employee growth and career development for the over 12,000 people working in our various business categories such as life insurance, non-life insurance, banking, and nursing care, they implemented an education system that takes a medium to long-term view, preparing mandatory training according to job and rank, while also providing optional training to promote skill and self-development. In fiscal year 2022, they established an open recruitment system across SFG business segments.

Our SFG2030! training program was launched SFG group-wide to cultivate the managerial talent who will lead SFG to a future that transcends business and function. In fiscal 2023, they began expanding the target demographic for the system to further strengthen human resource development across the group. They also began crossmentorship in the same year to support the talent that will be our future leaders. In this program executives from various businesses in SFG served as mentors to develop talent individually.

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# Creating an Environment where Individuality is Maximized

Sony believes that employee engagement is the culmination of wideranging measures to support employees' growth. Sony implements diverse structural, environmental, and cultural initiatives to ensure an inclusive environment that is easy to work in so that each unique employee can constantly challenge themselves to create value.

# Organizational Culture and Communication

### Communication

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

# Communication Between Top Management and Employees

Sony treats communication between top management, including the CEO, and employees as a priority. Quarterly meetings are held for our 110,000 group employees worldwide, providing an opportunity for top management to share their vision and speak with employees directly. Additionally, regular updates on progress made in the Group's businesses is provided through in-house websites, 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 implements a single employee engagement survey across all of its businesses worldwide to collect information that is used to increase the engagement of each employee and energize the organizations. The work environment continues to change, and our employees become more and more diverse, so we revised our engagement metrics to better understand whether our employees feel included in the Sony Group, and whether they feel their work is rewarding. The survey gathers information on key factors that is analyzed from a variety of perspectives, and is then used to identify key factors for further improvement and action.

Results indicated that many employees felt they could be their true selves, an increasing number indicated that the environment was favorable for producing results, and the engagement index remained favorable since last year. These results are used as the basis for detailed analyses of each organization and senior management discussions on effective action. The improvement initiatives are also shared with employees via the corporate intranet and general meetings, with periodic review of results to monitor progress. Survey results and comments received are harnessed by managers at each organization to address specific issues and facilitate discussions with employees on improvements that can be made. Sony makes the most of these employee surveys to shed light on employee engagement and promptly incorporates results into ongoing discussion and action at every organizational layer.

## **Employee Engagement Survey Results**

	2022	2023
Survey Response Rate	93%	93%
Employee Engagement Index*	90%	90%

- \* Percentage of employees who did not give an unfavorable response to four questions regarding employee engagement
- \* Some of the four questions in the employee engagement index were replaced, so the 2022 index is also listed in the same group of questions.

# **Communication Among Employees**

Free and open corporate culture allows communication between employees both inside and outside the workplace. To promote communication, Sony Group companies in the picture business and the entertainment, technology & services 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. Sony Corporation is utilizing We Project, a bottom-up initiative designed to ferment corporate culture, to hold opinion polls about corporate culture and build communities through the in-house social media.

Sony actively supports these communities by providing venues and platforms, and asking management to be involved in planning various activities

# **Labor Unions**

Sony maintains excellent labor-management relations. Approximately 8% of the overall workforce (at consolidated sites) is unionized.

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# **Work-Life Balance and Well-Being**

Sony believes that strong revenues are sustained by providing a worker-friendly environment where all employees 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.

Each employee of the Sony Group plays a part in the sustainable growth of the company. As part of its commitment to DE&I, 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 responsibilities with events in their personal lives, including parenting, nursing care, and medical treatment. Sony recognizes the need to accommodate diverse ways of working to secure the health and motivation of employees.

Based on this approach, Sony has employed a flex-time system and a discretionary working system in Japan since the early 1990s, which enable employees to have versatile work options. Group companies in Japan began implementing a work style reform project in 2017, working to ensure employee awareness of existing systems put in place to avoid overtime and promote taking annual paid leave. Through this project we foster a work environment that is both physically and mentally supportive of our employees. In addition, as telework has become more established during COVID-19 pandemic, efforts such as improving the efficiency of individual work and the use of online tools enabled Sony Group Corporation to reduce its average monthly overtime hours to 24.1 hours in fiscal 2023, a third consecutive decrease. Last year, Sony Group Corporation employees used an average of 15.8 days of paid leave, and employees of the Sony Group in Japan used an average of 14.6 days surpassing the average usage of 12.0 days among corporations based in Japan.

# Flexible Work Options for Diverse Lifestyles

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

Sony Group Corporation and certain Sony group companies have a flexible career leave program, which has been in place since 2015 and is designed to open up a wider range of career paths. It enables employees to take up to five years off to pursue studies or work on upgrading their language or communication skills, or to accompany a spouse who has been assigned abroad or embarks on international studies, or to take up to two years off to pursue studies at their own expense to further develop their expertise.

The company has a flexible work policy, which broadened the scope of its former telework policy in 2018 by making all employees eligible and expanding the number of telecommuting days available to employees. As a special COVID-19 measure, the maximum limit on full telecommuting days that employees can take under the flexible work policy has been eliminated, and since June 2020 the core hours that were part of the flextime policy have been abolished. These changes were made to prioritize the health and safety of employees by mitigating the risk of COVID-19 transmission and creating an environment that allows for more flexible and efficient work styles. While the special measures were institutionalized in October 2022, even under these circumstances, Sony's efforts to expand programs to provide employees with flexible and efficient work options remain unchanged, 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.

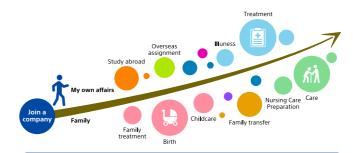
# Supporting Employees Balancing Work with Child Care, Nursing Care, and/or Medical Treatment

The Sony Group in Japan promotes the Symphony Plan, a system to support the work-life balance of employees that is focused on the three areas of child care, nursing care, and medical treatment. The plan is designed to help Sony employees achieve work-life balance by creating an environment in which they can make the most of their skills at all stages of their career and throughout the various events in

their lives. Under the Symphony Plan, the Sony Group in Japan has various support programs including childcare paid leave (up to 20 days), which can be used in conjunction with childcare leave and maternity or paternity leave, a childcare and nursing care leave grant, which enables employees to take leave without having to worry about finances, and "life vacations" and "accumulated leave," which can be used for the purposes of childcare, fertility treatment, nursing care, and cancer treatment. These programs are widely used by employees.

For employees who have childcare or nursing care responsibilities or who are receiving fertility or cancer treatment, Sony provides support by offering the option of reduced working hours.

Since fiscal year 2017, the Career Plus Leave program has been supporting 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.



Support to enable employees to continue their careers at various phases of their lives

Symphony Plan: Sony's Work-Life Balance Support SystemDiversity Step by Step: Certifications and Awards (Japanese only)

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# Major Work-Life Balance Policies (Sony Group Corporation)

- All employees eligible to work from home, a satellite office or elsewhere remotely
- Use of paid annual leave by all employees
- Life vacations (leave covering the time required for hospital appointments)
- Accumulated leave
- Support for continued career development by employees during childcare leave, nursing care leave or flexible career leave to accompany a spouse (subsidies for education expenses while on leave)

#### Childcare

- Childcare leave (up until April 15 of the year following the date on which the child reaches 1 year of age)
- Maternity and paternity leave (4 weeks in total, up until 8 weeks after childbirth)
- Childcare leave grant (50,000 yen/month during the period of childcare leave)
- Reduced working hours for childcare (until the end of March of sixth grade of elementary school)
- Parental leave (provides for 20 days' paid leave)
- Babysitter/childcare subsidy (until end of March of third grade of elementary school)

#### Care

- Care leave (for one year, to care for a specific family member)
- Care leave grant (50% of standard monthly remuneration, up to 200,000 yen per month, during the period of care leave)
- Reduced working hours to provide care
   (for a specific family member and specific reason, until that reason no longer applies)

#### Treatment

- Fertility treatment scheme (up to one year's leave, reduced working hours, funding)
- Scheme for designated medical treatment (cancer treatment) (reduced working hours)

## **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 childcare (or nursing care) and work can build a career that suits them. We hold the Work-Life Balance Strategies for Modern Parenting seminar to encourage employees to consider how they manage work and childcare from a variety of perspectives, updating the concept of childcare in terms of taking leave, as well as considerations for the parent's partner, boss and coworkers. We further want to encourage male employees to take childcare leave, so we hold the Childcare Experience Workshop. Here, a guest instructor helps replicate the physical changes women experience during pregnancy and prepares male employees for care of a newborn by using a robot that imitates a child's movement. We also distributed the Fathers on Childcare Leave video series, which features interviews with male employees about their personal experiences when taking leave, and also launched the Dad Community network in which male employees can volunteer to participate. As of the end of fiscal year 2023, the ratio of male employees taking childcare leave at Sony Group Corporation was 76%, demonstrating both rising awareness among male employees themselves and greater understanding among their managers and colleagues. In addition to enabling male employees to take childcare leave, Sony will continue to support their ongoing participation in childcare and promote the medium- and long-term career development of all employees, regardless of gender. Starting in 2018, Sony established a partnership with a daycare provider to assist employees of Sony group companies in Japan who find it difficult to secure daycare for their children and return to work. This enables the use of corporate-led daycare facilities\* throughout Japan and facilitates greater choice. To meet the needs of the growing number of family caregivers, Sony also conducted seminars and lectures on strategies for balancing nursing and work, while providing essential information about nursing through initiatives such as training programs promoting understanding of this issue among the caregivers themselves as well as their colleagues and managers. We are also a part of the Excellent Care Company Club, a cross-industry research group that addresses the issue of balancing work and care, and are discussing measures with participating

companies in order to resolve the issues presented by a rapidly aging society. Through these initiatives, Sony provides various types of support to meet each individual's needs, helping employees to continue developing their careers while balancing it with parenting and nursing.

\* 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 enable parents to work by addressing shortages of places and long waiting lists for daycare facilities. The provisions enable corporations to organize the establishment and operation of daycare facilities



The Childcare Experience Workshop replicates the physical changes experienced during pregnancy

## Main Work-Life Balance Initiatives at Sony Group Locations Around the World

#### Japan

In Japan, Sony is building a corporate culture in which employees can continue to build their careers throughout the events in their lives. This is supported by domestic initiatives such as the Symphony Plan (a system to support employee work-life balance), childcare seminars and social events, distribution of interviews with men at Sony who have taken parental leave, partnership with daycare providers, seminars and training for nursing care, regularly held community meetings run by employee volunteers and provision of financial planning consultations. We are further adopting measures tailored to individual group companies. These include broadly implemented management training that incorporates content geared toward newly

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appointed managers to help promote consideration and understanding of work-life balance, particularly in regard to the childcare, nursing care and medical treatment needs of their colleagues and employees.

#### United States

Sony Corporation of America holds an annual health fair and educational forum, as well as training on work-life balance and stress management. Sony Music Entertainment expanded support through medical plans and long-term care insurance, while Sony Pictures Entertainment promoted work-life balance for both employees and their families by providing referrals for babysitters, pet sitters, tutors and housekeepers. The company also runs a program to support employees with children with learning disabilities. SPE's efforts also include virtual events on themes including estate planning, mental health and caregiver support.

#### Europe

In Europe, Sony Music Publishing offers webinars and consultations with financial advisors to help employees better manage their finances and achieve future security. They also run workshops run by stress management specialists. The company further provides an annual health stipend to cover costs such as gym memberships and educational pursuits.

# Workplace

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

## **Fostering Sony's Corporate Culture**

Sony strives to create appealing workplaces that foster a corporate culture that will lead the company into the future. At its Sony City headquarters, Sony's corporate culture is enhanced via a range of "Sony experiences," such as events involving employee collaboration that transcends business boundaries. Sony has created a history wall outlining its corporate history, with quotes from the founders and a lounge in the ground floor entrance hall of the headquarters building to communicate Sony's principles and corporate culture. Sony Group companies are also creating workplaces with their own unique identities.



Entrance hall of Sony City

# **PORT: Growth Through Diversity**

Sony recognizes the importance of supporting diversity to create new value and fostering a culture where our diverse businesses and the employees who drive them continue to learn from each other and grow. With PORT, we aim to stimulate an individual's aspirations to

create the future of Sony through combinations that spark exciting reactions and spur growth. PORT is a place where employees of various backgrounds can organically interact across business and geographic boundaries.

It embodies this concept through a large number of spontaneous employee-led lectures, study sessions, workshops, and brainstorming sessions. In fiscal year 2023, more than 1,600 events, mainly online, were held, bringing in more than 52,000 participants over the year. These events range from employee-led lectures to promote in-depth understanding of Sony's diverse businesses, lectures to facilitate self-reflection on career paths and technology workshops relevant across group businesses. We also provide opportunities for further growth including regular study sessions, reading groups for lectures and practicums.

Sony actively supports employees to ensure opportunities for self-driven growth. PORT is home to over 50 communities, all places to connect and share knowledge in order to further bolster community spirit, learn and encourage engagement in both work and private life. PORT Shinagawa and PORT Minato Mirai provide spaces for employees to interact both in person and online. With the support of dedicated staff and access to Sony video equipment, employees can also record and stream training sessions and learning activities, and create their own content.



PORT supports voluntary activities for employees to learn

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# **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.



BRIDGE TERMINAL at Sony City Osaki

# **Enabling Diverse Work Styles**

Wherever possible, Sony has adopted measures to boost the flexibility of its work styles and provided working environments where employees can enjoy work-life balance. As part of these measures, it has created the STATIONS satellite offices at Sony City Minato Mirai. These can be used by employees from all business segments of the Sony Group and provide an additional option to working from home or commuting to their usual work location.



Photo: @Nacása & Partners

# **Activity-Based Working**

Sony's offices utilize open floor plans that encourage collaboration and foster the creativity and productivity of employees. Sony embraces the concept of activity-based working 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.



The Sony City Minato Mirai office, designed to create a collaborative environment

# **Creating Comfortable Working Environments**

Following the increased establishment of working from home following measures taken during COVID-19 pandemic, Sony has seen more widespread adoption of "hybrid work," which combines home and office work. As the functions required of offices change, Sony is promoting innovations such as non-territorial offices and booths for online meetings.

Sony has also built systems aimed at providing workplaces to fit diverse work styles by accelerating employee communication and improving convenience. These systems enhance convenience through features such as enabling employees to share their attendance status and register their desk use at their workplace.



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# **Family Value Initiatives**

We believe that deepening interest and understanding of Sony and its businesses is vital for employees, as well as their families. In Japan, some group companies provide opportunities for families to interact with the company through special events.

# **Family Day**

Family Day is open to employees and their families. Essentially, it's a "bring your family to work day" where the families our employees hold dear can see how they actually work and meet bosses and coworkers, fostering a deeper understanding that is pivotal to both the families and the workplace. We also hold other events where employees, their families and coworkers can have fun while experiencing Sony business and technology.

# **School Satchel Presentation Ceremony**

Sony presents school satchels and stationery sets to children of employees who are starting elementary school. We first started doing this in 1959 upon the suggestion of founder Masaru Ibuka as an expression of the company's commitment being a societal presence for good that values employees and helps nurture the next generation. At the ceremony, we celebrate the growth of our employees' children in the presence of their families, directly sharing our belief in dreaming and taking on new challenges as we present the satchel.



Senior Executive Vice President Corporate Executive Officer Ambe presenting school satchels to first graders

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# Maintaining and Promoting Health

# Creating a Workplace Culture of Wellness

It is essential that every employee be mentally and physically healthy if they are to perform at their best and create innovation. Sony focuses on enhancing organizational and personal well-being (health and happiness) by fostering a corporate culture that values both body and mind in order to help ensure sustained growth for both the company and employees. Sony is focused on the prevention and early detection of health problems, improving the workplace environment, and the health literacy of employees, through attentive and individualized support, education and training for management, and providing information and activities to raise awareness via a variety of channels.

As work styles change, Sony is using data from health checkups and stress checks to address issues involving employees' mental health, balancing medical treatment and work, and lifestyle diseases and is taking various steps to resolve these issues.

# **Promoting Mental Health**

Sony implements comprehensive mental health support measures focused particularly on preventing health problems and motivating employees and organizations.

A health management survey of approximately 40,000 people (employees resident in Japan) from 46 group companies showed that employees with fewer stress responses such as fatigue and anxiety tend to display higher levels of work engagement. Support for individual employees and organizational support are both key to a

vibrant organization. To support individual employees, Sony holds mindfulness workshops for employees to bolster the ability of individuals to manage stress. In addition to holding trial sessions for employees, Sony also plans and provides opportunities for their families to take part too. Sony also provides tips for self-care and employee care, and is enhancing autonomy and activating workplace communication to reduce anxiety and feelings of isolation. In terms of organizational support, believing in the importance of support for mid-level management in workplaces, Sony holds training and workshops focused on building connections between managers, team members, and colleagues in the workplaces to build stronger teams. As work styles become more diverse, including in terms of whether people work from home or from offices, Sony is also promoting the creation of a system that facilitates consultation and workplaces where employees can work with peace of mind knowing that they will not be isolated. Sony also holds informal gatherings where employees and management can meet with clinical psychologists and is making efforts to improve literacy with regards to changes to working styles.



Mindfulness workshops

The stress check response rate is 93%, and group analysis aimed at improving the work environment is carried out at a rate of 100%. In addition to "causes of psychological burden" such as the sense of burden from work, "buffer factors" such as support from superiors and colleagues, and "mental and physical symptoms" such as fatigue and anxiety, Sony also measures a wide range of factors related to

the vitality of individuals and organizations, including the sense of unity in the workplace and the significance of work. This is used to provide feedback to management. Review meetings are held with teams of medical professionals including industrial physicians, public health nurses, and clinical psychologists. Through this and other efforts, Sony is working to build vibrant workplaces that feel rewarding to work at. In addition, when necessary, Sony goes beyond aggregating data by workplace to also perform analysis based on attributes such as job title, age group and the work styles at each workplace, including the number of days spent at the office. Information is provided to personnel in charge and workplace managers as appropriate as a basis for discussing issues and countermeasures with medical teams. Sony is also working to ensure that positive examples are shared and disseminated from the medical team to managers of workplaces with similar characteristics.

Sony is committed to creating an organizational structure that facilitates consultation. Sony offers access to counseling with clinical psychologists, industrial physicians and public health nurses via in-person or online sessions. In addition to holding consultations in response to applications and requests from employees, medical professionals proactively approach and provide information to employees so that support can be offered from an early stage. Sony also works with outside professional organizations to implement a program under which employees returning to work after taking mental health leave receive help readjusting to the workplace via Sony's employee assistance program (EAP). Sony has a mental health support program in place to provide employees with psychological care in the event of natural disasters and other incidents.

# Health Management for Employees Who Work Long Hours

Working long hours for an excessive period of time not only causes physical and mental health issues, but also reduces the job satisfaction of employees and risks the health of the organization as a whole. Sony actively works to create a better working environment in both respects. Management, the Human Resources Department, and the Occupational

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Health Department work together to improve working environments, with workplace structures that do not concentrate an excessive burden on certain employees and a focus on workplace culture in which employees feel comfortable consulting with their superiors. Sony provides education and training for management on the impact of working long hours to help them understand the health issues involved and enhance their skills of managing the work hours and health of the employees in their team. As part of comprehensive efforts to help employees stay healthy and prevent health problems, Sony employees who work long hours are seen by industrial physicians and public health nurses. The number of employees requiring this counseling has decreased for three consecutive years.

# Helping Employees Receive Treatment while Working

Sony actively seeks to provide support that enables employees to strike a proper balance between cancer treatment and work, and to feel fulfilled and motivated in their work. In fiscal 2020, Sony introduced the Symphony Plan life-work support scheme. It provides professional support so that employees who continue to work while undergoing cancer treatment can choose from a variety of flexible work styles. This support includes consultations with public health nurses who act as work-life support coordinators.

Sony has also been working to raise awareness of cancer prevention, early detection, and early treatment through seminars and cancer education. In addition to introducing cervical cancer screenings for female employees under 35 in fiscal year 2021, Sony has also strengthened its stance on recommending follow-up examinations for employees who have abnormal findings during medical examinations and physical check-ups.

# Women's Health

To establish dynamic working environments where women can display their abilities, it is important to address health issues that affect women. Sony is working to increase literacy about women's health so that women can improve their own physical and mental health and reach their full potential. Sony seeks to educate and inform employees of all genders about health issues that affect women at different stages of their lives through various initiatives including online seminars led by experts. Additionally, Sony operates a support hotline for women's health issues through which industrial physicians, public health nurses, and midwives listen attentively to concerns and provide individualized advice about health issues that affect women.



Women's Health Week event

# **Preventing Lifestyle Diseases**

Preventing lifestyle diseases caused by lack of exercise and/or sleep, irregular eating habits, and other aspects of an imbalanced lifestyle is a major challenge for corporate employees. Sony makes sure that employees undergo comprehensive medical checkups and examinations and then receive personal health advice from industrial physicians and public health nurses, as well as support for follow-up examinations at medical institutions if needed. Sony also focuses on counseling and advice dealing specifically with managing metabolic syndrome. Additionally, Sony implements various initiatives to set employees up for better lifestyle habits and increase health literacy. These initiatives take into account analysis of data on employee health issues compiled by organization, based on data from employee medical checkups. Starting in the last fiscal year, Sony has placed

particular focus on measures to tackle a lack of exercise, which has become an issue as working from home becomes more common. In addition to measures aimed at employees, such as seminars aimed at forming exercise habits and building communities to support regular exercise, Sony also provides opportunities that family members are invited to participate in, such as walking and body composition measurement events.



A body composition measurement event

# Helping Employees Quit Smoking and Preventing Passive Smoking

Sony actively encourages employees to quit smoking and works to prevent second-hand smoke from affecting non-smokers. In order to eliminate unwanted second-hand smoke, Sony is moving forward with steps to eliminate cigarettes and smoking areas from working environments, and implemented a general ban on smoking inside its buildings in Japan in April 2022. Industrial physicians and public health nurses work closely with employees who are smokers to provide one-on-one counseling and support to ensure that they correctly understand the health risks to themselves and, through second-hand smoke, to those around them, and to motivate them to quit smoking. These efforts are gradually reducing the percentage of smokers in the Sony workforce. However, the increase in working from home has led to new smoking-related issues, including

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smoking and passive smoking at home. The emergence of heated tobacco products and other new methods of smoking is also an issue. In fiscal year 2022, Sony provided E-learning on preventing second-hand smoke and encouraging people to quit smoking in addition to an on-demand course to raise awareness of the risks associated with heated tobacco products.

# Health Management for Employees Transferred Overseas

At present, employees of the Sony Group and their family members from Japan are stationed in 30 countries worldwide. This is why Sony has established a health management system that ensures that staff stationed overseas and their families can live and work in safety and good health. Before departing for an overseas post, in addition to receiving healthcare information, medical checkups, and vaccinations, employees are provided with information on the medical, health, hygiene conditions and medical facilities in the country where they will be stationed.

Sony is also focusing on improving the workplace environment and supporting the mental health of employees assigned to new posts through measures such as stress checks and training for management. In addition, Sony works to prevent disease and mitigate risk, with industrial physicians visiting sites and medical facilities overseas to observe actual conditions and provide the support that employees working overseas need in order to feel secure.

# **Infectious Disease Measures**

In addition to protecting employees who are active globally from the threat of infectious diseases by bearing the cost of necessary vaccinations for employees who work in or travel on business to countries at risk and their families, Sony also provides information on safety and infectious diseases in specific countries before employees travel to their post. Sony also issues alerts regarding infectious disease in specific countries, and implements safety measures such

as restrictions on business travel under certain circumstances. In Japan, Sony responds to instances of infectious diseases such as COVID-19, novel influenza, tuberculosis, rubella, and measles by collaborating with government bodies and taking action in line with the BCP. It also takes infectious disease prevention measures to protect employees performing certain duties, including providing infectious disease prevention training and recommending vaccinations to employees who enter medical facilities as part of their work. For men born before public rubella vaccinations were available, Sony has provided opportunities for rubella antibody test screening, including during regular health checkups.

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# Occupational Health & Safety



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# **Basic Approach**

Sony has implemented occupational health and safety since its founding, including prior to the passing of Japan's Industrial Safety and Health Act in 1972. It established the Sony Group Global Policy on Occupational Health & Safety in the late 1990s. While occupational health and safety activities were previously carried out by individual manufacturing sites, Sony integrated the occupational health and safety (OHS) management systems for its manufacturing sites in Japan in the early 2000s, then carried out a similar integration on a global scale in the 2010s.

With the ultimate objective of ensuring zero injuries and zero illness, Sony sets out Sony Group Global OHS Medium-Term Plan every three years and continues its activities on a global basis.

# **Organizational Structure**

Sony is implementing and continually improving its globally integrated occupational health and safety functions management system with the aim of realizing the Sony Group OHS Vision, achieving the target of the Sony Group Global OHS Medium-Term Plan and complying fully with legal requirements, regulatory demands and internal policies established for the Group.

In addition, Sony has set up specialized functions to handle individual areas of activity within headquarters occupational health and safety functions. Corporate Executive Officers oversee these functions as Sony Group Corporation top management.

# **Looking to the Future**

fiscal year 2024 to fiscal year 2026 as it strives to achieve the goal of zero injuries and zero illness, continuing to build safe, healthy working environments for everyone working at Sony.

Sony Group, which engages in diverse businesses, will strengthen coordination with various business domains to address wide-ranging challenges relating to occupational health and safety and will implement initiatives in an even more active and sustainable manner. Integrated group-wide ISO 45001 certification is a key pillar of these activities, with 54 sites having already obtained certification. Sony plans to expand this number to 60.

Sony will build on the Sony Group Global OHS Medium-Term Plan for

#### Milestones

1974	Established Sony Corporation Occupational Health & Safety Management Guidelines
1998	Established unified group-wide Sony Group Global Policy on Occupational Health & Safety
1999	Began to acquire OHSAS 18001 certification at manufacturing sites worldwide
2003	Integrated occupational health and safety management systems at all manufacturing sites in Japan
2010	Established Global OHS Organization
2013	Established OHS "Vision Zero"
	Established group-wide occupational health and safety management system
2019	Established Sony Group Global OHS Medium-Term Plan
	Began switching manufacturing sites with OHSAS 18001 certification over to ISO 45001 certification
2021	Began to obtain integrated group-wide ISO 45001 certification at production, logistics and R&D-related sites worldwide
2024	Formulated Sony Group Global OHS Medium-Term Plan for FY2024-FY2026

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# Occupational Health & Safety

## **Global OHS Initiative**

# Sony Group Global Policy on Occupational Health & Safety: Philosophy and Vision

Sony has established the Sony Group Global Policy on Occupational Health & Safety for Sony Group companies worldwide. This policy states, "The Sony Group regards securing the health and safety of workers as a key challenge. The Sony Group is committed to reaching ZERO injury and ZERO illness, and to securing safe and engaging environment of workplace for all the workers in any business activity. To fulfill this commitment, Sony works hard to build safe, healthy working environments for everyone working at Sony. Sony has also formulated the Sony Group OHS "Vision Zero" with the ultimate objective of ensuring ZERO injury and ZERO illness.

Sony Group Global Policy on Occupational Health & Safety Philosophy

Sony Group is committed to reaching ZERO injury and ZERO illness, and to securing safe and engaging environment of workplace for all the workers in any business activity.





# 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.

It is currently working to meet the targets for the period from fiscal year 2024 to fiscal year 2026.

# Sony Group Global OHS Medium-Term Plan (Fiscal Years 2024 to 2026)

Focal Points	Targets	Subjected Sites	
Sustainable OHS activities through	Promotion of Sony OHSMS activities and maintaining ISO 45001 certification	All sites	
promotion of group synergies	Promotion of occupational health		
	Define "Opportunities for Improvement" and implement actions to achieve improvement	All sites	
Ensure "improvement" through	Reduction of injuries due to slips, trips and falls		
"performance evaluation"	Reduction of injuries due to chemical substances and machinery and equipment (including management of the 9 RBA-listed process chemical substances)	Manufacturing, logistics and R&D sites	
Addressing of new risks	Ensure response to "Management of Change"	All sites	

# Promotion of OHSMS Activities and Maintaining Integrated ISO 45001 Certification

Sony operates an OHS management system based on the ISO 45001 international standard, covering all people working in the Sony Group worldwide. It has also been working to obtain integrated ISO 45001 certification, beginning with manufacturing, logistics and R&D sites around the world and then proceeding on to other sites. Of the 60 relevant sites, 54 (1 site in the HQ OHS Office, 27 sites in Japan/East Asia, 11 sites in China, 7 sites in Pan Asia, 2 sites in North America, 5 sites in Europe, and 1 site in Picture Segment) have already obtained integrated certification, an increase of 4 between fiscal year 2022 and 2023. (As of June 2024)



ISO 45001 certification

## 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, trips and falls due to unsafe behavior as a global priority due to the fact that the number of such incidents remains especially high. Accordingly, action to further reduce the number of slips, trips and falls is being promoted globally in the OHS Medium-Term Plan for fiscal years 2024 to 2026.

# Reducing Accidents Caused by Chemical Substances and 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. In particular, it is strengthening management of chemical substances in line with revisions to the Industrial Safety and Health Act in Japan moving toward independent management of chemical substances. At Sony, internal site audits and corporate audits are also carried out by Headquarters and Regional Safety Offices to ascertain the state of chemical substance management at its manufacturing sites. As one initiative to reduce accidents caused by chemical substances, substances identified as hazardous process chemicals in the Industry Focus Process Chemical List\* have been included in the list of

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substances that require management with the aim of promoting thorough risk assessment.

\* The Industry Focus Process Chemical List is a list of process chemicals for which risk management is considered necessary. It is compiled by the Responsible Business Alliance (RBA), a coalition that aims to create responsible supply chains (including procurement and production). Sony is a member of the RBA.

## **Global OHS Organization**

To ensure that all group companies operate under a single management structure, Sony has established a global OHS system led by top management and comprised of nine Safety Offices (in Japan/East Asia, China, Pan Asia, Latin America, North America, Europe, and in the Music, Pictures and Game segments), and appointed Regional Safety Officers who are responsible for implementing cross-regional programs. To staff the management of this system, Sony established an HQ OHS Office at Sony Group Corporation headquarters to serve as the OHS headquarters at the Sony Group. This office does the practical work to ensure compliance with laws and regulations related to health and safety, as well as to set Sony Group OHS targets and ensure that they are met.

## **Top Management**

- Establish Sony Group basic OHS policies and targets
- Establish and supervise an organization for promoting the OHS management system
- Appoint, remove and direct Sony Group Safety Officers and Regional Safety Officers

#### **HO OHS Office**

- Carry out Sony Group's OHS-related headquarters functions (governance functions)
- Ensure compliance with OHS laws and regulations, and sets and seeks to accomplish the corporate target

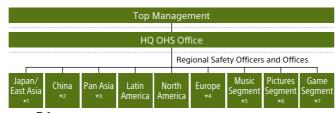
## **Regional Safety Officers**

- Set and implement regional targets and plans
- Establish and direct Regional Safety Offices

• Direct compliance with OHS-related legislation and Group regulations, and instruct corrective action when violations occur

### **Regional Safety Offices**

- Staffed by Regional Safety Officers
- Ensure that the Sony Group complies with OHS laws and regulations and accomplishes the corporate targets in their regions.



54 sites worldwide acquired integrated ISO 45001 certification

- \*1 Japan, South Korea and Taiwan Region
- \*2 Mainland China and Hong Kong Region
- \*3 Mongolia, Asian countries other than the above, the Middle East, Oceania, Africa, Azerbaijan, Tajikistan, Turkmenistan, Uzbekistan, Ukraine and Georgia
- \*4 Europe, Turkey, Israel, and former Soviet Union countries (except for Azerbaijan, Tajikistan, Turkmenistan, Uzbekistan, Ukraine and Georgia)
- \*5 Sites affiliated with Sony Music Entertainment
- \*6 Sites affiliated with Sony Pictures Entertainment
- \*7 Sites affiliated with Sony Interactive Entertainment

## Activities of the Sony HQ 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. To collect information, Sony holds regular meetings with regional safety officers to share examples of good practices and events in the region, and this information is used in problem solving. Regional conferences are hosted by safety officers and attended by representatives from sites in the region to gather opinions from individual workplaces and share about any issues. In addition to regularly including information on good practices collected by the HQ OHS Office in in-house newsletters, each time a significant incident occurs or information on an accident comes to light, the

office also instructs that actions be taken to prevent a recurrence.

## **Global Audit System**

At Sony's sites, internal audits, corporate audits and external audits are employed to examine the effectiveness of OHS management systems. Internal audits are conducted for sites to examine the effectiveness of their own OHS management system in order to continuously improve the system and ensure that occupational accidents are prevented. The HQ OHS Office and Regional Safety Offices carry out corporate audits to examine compliance with corporate rules. External audits are conducted to provide confirmation of the effectiveness of the OHS management system by a third-party certification body. These three types of audits combine to determine the effectiveness of the Sony Group OHS management system as a whole. The HQ OHS Office is responsible for training corporate auditors and examining the effectiveness of audits carried out at the regional level. Once it has established an in-house auditor system and determined auditor qualification requirements, it conducts periodic auditor training to enhance auditing skills.

## **Management Review**

The HQ OHS Office facilitates annual management reviews conducted by the Top Management in charge of Human Resources and General Affairs based on each region's reports to evaluate OHS activities; the occurrence of occupational accidents and illnesses in each region; the level of achievement of activity goals; and adherence to laws and regulations. It was also confirmed that no violations of laws and regulations took place in fiscal year 2023. 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.

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#### **OHS Education**

Sony provides regional education tailored to its businesses in each region. In addition, the HQ OHS Office holds training sessions for internal auditors to improve the skills of auditors in each region. In Japan/East Asia, the Japan/East Asia Regional Safety Office provides group training to ensure that OHS managers and employees of business sites have the required skills.

#### Fiscal Year 2023 OHS Training

Region	Training program	Target group	No. of trainees
Headquarters	Global Auditors Training	Regional safety officers and managers	21
	OHS Managers Basic Training	Newly appointed site OHS managers	38
Japan/East	Laser Safety Management Training	Site employees responsible for handling equipment	159
Asia	Handling Machinery/ Equipment, and Risk Assessment Training	Site employees responsible for handling equipment	46
	Internal Auditors Training	Site OHS managers	255
North America	Internal Auditor ISO 45001 Training	Site OHS managers	4
China	Five Whys Training	Site OHS managers and supervisors	100
	First Aid Training	Site employees	104
Europe	Occupational Health & Safety Refresher Training	Site employees	331

# Occupational Health and Safety Initiatives by Region/Business

# Occupational Health and Safety Initiatives in Japan/East Asia

In fiscal year 2023, 13 out of the 20 accidents caused by unsafe behavior that led to absence from work were due to slips and falls. The length of absences from work is increasing, particularly among employees aged 50 and older, and this trend continues to be an issue that must be addressed. Sony is working to further reduce industrial accidents through efforts such as raising awareness of accidents caused by slips and falls, measures to prevent recurrence, the lateral sharing of examples of good practices, and by requesting that external contractors cooperate in ongoing safety activities. In response to revised legislation moving toward independent management of chemical substances, in addition to providing explanations of relevant changes related to health and safety through health and safety newsletters, Sony has invited external lecturers and industrial physicians to give talks on the background and aims behind changes to the law and promotes understanding and awareness of chemical substance management at manufacturing sites. As part of emergency preparedness, Sony is leveraging the benefits of online training measures taken during the COVID-19 pandemic while also implementing on-site training to strengthen its ability to respond to emergencies.

# Occupational Health and Safety Initiatives in China

In the China region, Sony completed its transition to ISO 45001 certification in fiscal year 2020 and expanded the scope of the OHS management system in fiscal year 2021, achieving safety and health management covering the entire region, including both manufacturing and non-manufacturing sites. From reducing accidents to responding to new risks, Sony will continue to protect the health and safety of its employees as it works towards its Vision Zero.

As part of these efforts, Sony has implemented various participatory safety initiatives since fiscal year 2015 with the aim of achieving zero

injuries, including raising awareness of near-miss accidents, safety simulations for electric motorbikes, and the production of safety videos, and is working to enhance employees' awareness of safety and ability to respond to risk.

### **Summer Safety Campaign**

Sony engaged in a wide range of initiatives in the China region as part of its summer safety campaign in fiscal year 2023, including promotional activities around Vision Zero, providing five whys training, implementing heatstroke prevention measures and holding a road safety contest. As part of the summer safety campaign, 14 companies in the region came together and invited employees to take part, achieving a participation rate of 98%.

Five whys training was an area of particular focus. Training was held in a hybrid online and on-site format. Employees learned about five whys analysis, then applied this approach by analyzing risks in the workplace and the causes of past accidents with the aim of preventing the recurrence of similar incidents.

This series of activities have led to a significant reduction in accidents in the China region, with a 65% decrease in the three years up to fiscal year 2023.



Five whys lecture

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## 安全健康 与你同行

一 夏季交通安全活动 一



家尼集团安全卫生方针 家尼集团把保保安全和命心推进作为重要要的课题之一。 以等支害和等疾病力目标。确保所有事些运动均在安全、 令人煽动的工作环境里进行。



Road safety contest poster

# Occupational Health and Safety Initiatives in North America

Sony operations in North America consist of a diverse group of companies across many fields. Operations include corporate office functions, sales and marketing, warehouse and distribution, game and network services, music and film business, biotechnology R&D, and a limited amount of manufacturing. Site headcounts range from fewer than 10 to more than 1,000 employees. The Sony Group Global Policy on Occupational Health and Safety (OHS) serves as the underlying guidance documentation. Operations strive for a well-balanced program of safety, health and wellness initiatives, in keeping with the type and size of operation. Sony DADC Terre Haute, a distribution facility attained their ISO 45001 certification in May 2023, increased the number of ISO45001 internal auditor to four, and will undertake recertification in 2024.

## Advancing Safety, Health and Well-Being

The tagline "Advancing Safety, Health and Well-Being" is used to communicate the objectives of Vision Zero and workplace safety. Sony Group Global Policy on Occupational Health and Safety (OHS) provides the underlying guidance for those efforts. Operations strive to implement a well-balanced program of safety, health and wellness initiatives, tailored to the specific type and size of operation. The Sony DADC Terre Haute incorporated the Vision Zero objective into their OHS objectives and targets, setting a goal of "zero injuries caused by machine or equipment".



Advancing Safety, Health and Well-Being

### **OHS Activities and Training**

Sony operations in North America are committed to ensuring the safety of our employees and reducing the risk of injuries and accidents through training. In 2023, each company planned a series of safety training sessions and events to promote a culture of safety in the workplace. Sony Electronics (SEL) and Sony Corporation of America (SCA) employees were offered life-saving hand-only CPR training with the American Heart Association (AHA) on Employee Appreciation Day with over 130 employees taking part. Employees also had the opportunity to take part in a series of webinars, held throughout the year, with the aim to raise awareness and reduce health risks due to changing working styles and work environments following the pandemic. These webinars helped employees connect with the various Sony benefits offered and topics included Mental Health Awareness, Managing Staff Through Stressful Situations, Introduction to Exercise, Personal and Professional Boundaries, and Tools to Handle Stress, and Inclusivity in the Workplace. SCA continue to host their annual month long Safe@Sony campaign consisting of both in person and virtual events providing employees training and information, advice, and educational sessions on personal safety, fire and life safety and emergency preparedness.

## **Emergency Preparedness**

SEL Corporate Security Team continues to promote emergency preparedness and highlight preparedness training and resources available to employees. Through the SEL Corporate Security internal website, monthly emergency preparedness topics with resources and micro-training are provided for an interactive experience. The SEL Corporate Security team also continues to host bi-annual virtual emergency preparedness events for participants in the US and Canada. Additionally, the SEL Corporate Security delivers safety and security newsletters quarterly. In December 2023, the virtual emergency preparedness event featured a collaboration with the National Oceanic and Atmospheric Administration (NOAA), covering severe weather forecasts and warnings issued to the public by the National Weather Service. During 2023, a survey was conducted across North America to confirm the effectiveness and arrangements for life safety and emergency preparedness at our smaller facilities.

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Emergency Preparedness Website (SEL)

# Occupational Health and Safety Initiatives in Latin America

Sony's operations in Latin America cover corporate office functions, sales, and marketing. Each site has a balanced approach to safety, health, wellness, and emergency preparedness, depending on the type and size of the business. In Latin America, each Sony location has an emergency preparedness plan in place, tailored to meet the potential emergencies that may occur at that site.

## Trainings/drills for emergency preparedness

CPR (Cardio Pulmonary Resuscitation) and AED use, basic first aid training are conducted annual evacuation drills, emergency brigade training are held at each location.

## Implementation "Active Breaks"

Active Breaks have been implemented in some locations. It's a brief exercises or breaks to refresh and revitalize the physical and mental performance of workers.

# Occupational Health and Safety Initiatives in Europe

In Europe, Sony has emphasized a holistic approach to health and safety this year, expanding beyond traditional policies and trainings to address broader aspects such as nutrition, sleeping habits, and psychological counseling. This comprehensive strategy aims to enhance the overall well-being of employees alongside the usual focus on occupational health and safety (OHS) management. Sony Europe's initiatives are designed to reduce OHS risks, minimize occupational accidents, and promote the health and vitality of our workforce.

### Sony DADC Europe GmbH

Beside their regular Occupational Health & Safety trainings, Sony DADC Europe GmbH organized "Spring Fit Days". Throughout two days the site organized a variety of trainings and info stations on OHS, accessible for all employees on site in Thalgau. All employees were invited to join activities ranging from pain therapy and relaxation therapy to psychological counselling and nutritional counselling. In addition, they provided a range of health analysis services to their employees, such as an electrical muscular stimulation trial, fit check, and body analysis.

## Sony Europe B.V., Sony UK Technology Centre

Sony Europe B.V., Sony UK Technology Centre has continued to drive a positive safety culture by providing an extensive list of health and safety courses, both in person as well as via their online platform SafetyHub. The courses covered a wide range of topics, from safety trainings provided by external organizations (e.g., iosh), to online learnings about office safety, spill prevention and management. Moreover, UK Tec has 47 First Aiders, 45 Fire Wardens, and 20 Spill Responders on site.

## Sony Deutschland GmbH,Stuttgard Technology Center

Throughout Winter, Sony Deutschland GmbH,Stuttgard Technology Center paid special attention to health and safety by organizing several webinars about critical wellbeing topics, ranging from ergonomics in the home office to healthy sleeping habits and nutrition myths. In addition, the site dedicated a full day (Health Day) to various lectures about health and wellbeing, as well as a range of health checks, accessible for all employees on site.

# Occupational Health and Safety Initiatives in Pan Asia

Pan Asia Region will always keep maintaining Sony Global OHSMS (ISO 45001) certification at all manufacturing sites in Thailand and Malaysia and expect expansion to India's non-manufacturing site soon. Pan Asia Region sites will plan for further continual improvement of the OHS management system and operations concerned to reduce injuries and achieve Vision Zero.

## Ongoing OHS initiatives

The injury reduction and prevention activities were considered for continual implementation and improvement in all ISO 45001 certified sites, with a focus on reducing injuries from slips, trips, falls, machines, and chemicals. Pan Asia Region also set targets to reduce the number of injury cases, frequency, and severity rate, respectively. In Malaysia, Wellness Empowerment program with a focus on instilling a positive mind, connecting to themselves, and recharging their mental health, body, and spirit. This program contained NIOSH physical assessment and mental health training, along with workshops and nature interaction activities.

The Pan Asia Region site doesn't consider only the protection of our employees; we also think about the safety knowledge and protection of people in the community, especially children. In Thailand, we collaborated with the local authority office and school to arrange an Eco & Safety school model to give safety knowledge to the children and let them apply it to their daily lives to prevent this kind of accident. The emphasis on safety information for our children since they are young can make them more aware of safety matters when they grow up.



Safety CSR with community (STT, Thailand)

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### External Recognition for OHS Initiatives (Fiscal Year 2023)

Site	Name of Award
Shanghai Suoguang Visual Products Co., Ltd.	Rated A for improved OHS functions by the city of Shanghai
Sony Device Technology (Thailand)	National "Platinum Level" for excellent practices establishment on occupational safety and health (2022, 14th consecutive year)     Zero Accident Award 2023 (Gold Award, 2nd consecutive year)
Sony Technology (Thailand) Co., Ltd., Chonburi	Fiscal Year 2023 Occupational Health &     Safety Excellence Project     Zero Accident Award 2023 (Platinum level)
Sony Technology (Thailand) Co., Ltd., Bangkadi	Zero Accident Award 2023 (Silver Award, 3rd consecutive year)

# **OHS Performance**

Sony employs a global data collection system to gather occupational health and safety data on a quarterly basis 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.

### Sony Group Global OHS Performance\*1

FY	2019	2020	2021	2022	2023
Number of lost-work injuries (external contractors)	74 (11)	73*² (19)*²	75 (6)	57 (10)	66 (12)
Number of lost workdays (external contractors)	1,526 (137)	1,373*² (618)*²	1,210 (191)	1,458* <sup>3</sup> (638)* <sup>3</sup>	1,439 (224)
Frequency Rate	0.34	0.35*2	0.39	0.27*3	0.31
Severity Rate	0.0058	0.0054*2	0.0052	0.0057*3	0.0056
Number of deaths	0	0	0	0	0

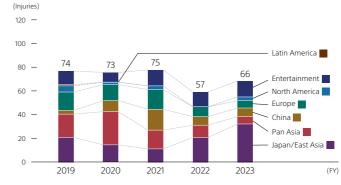
Scope of data for fiscal year 2023: 181 sites (manufacturing and logistics sites, non-manufacturing sites including sales & marketing companies) (Definition)

Frequency rate: Number of accidents causing one or more lost workdays  $\div$  total number of man-hours worked  $\times$  1,000,000

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

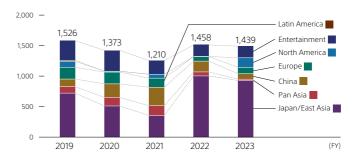
- \*1 Totals include non-Sony employees. Figures in parenthesis indicate accident data for non-Sony employees.
- \*2 Figures were corrected from those published in previous year's report reflecting additional reporting.
- \*3 Figures were corrected from those published in previous year's report reflecting the additionally confirmed lost workdays.

## Sony Global Trends in the Number of Injuries



# Sony Global Trends in Lost Workdays





# Major Causes of Injuries in Fiscal Year 2023

- 1. Slips, trips and falls: 26 (same as previous year)
- 2. Collisions with people or objects: 10 accidents (6 less than the previous year)
- 3. Cuts and grazes: 7 accidents (4 less than the previous year)

These were the top three categories of unsafe behavior causing accidents in fiscal year 2023, accounting for roughly 70% of all accidents causing absence from work. Sony has set a medium-term target of reducing accidents caused by slips, trips, falls and collisions, and is making global efforts aimed at improvement.

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# Respect for Human Rights



# **Overview**

# **Basic Approach**

Sony is aware of the human rights impacts of its global business activities. Sony recognizes that respecting human rights throughout Sony's value chain and addressing any potential human rights risks, whether the relationship with Sony's business operation is direct or indirect, is a responsibility that a diverse range of stakeholders hold Sony accountable to. Sony has set down its fundamental human rights policy in the Sony Group Code of Conduct, which specifies that to respect human rights should be the basic stance. In fiscal year 2023, 2024, Sony newly established the Sony Group Human Rights Policy for further promotion of human rights efforts in Sony.

# **Structure**

The Sustainability Department at Sony Group Corporation is supervised by the Senior Executive in charge of Sustainability. The Department assesses human rights impact throughout Sony Group's business activities and value chains in collaboration with relevant headquarters departments such as Human Resources or Procurement and the relevant department in each business area and promotes efforts to prevent or mitigate of the potential adverse impact on human rights. In fiscal year 2023, the working group, which consists of the Sustainability, Legal and Compliance departments continuously discuss possible actions based on the results of the human rights risk impact assessments and the development of relevant regulations. Sony also established the Diversity Promotion Council, chaired by the Senior Executive in charge of Human Resources and General Affairs, with members drawn from related departments at Headquarters. The Council provides support for group-wide initiatives to raise awareness of human rights and promote diversity.

# **Looking to the Future**

Sony aims to conduct human rights due diligence on an ongoing basis under the Sony Group Human Rights Policy. For issues where significant adverse human rights impact are identified or of concern, Sony actively promotes initiatives to prevent or mitigate those issues, monitors the initiatives' effectiveness and considers enhancements to these initiatives, as appropriate.

#### 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 initiated
2000:	Philosophy and basic approach to human rights established
2003:	Sony Group Code of Conduct established
2011:	Human Rights Committee changed name to Diversity Committ
2012:	Human rights risk impact assessments
2018:	Sony Group Code of Conduct revised Sony Group Al Ethical Guidelines established Human rights risk impact assessments updated
2019:	Sony Group AI Ethics Committee established
2020:	Human rights risk impact assessments updated
2021:	Working group to implement human rights due diligence established
2023: 2024:	Human rights risk impact assessments updated Sony Group Human Rights Policy established

## Sony Group Portal Site:

Sony Group Code of Conduct
(Revised as of April 1, 2024) [PDF:2.85MB]
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Sony Group Human Rights Policy (Established as of March 29, 2024) [PDF:181KB]

Sony Group Al Ethics Guidelines [PDF: 103 KB]

☑ Statement on Modern Slavery Act

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# Human Rights Due Diligence

Under the Sony Group Code of Conduct in which Sony's policy requiring respect for human rights is set forth, Sony established and implemented group policies specific to the human rights area. In March 2024, Sony has newly established the Sony Group Human Rights Policy. Sony conducts human rights risk impact assessments and engages in initiatives to prevent or mitigate any potential negative impact on human rights in line with the framework set out in the United Nations Guiding Principles on Business and Human Rights (UNGP) issued by the United Nations Human Rights Council and the OECD Guidelines for Multinational Enterprises. Specifically, Sony promotes human rights efforts in the following ways: (1) conducting human rights risk impact assessments, (2) identifying areas of human rights risk highly relevant to Sony's business operations (Priority Areas) as based on the aforementioned assessments, (3) conducting activities to address Priority Areas, (4) providing grievance mechanisms (hotlines), and (5) communicating with stakeholders.

# Human Rights Risk Impact Assessments

Sony has conducted group-wide human rights risk impact assessments since 2012 in partnership with BSR\* to identify relevant risks and to work to mitigate them. Sony draws up a list of human rights issues from international standards such as the Universal Declaration of Human Rights, the ILO International Labour Standards, and the OECD Guidelines for Multinational Enterprises. We also reference source materials from human rights experts, academics, governments, NGOs and other experts to identify potential human rights risks. This information is compared to Sony's areas of business to identify risks

that are highly relevant to Sony's business activities. In 2023, Sony once again conducted a human rights risk impact assessment in partnership with BSR, including multiple external stakeholder engagements and confirmed that the three areas of potential human rights risk that were previously identified as most relevant to Sony's business activities remained the same.

\* BSR is an independent, global, non-profit organization devoted to building a just and sustainable world.

# **Identifying Priority Areas**

The human rights risk impact assessments carried out in 2020 and 2023 identified the following as potential human rights risk areas that are highly relevant to Sony's business activities:

- Human rights risks relating to workers in the electronics industry supply chain, including procurement of raw materials
- Potential human rights risks associated with new technologies such as Al
- Potential risks that customers with whom Sony has direct or indirect business relationships may engage in human rights abuse
   Based on the above assessments, Sony Group has prioritized its action in the following Priority Areas: (1) a responsible supply chain, (2) respect for diversity, equity, and inclusion, and (3) responsible development and use of technologies.

# **Initiatives to Address Priority Areas**

# **Responsible Supply Chain**

Sony is a founding member of the RBA\* and has played an active role on the RBA Board of Directors since 2020. The RBA Code of Conduct represents industry best practices; Sony was not only involved in its formulation but also adopted it as the Sony Supply Chain Code of Conduct. Sony electronics manufacturing sites and suppliers are requested to comply with the Sony Supply Chain Code of Conduct. They are also requested to carry out risk assessments, be subject to regular monitoring regarding compliance with the Supply Chain Code of Conduct, and implement any necessary improvements based on

the results of the monitoring.

- \* RBA is an alliance dedicated to supply chain responsibility encompassing human rights, labor conditions, health and safety, and the environment
- → Responsible Supply Chain

## **Respect for Diversity**

Sony is committed to creating a workplace that respects human rights and provides equal employment opportunities and strives to create a place where everyone belongs and demonstrates their individuality, inspiring an inclusive society. Sony also helps to ensure that workers' rights are safeguarded by adhering to worker protection laws, regulations, and standards in all regions where it operates.

#### → Employees

Sony Group Portal Site: Diversity, Equity and Inclusion Statement

Through the Global Social Justice Fund, Sony continues to promote diversity, equity and inclusion (DE&I) internally and externally and support organizations that promote social justice and anti-racism initiatives.

#### → Sony's Two Global Funds

## Accessibility

Sony is committed to an inclusive future and strives to enable and empower individuals of all abilities to share Kando (emotion) and create a world where everyone belongs by enhancing the accessibility of its products, services, and experiences. As part of this role, Sony is promoting accessibility and inclusive design initiatives group-wide so that as many customers as possible can enjoy Sony products and services. Sony has been participating in the CSUN Assistive Technology Conference, where many people with disabilities attend, to provide people with diverse needs the opportunity to experience Sony products and services and engage in dialogue with Sony.

#### → Accessibility

☑ Sony Group Portal Site: Accessibility

### **Advertising Creativity and Content Services**

As a company that conducts business in various regions and countries across the globe, Sony recognizes that conduct which is socially and professionally acceptable in one culture or region may

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be viewed differently in another culture. As such, Sony takes those differences into account in its decision making. Advertising personnel from Sony Group companies in Japan regularly meet to exchange information on and study human rights issues with respect to advertising.

Sony Interactive Entertainment (SIE) 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.

Authentic storytelling is a key driver in Sony Pictures Entertainment's (SPE) business, including studio produced content and social impact strategies. In order to increase positive representation onscreen, behind the camera, and at the studio, SPE collaborates with global organizations across various diverse disciplines including the Geena Davis Institute on Gender in Media, Easterseals Disability Film Challenge, Social Justice Now Film Festival, Respect Ability and the Gay & Lesbian Alliance Against Defamation.

# Responsible Development and Use of Technologies

Sony recognizes that our stakeholders have expectations regarding our ability to both grow our business and solve social and environmental issues through technology. Sony believes that it is an important mission of Sony to lead and contribute to the resolution of sustainability issues, not only by increasing business revenue through the technologies and products it develops, but also by having a positive impact on society and the environment.

Sony, with the aim of utilizing AI technology to enrich people's lifestyles and contribute to the development of society, will pursue accountability and transparency while actively engaging in dialogue with stakeholders. Sony will continue to promote responsible AI pursuant to the Sony Group AI Ethics Guidelines in order to maintain stakeholder trust in all of its products and services,

→ Responsible Al

Sony Group Portal Site: Responsible Al

# **Grievance Mechanisms (Hotlines)**

Sony has established the following hotlines for employees and stakeholders to report and seek advice concerning any potential violation of laws, regulations, the Sony Group Code of Conduct, the Sony Supply Chain Code of Conduct or other internal rules. Sony also has a contact point that offers consultation on equal opportunity-related issues and support for work-life balance even in cases where no regulation or law has been violated. These hotlines equip Sony to respond quickly and appropriately, while giving full consideration to personal privacy. Sony strictly enforces confidentiality and ensures that reporters are not subject to reprisal for reporting or using these services.

## **Sony's Ethics and Compliance Program**

Sony established the Sony Ethics & Compliance Hotline as a mechanism for all Sony Group employees to raise concerns and to seek guidance about possible violations of laws or internal policies, including violations of the Sony Group Code of Conduct.

→ Sony's Ethics and Compliance Program

# **Supplier Hotline**

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

Sony Group Portal Site: Supplier Hotline (in Japanese)

# **Grievance System for Sony Group Electronics Supply Chain**

Sony has established a grievance system for relevant stakeholders in the electronics supply chain, including manufacturers and suppliers of parts, raw materials, manufacturing equipment, etc., their employees, and other related parties.

Sony Group Portal Site: Grievance System for Sony Group Electronics Supply Chain

# **EEO (Equal Employee Opportunity) Hotlines**

Sony Group companies in Japan have established a hotline for equal opportunity. The hotline is available for all Sony Group employees in Japan to discuss a wide range of equal opportunity-related issues, such as harassment and support for work-life balance. In addition, Sony Group companies in Japan have also established a hotline specializing in cases to provide employee counseling by third parties with expertise on issues that employees are reluctant to raise within the company.

# **Stakeholder Dialogue**

Sony maintains local and international dialogue with investors and partners such as NGOs in addition to publicizing its efforts through its Sustainability Report and Sustainability Briefing. This dialogue helps Sony to understand stakeholders' expectations and leads to better human rights initiatives.

# **Education and Training**

Human rights issues that corporations face today are increasingly complex and wide-ranging. Sony considers it essential to boost awareness of human rights, an awareness that underpins respect for diversity.

# **Employee Training**

All Sony employees receive training on respecting human rights and preventing harassment in the workplace upon hire. Refresher training is also provided at least every four years thereafter. In Japan, we regularly implement various programs, such as focusing on domestic issues for all employees and using more practical content for newly appointed managers. In addition, an e-learning course focusing on

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the protection of human rights is provided to all employees of Sony Group Corporation as well as many Sony Group companies. In fiscal year 2023, 95% of eligible employees took the e-learning course.

# **Raising Employee Awareness of Human Rights**

#### Sony Group Companies in Japan

Each company has its diversity promotion officer and personnel in charge and implement initiatives related to human rights, diversity, and related matters. Based on the information obtained from those initiatives, the companies collaborate laterally via a diversity liaison to share best practices and study the latest information. Serious cases of harassment and communication issues related to human rights are discussed within the overall system and appropriate responses considered. Additionally, Sony works with the Industrial Federation for Human Rights, Tokyo to compile information on various aspects of the subject and improve human rights literacy in Japan. Every December, in support of Human Rights Week, Sony holds a forum for learning about themes related to human rights, in addition to presenting awards for outstanding diversity messages (human rights awareness slogans) composed by employees of Sony Group companies. Sony Group companies outside of Japan have similar programs in place to ensure respect for human rights in the workplace.

#### Sony Interactive Entertainment (SIE)

SIE provides training on its policies related to topics such as health and safety, equal opportunity employment and harassment prevention in the workplace. Additionally, SIE's DE&I and Social Justice team provides resources such as inclusive language guides, wellbeing toolkits, and other guidance materials to help employees increase their awareness and understanding of inclusive behaviors. This helps foster an inclusive workplace and a corporate culture that promotes respect for human rights at SIE.

#### Sony Music Group (SMG)

SMG provides and supports trainings, policies, education, and facilitation that advances equity and inclusion in the workplace. SMG maintains a safe workplace by offering anti-harassment training, inclusive culture training, gender transitioning resource support, anti-racism and

accessibility education. These resources support the MILES\* pillars of "Equity" and "Safety" - promoting respect for human rights at SMG.

\* MILES is SMG's strategic framework that underscores our DE&I efforts and serves as a company-wide guide for developing and implementing DE&I initiatives, policies, experiences, and programs.

#### Sony Pictures Entertainment (SPE):

SPE provides its personnel with training on preventing harassment in the workplace. The SPE Office of Diversity & Inclusion hosts a variety of live sessions internationally and has created an e-learning pathway that provides employees with access to a curated set of articles, videos and resources, focused on diversity, equity and inclusion concepts that promote respect for human rights at SPE.

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# Responsible Al



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# **Basic Approach**

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 and emotion—to the world. At the same time, Sony understands that the influence of AI on society is multi-faceted and can have unintended consequences. Building on electronics as a base, Sony has expanded its business domains and has become a diverse global company engaged in areas from semiconductors to finance and entertainment, including music, movies, and games. In order to continue managing its business in line with the shared Purpose of "filling the world with emotion, through the power of creativity and technology," Sony established the Sony Group AI Ethics Guidelines and engages in dialogue with diverse stakeholders as it advances the use of AI and related R&D.

# **Sony Group AI Ethics Guidelines**

Sony established the Sony Group Al Ethics Guidelines in September 2018 to guide all Sony officers and employees in utilizing Al and conducting Al-related R&D in a manner that conforms with our values and emerging social norms. The Guidelines were most recently revised in April 2021 and comprise the following items:

- 1. Supporting Creative Life Styles and Building a Better Society
- 2. Stakeholder Engagement
- 3. Provision of Trusted Products and Services
- 4. Privacy Protection
- 5. Respect for Fairness
- 6. Pursuit of Transparency
- 7. The Evolution of Al and Ongoing Education

# **Organizational Structure**

The Sony Group Al Ethics Committee was established in December 2019. Ever since, Sony has continued to strengthen its initiatives and framework for Al ethics. In 2021, the Al Ethics Office was established to provide subject matter expertise on Al ethics to all Sony Group business units.

#### Milestones

2018: Established Sony Group Al Ethics Guidelines
2019: Established Sony Group Al Ethics Committee
2021: Established Al Ethics Office, Sony Group Corporation
2023: Sony Group Corporation established internal guidelines for the use of generative Al tools

☑ Sony Group Al Ethics Guidelines [PDF:103KB]☑ Sony Group's Initiatives for Responsible Al

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# Promoting Responsible Al

# **Response to AI Ethics Risks**

Sony established the Sony Group AI Ethics Committee in 2019 and reviews its use of AI and related research and development from a variety of viewpoints to ensure that activities are conducted appropriately from societal and ethical perspectives, in accordance with these Guidelines.

Sony has been strengthening its initiatives and framework for Al ethics. In 2021, the Al Ethics Office was established to provide subject matter expertise on Al ethics to all Sony Group business units. In addition, Sony has established a communication system for Al utilization in products, services, and internal operations in Sony Group business units, to share information on Al ethics risks.

In March 2021, in accordance with the Sony Group AI Ethics Guidelines, Sony established an internal document stipulating requirements to be complied with in the commercialization process of electronics products and services. In July 2021, Sony started conducting AI ethics assessments in the product development life cycle, and has since assessed over 100 cases. Sony uses e-learning tools to promote an understanding of AI ethics among its employees and invites speakers from outside the company to discuss this issue at lectures and symposia. Sony also acknowledges generative AI as an area that requires urgent attention and established internal guidelines governing use of generative AI tools at Sony Group Corporation in fiscal year 2023.

# Stakeholder Dialogue and External Collaboration

Sony actively pursues dialogue with relevant companies, organizations,

and the academic community on ethical issues surrounding Al utilization, while considering the interests of diverse stakeholders, including customers and creators.

## Partnership on AI (PAI)

In May 2017, Sony became the first Japanese company to join PAI, 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. One of the most common issues in AI ethics is that of fairness, transparency, and accountability, abbreviated as "FTA." Sony utilizes knowledge it has gained from its AI- and robotics-related research, development, and business ventures and contributes to a number of working groups addressing this issue. Sony currently serves as a member of PAI's Policy Steering Committee and the Data Enrichment Workstream.

# Collaboration with Business Groups and Related Government Bodies in Japan

In Japan, Sony has participated in the creation of principles and guidelines aiming to improve the ways in which AI is applied, including the Social Principles of Human-Centric AI published by Japan's Cabinet Office in March 2019 and the AI Utilization Strategy II published by Keidanren (Japan Business Federation) in October 2023. Sony is a member of the Japanese Cabinet Office's AI Strategy Council, which leads national strategy discussions with the aim of further promoting the implementation of AI, and the Conference toward AI Network Society, a group within the Ministry of Internal Affairs and Communications whose goal is the comprehensive study of the social, economic, ethical, and legal factors involved in the promotion of AI networks throughout society as a whole. It has also contributed to the formulation of the AI Guidelines for Business, which provide a unified guiding principle for AI governance in Japan and were published in April 2024.

## **Collaboration with Overseas Partners**

Additionally, Sony is a participant in the Global Partnership on Al, an initiative launched in June 2020 to promote the development and utilization of Al based on human-centric principles, and serves as a member of the Al and Pandemic Response Subgroup, a working group that aids the development of responsible Al solutions for epidemics of infectious disease such as COVID-19. Sony CTO Hiroaki Kitano is also a founding member of the United Nations' High-level Advisory Body on Artificial Intelligence, which was convened by the UN Secretary-General in October 2023 as an advisory body to undertake specialist analysis and advance recommendations regarding the risks, uncertainties and international governance of Al.

At the request of the Al Council of the Center for Strategic and International Studies (CSIS), a U.S. think tank, Sony also participated as a council member to set the Al ethics agenda for the G7 Hiroshima Summit 2023 and reach a common global consensus on responsible Al use. In addition, Sony CTO Hiroaki Kitano took part in an Expert Advisory Panel that advised on the development of the International Scientific Report on the Safety of Advanced Al, which aims to drive an up-to-date, science-based understanding of the safety of advanced Al systems and was presented at the Al Safety Summit in the UK in November 2023.

# **Trusted R&D for Al**

Sony pursues R&D for Al that is trusted and backed by solid technologies, and is enhancing its technical approach to Al ethics. Sony aims to develop Al with the aim of creating a sustainable society through responsible Al technology that combines fairness, explainability, and transparency. It is focusing on research and development relating to explainable Al, data bias reduction, control of generative Al, and privacy-friendly technologies.

In 2021, Sony also launched its Al Ethics Flagship within Sony Al with

in 2021, Sony also launched its Al Ethics Flagship within Sony Al with projects to conduct cutting-edge research into the challenges faced in the development of Al products and services, including ethical data collection and algorithmic fairness. Taking advantage of its position as a company that extends across a wide range of industries, Sony will put fair and transparent Al into practice, leveraging its global and diverse perspective.

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# Accessibility



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# **Basic Approach**

With the purpose of "Fill the world with emotion, through the power of creativity and technology," Sony continues to promote accessibility throughout the Group in order to contribute to a future where everyone can share Kando (emotion). It is said that one in six people, more than 1.3 billion people, in the world have some kind of disability. Sony understands the needs of diverse users and aims to contribute to the creation of an inclusive society through the Sony Group's diverse businesses so that people can enjoy the products, services, and entertainment that Sony provides, regardless of each individual's characteristics such as age and disability, capability or circumstances. Sony has also joined The Valuable 500, an international initiative to help promote participation by individuals with disabilities so that they can demonstrate their latent potential to bring value to business, society, and the economy. Sony was selected from among the 500 signatories as one of the Iconic Partners that are a driving force in their respective countries, regions, and industries.

# **Organizational Structure**

Sony considers accessibility to be an aspect of sustainability and promotes it throughout the Group. Under the Senior Executive in charge of Sustainability, a team that promotes accessibility and inclusive design\*1 across the group stands at the core of efforts involving cooperation with the people responsible for promoting accessibility in each Group company. Having established a globally consistent set of standards and systems, we are using them as the basis for continuous improvements.

\*1 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 understood and included.

# **Looking to the Future**

Sony adopts a business management approach based on getting closer to people, and will continue to make a contribution through various projects to enhance accessibility and share emotion (Kando) with more people.

# Products and Services Designed with Accessibility in Mind

Sony is driving initiatives to improve accessibility so that more people can enjoy our products and services. The Sony Group portal site provides information on specific accessibility initiatives from Sony, which use the power of technology to make things easier to see, hear, and operate.

Sony Group Portal Site: Accessibility

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# **Ensuring Enjoyment for More Customers**

# **Employee Education**

Sony Group holds forums and seminars led by experts to increase employee understanding of accessibility. The principal Sony Group companies offer e-learning training that fosters a deeper understanding of accessibility. Approximately 75,000 employees had taken the course as of the end of fiscal year 2023. It also works to develop new talent who can implement inclusive design. More than 1,800\*1 employees took part in Sony's inclusive design workshops. During these workshops, managers formed teams together with people with disabilities to conduct fieldwork, identify issues, and come up with ideas.

Every year, on Global Accessibility Awareness Day (GAAD)\*2, Sony Group companies hold lectures and events to enhance employee understanding of accessibility. For example, Sony Music Group (SMG) hosted a special event with Brittany Davis, a multi-instrumentalist, songwriter and producer with a visual impairment. During the performance, attendees were invited to wear masks to experience the music the same way Brittany does. This was followed by a fireside chat, during which attendees learned about Brittany's experience as an artist with a disability in the music industry and how each of us can support people with disabilities in all industries.

- \*1 Number of participants in Japan.
- \*2 Global Accessibility Awareness Day is a day to talk, think and learn about accessibility and the people who need it.

# **Inclusive Design**

In order to understand the needs of diverse users, Sony considers products and services together with people requiring accessibility, and promotes inclusive design that reflects this input. For cameras in the ET&S segment, for example, Sony engaged in repeated dialogue and testing with people with visual impairments to develop a Screen Reader function that assists with operation by reading out the menus and messages on the screen aloud. This function has been fitted to part of Sony's digital camera lineup. In the Mobile segment, we are also engaged in fieldwork and dialogue with employees with disabilities at Sony/Taiyo Corporation to develop a function that uses sound to inform the user of the horizontal measurement information of the photography screen when taking photos. In addition, in the field of games, the Access™ controller for PS5® is another example of products and services created with employees and users with disabilities, and its design reflects their input.

Furthermore, Sony is incorporating inclusive design into its product commercialization processes with the aim of expanding the application of these initiatives beyond select products and services to encompass Sony as a whole. Sony also has an internal system in place to support the implement of inclusive design. Employees with various disabilities can register for the internal monitor program, then provide feedback on products and services in the development stage.



Access™ controller for the PlayStation®5

# **Independent Employee Initiatives**

Groups of employees (Employee Resource Groups) at Sony are taking the lead in improving accessibility. At Sony North America and Sony Interactive Entertainment, employee networks are leading the way in supporting employees with disabilities and regularly disseminating information to raise awareness of accessibility within the company. For example, the diverse range of perspectives brought by Sony Interactive Entertainment's employee network in Europe and America played a central role in the development of language guides. This guide helps to resolve mutual misunderstandings, improve communication, and boost awareness. It has also been made available for external use to support inclusivity for all outside of Sony. Sony Europe has also held Accessibility Empathy Lab experience events at various workplaces. Through the use of simulation tools, participants' mobility or vision are artificially reduced to allow a deeper understanding of the challenges faced, with demonstrations to show how technology can support people living with disabilities.

☑ ABLE - Inclusive Language Guide

# Making the Most of Diverse Customer Feedback

Sony exhibits at accessibility-related events in Japan and overseas in order to gather consumer feedback and use it to continuously improve products and services. It has exhibited at the TechShare Pro Conference for accessibility experts and Sight World, which is an all-encompassing event in Japan for people with visual impairments and the CSUN Assistive Technology Conference (CSUN), which is one of the world's largest international conferences on accessibility. At these events, Sony introduced products designed with accessibility in mind, including BRAVIA® televisions, Access $^{\text{TM}}$  controllers for the PlayStation®5, LinkBuds $^{\text{TM}}$  truly wireless earbuds,  $\alpha^{\text{TM}}$  (Alpha $^{\text{TM}}$ ) full-frame interchangeable-lens cameras, and Xperia $^{\text{TM}}$ . Sony also exhibited products designed with accessibility in mind and technological developments that contribute to a society that embraces

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inclusive design, at CEATEC 2023, an international IT technology and electronics exhibition. Sony's booth at the exhibition also provided accessibility for visitors, including by having ample space for people in wheelchairs to come and go easily, and by ensuring that staff such as sign language interpreters were always on hand.

To respond to inquiries from a wide variety of customers, Sony Europe and Sony North America have introduced services using Be My Eyes, which enables customers with visual impairments to communicate their inquiry to an operator who can give sighted assistance via video call. Currently, seven languages are supported at Sony Europe. Sony is also participating in beta testing of the Be My Al app, which makes use of Al.

Sony sites also provide opportunities for regular dialogue with organizations of people with disabilities as part of efforts to make Sony's products and services even easier to use.



The Sony booth at CSUN

# Standardization for Accessibility Improvements

Sony has established its own evaluation standards for accessibility, based on industry standards and designed to improve the quality of accessibility in its products and services. These standards are implemented company-wide. Periodic product assessments are carried out using the standards, with a particular focus on products

such as BRAVIA™ and Xperia™. The results of those assessments are then leveraged in ongoing efforts to improve products and services. Sony is also proactively involved in standardization\* activities aimed at driving improvements in accessibility throughout the industry.

\* IEC 62731 Text-to-speech for television; IEC 62944 Digital Television Accessibility; IEC TC 100/TA 16 Active Assisted Living (AAL), accessibility and user interfaces

# Working to Enhance Sony Website Accessibility

Sony has established the Sony Group Web Accessibility Policy which sets forth the accessibility standards and compliance requirements for all Sony Group Companies' websites. With the use of websites and other digital platforms continuing to rise, the policy seeks to ensure that Sony Group companies' websites are designed and developed in a way that is accessible to all, including members of the disabled community and the elderly. Sony Group's web accessibility requirements are aligned with the Web Content Accessibility Guidelines (WCAG) published by the World Wide Web Consortium (W3C). Sony has been collaborating with all Sony Group companies to implement our web accessibility policy and has been conducting compliance checks to ensure that our websites adhere to established accessibility standards. Sony is also actively working towards providing more accessible video content that includes captions, transcripts and audio description. To promote these efforts, Sony has regularly conducted a range of web accessibility training targeting different roles in the organization and will continue to do so in the future.

# **Initiatives by Segment**

## **Game & Network Services**

PlayStation aims to create gaming experiences everyone can enjoy by evolving its consoles, games, peripherals and other products.

One example is the Access™ controller for PlayStation®5, which was refined through dialogue with accessibility organizations and experts before being released in 2023. By supporting a wide range of

customization options to meet diverse needs, the Access controller helps players with disabilities play more comfortably for longer.

## **Pictures**

Sony Pictures Entertainment (SPE) has been a sponsor of the Easterseals Disability Film Challenge for about six years. The film challenge gives aspiring filmmakers the opportunity to showcase their talents through the writing and direction of short films. Awards are presented to the most outstanding works. The awards ceremony took place at the Sony Pictures studio lot in Culver City in the week before GAAD. This year, Sony donated FX30 Cinema Line cameras as an additional prize to the seven winners, including the Best Film award. Easterseals Disability Film Challenge also created the industry's first-ever disability loop group\* in 2024. SPE hosted a voiceover workshop for the members of the loop group on the Sony Pictures studio lot. The workshop included coaching from Sony Pictures Animation executives. Actors who voiced the roles of Lego-Spider-Man and Sun-Spider, the wheelchair-using spider person in Spider-Man™: Across the Spider-Verse, are part of this group.

\* A loop group is a group of voiceover actors who record audio - such as dialogue for extras and general background noise - in post-production

#### Music

Following on from the Ultra Light Saxophone exhibited at CEATEC2023, Sony is working on the development of the Hug Drum, a percussion instrument that anyone can play together. On this project, we are collaborating with the World Yuru Music Association, which produces a world of music where anyone can play and join an ensemble straight away, together with people with hearing impairments and also professional musicians such as Japanese artist Kavka Shishido from el tempo. Sony Group employees in Japan, India, and China and other countries and regions are also endorsing "Yuru Music" ("yuru" in Japanese means free, generous, flexible and approachable, among a range of other nuanced meanings), and are working to develop the next "Yuru" musical instrument, through initiatives such as hackathons.

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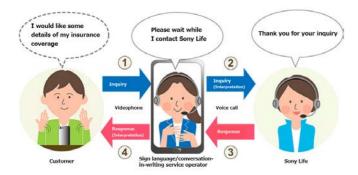
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### **Financial Services**

Sony Life Insurance and Sony Assurance provide sign language and written communication services to facilitate inquiries from customers with hearing impairments or hard of speaking. Sony Bank is optimizing its smartphone app to enable users to use screen reading functions built into their OS. Sony Lifecare Group is working with Creative Center, Sony Interactive Entertainment and Sony Semiconductor Solutions to develop a "rehabilitation game" that aims to make rehabilitation more enjoyable. It has carried out implementation on a trial basis at senior nursing homes that it operates, and is providing feedback relating to accessibility for the elderly.



Processing inquiries using sign language and written communication

# **Entertainment, Technology & Services**

LinkBuds truly wireless earbuds have been combined with Eye Navi, a walking support application for people with visual impairments developed by Computer Science Institute Co., Ltd. to provide intuitive voice guidance based on the direction the user is facing. Sony also participates as a major supporting company in the "With My Eyes" project to bring the "difficult to see" into "clearer sight" for people with low vision. The DSC-HX99 RNV kit, which combines QD Laser Co., Ltd.'s viewfinder with a laser retinal projection technology RETISSA NEOVIEWER and Sony's Cyber-shot DSC-HX99, gives people who have difficulty using a conventional viewfinder a new, sharper way to view and photograph the world. Through its partnership with WS Audiology, Sony has also entered the over-the-counter (OTC) hearing aid market in the United States with the aim of

providing products that enable people with mild to moderate hearing loss to make adjustments to suit their hearing ability.

\* Low vision is a visual impairment that causes inconvenience in daily life, such as difficulty seeing, being dazzled, or having difficulty walking due to a narrow field of vision, even when wearing glasses or contact lenses. The population of people with low vision is estimated to be 250 million worldwide and 1.45 million in Japan.

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# Quality and **Customer Service**



# Overview

# **Basic Approach**

In recent years, customers and other stakeholders have become increasingly concerned about the protection of consumer rights. Product safety, security, and accessibility are vital in this respect. True to its philosophy and policy for product quality and customer service, Sony is wholeheartedly committed to improving product and service quality from its customers' viewpoints in order to maintain and enhance satisfaction, confidence, and trust. In particular, Sony is working to ensure product safety and security while also improving usability and accessibility, in the conviction that its most important goal is to remain a highly trusted partner to all 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 also set forth in the Founding Prospectus drafted in 1946 by Sony's co-founder, Masaru Ibuka.

As set out in the Sony Group Code of Conduct, Sony delivers lifeenhancing products, services and entertainment. The Code of Conduct also states that Sony meets or exceeds legally mandated standards for quality, safety, security and accessibility, and sets out Sony's commitment to providing customers with information that is accurate, and easy to read and understand.

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.

# **Looking to the Future**

Sony remains 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 expectations. It will continue leveraging its worldwide network to collect and analyze information, which can then be reflected in the next releases of products and customer services.

#### Milestones

2001:	Sony CS Charter established
2004:	Corporate quality standards established based on 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 management
2007:	Sony Pledge of Quality established (revised in 2012), and Quality officers appointed for each electronics affiliate and region
2009:	Product security system enhanced, and Quality Reliability Lab opened
2014:	Secure@Sony program established, allowing anyone to report security issues relating to Sony products, network services, or websites
2017:	Sony Product Security Incident Response Team (PSIRT) launched and external initiatives enhanced
2019:	Systematic operation of teams responsible for promoting accessibility implemented
2020:	Hiring and training of employees with human-centered design (HCD) skills enhanced, and Al ethics requirements incorporated into the electronics business commercialization process
2021:	HCD expert certification system launched

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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

# The Sony Pledge of Quality One Sony For All Customers

Sony employees will always respect our customers' viewpoints in striving to deliver product quality and customer service that exceed their expectations.

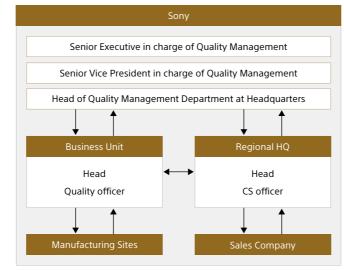
Kenichiro Yoshida Chairman and CEO

# 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 quidelines.

Based on this quality management system, Sony is implementing measures on an ongoing basis to improve the quality of its products and services. This section describes some examples of such measures.

## Sony's Quality Management System Framework



# The Role of Senior Vice President in Charge of Quality Management

The Senior Vice President in charge of Quality Management is appointed with the task of coordinating efforts to improve product and customer service quality and ensuring timely responses to problems. Rules worldwide have been strengthened to ensure prompt reporting to the Senior Vice President in charge of Quality Management when Sony receives information about an incident involving a Sony product that affects or may affect customer safety, and information about security issues relating to products and network services or the potential for such occurrences. Based on the reports received, the Senior Vice President in charge of Quality Management provides the necessary follow-up and instructs the relevant divisions to investigate the incidents and respond appropriately to the customer.

# The Role of Quality Officers and CS Officers

Sony has appointed Quality officers within each business unit and 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 Senior Vice President in charge of Quality Management and the head of the relevant business unit. Regular Quality officer meetings are also held 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. Sony has also 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 Senior Vice President in charge of Quality Management and the individual in charge of the relevant regional headquarters. Meetings of business unit Quality officers and regional CS officers are held 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. In addition, Sony has also created frameworks specific to each business unit and region in order to ensure its products comply with pertinent laws and regulations.

# **Quality Management**

With the aim of fulfilling the Sony Pledge of Quality, Sony has formulated mid-term and fiscal year targets for product quality and customer service initiatives and has also established key quality-related indicators for business plans. Business units and regional headquarters subsequently devise their own quality and customer service targets and business plans for the fiscal year, in line with which they continue to promote quality improvement initiatives. Sony holds meetings of top managers of the electronics business to deliberate and decide on key strategies related to product quality and customer service. It also formulates and administers quality standards applicable to Sony's electronics products and related customer service, focusing on criteria such as product safety and performance, labeling, customer service, usability and accessibility. These standards are updated continuously to reflect technological advances, changes in applicable legal and regulatory requirements, and social changes, with the aim of ensuring Sony's ability to deliver quality and services

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that exceed the expectations of customers.

Sony has also obtained certification under ISO 9001 for all sites manufacturing electronics products.

# **Responding to the Customer**

Sony makes active use of customer feedback to improve its products and customer service. Sony customer information centers promptly and accurately collate customer opinions, reports of malfunctions after purchase, questions regarding use, and other feedback. This feedback is aggregated into a database for the planning, design and product quality groups to work together to improve product quality and strengthen product performance, reporting progress to top management on an as-needed basis. Sony is also committed to ensuring responding to security vulnerabilities in a timely manner. To this end, it has established Secure@Sony, a public hotline for customers and security researchers to submit vulnerabilities found in Sony products and network services.

The communication tools used by customers are becoming more diverse. In order to meet these broader customer expectations, Sony also analyzes customer feedback on social media.

# **Quality Hotline**

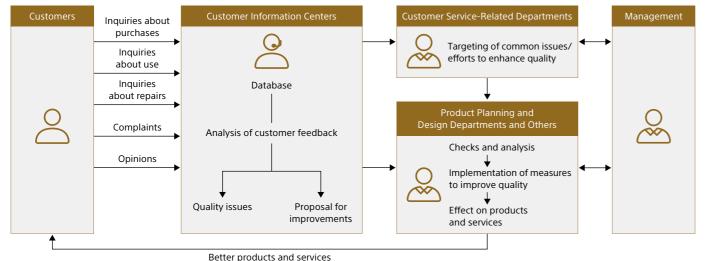
It is vital to detect product quality-related problems at the earliest stage possible. To that end, Sony has established the Quality Hotline to gather product quality-related information, including reports of problems, as well as opinions from Sony Group employees.

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 or service quality issues. They can also share findings identified during customer use of products and any problems with the quality of product-related customer service 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 potential new problems from emerging.

# **Market Quality Improvements**

Sony has established dedicated quality management organizations in each of its business areas that are responsible for improving the

## **Utilizing Customer Feedback**



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 is 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 earlier in this document.

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

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 websites, e-mail, notification via apps, or other media.

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# **Product Quality, Safety and Long-Term Reliability**

# **Improving the Quality of Products**

Sony strives to maximize product quality by improving design, manufacturing, and parts.

## **Design Quality**

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 the 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 levels of product quality and reliability have been realized. In addition, in order to give customers who place their trust in the Sony brand the smoothest possible experience, 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.

\* OEM refers to manufacturers contracted to perform manufacturing, ODM refers to manufacturers contracted to perform design and manufacturing.

## **Production Quality**

In the effort to ensure that Sony does not 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 manufacturing site and implementing PDCA processes to facilitate the achievement of such targets and the continuous improvement of production quality. Sony has also established standard production quality rules to ensure Sony products manufactured by OEM/ODM companies are of the same high quality as those manufactured at Sony production sites.

## **Component Quality**

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 and the development of new reliability evaluation technology.

# **Improving Product Safety**

Providing reliable products that customers can use safely is a 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 and using new technologies at events, 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 technology assessment, product development, design and engineering. When deemed necessary, Sony also conducts evaluation tests to assess safety with the assistance of a specialized organization. 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 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 age-related deterioration and corrosion of materials and parts, as well as technologies necessary to ensure the reliability of new technologies and functions required for new products and to analyze and evaluate such technologies and functions. These technologies and the information obtained through these activities are utilized to improve design and parts selection processes and increase reliability of products. Sony also presents some of its own knowledge of evaluation technologies at academic meetings and industry conferences and gatherings, seeking to go beyond its own walls and contribute to the industry.

# **Product Security**

With more products connecting to networks, there is a heightened danger of personal information leaks, tampering or destruction of data, product hijacking and other such security issues. As a consequence, it is vital to improve the quality of the security of products and network 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 this purpose. The department coordinates with business units to address issues with the security of products. Based on the information received, the department assesses the impact of risk on customers from a software security perspective and implements appropriate measures.

Sony also implements security design and response systems in order to deliver products that customers can use with confidence. In 2012,

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the Sony Security Development Lifecycle was formulated as measures and rules to enhance security quality throughout each phase, from product development and network service planning right up to the time the product is discarded or the network service is terminated. As part of this process, it subjects products and network services to pre-shipping and pre-release inspections, including security risk assessments and the use of product security vulnerability detection tools. These measures and rules are in place for all Sony products and network services, and regular inspections and audits are performed to ensure that they are being adhered to. Sony has also established internal guidelines pertaining to the security of products. It regularly reviews and updates these guidelines, and continues to implement employee training programs to enhance product security.

### Sony Security Development Lifecycle

(Development processes in product development focused on improving the security quality of products and network services)

Product Development Phases	Product planning	Design	Implementation	Testing	Production	Operation of and of maintenance	Disposal
Security Measures	Systematic adoption of security measures	Security by design	Secure implementation	Security tests	Compliant with security quality	Safe operations and maintenance	Deletion of data
				Training			

Due to growing concern over security issues relating to the Internet of Things (IoT), regulators in various countries/regions are developing new laws and regulations concerning IoT security. Sony has included requirements for conformance to IoT security regulations in the Sony Security Development Lifecycle. It is also establishing internal frameworks for collating and ensuring compliance with regulatory requirements in individual countries and regions.

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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 the 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 this includes, building organizations designed to ensure the best possible repair service quality.

# **Organizational Structure**

Sony has assigned CS officers in markets around the world where Sony products are sold. Under the guidance and supervision of the Senior Vice President in charge of Quality Management and heads 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**

Sony is committed to providing high-quality services to customers around the world. To achieve this, it provides ongoing training for both its own employees and those service partners. In addition to focusing on the acquisition of new service technologies and the sharing of solutions to ensure issues are addressed swiftly and effectively, Sony is also making efforts to improve customer service and implement new tools. Staff also receive comprehensive ongoing

training 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. Sony currently has 29 contact centers worldwide, providing service to customers in 127 countries.

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 and messaging apps, 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 instruction manuals with less paper

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. Sony currently offers services through its website in 40 languages. In terms of 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 3,286 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 Year 2023)

Region	Repair Service Locations
Japan	405
United States/Canada	608
Europe	726
Mainland China and Hong Kong Region	567
Asia Pacific*1	531
Other Areas*2	449

<sup>\*1</sup> Southeast Asia, Oceania, India, South Korea and Taiwan Region

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<sup>\*2</sup> Middle East, Latin America and Africa

# Improving the User Experience

User experience is an essential aspect of quality at Sony. In order to gain an accurate understanding of the increasingly diverse needs of customers and to deliver user experiences that meet those needs, Sony has adopted Human-Centered Design (HCD) processes and ensures that its design efforts always take the customer's perspective.

# System

Sony is promoting HCD via collaboration between relevant departments such as business groups. This initiative is driven by a team that promotes activities across the Group and is overseen by the Senior Vice President in charge of Quality Management. Products and services are becoming more multi-functional all the time, and their user interfaces also tend to become more complex with the advance of technology. Sony employs intradepartmental cooperation on development to deliver products and services that people can use with ease and comfort

# **Using Human-Centered Design in Product and Service Development**

Sony is working to improve product usability and create experiences that meet the core needs of customers. It conducts worldwide user research including home visits and user interviews. These efforts are part of a continuing cycle of issue identification and product improvement, which includes prototyping and usability testing in the upstream stage of design. Employees also conduct long-term usage surveys, including interviews with customers, both before and after

product release. In addition, Sony analyzes how customers feel and behave when they use a service, and then works to improve the user experience by sharing customer feedback with relevant personnel. With the WF-1000XM4 Fully Wireless Headphones, this HCD-based approach enabled Sony to achieve both compact, simple packaging design and a seamless setup experience for customers. As customers unpack the product, they are intuitively given the information they need to complete necessary operations. Sony enlisted its HCD experts, planners, system developers, and design staff to work together on conducting operational log analysis, prototyping, and usability testing to ensure that the significantly smaller packaging design compared to the previous model did not compromise the customer experience. With the Tokyo Matrix attraction in the Tokyu Kabukicho Tower in Shinjuku, Tokyo, Sony focused on the user's point of view from the planning stage and continued to pursue the ultimate in strategy experiences. Before the attraction's opening, repeated verification and improvements were carried out with users' perspectives in mind, successfully reducing waiting times and ensuring the game's difficulty was appropriate.

☑ WF-1000XM4☑ The Tokyo Matrix

# **Systems for User Research and Testing**

Sony has built an environment and established systems that ensure user research and testing can be carried out quickly and efficiently via group-wide collaboration spanning sites in Japan and overseas and the use of online tools. There is also an internal monitor program through which employees and their families participate in questionnaire surveys, interviews, and usability tests. Employees with disabilities also play an active role in this program, enabling the collection of input from a diverse range of users. These systems and programs enable Sony to deliver a superior user experience and keep creating products that are easy to use.



Scene of usability testing

# Formulating Internal Standards and Applying Acquired Expertise

Product and service designers from across the Sony Group meet to formulate guidelines for elements such as interactions, use of words and icons on screens. Some of these aspects are also included in Sony Group's quality standards, which are quality requirements that products and services must comply with. As such, they are continuously managed and implemented through the quality management system. For implementation of inclusive design, Sony has also established the rules of product commercialization processes incorporating HCD. The knowledge gained through user research and testing, the expertise of the Product Development departments, and case studies of the application of user experience (UX) design are shared across the Group as well.

Documentation containing the relevant guidelines and expertise, including commercialization processes, is posted on Sony's internal portal site to ensure that everyone at 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.

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# **Human Resource Development and Awareness-raising Activities on HCD**

In order to further deepen employee understanding of HCD, Sony also holds lectures featuring experts open to all employees and provides an e-learning course for all employees covering HCD. It is also working to hire and train employees with HCD-related skills. Sony is continuously implementing programs to develop employees who are ready to lead customer-focused initiatives, including training to learn techniques for creating experiences that reflect customers' needs and systematic study of HCD processes and methods over the course of approximately six months. Through these activities, employees involved in various aspects of product and service creation are working to acquire the knowledge and skills necessary to master HCD.

In 2021, Sony launched a system to certify employees with a high level of expertise and experience as HCD experts. These experts will play a leading role in the workplace. Three HCD experts were newly certified in 2023, and all 16 HCD experts are working to ensure that it becomes further entrenched in development departments in Japan and overseas.

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# Responsible Supply Chain



# Overview

# **Basic Approach**

In recent years, stakeholders have grown increasingly aware of how crucial it is that companies fulfill their overall responsibilities throughout their supply chains. 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 environment. These initiatives cover not only Sony's own sites, but sites throughout the supply chain from suppliers, to mineral mining operations, to production sites operated both by Sony and by contract manufacturers.

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

## **Structure**

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

# **Looking to the Future**

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

#### Mileston

2004:	Sony joins the Electronic Industry Citizenship Coalition (EICC, now the Responsible Business Alliance) as a founding member
2005:	Sony Supplier Code of Conduct established
2006:	EICC self-assessment started at electronics manufacturing sites
2012:	Sony Supplier Code of Conduct revised to create second edition
2014:	Sony Group Conflict Minerals Policy established and a survey on use of conflict minerals started
2016:	Sony Supply Chain Code of Conduct established and cobalt supply chain assessment started
2017:	Sony Group Policy for Responsible Supply Chain of Minerals established
2021:	Sony Pictures Entertainment Supplier Code of Conduct established
2022:	Sony Music Supplier Code of Conduct established
2023:	Sony Interactive Business Principles established
2024:	Sony Supply Chain Code of Conduct revised to create 4.0 edition

☑ Sony Supply Chain Code of Conduct [PDF:356KB]

☑ Sony Group Policy for Responsible Supply Chain of Minerals [PDF:282KB]

☑ Grievance System for Sony Group Electronics Supply Chain

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# Supply Chain Management

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

# **Sony Supply Chain**

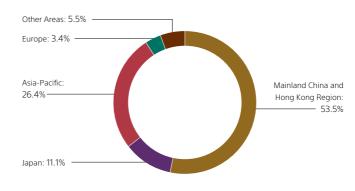
Sony develops, designs, manufactures and sells a wide range of electronics and other devices, utilizing a supply chain that stretches across the entire globe. As of August 2024, we have 12 electronics manufacturing sites in Japan, China, South Korea, Thailand, Malaysia, and the UK. Further, we procure materials and parts for Sony electronics from suppliers worldwide.

In fiscal year 2023, the value of transactions with raw materials/parts suppliers and contract manufacturers (OEM/ODM suppliers) by geographic area was as follows: Mainland China and Hong Kong Region (53.5%), Japan (11.1%), Asia-Pacific (26.4%), Europe (3.4%), and other areas (5.5%).

### Electronics manufacturing sites at Sony (as of August 2024)

Location	Name of manufacturing site	
Japan	Sony Global Manufacturing & Operations Corporation Sony Semiconductor Manufacturing Corporation Sony Storage Media Manufacturing Corporation Sony / Taiyo Corporation	
China	Sony Precision Devices (Huizhou) Co., Ltd. Shanghai Suoguang Visual Products Co., Ltd. Sony Digital Products (Wuxi) Co., Ltd.	
South Korea	Sony Electronics of Korea Corp.	
Thailand	Sony Technology (Thailand) Co., Ltd. Sony Device Technology (Thailand) Co., Ltd.	
Malaysia	Sony EMCS (Malaysia) Sdn. Bhd.	
UK	Sony Europe B.V. UK Technology Centre	

# Raw Materials/Parts and OEM/ODM supplier ratio by geographic area (transaction value basis in FY2023)



Note: Major countries and regions that belong to each category

- Asia-Pacific: Southeast Asia, India, Oceania, Taiwan Region and South Korea
- Other Areas: Middle East, Latin America, Africa, United States and Canada
- The amount is calculated based on the location of the company registration of supplier

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# **Establishing and Promoting the Sony Supply Chain Code of Conduct**

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

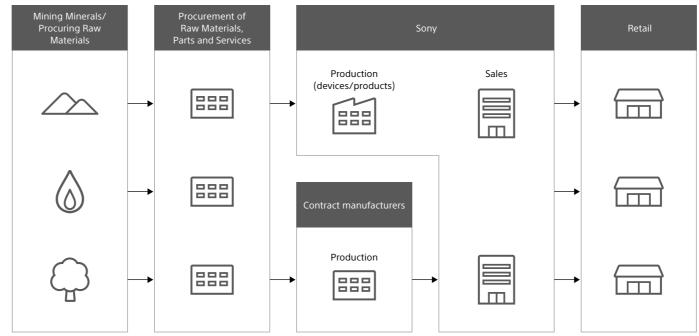
# **Sony Supply Chain Code of Conduct**

Sony was involved in establishing the RBA Code of Conduct, which indicates industry best practice, and adopted that code to establish the Sony Supply Chain Code of Conduct. Sony actively implements efforts to comply with the code for our manufacturing sites, suppliers providing services to those sites, contract manufacturers and materials /parts suppliers. The RBA Code of Conduct has been translated into 28 languages including English, Chinese, Japanese, Thai, and Malay. Compliance with the Sony Supply Chain Code of Conduct is included in contracts signed when Sony begins doing business. As a part of the customer requirements under this Code of Conduct, contract manufacturers and raw materials/parts suppliers must comply with the Green Partner Environmental Quality Approval Program and the Sony Group Policy for Responsible Supply Chain of Minerals. Suppliers are also requested to distribute and comply with the Sony Supply Chain Code of Conduct within their own supply chain.

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

- → Sony Sustainability (Partnership and Participation in Multi-Stakeholder Frameworks)
- ightarrow Participation in the Responsible Business Alliance (RBA)
- ☑ Sony Supply Chain Code of Conduct [PDF: 356KB]
- Responsible Business Alliance

### Basic Structure of the Supply Chain



### Sony Supply Chain Code of Conduct Items

A. Labor	B. Health and Safety	C. Environment	D. Ethics	E. Management Systems
1 ) Prohibition of Forced Labor 2 ) Young Workers 3 ) Working Hours 4 ) Wages and Benefits 5 ) Non-Discrimination/ Non-Harassment/ Humane Treatment 6 ) Freedom of Association and Collective Bargaining	Occupational Health and Safety     Emergency Preparedness     Occupational Injury and Illness     Industrial Hygiene     Physically Demanding Work     Machine Safeguarding     Sanitation, Food, and Housing     Health and Safety Communication	1 ) Environmental Permits and Reporting     2 ) Pollution Prevention and Resource Conservation     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/Stakeholder Engagement and Access to Remedy 9) Audits and Assessments 10) Corrective Action Process 11) Documentation and Records 12) Supplier Responsibility

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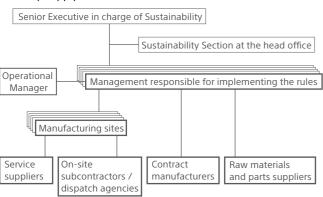
# **Organizational Structure**

At Sony, the Sustainability Section at the headquarters takes the lead in promoting efforts toward a responsible supply chain in cooperation with other related procurement divisions and management departments at manufacturing sites.

Under the supervision of the Senior Executive in charge of Sustainability, the Sustainability Section at the headquarters assesses external trends and communicates with stakeholders, drawing on both to formulate basic company-wide supply chain management policy. The Senior Executive in charge of Sustainability appoints the management responsible in each relevant business unit. They are then responsible for overall operational compliance for the area in their charge, including compliance with the Sony Supply Chain Code of Conduct, as well as risk assessment, regular monitoring and remedial measures.

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 management responsible for implementing the rules work together with the Sustainability Section and Compliance Section at the headquarters to determine the facts and take action deemed necessary, and the situation is reported to the Senior Executive in charge of Sustainability.

# Implementation Framework of the Sony Supply Chain Code of Conduct



# 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 RBA to check compliance, assess improvements, and implement other monitoring activities.

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

In fiscal year 2023, 12 manufacturing sites in Japan, China, Korea, Thailand, Malaysia and the UK, completed self-assessment surveys. The results showed that risk of noncompliance was low at all manufacturing sites.

Additionally, we regularly conduct RBA or other equivalent audit at some manufacturing sites.

# **Employment and Working Conditions of Foreign Workers**

In recent years, forced labor among foreign and immigrant workers at factories that manufacture electronic products and components has become an issue both in Japan and around the world. In response, Sony conducts self-assessment regarding employment status of its foreign workforce via RBA questionnaire. 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. Since 2020, Sony has continued to conduct document assessments of a number of domestic on-site contract manufacturers to verify their hiring processes for technical intern trainees in Japan and the countries in which they were hired, as well as the labor

conditions of trainees. The results showed that steps are continually being taken to ensure compliance with the labor standards set out in the Sony Supply Chain Code of Conduct overall and other improvement measures. This includes establishment of new policy on freely chosen employment and recruitment fees for on-site subcontractors. In order to prevent technical interns from paying fees, we once again requested that on-site contract manufacturers comply with the Sony Supply Chain Code of Conduct, obtaining written consent of compliance.

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# Sony's Approach to Supplier Relations

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

### **Requesting Compliance**

Compliance with the Sony Supply Chain Code of Conduct is included in contracts signed when Sony begins doing business with raw materials and parts suppliers. All suppliers are provided this Code of Conduct upon signing a new contract, and are kept informed of changes through updated documents. Further, Sony regularly reminds suppliers of their responsibilities and obtains a declaration of compliance from them.

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

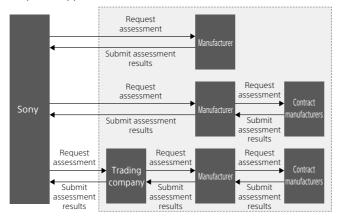
Sony also distributes the Sony Supply Chain Code of Conduct to our own supply chain, requesting through primary suppliers that it is observed by secondary and further suppliers.

### **Supplier Assessment**

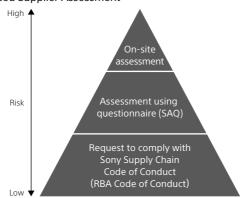
To ascertain supplier compliance with the Sony Supply Chain Code of Conduct, Sony conducts assessments based on the supplier's risk level for all raw materials/parts suppliers and their manufacturing facilities. If Sony does not deal directly with the manufacturing facility, the assessments are conducted through the trading company or manufacturer that is the primary supplier.

If a manufacturer is suspected to be in violation of the Sony Supply Chain Code of Conduct, instructions for improvement are issued, onsite assessments and third-party audits are conducted and employees and managers are interviewed in person to verify the actual management situation, based on the identified potential risk. Assessments are similar to those indicated in RBA standards, and include contracts and other documentation, working hours, policies, procedures and health and safety verification. If issues are found, guidance for improvement is provided, and we continue to verify and evaluate subsequent actions taken. Sony's policy is to review its business relationship with a supplier if a serious violation (such as forced labor, child labor, inhumane working conditions, unlawful discrimination, lack of an emergency and disaster action plan, presence of risks that cause a serious lifethreatening accident to a worker, significant environmental pollution issues) of the Sony Supply Chain Code of Conduct is confirmed or if the supplier fails to cooperate fully in an investigation or audit.

### Scope of Supplier Assessment



### Risk-Based Supplier Assessment



### **New Suppliers**

Sony conducts assessments based on the supplier's risk level for all new OEM/ODM suppliers and raw materials/parts suppliers and their manufacturing facilities. All direct suppliers and their plants are requested to comply with the Sony Supply Chain Code of Conduct. Suppliers and their plants are categorized by risk level, based on such factors as the country and region in which they are located, size of business, industry, and type of business. Suppliers and their plants conduct an assessment using RBA questionnaires or the questionnaire on labor, health and safety, environment, and ethics based on the RBA Code.

In assessment, questionnaires evaluate compliance with the Sony Supply Chain Code of Conduct specifically in items related to forced labor among foreign, migrant and immigrant workers, which has become a serious issue worldwide. Supplier response is analyzed to identify potential risks for individual manufacturing plants. We also utilize third-party screening tools to check for human rights violation risks (human trafficking, child labor, forced labor, etc.) at target supplier sites.

### **Existing Suppliers**

Major OEM/ODM suppliers that do sizable business with Sony continue to conduct annual assessments using questionnaires from the RBA. If an assessment indicates a high risk, the OEM/ODM supplier is subject to an on-site audit, which may include an audit by a third-party.

Furthermore, with growing stakeholder interest in the issue of forced labor in the electronics industry supply chain overall, Sony has been strengthening activities related to periodic assessment of existing raw materials and parts suppliers for compliance with the Sony Supply Chain Code of Conduct since 2020. Just as for new suppliers, existing suppliers and their plants are categorized by risk level, based on such factors as the country and region in which they are located, size of business, industry, and type of business to determine if they fit criteria for assessment. Assessment using RBA questionnaires or the questionnaire on labor, health and safety, environment, and ethics based on the RBA Code is conducted for applicable existing suppliers, and supplier response is analyzed to identify potential risks for individual manufacturing plants.

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### **Assessment Results for Fiscal Year 2023**

### **New Suppliers**

Assessment using questionnaires were conducted for 56 plants. We provided written instructions for improvement to 5 supplier plants deemed to be in minor violation. We conducted on-site assessments and third-party audits at 8 supplier plants suspected to be in violation, pointing out issues and issuing instructions for improvement. In either case, suppliers are asked to make a plan for improvement, manage progress and show evidence-based results.

### **Existing Suppliers**

Assessment using questionnaires were conducted for 179 plants. We provided written instructions for improvement to 4 supplier plants deemed to be in minor violation. We conducted on-site assessments and third-party audits at 4 supplier plants suspected to be in violation pointing out issues and issuing instructions for improvement, either remotely or in-person. In either case, suppliers are asked to make a plan for improvement, manage progress and show evidence-based results.

### Assessments of New and Existing Suppliers

(Figures indicate the number of plants)

	(Figures indicate the number of plant.		namber of plants)
Content	FY2021	FY2022	FY2023
Assessment using questionnaire	796	406	235
Written improvement instructions	94	75	9
Remote assessment / on-site assessment	39	64	12

### Top 5 violations identified through on-site assessment (FY2023)

Over 60 hrs. work/week	4.3%
Unable to take a day off in 7 days	3.0%
Incorrect salary deductions or social insurance premiums	2.6%
Lack of risk reduction measures or reasonable consideration for pregnant/nursing mother	2.1%
Non-compliance regarding evacuation exit access	2.1%
Insufficient management processes due to poor implementation of code of conduct	2.1%

<sup>\*</sup> Violation ratios confirmed via on-site evaluation vs. total number of assessment using the questionnaire. Includes cases where multiple violations were identified at the same supplier during on-site assessment.

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

### ■ Working hours

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

### ■ Reasonable consideration for nursing mother

Observation: Person who is nursing do not have a space to do so in. Improvement instructions: Requested to establish a nursing area and confirmation of results.

### ■ Use of appropriate personal protective equipment

Observation: Appropriate respirators not being used in areas with volatile organic compounds.

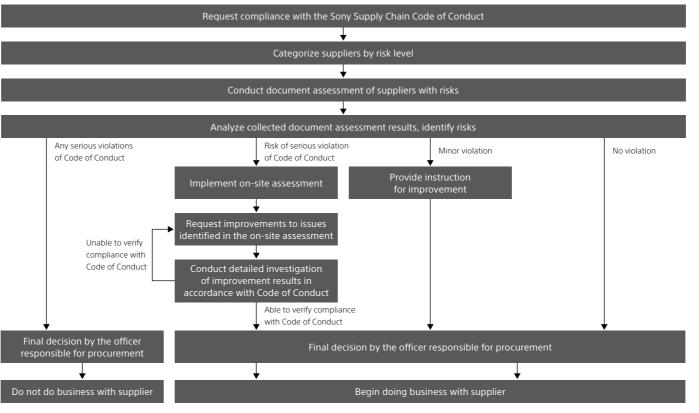
Improvement instructions: Requested to use appropriate protective masks and confirmation of results.

#### ■ Evacuation exit access

Observation: Locked evacuation exit

Improvement instructions: Requested to unlock entryways that might obstruct emergency evacuation and confirmation of results.

### Assessment Flow at Start of New Transactions with Suppliers



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# **Communicating with Suppliers**

Sony is deeply committed to communicating with suppliers and is involved in a variety of measures to this effect.

# **Distributing Videos and Providing Education** for Raw Materials and Parts Suppliers

We conduct educational and awareness-raising activities to help people better understand the responsible supply chain and other Sony sustainability initiatives. In fiscal year 2021, we distributed a video to all our suppliers through a distribution system specifically for them. Available in Japanese, English and Chinese, the video explains what is required according to the Sony Group Code of Conduct and Sony Supply Chain Code of Conduct, and requests the establishment of management systems for compliance with the Sony Supply Chain Code of Conduct upstream of the supply chain. In fiscal year 2022, we distributed an educational video on the reduction of greenhouse gas emissions to suppliers in order to support their efforts to reduce such emissions. In fiscal year 2023, we distributed a video explaining Sony sustainability and procurement policies to suppliers with who we engage beyond a certain level. The video detailed the content of the Sony Supply Chain Code of Conduct, responsible sourcing of minerals and climate change initiatives, and further requested supplier cooperation in these endeavors.

## **Visualizing Supplier Sustainability Efforts**

We check for supplier compliance with the Sony Supply Chain Code of Conduct, which includes their efforts for human rights, ethics, environmental and health and safety initiatives, and this oversight is vital to our supplier selection process. In consideration of the fact that supplier sustainability activities will continue to grow more important, in fiscal year 2021, we built a system to visually identify and centrally manage supplier sustainability achievement (including compliance with the Sony Supply Chain Code of Conduct, reducing the effect on the environment), and began implementation in fiscal year 2022. We communicate the meaning and social significance of these efforts, providing direct feedback to our suppliers to motivate them toward

sustainable endeavors and maintain their compliance with the Sony Supply Chain Code of Conduct.

# **Purchasing Practices**

Presenting suppliers with procurement plans and outlooks helps to mitigate negative impact on recruiting and working conditions. Therefore, we provide a six-month procurement forecast with our primary suppliers in order to secure capacity well in advance, the content of which is reviewed weekly from the start of mass production. The lead time agreed to between the supplier and Sony is registered in the system and a purchase order is issued according to that lead time. Any major changes to the order are discussed with the supplier.

# **Supplier Hotline and Grievance System**

Sony has made two contact points available for supply chain issues. Sony once again introduced these to all suppliers with whom we do above a certain amount of business with via a video distributed in fiscal year 2023, requesting that all employees and upstream suppliers also be informed.

### Supplier Hotline

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

☑ Supplier Hotline (in Japanese)

# **Grievance System for Sony Group Electronics Supply** Chain for Reporting from a Broad Range of Stakeholders

Sony established the Grievance System for the Sony Group Electronics Supply Chain for relevant stakeholders in the electronics supply chain. including manufacturers and suppliers of parts, raw materials, manufacturing equipment, etc., their employees, and other related parties. This point of contact allows report of any actions across the

electronics supply chain that violate or may violate the Sony Supply Chain Code of Conduct or the Sony Group Policy for Responsible Supply Chain of Minerals. If corrective actions are necessary as a result of the investigation, we will take reasonable corrective action as appropriate.

Grievance System for Sony Group Electronics Supply Chain

# **Capacity Building for Procurement** Personnel

### Training and Raising Awareness in Internal **Procurement Personnel**

We implement training for employees who are involved in procurement for socially responsible procurement and the Sony Supply Chain Code of Conduct.

In fiscal year 2022, we conducted training for all raw material and parts procurement personnel in order for them to better understand Sony Group initiatives aimed at achieving responsible supply chain. This training included explanations on the requirements stipulated by the Sony Supply Chain Code of Conduct, group environmental targets and procurement initiatives. We further worked to improve procurement personnel awareness through training that promotes communication and discussion between personnel, encouraging them to discuss ideal growth in terms of sustainability for future procurement. In fiscal year 2023, managers from the Sustainability Section held discussion-focused training sessions to deepen understanding on human rights issues in the supply chain and the need for initiatives to

All raw materials and parts procurement personnel also received additional training regarding Sony sustainability and procurement policy and initiatives, including basic information on efforts to curb climate change, such as greenhouse gas emissions reduction targets and measures to achieve them. We further detailed risks related to human rights violations identified in supplier assessments to the person in charge of contact with suppliers, and conducted training to reaffirm that processes and measures necessary for improvement are taken when risks are discovered

curb climate change to managers in departments involved in

procurement of raw materials and parts.

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# **Responding to External Reports**

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

# Participation in the Responsible Business Alliance (RBA)

Supply chains overlap considerably in the electronics industry, with multiple manufacturers of finished products sharing the same subcontractors and parts suppliers. Accordingly, there are fears that the introduction of independent, company specific standards for socially responsible management will cause confusion and constitute a significant burden on companies in the supply chain. With the aim of improving processes in the electronics industry supply chain, in 2004 Sony and other companies established the Electronic Industry Citizenship Coalition (EICC, currently the RBA). The alliance then developed the RBA Code of Conduct (formerly the EICC Code of Conduct) incorporating best industry practices. The RBA is working with its member companies to develop tools that help to establish and manage codes of conduct, Web-based systems, and skills development programs for suppliers. As of June 2024, the RBA consisted of more than 230 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. Additionally, Sony has had a representative on the RBA Board of Directors since 2020. The RBA promotes corporate social responsibility (CSR) in supply chains through the Responsible Minerals Initiative (RMI), which

→ Sony Sustainability (Partnership and Participation in Multi-Stakeholder Frameworks)

addresses issues with minerals procurement, the Responsible Labor

Initiative (RLI), which addresses human rights issues such as forced

- Responsible Business Alliance
- ☑ RBA Board of Directors

labor, and other programs.

# Supplier Code of Conduct in Entertainment Business

Sony is committed to enhancing Sony Group's responsible supply chain activities in the entertainment industry in order to strengthen its supplier programs related to standards for human rights, ethical business practices, safety and environment.

In March 2021, Sony Pictures Entertainment established the Sony Pictures Entertainment Supplier Code of Conduct.

Then, in March 2022, Sony Music Entertainment established the Sony Music Entertainment Supplier Code of Conduct.

These codes of conduct are based on principles similar to those of the Sony Supply Chain Code of Conduct, and we are working to raise awareness of both.

Sony Interactive Entertainment (SIE) is committed to complying with all applicable laws and regulations and to conducting business in an honest, ethical, and responsible manner. SIE expects its business partners to do the same.

In March 2024, SIE launched its Business Principles to be applied globally to all business partners who are not subject to the Sony Supply Chain Code of Conduct. The Business Principles set out SIE's expectations, standards and guidelines for doing business with SIE and on SIE's behalf. The Business Principles are published on the SIE website and included in SIE's contracts when SIE begins doing business with all business partners not subject to the Sony Supply Chain Code of Conduct.

Sony Pictures Entertainment Supplier Code of Conduct

☑ Sony Music Supplier Code of Conduct

☑ Sony Interactive Business Principles

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# Responsible Sourcing of Minerals

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

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

Some minerals that are used in Sony products carry human rights and environmental risks in the extraction process.

In the Sony Group Code of Conduct, Sony set forth basic policies including prohibition of using any form of forced labor, specifically, child labor. Sony has established the Sony Supply Chain Code of Conduct to be complied with throughout the electronics product supply chain.

In addition, in October 2017, Sony established the Sony Group Policy for Responsible Supply Chain of Minerals, replacing the Sony Group Conflict Minerals Policy that was established in 2014.

## **Basic Policy**

In the policy, Sony pledges that, in order to avoid contributing to conflicts or serious human rights abuses through its sourcing practices, Sony identifies certain minerals that are sourced in conflict-affected and high-risk areas and that are high-risk for Sony from the perspective

of corporate social responsibility ("High-Risk Minerals"). Sony's policy is to refrain from knowingly purchasing any products, components or materials that contain High-Risk Minerals that contribute to conflicts or serious human rights abuses in the chain of custody.

## **High-Risk Minerals**

Sony conducts risk assessment to determine if high-risk minerals could be contained in our products. These assessments are carried out from four main perspectives: legal and regulatory requirements, the importance of particular business activities, requests from stakeholders and social and environmental corporate responsibility (such as child labor, forced labor, indigenous rights, conflicts, etc.). Changes to high-risk minerals are considered based on the results of regular assessments.

In 2023, tantalum, tin, gold, tungsten and cobalt were identified as high risk.

### **Expectations for Suppliers**

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

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

## **OECD Due Diligence Guidance Initiatives**

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

- ☑ Sony Group Policy for Responsible Supply Chain of Minerals [PDF:282KB]
- ightarrow Participation in the Responsible Business Alliance (RBA)

# Addressing the issue of conflict minerals

## Addressing US Law on Conflict Minerals

The Democratic Republic of the Congo (DRC) and adjacent countries have been mired in conflict with armed groups perpetuating human rights abuses in that region. These armed groups have been trading in certain minerals commonly found in that region to finance their activities. These minerals, tantalum, tin, gold and tungsten ("the four minerals") are commonly found in many products, ranging from jewelry to electronics to airplane components. Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act in the United States, which first became effective in January 2013, defines the four minerals that are determined to be financing conflict in the DRC as "conflict minerals". This law seeks to ensure transparency and reporting related to conflict minerals and requires companies whose stock is listed on a US stock exchange, as Sony's is, to conduct an inquiry into the origin of the four minerals in their supply chains. We have made annual disclosure mandatory since 2014. On May 28, 2024, Sony submitted its 2023 report on supply chain activities to the U.S. Securities and Exchange Commission (SEC).

Sony's report filed with the SEC (Form SD & Conflict Minerals Report) [PDF:599KB]

# Survey and Results on Use of the Four Minerals

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

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

In 2024, while the results of Sony's due diligence for the 2023 report to the SEC was not able to confirm the country of origin for all of the tin, tantalum, tungsten or gold in Sony's electronics products, the country of origin of these minerals was not identified as being from the DRC or adjacent countries. In the 2023 survey, Sony identified a total of 345 smelters and refiners as potential sources of the four minerals and, of those, 237 smelters and refiners were compliant with RMAP\*1 or were contained in the London Bullion Market Association Good Delivery List or certified by the Responsible Jewellery Council. Of these, 131 smelters and refiners were identified as sourcing from the DRC\*2.

- \*1 Includes smelters under RMAP assessment.
- \*2 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.

## Response for Sony Suppliers of the **Four Minerals**

If it is determined that any of the four minerals are used in the manufacture of products, Sony requires relevant 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 the four minerals in accordance with the terms of this policy. In addition, to ensure that products, components and materials delivered to Sony do not contain any conflict minerals, Sony expects suppliers to have pertinent policies, a due diligence framework and a

management system consistent with the OECD guidance in place. As a part of these measures, Sony is working to propel action from suppliers who have yet to establish mineral supply chain policy. This led to establishment of policy and a strengthening of the management structure among some suppliers.

### Mitigating Risk 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 supplier 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, or who are otherwise recognized as not contributing to conflict or human rights violations through other trusted mineral traceability projects. Further, in the event that Sony confirms that a supplier has failed to cooperate sufficiently with a due diligence investigation, fails to follow Sony's 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. In 2023, 69 suppliers specified in their CMRT that they source from smelters that were not listed as conformant or were unwilling to undergo an RMAP assessment or similar assessment from a trusted traceability project. As a result of an improvement request by Sony, 22 suppliers conducted investigations and responded that the noncompliant smelters were not in fact in their supply chains, while we continue to request improvement from the remaining 47 suppliers. Sony established the Grievance System for Sony Group Electronics Supply Chain for relevant stakeholders in the electronics supply chain, including manufacturers and suppliers of parts, raw materials, manufacturing equipment, etc., their employees, and other related parties. This point of contact allows report of any actions across the

electronics supply chain that violate or may violate the Sony Supply Chain Code of Conduct or the Sony Group Policy for Responsible Supply Chain of Minerals. Actions taken include those connected to the environment of mining, trading, handling and export of minerals in conflict and high-risk areas If corrective actions are necessary as a result of the investigation, we will take reasonable corrective action as appropriate.

→ Supplier Hotline and Grievance System Grievance System for Sony Group Electronics Supply Chain

# Managing the Cobalt Supply Chain

Cobalt is an important mineral used in lithium-ion batteries for a wide range of products including electric vehicles and smart phones. There have been concerns about child labor and working conditions at sites where it is extracted in the DRC, a country known to have the largest reserves of cobalt in the world.

In 2016, a supplier reported that some lithium-ion battery parts procured by Sony contained cobalt produced in the DRC. In response. Sony established the Sony Group Policy for Responsible Supply Chain of Minerals in October 2017. This policy is a revision of the Sony Group Conflict Minerals Policy, which targeted the four minerals. In addition to the four minerals, Sony has recognized cobalt as another High Risk mineral and launched efforts to build a responsible cobalt supply chain. Since then, Sony has continued to manage its cobalt supply chain using industry standard tools, such as the Extended Mineral Reporting Template (EMRT) developed by RMI, and by carrying out further thirdparty RMAP audits of cobalt refineries.

In fiscal year 2022, Sony conducted EMRT based surveys of 9 lithiumion battery suppliers. Within these, we identified 22 cobalt refineries in the supply chain, and confirmed that all were either RMAP-compliant, or were currently conducting or preparing to conduct third-party RMAP based audits.

In fiscal year 2023, Sony conducted EMRT based surveys of 9 lithiumion battery suppliers. Within these, we identified 23 cobalt refineries in the supply chain, and confirmed that all were RMAP-compliant (as of March, 2024).

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# **Multi-Stakeholder Cooperation**

Sony recognizes that multi-stakeholder collaboration is the key to identifying and mitigating the adverse human rights impact that can be associated with mineral extraction in high-risk areas. Specifically, Sony continuously collaborates with various multi-stakeholder efforts such as RMI in order to participate in the development of the due diligence process and mitigate human rights risks in the supply chain.

### **Industry Initiatives and the Industry Alliance**

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

### RMI

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

☑ Responsible Minerals Initiative

# **Japan Electronics and Information Technology Industries Association (JEITA)**

The Japan Electronics and Information Technology Industries Association (JEITA) cooperates with RBA/RMI to handle conflict mineral issues. Sony participates in JEITA's Responsible Minerals Trade Working Group.

☑ JEITA Responsible Sourcing of Minerals

### **Donations**

Sony donates to the following RMI and NGO-related funds.

- The Audit Fund for RMAP Participating Smelters and Refiners: A fund that helps cover the costs for cobalt refineries to undergo third-party RMAP audits (donated fiscal year 2016-2019, 2021, 2023)
- RMI-Pact partnership for supporting Alternative Livelihoods through a Vocational training program:

A program in cooperation with Pact, an NGO that provides vocational support to young people in cobalt mining areas of the DRC (donated fiscal year 2020)

• Better Mining:

A project in cooperation with the RCS Global Group that aims to improve the health, safety, human rights and other risk areas for mines in parts of the DRC where artisanal and small-scale mining takes place (donated fiscal year 2020, 2022, 2023)

☑ RMI Member Funding

☑ Better Mining Impact Report

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# **Overview**

# **Basic Approach**

Sony can only create sustainable social value based on its Purpose when the global environment is healthy and people can live in society with comfort. Through its social contribution initiatives, Sony recognizes various social issues and aims to create a positive impact by solving them while also enhancing its corporate value, such as by building trusting relationships with wider society, communities and other stakeholders, improving employee engagement, and creating innovation. Under the slogan "For the Next Generation," Sony is engaged in wide-ranging social contribution initiatives around the world.

# The Vision of Sony's Founder

In Sony's Founding Prospectus, Masaru Ibuka, one of the founders, 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 postwar 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 and junior high schools in the pursuit of science education excellence. His vision lives on in Sony's social contribution initiatives.

# **Organizational Structure**

Sony's global projects are spearheaded by Sony Group Corporation in Tokyo. In addition, each group company worldwide, along with Sony's foundations and science museum, is involved in initiatives tailored to local needs. These efforts often include cooperation with international organizations and NGOs. Employees are also encouraged to actively contribute to society by participating in activities such as volunteer programs and fundraising.

# **Looking to the Future**

Sony strives to make the most of its products, content, technologies, and the strengths of its employees, leveraging stakeholder partnerships to help address global issues and meet various needs in local communities.

Founded Sony Fund for the Promotion of Science Education in

### Milestones

	Liementary and Jamor riight Schools
1972:	Established Sony Foundation for Education (now Sony Education Foundation)
1984:	Established Sony Music Foundation
2018:	Launched KANDO Experience Program
2020:	Established Sony Global Relief Fund for COVID-19
	Launched CurioStep with Sony
	Established Global Social Justice Fund
2021:	Established a partnership with Save the Children Japan to promote the development of resilient communities
	Established a corporate partnership with WWF Japan
2023:	Established partnerships with UNICEF, UNHCR and Save the Children Japan through the Sony Global Relief Fund for COVID-19

☑ Social Contribution Initiatives

History of Sony's Social Contribution Activities

Elementary and Junior High Schools

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# **Focus Areas and Results**

### **Areas of Focus**

Under the slogan "For the Next Generation," Sony, backed with the strength of its employees and partners, utilizes its products, content, and technology in a variety of social support endeavors across the globe, focusing on the following three areas: education for future generations, disaster relief and humanitarian assistance, and initiatives to tackle global issues.

Inheriting the vision of its founders, Sony leverages its strengths to roll out initiatives in support of education in the STEAM\* fields to foster the next generation. Sony also 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. In addition, Sony is engaged in various partnerships to address global social issues, such as social justice and human rights, difficulties faced by refugees, and forest conservation.

\* STEAM stands for science, technology, engineering, arts and mathematics.

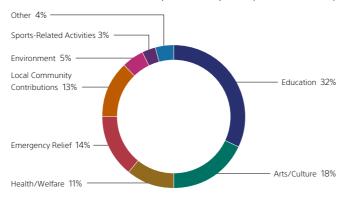
#### For the Next Generation With "For the Next Generation" at heart, Sony will continue to make a positive social impact with the aim of addressing diverse social issues. Areas of focus Resources Partners Support to foster the NGOs, NPOs next generation and other (education) organizations Technologies International Disaster relief and organizations humanitarian aid /local Initiatives for global government

# **Social Contribution Initiative Results**

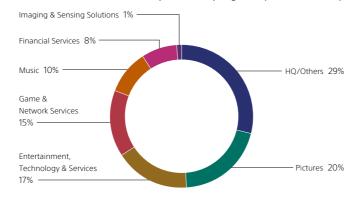
In fiscal year 2023, Sony Group contributed a total of approximately 4.7 billion yen\* to social contribution engagement initiatives. By category, more than 30% of the expenditure went to supporting education. Significant amounts also went to arts/culture. By business segment, 29% of the total expenditure was contributed by HQ/ others, followed by pictures (20%) and entertainment, technology and services (17%).

\* Cumulative figure. In addition to donations, sponsorships and independent program expenses (including facility operation expenses), this amount includes the market value of products donated. It does not include expenditures from the Sony Global Relief Fund for COVID-19 and Global Social Justice Fund. Please see "Sony's Two Global Funds" for details about their expenditures.

### Social Contribution Initiative Expenditure by Field (Fiscal Year 2023)



### Social Contribution Initiative Expenditure by Segment (Fiscal Year 2023)



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# **Support for Education**

# Sony Group's Educational Program "CurioStep with Sony"

CurioStep with Sony is an educational program that aims to provide children with opportunities to experience creativity and technology, and to expand their curiosity and creativity while fostering problemsolving skills and acceptance of diversity. The program is being rolled out globally. In addition to overseas activities such as its science museum in Beijing and the annual Sony Creative Science Award toy-making competition in Singapore and Taiwan, Sony in Japan held the CurioStep Summer Challenge 2023 over the summer vacation period, following the previous events held in 2021 and 2022. The event featured content epitomizing Sony from across the entire Sony Group, including programming and science craft workshops, animethemed talk events, and a computational thinking contest. To enable children to choose what they enjoy, 14 categories of events were offered, and about 3,500 children participated.



The key visual for the CurioStep Summer Challenge 2023

Sony also runs the KANDO Experience Program, an initiative to address educational disparities among children in Japan. The program conducts a wide variety of workshops for elementary school-aged children in collaboration with NPOs and other external organizations. Since fiscal year 2020, Sony has been working with a third-party organization to conduct social impact assessments in order to enhance

discussions with the wider community on rectifying educational disparities. In addition to the half-year programs for children that have been running since fiscal year 2021, in fiscal year 2023, Sony implemented a long-term program at two locations that included training for staff with the aim of further improving quality at those locations. The social impact assessment found that offering multiple programs has improved children's non-cognitive competency indicators such as creativity and curiosity, which is the aim of the program.

CurioStep with Sony

KANDO Experience Program

# **SME Beyond the Instrument 2024**

SMG promotes global accessibility to resources for emerging music professionals through its "Beyond the Instrument" initiative by partnering with community organizations to cultivate the next generation of music leaders. In 2023, SMG and Notes for Notes opened a recording studio at the Watts-Willowbrook Boys & Girls Club, offering students tools to showcase original works and refine their musical abilities year-round. Before the 66th Annual GRAMMY Awards, an ensemble of SMG artists engaged with students, sharing insights across music disciplines.

In 2024, Sony Music U.K. furthered the initiative by donating equipment and music education resources to Walker Riverside Academy. On February 7th, DJ-producer Schak, from Northern England, visited the school and announced an equipment donation through Restore the Music. This enables students to learn DJ, production, and engineering skills. Over four years, SMG has committed over half a million USD in music education and instrument donations, aiming to support 10,000 students globally within five years. These efforts underscore SMG's commitment to nurturing talent and empowering



A group of smiling children holding guitars at the studio - collaborative effort with Notes for Notes and SME.

communities through sustainable music education initiatives.

☑ SME's Beyond the Instrument

# Sony Dream Classroom empowers the next generation of dreamers

Sony Dream Classroom is a philanthropic initiative established by Sony China Co., Ltd. (hereinafter referred to as Sony China) in 2013. In line with Sony's community engagement slogan, "For the Next Generation," it endeavors to contribute to SDG Goal 4, "Quality Education for All." Sony Dream Classroom leverages the strength of 'One Sony' and collaborates with various Sony entities in China to fully utilize the benefits brought by Sony's diverse businesses.

Through Sony's innovative technology products, engaging science experiments, and rich content in music, film, and animation, it provides comprehensive exposure to Sony's extensive expertise in scientific exploration and creative entertainment, empowers the next generation of dreamers, and provides more diverse learning methods and STEAM education concepts for the younger generation, bringing them the experience and emotion of WOW.

As of March 2024, Sony China has established 290 'Dream Classrooms' in 143 cities nationwide, directly benefiting more than 3,500 college students and over 70,000 primary and secondary school students. Sony's vision for development in China is to inspire and ignite passion, collaborating with dream chasers to evoke emotions. Sony China is committed to garnering attention from all sectors of society and promoting sustainable development, making a collective effort to enhance high-quality education.



Sony Dream Classroom in Yunnan province 2023.9

Sony Dream Classroom (in Chinese)

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# Disaster Relief and Humanitarian Aid

Sony Group 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's Disaster Relief and Humanitarian Aid

In fiscal year 2023, Sony Group provided donations and other assistance to areas and victims affected by the following natural disasters and humanitarian crises.

Date of	Incident		
incident	Amount donated (approx.)	Recipient	
Jan. 2024	2024 Noto Peninsula earthquake	Japanese Red Cross Society, Save the Children, etc.	
	130 million JPY		
Oct. 2023	Afghanistan earthquake	- Save the Children	
OCI. 2023	5 million JPY		
Oct. 2023	Humanitarian aid efforts in Israel and Gaza	Japanese Red Cross Society, UNICEF, Save the Children,	
	319 million JPY	Doctors Without Borders (MSF)	
Aug. 2023	Wildfires on the island of Maui, Hawaii	Hawaii Community Foundation's Maui Strong Fund, American Red Cross	
	200,000 USD		
May 2022	Cyclone Mocha in Myanmar	Save the Children	
May 2023	20,000 USD		

# Support for Humanitarian Aid Efforts in Israel and Gaza

Sony Group Corporation has contributed 2 million USD (approximately 300 million yen\*) to the Japanese Red Cross Society and the United Nations Children's Fund (UNICEF) with the aim of supporting humanitarian assistance for people in Israel and Gaza. Employees at Sony Group companies also made donations to support organizations, including through matching programs.

Overall, Sony has contributed approximately 319 million yen in total to these activities.

# Support for People and Areas Impacted by the 2024 Noto Peninsula Earthquake

Following the 2024 Noto Peninsula Earthquake which struck on January 1, Sony Group contributed to emergency assistance for the affected areas by donating 130 million yen to the Japanese Red Cross Society, Save the Children Japan, and other support organizations. This includes a total of approximately 47 million yen in donations from Sony Group companies, as well as employee donations of approximately 41 million yen made by Sony Group companies, and a company matching contribution of approximately 41 million yen. In addition to making donations, Sony Group companies provided support through the provision of services.

# Partnership with Save the Children

In 2016, in partnership with Save the Children, Sony 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 providing 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 emergency response. The funds are used to provide daily commodities and hygiene kits, to establish Child Friendly Spaces which are safe and secured settings for children to play and spend time in, and to train people to provide Psychological First Aid for children, which is an approach used to reduce the initial distress of children exposed to crisis situations. As of March 31, 2024, the Emergency Disaster and Recovery Fund for Children has disbursed a cumulative total of around 200 million yen which is to be used for Save the Children's relief activities in response to disasters around the world. Recognizing the importance of building the frameworks that improve the disaster preparedness in addition to past emergency and recovery support, Save the Children and Sony announced in March 2021 that they will jointly promote the development of resilient communities against disasters. As part of this new partnership, Sony provides support for the Safe Schools program. This program, carried out by Save the Children in over 40 countries, is an all-inclusive, all-hazards approach to keep children safe in and around schools.

### ☑ Emergency Disaster and Recovery Fund for Children



Emergency response for children after the 2024 Noto Peninsula earthquake: Save the Children provides children at evacuation centers with emergency kits containing toys and hygiene items.

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<sup>\*</sup> Based on exchange rate on October 17, 2023 (1 USD = 149.50 JPY).

# Initiatives for Global Issues

# Sony's Two Global Funds

In April 2020, Sony Group established the Sony Global Relief Fund for COVID-19, a 100 million USD fund to support people around the world affected by COVID-19. In June 2020, Sony also established the Global Social Justice Fund, a 100 million USD fund to support initiatives that promote social justice and human rights, and to foster diversity, equity and inclusion (DE&I) around the world.

The various forms of support via these two global funds are driven by the ideas and aspirations of the Sony Group's diverse workforce.

### **Global Social Justice Fund**

Through the Global Social Justice Fund, Sony has continued to support initiatives to promote social justice and human rights and foster DE&I within Sony and beyond. To this end, it has provided support to more than 500 organizations across seven regions and 70 countries working in civic and community engagement, criminal justice reform, diversity and education. In addition, the 100 million USD fund has been fully earmarked, with total expenditure through FY2023 of approximately 9.8 billion yen (78.8 million USD).

Sony will continue its activities with regard to the areas covered by the fund by providing additional financial support.

[4] Global Social Justice Fund

### **Sony Global Relief Fund for COVID-19**

Through the Sony Global Relief Fund for COVID-19, Sony Group provides ongoing support in the medical and educational fields, and for the creative community. In the four years since the fund was established, the initial fund totaling 100 million USD has been fully

earmarked and provided support to over 5,600 organizations. In September 2023, Sony signed partnerships with UNICEF, UNHCR, and Save the Children for approximately 15 million USD, equivalent to the remaining balance of the fund, and support will continue over the following three years. Through these partnerships, Sony will support efforts to address social issues that have become more serious or apparent, and are still ongoing since the outbreak of COVID-19. Although the Sony Global Relief Fund for COVID-19 will be completed with these partnerships, Sony will continue to work with various partners to address global social issues.

### **Partnership Activities**

#### UNICEF:

Initiatives to support education and vocational training, and improve mental health for children and young people around the world through the development of an environment where everyone can enjoy digital education equally, the promotion and strengthening of prevention and care through advocacy activities to support mental health, and the integration and expansion of support systems in fields such as health and education

#### UNHCR:

Support to help forcibly displaced persons and their host communities in Bangladesh and in the southern Africa region to recover from the devastating effects of COVID-19, and support to empower communities in health and hygiene activities to prevent future infectious diseases

#### Save the Children:

Cash assistance for children in Japan who are from households with economic and living difficulties, as well as support activities such as protecting and improving resilience of children and youth in Bangladesh and Mozambique

Sony Global Relief Fund for COVID-19

# Launching a Pilot Project to Utilize Synecoculture™ for Forest Restoration

World Wide Fund for Nature Japan (WWF Japan), WWF-Indonesia, Sony Group Corporation (SGC) and SynecO, Inc. have launched a pilot project to introduce Synecoculture™, an agricultural method that utilizes the self-organizing function of ecosystems, for the regeneration of forests in Sumatra, Indonesia. The project aims to verify the effectiveness of Synecoculture in forest restoration activities in the places where manual work is constrained.

In April 2021, WWF Japan and SGC signed a three-year WWF Corporate Partnership Agreement to step up their collaboration in tackling climate change and conserving biodiversity through forest conservation, and to bring about a healthy global environment. SynecO is working to promote the widespread adoption of Synecoculture, and both parties will further collaborate to introduce it into critical areas of forests where WWF-Indonesia has been implementing a project to conserve forests and biodiversity towards the realization of a nature-positive future. In cooperation with the local community, the project will measure the effects of Synecoculture on forest restoration in the area over a period of approximately one year, until the end of 2024. Through these activities, the project aims to both contribute to the continuation of multi-generational use of forests and habitat recovery for biodiversity, and contribute to the local community in the long term.

\* Synecoculture is a trademark of Sony Group Corporation.

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A forest revitalization activity survey in Sumatra, Indonesia

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# **Support for Communities**

# **Aloy's Forest Project**

Sony Interactive Entertainment (SIE) continued its mission to promote action on biodiversity conservation through the Aloy's Forest project. Since the launch of Guerrilla's Horizon Forbidden West, SIE and Guerrilla have supported reforestation projects around the world. This initiative is part of our commitment to the United Nations Playing for the Planet Alliance to plant 1 million trees together with the gaming industry. In 2023, together with our PlayStation community and selected partners, 600,000+ trees were planted globally, and an estimated 1,800 acres of indigenous lands and wildlife habitats have been restored so far.

In 2024, SIE announced further expansion of Aloy's Forest by sponsoring strategic reforestation and habitat conservation projects with the Arbor Day Foundation and World Wildlife Fund (WWF). In partnership with the Arbor Day Foundation, SIE's support will help plant a total of 50,000 trees to restore forest ecosystems of greatest need in Rwanda and Madagascar. For WWF, SIE's donation will help efforts to manage lowland forest in Sumatra, Indonesia, and conservation efforts in the cross-border region of Unganisha, Africa.



Horizon Forbidden West - Alov's Forest

☑ Aloy's Forest project☑ Playing for the Planet Alliance

# **Donation of Sorabear Power Generation Equipment**

For 15 years starting in 2009, Sony Assurance has run a program donating solar power generation equipment to kindergartens. This program capitalizes on Sony Assurance's method of calculating automobile insurance premiums when customers sign a contract, based on the distance driven in a year. If the actual distance traveled is less than was forecast when the policyholder signed the contract, the policyholder has contributed to environmental conservation by reducing CO<sub>2</sub> emissions caused by driving. To amplify such policyholders' environmental contribution, Sony Assurance donates an amount determined based on the total distance not driven to the Sorabear Foundation, an NPO that promotes renewable energy and provides environmental education. The foundation is also engaged in the Sorabear Smile Project, which uses donations from businesses and individuals to donate Sorabear Power Generation Equipment to kindergartens and nursery schools across Japan. Sony Assurance has donated a total of 37 sets of generation equipment through this project, including three donated to kindergartens and nursery schools in Kumamoto, Gunma, and Miyagi prefectures in fiscal year 2023.

\* Sony Life Insurance is also involved in donating Sorabear Power Generation Equipment through the Sorabear Smile Project. It introduced CD (discontinued in 2020) and online versions of its Contract Guidebook/Terms and Conditions, and makes donations based on the number of people who choose these options instead of the printed version.



Sorabear Power Generation Equipment donation ceremony (Nishinomori Kindergarten, Gunma Prefecture)

☑ Sorabear Power Generation Equipment Program for Kindergartens (in Japanese)

# **Foundation Initiatives**

The Sony Education Foundation supports the frontline activities of educators and children, who are the future.

In fiscal year 2023, the Sony Educational Support Paper program received more than 230 submissions from elementary schools, junior high schools, kindergartens and nurseries, to which educational subsidies and Sony products were provided. In addition, the Mirai Teacher's Academy for educators, which aims to develop leaders who can reform education initiatives, has established a new top leaders' course. The number of people registered with the "Scientific Mindset" Network for educators also reached over 1,000. Sony also held more than 50 Monozukuri Workshops across Japan. Over 1,200 children took part in these events intended to strengthen interest in science.

The Sony Music Foundation (SMF) is active in four primary areas: (I) To provide high quality music to children; (II) to create opportunities for everyone to enjoy classical music; (III) to support nurturing young classical musicians; and (IV) to support educational activities and initiatives for children through music. In fiscal year 2023, the 13th International Oboe Competition of Japan was held after a five year interval. This competition supporting young talented musicians attracted a record number of applicants from 28 countries and regions. SMF is also engaged in other social contribution activities involving classical music, including grants, awards and concert events such as the Japanese Red Cross Society Blood Donation Charity Concert. That's Classic! and Concert for KIDS..

Sony Foundation Australia (SFA) unites the Sony Group of companies in Australia to deliver sustainable social impact and positive emotion to empower the next generation. One core initiative, "You Can" aims to improve cancer care for young Australians. In fiscal year 2023, SFA 's "You Can Stay" program provided 8,477 nights of free accommodation to over 153 Australian regional youth cancer patients, and their families when required to travel to the city for cancer treatment, through a donation of 1,402,108 AUD. SFA donated 483,578 AUD to the SFA Children's Holiday Camp Program providing parents of 560 children with disability, access to free overnight respite care. 1,070 high school and university student volunteers undertook 25,680+ hours of disability training to take on the role of a carer for a child with disability at one of 30 camps across Australia, creating a powerful platform for diversity, equity and inclusion.

☑ Sony Education Foundation (Japan)

Sony Music Foundation (Japan) (in Japanese)

☑ Sony Foundation Australia (Australia)

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# **Employee Engagement**

# **Employee Engagement in Social Contribution Initiatives**

Sony uses a three-step approach to provide its employees with opportunities to participate in social contribution initiatives: (1) Raise awareness of social issues, (2) Volunteer, and (3) Leverage specialized expertise.

There are programs for each approach. As part of raising awareness of social issues, e-learning, employee-participatory study sessions and lectures, and in-house newsletters are provided. Opportunities to participate in volunteer work and donations (funds, goods, books) include donations for emergency humanitarian assistance and participation in community cleanups and greening programs. For those who wish to leverage their specialized expertise, educational programs offer opportunities to serve as lecturers and staff at workshops, or as career-oriented class instructors. Sony is also working to utilize its technologies to contribute to addressing social issues.

**Employee Engagement Approaches and Initiatives** 

### **Employee Engagement Approaches and Initiatives**

(3) Leverage specialized expertise Activities utilizing work skills and specialist expertise (teaching workshops, using technology to address social issues, etc.)

(2) Volunteer

Volunteer initiatives, employee donations, etc.

(1) Raise awareness of social issues e-learning, employee lectures and study groups, internal newsletters, etc.

# **Leave for Volunteering Purposes**

To support employee participation in volunteer activities, Sony Group Corporation has an employee volunteer support system that offers accumulated leave and volunteer leave. Employees participate as volunteers in educational support and disaster relief activities.

### **Volunteer Initiatives**

In fiscal year 2023, Sony launched the Sony Group Volunteer Website, a volunteer matching site in collaboration with Japan Philanthropic Association (JPA). Employees can use this dedicated site to select and apply directly for volunteer programs in various fields in major cities across Japan. In fiscal year 2023, 274 applications were submitted. Sony will continue to encourage employee engagement in volunteer activities.

# **Employee Charitable Donation Initiatives**

Sony has been introducing matching gift programs where the company matches donations made by employees to support aid organizations in times of disasters and emergency humanitarian crises. In fiscal year 2023, Sony provided humanitarian support to people in Israel and Gaza in November 2023. In January 2024, it also gave support to the people and areas impacted by the Noto Peninsula Earthquake. Employees at Sony Group companies in Japan made donations, and their companies also made matching contributions. At SCA, SMG, SPE, SIE and SEL, donation platforms are provided throughout the year. Eligible employees can make a donation at a time of their choosing, and their companies will make a matching contribution based on conditions they set respectively.

# **Social Issue Experience Program**

Sony Group worked with Save the Children Japan and Sony India to hold a six-day Social Issue Experience Program in Delhi and Patna, India in April 2023 to enhance understanding of social issues among Sony Group employees. This program recruited participants from Sony Group companies in Japan, with eight employees from diverse business segments, departments, and backgrounds. During the program, participants analyzed the structural causes of social issues and deepened their understanding of social issues by visiting sites where Save the Children and Sony India implement support activities and also through conversation with related parties. Based on the knowledge gained through the program, participants have voluntarily continued to seek for solutions utilizing Sony's technology.



Children and teachers at an elementary school in Delhi show plans on disaster preparedness

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# Environment



# **Overview**

# **Basic Approach**

Sony has pursued environmental initiatives since the 1970s, and began setting environmental principles and targets in the early 1990s. In April 2010, Sony established the "Road to Zero," a plan to realize a sustainable society by achieving a zero environmental footprint throughout the life cycle of its products and business activities by 2050. In May 2022, Sony made the decision to bring forward the target year of achieving a zero environmental footprint in the climate change area by ten years from 2050 to 2040. Working toward a zero environmental footprint, once every five years Sony sets concrete medium-term environmental targets for each stage of the life cycle for its products with respect to climate change, resources, chemical substances, and biodiversity.

# **Organizational 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 medium-term environmental targets and complying fully with legal requirements, regulatory demands and internal policies established for the group.

In addition, Sony has set up specialized functions to handle individual areas of activity within headquarters environmental functions.

Corporate Executive Officers oversee these functions as Sony Group Corporation senior management.

# **Looking to the Future**

Under the targets set to achieve from fiscal years 2021 to 2025 in Green Management 2025, Sony prioritizes both encouraging business partners, consumers, and other stakeholders to take action and work together to build a sustainable world, as well as its own environmental activities. By 2030, we also intend to switch to 100% renewable energy for electricity used at our business sites and aim to make direct and indirect greenhouse gas (GHG) emissions (scopes 1 and 2) of our business operations net-zero. Then, by 2035, we are aiming to reduce scope 3 GHG emissions during product use by 45% (compared to fiscal year 2018), achieving net-zero targets in all scopes by 2040. Moving forward, Sony will continue to strengthen our efforts to achieve a zero environmental footprint.

### Milestones

1976

1993:

	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 all European sites
2010:	"Road to Zero," Sony's Global Environmental Plan announced
2015:	Approved as Science Based Targets (SBT)
2018:	Sony joins RE100 global initiative
2022:	Sony announced the bringing forward of the target year of achieving a zero environmental footprint in the climate change area and "RE100"

Approved as a Science Based Targets (SBT) net zero target

Company-wide Sony Environmental Conference established

Sony Global Environmental Policy and Environmental Action

Environmental Data

"Road to Zero," Sony's Global Environmental Plan

☑ Green Management 2025

☑ Sony Group Portal Website "Environment"

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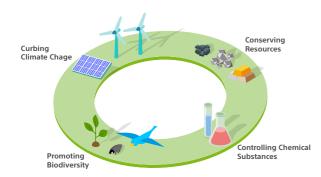
# **Environmental Policies and Targets**

# **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. In 2010, we updated our Environmental Vision along with the formulation of the Road to Zero environmental plan.

# **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 a sustainable society, Sony strives to achieve a zero environmental footprint throughout the lifecycle of our products and business activities.



Sony focuses on four environmental perspectives

### **Basic Policy**

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 is striving to achieve zero GHG emissions\* throughout the lifecycle of its products, service and business activities.

\* Gases that raise the temperature of the earth's surface by absorbing infrared radiation from reflected sunlight. Carbon dioxide (CO<sub>2</sub>), methane, nitrous oxide, hydrofluorocarbon (HFC), perfluorocarbon (PFC), sulfur hexafluoride (SF<sub>6</sub>) and nitrogen trifluoride (NF<sub>3</sub>) are seven typical examples.

#### Resources

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 waste from sites and maximizes our effort for take back and recycling products from markets.

#### **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**

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. 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 communication with internal and external stakeholders.

## **Environmental Plan**

# "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 medium-term environmental targets toward this end. In May 2022, Sony made the decision to bring forward the target year of achieving a zero environmental footprint in the climate change area by ten years from 2050 to 2040.

"Road to Zero," Sony's Global Environmental Plan



# Four Focus Points for a Zero Environmental Footprint

Sony's efforts to achieve a zero environmental footprint focus on four important environmental perspectives: climate change, resources, chemical substances, and biodiversity.

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### **Focus on Climate Change**

Sony aims to achieve zero GHG emissions in its business activities, as well as throughout the entire life cycle of its products and services. In order to reduce emissions, we conduct scenario analysis\* in accordance with TCFD Recommendations, analyze and ascertain climate-related risks and opportunities, and review the countermeasures. To achieve zero GHG emissions, Sony works to maximize energy-saving measures and introduce as much renewable energy as possible.

In addition to such measures as reducing the amount of electricity used at business sites, promoting the installation of solar power generation equipment, and maximizing energy efficiency in Sony products and services, Sony also encourages similar measures in the supply chain, including at contract manufacturers and suppliers of raw materials and components, to reduce direct and indirect GHG emissions. Sony also investigates ways to offset any emissions that might remain through efforts such as carbon removal.

- \* See below for more information on scenario analysis in accordance with TCFD Recommendations.
- → Disclosure of Climate and Natural Capital-related Information in Accordance with TCFD and TNFD

#### Focus 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, based on the globally prescribed promotion of a circular economy. Sony minimizes resource consumption by reducing the weight of products, minimizing the use of packaging materials, and utilizing resources more efficiently in its internal operations. Concurrently, Sony also works to extend the life of products through quality and durability enhancements, while undertaking environmentally conscious design, such as making products easier to repair, in order to indirectly reduce resource consumption. Additionally, as part of its efforts to respond to the growing global problem of plastic pollution in the ocean, Sony continues to work toward reducing the amount of singleuse plastic product packaging. Sony aims to reduce the number of parts derived from virgin resources to zero by identifying certain key resources\* in terms of environmental impact due to the depletion,

uneven distribution and mining of resources, loss of biodiversity due to mining, and the effects of these impacts on local communities. 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.

\* 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.

#### Focus 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 discharges that return to water sources is of a quality that does not negatively impact the environment.

### Focus 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 FSC-certified and recycled paper.

Sony Group Paper / Printed Material Purchasing Policy [PDF: 417KB]

### **Focus 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.

### **Focus on Biodiversity**

Recognizing the importance of natural capital, as the very foundation of human life, and the ecosystem services it supplies, Sony endeavors to maintain and recover biodiversity, both in its business activities and through community initiatives. In order to promote these initiatives, we conduct scenario analysis in accordance with TNFD Recommendations, perform scenario analysis\* and ascertain risks and opportunities for natural capital and biodiversity, then review the countermeasures. At each stage of the product lifecycle, Sony business activities are either dependent on or related to natural capital and biodiversity. We set and work toward goals with this in mind, especially at stages where this link is particularly prominent. For example, Sony aims to eliminate parts derived from virgin resources and prevent the loss of biodiversity due to mining in our procurement of raw materials and parts. For paper resources closely tied to biodiversity, we are continuing efforts to reduce the amount of paper used, and prioritize the purchase of environmentally conscious paper.

Land use is another factor causing the loss and deterioration of biodiversity. In response, Sony promotes nature restoration and biodiversity conservation efforts that meet regional needs for the green areas on the premises of Sony sites as well as the surrounding area. Sony takes seriously the issue of plastic pollution in the oceans, which has become a worldwide crisis in recent years. We promote activities to reduce the amount of plastics used in products and in manufacturing sites, as well as the collection of plastic waste and cleanup activities at sites.

Sony also recognizes that food is essential to the lives of all our employees and humanity as a whole. This is also linked to environmental issues such as soil pollution, deforestation, food loss

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and global warming. We work to communicate these issues to our employees and encourage them to have an environmentally conscious diet.

- \* See below for more information on scenario analysis in accordance with TNFD Recommendations.
- → Disclosure of Climate and Natural Capital-related Information in Accordance with TCFD and TNFD

# **Medium-Term Environmental Targets**

Sony is working toward its goal of having a "zero environmental footprint," setting medium-term (five-year) environmental targets progressively backcasted from 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 medium-term environmental targets (fiscal years 2011 to 2015), which was the first step on the road to a zero environmental footprint, and took the second step in 2016 with the Green Management 2020 medium-term environmental targets (fiscal years 2016 to 2020). Sony is currently implementing initiatives to achieve the goals it has set under the Green Management 2025 medium-term environmental targets (fiscal years 2021 to 2025).

# **Green Management 2025**

# Sony Moves Even Closer to Zero with 2025 Targets

Since April 2021, Sony has been working to achieve the goals it has set under the Green Management 2025 medium-term environmental targets (fiscal years 2021 to 2025). Sony continues to accelerate its environmental activities in order to move even closer to a zero environmental footprint.

# **Green Management 2025 in Context**

In light of the urgent environmental issue of climate change, GHG emissions must be reduced to virtually zero by 2050 in order to keep

the global average temperature increase below 1.5°C (compared to preindustrial levels) as recommended in the Special Report on Global Warming of 1.5°C approved by the Intergovernmental Panel on Climate Change (IPCC)\* in 2018. In order to realize a decarbonized world with virtually zero GHG emissions, companies will need to develop energy saving products, introduce renewable energy, and reduce emissions throughout their supply chains. At the same time, in order to achieve sustainable use of resources, economic growth must be balanced with environmental impact; societies must shift to circular economies; and the recent problem of ocean plastic pollution must be addressed.

\* IPCC: Intergovernmental Panel on Climate Change

## Formulating Green Management 2025

Sony believes that encouraging business partners, consumers, and other stakeholders to take action and work together to build a sustainable world is equally as important as its own environmental activities. When formulating Green Management 2025, Sony examined its past environmental activities and conducted a group-wide materiality analysis focused on what is important to Sony, its stakeholders and society at large. Based on these results and the wider social context, Sony reaffirmed the importance of the four environmental perspectives that it has been working to address: climate change, resources, chemical substances, and biodiversity. The following three areas are particular key priorities.

# Focus Point 1: Improve Energy- and Resource-Efficiency of Products

Sony continues to pursue energy efficiency during product use,

Green Management 2025



which accounts for the majority of GHG emissions throughout the life cycle of its products. In addition to minimizing the consumption of resources, Sony takes action to reduce the amount of plastic used in products and packaging in order to address the growing problem of ocean plastic pollution.

# **Focus Point 2: Expand Renewable Energy Use**

Sony is a member of RE100 and aims to achieve 100% renewable electricity utilization at all Sony Group sites by 2030.\* Sony will further accelerate efforts to achieve this goal by expanding the use of renewable electricity to at least 35%\* of the total amount of electricity used at all Sony sites around the world by 2025.

\* Revised May 2022

→ RE100 Membership

# Focus Point 3: Enhance Supply Chain Engagement to Reduce Environmental Impact

Sony has been working to reduce the environmental impact of the entire supply chain by working even more closely with raw material and component suppliers and contractors to which it outsources manufacturing. Sony endeavors to further enhance its engagement with these partners, encouraging them to set targets for reducing GHG emissions and water consumption and managing their progress.

In addition, Sony has helped raise awareness of the Sustainable Development Goals (SDGs), including those in relation to the environment, through its entertainment content reaching more than 2 billion people around the world. Green Management 2025 also focuses on promoting these activities and encouraging engagement in environmental activities with the aim of getting over 2.5 million people to take action.

# **Specific Green Management 2025 Targets**

For a list of Green Management 2025 targets, see the following website.

☑ Green Management 2025

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# **Green Management 2025 Targets and Progress**

Under the Green Management 2025 (GM2025) medium-term environmental targets, which spanned from fiscal year 2021 through fiscal year 2025, Sony set targets for each stage of the product lifecycle and took action accordingly. The targets and fiscal year 2023 progress of activities for each stage are outlined below.

### **Product/Service Planning and Design**

Sony provides products and services with low environmental impact in all business areas. We are promoting electronic products with designs that reduce environmental burden throughout their lifecycle, and promoting the use of recycled plastics in our products alongside the reduction of plastic packaging. Particularly in its entertainment business, Sony also makes the most of the content it creates to develop and implement environmental campaigns.

Items	Targets (base year: 2018)	Fiscal year 2023 Progress
Overall	Centering around the entertainment business, raise the awareness of more than 2 billion people on sustainability issues and engage more than 2.5 million people by the entire Sony Group	Utilized entertainment content to raise the awareness of more than 0.54 billion people across the entire group, and promoted participation to a total of 49 million people through events and social media
Climate Change	Reduce annual energy consumption per product unit by 5%	Approx. 0.7% decrease
	Reduce the amount of virgin oil-based plastics per product unit (excluding packaging materials) by 10%	Approx. 16.1% decrease
Resources	Reduce the amount of plastics packaging per product unit by 10%	Approx. 25.1% decrease
,	Eliminate plastic packaging for newly-designed small products	Released in 2023, the WF-1000XM5 headphones, Xperia 1 V and 5 V Smartphone, Vlog camera ZV-1 II, etc., realize zero plastic <sup>-2</sup> in individual packaging.*1
Chemical Substances	Eliminate high-risk applications of "Controlled Substances"* <sup>3</sup> that are of high concern and use alternative substances	Promoted use of alternative substances based on Sony standards for management of chemical substances.  For more information on alternatives for polyvinyl chloride (PVC) and brominated flame retardants (BFR), please see below.  → Replacement of Polyvinyl Chloride (PVC)  → Replacement of Brominated Flame Retardants (BFRs)

<sup>\*1</sup> Individual packaging refers to the individual product box and packaging inside the box.

### **Operations**

Sony has adopted renewable energy at worksites throughout the Sony Group as part of its focus on reducing its environmental impact. Sony has been accelerating the adoption of renewable energy since 2021, and in May 2022, we moved our target year for using 100% renewable energy up from 2040 to 2030. Our GM2025 goal for renewable energy-derived electricity in 2025 was also increased from 15% to 35%.

Items	Targets (base year: 2020)	Fiscal year 2023 Progress
Climate Change	Reduce absolute GHG*1 emissions from Sony's sites by 5%	Approx. 3.2% decrease
	Utilize renewable electricity by 35%*2 or more (Renewable electricity rate)	Approx. 35.3%
	Improve waste generation intensity value by 5%	Worsened by 50.9%
	Reduce landfilled waste rate to 1% or less	Approx. 0.9%
Resources	<ul> <li>Sites that use a large volume of water: improve water usage intensity value by 5%</li> <li>Sites located in high water-risk areas: implement water risk reduction activities corresponding to the water risk of the area</li> </ul>	Worsened by 11.6% Risk reduction efforts underway, such as reduction of pollution of water discharges
	Promote the use of certified and recycled paper	Promoted the use of recycled paper and certified paper based on our purchasing policy for paper and printed media
Chemical Substances	Take actions for the specified chemical substances, as outlined below Class 1 substances: Prohibit use Class 2 substances: Prohibit use (Exemptions granted for certain applications) Class 3 substances: Reduce the total amount of VOCs*2 released into the air to below FY2010 level or less	Class 1 substances: No use of prohibited substances Class 2 substances: No use of prohibited substances Class 3 substances: Emissions of VOC into the air: Approx. 53.0% reduction
	Continually promote biodiversity conservation activities respecting the needs of local communities	Implemented activities to preserve biodiversity at 29 sites according to local needs
Biodiversity*4	In employee cafeterias, promote the serving of environmentally conscious food	Provided meals using environmentally conscious ingredients at 40 sites and raised employee awareness through employee workshops at 47 sites
	Implement initiatives to reduce ocean plastic pollution	Reduced providing single-use plastics and promoted the use of reusable water bottles at 41 sites Conducted cleanup activities at 45 sites

<sup>\*1</sup> GHG: Greenhouse gases. \*2 Increased from 15% to 35% in May 2022.

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<sup>\*2</sup> Coating and adhesive materials excluded.

<sup>\*3 &</sup>quot;Controlled Substances" is an abbreviation for "Environment-related Substances to be Controlled," and it refers to substances contained in parts and devices that the Sony Group considers to have significant environmental impact on both humans and the global environment.

<sup>\*3</sup> VOC: Volatile organic compounds. 
\*4 Biodiversity data includes non-ISO14001 certified sites.

# **Supply Chain**

Sony requests its raw materials and component suppliers as well as subcontractors to strengthen their efforts to reduce environmental burden, set targets, manage progress and achieve results in order to meet reduction targets across the entire product lifecycle.

Items	Targets	Fiscal year 2023 Progress
Climate Change	Request suppliers of raw materials and components and contract manufacturers to monitor their GHG emissions, set medium- and long-term targets for emissions reduction, and perform progress management	Requested relevant suppliers to calculate actual emissions, set medium and long-term reduction targets and implement reduction measures. Surveyed supplier progress. Valid response rate: approx. 80% (transaction amount basis)
Resources	Request suppliers of raw materials and components and contract manufacturers to set water consumption reduction targets and perform progress management, while taking into consideration the water depletion risk in the areas where each site is located	Requested relevant suppliers to calculate actual emissions and water risk, set reduction targets and implement reduction measures. Valid response rate: approx. 80% (transaction amount basis)
Chemical Substances	Request and manage the response of suppliers of raw materials and components and contract manufacturers to Sony Group's unified standard, for raw materials, components and products supplied to Sony Group, as well as products/semi-products to be delivered from an outsourcing contractor	Requested response based on Sony standards for the management of chemical substances.
	Request suppliers of raw materials and components and contract manufacturers to eliminate the use of substances specified by Sony Group in their manufacturing processes and perform appropriate management	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.
Biodiversity	Request suppliers of raw materials and components and contract manufacturers to take initiatives giving consideration to biodiversity	Requested relevant major suppliers take biodiversity into consideration. Surveyed supplier biodiversity activities.

# Logistics

Sony is taking steps to reduce shipping weight by making products smaller and lighter, and pursuing alternative shipping methods (modal shift, etc.) by identifying and employing methods that are most efficient and have less impact on the environment in order to reduce  $CO_2$  emissions due to distribution.

Items	Targets (base year: 2018)	Fiscal year 2023 Progress
Climate Change	Reduce absolute CO <sub>2</sub> emissions related to logistics between nations and within regions by 10%	Approx. 25% decrease

# **Take Back and Recycling**

Sony focuses on recycling-oriented product design and promotes take back and recycling processing for end-of-life products. Meanwhile, Sony seeks to ensure that even items which the company itself is unable to recycle at the present time are recycled, and is collaborating with recyclers to clarify the extent to which key resources are being recycled.

Items	Targets	Fiscal year 2023 Progress
Resources	Establish and maintain recycling schemes suitable for the needs of local communities.	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.
	When recycling a key mineral resource (tantalum), improve sorting efficiency 1.5 times (vs fiscal year 2020)	At specific recycling plants in Japan, we adjusted our sorting process for the recovery of parts containing tantalum from used products from fiscal year 2021 to 2022, improving the efficiency of this process by about 44 times that of fiscal year 2020, when the equipment was first introduced.

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### **Global Environmental Initiatives**

# Approval for 1.5°C Science Based Targets

When formulating Green Management 2025 Medium-Term Environmental Targets, we took a longer-term perspective and set its climate change targets to be achieved by fiscal year 2035. These targets are listed below and have been approved by the Science Based Targets (SBT)\* initiative as consistent with a 1.5°C goal. In May 2022, the target year was moved up to 2040, and our goal of achieving net-zero targets in scopes 1 to 3 across the entire value chain was approved as an SBT net-zero target in August 2022.

- \* SBT is an international initiative to encourage companies to set science-based GHG reduction targets in order to limit the increase in the average global temperature due to climate change to 1.5 degrees Celsius above preindustrial levels.
- Set SBT-consistent reduction targets for raw material and component suppliers and outsourced manufacturers equivalent to 10% of supply chain GHG emissions by fiscal year 2025
- Reduce GHG emissions at Sony sites globally by 72% relative to fiscal year 2018 levels by fiscal year 2035
- Reduce GHG emissions during product use by 45% relative to fiscal year 2018 levels by fiscal year 2035



DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

Science Based Targets logo

## **RE100 Membership**

In 2018, Sony joined RE100\* and itself is working toward sourcing 100% renewable electricity for the worldwide operations of the Sony Group by 2040. This target was moved up to 2030 in May 2022. Sony has already switched to 100% renewable electricity in Europe and China. In Pan Asia, North America and Japan, we are increasing renewable energy use using various strategies including deploying solar energy systems. In Pan Asia, our manufacturing sites are now 100% renewable energy. Particularly, to address its energy-intensive

operations in Japan, Sony has installed solar power generation equipment, is engaging in Japan's first virtual PPA (power purchase agreement) based on a feed-in premium (FIP) scheme, and is implementing intracompany transfers of surplus power generated by off-site solar power systems to supply power to group sites.

\* 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.

→ Use of Renewable Energy
 ☑ Japan's First Virtual PPA Utilizing FIP Scheme

**RE100** 





RE100 logo

# Tackling Ocean Plastic Pollution with the One Blue Ocean Project

Sony takes seriously the issue of plastic pollution in the oceans, which has become a worldwide crisis in recent years. Since 2019, Sony has continued to work on the One Blue Ocean Project, an initiative to help reduce ocean plastic pollution. It involves promoting even more activities to reduce the amount of plastics used in products and in workplaces, as well as the collection of plastic waste and cleanup activities at each Sony site.

Sony is promoting One Blue Ocean activities for products and sites based on the following four initiatives. The main achievements of fiscal year 2023 are also outlined below.



Logo of the One Blue Ocean Project

### Reducing Plastic and Utilizing Recycled Materials

For a wide range of products, Sony is reducing the size and weight of plastic parts, minimizing plastic packaging, and expanding the use of

recycled plastic.

See below for fiscal 2023 results.

- → Reducing Use of Virgin Plastics Product Bodies
- → Reducing Plastic Packaging

#### **Reducing Plastic Use in Production**

Sony is further reducing the amount of plastic used at production sites. The amount of plastic waste generated from Sony production sites in fiscal year 2023 was increased by 566 metric tons over fiscal year 2022. This represents a 1,516 metric tons reduction over plastic waste generated in fiscal year 2018.

### Reducing or Eliminating Single-use Plastics in Conference Rooms and Shops

Sony aims to eliminate the use of single-use plastics such as plastic bottles, straws, and cups in conference rooms and reception rooms. In addition, plastic bags will no longer be provided at in-company shops and cafes, and the use of single-use plastics such as straws and cups will be reduced and gradually phased out. At the same time, Sony is working to cultivate awareness among employees about the use of reusable shopping bags and personal cups.

In fiscal year 2023, we stopped providing bottles and other singleuse plastics in conference rooms at 41 sites. We also stopped providing plastic bags at shops and convenience stores at 22 sites, as well as plastic straws at 21 sites.

### **Expanding Local Cleanup of Riverbanks and Shorelines**

Sony employees at certain sites and group companies all over the world have been carrying out community cleanup activities along rivers and seashores, and these activities are being steadily expanded to even more sites. Employee awareness of measures to combat ocean plastic pollution will also be further enhanced.

In fiscal year 2023, 9,272 Sony Group employees and their families worked together to clean up 532 45-liter trash bags and 8 metric tons of trash during a total of 286 cleanup activities at 45 sites.

One Blue Ocean Project

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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 medium-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 year 2000. Since then, Sony has expanded this effort, establishing a group-wide environmental management system integrating its 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 year 2005. As of March 31, 2024, integrated ISO 14001 certification had been obtained by 86 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

In order to promote a wide range of measures, such as manufacturing and sales of environmentally conscious products, recycling of its products and environmental management at its sites, Sony has a dedicated headquarters that oversees environmental management for the entire Group based on the Sony Group Environmental Vision. It sets goals and rules and monitors performance. There are also specialized functions at this environmental headquarters, specifically in the areas related to energy consumed at sites and by products; resource conservation, including recycling; chemical substance management; biodiversity conservation; procurement and communications. Each specialized function is integrated and linked with related fields and internal organizations such as quality assurance, customer service, occupational health and safety, and disaster prevention, to create an even more effective management system. The environmental headquarters is overseen by Sony's management, which is the top management, and a Sony Group Corporation corporate executive officer assumes ultimate responsibility. Management including the president of Sony Group Corporation share information on environmental issues of importance to the Sony Group in regularly-held executive meetings. Additionally, to promote integrated environmental management globally, Sony has established six regional environmental offices to facilitate regionwide environmental management activities, such as a better understanding of local legal and regulatory trends, effective

The Sony Group Global Environmental Management System (As of Sunday, March 31, 2024)



Integrated ISO 14001 certification for 86 Sony Group sites worldwide

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 Europe, Israel, Turkey, and former Soviet Union (except for Azerbaijan, 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 mainland China and the Hong Kong Region.
- \*4 The Pan Asia environmental office supervises divisions/sites in Mongolia and other parts of 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, Azerbaijan, Tajikistan, Turkmenistan, and Uzbekistan.

# 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 medium-term 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 at headquarters, contributing to ongoing improvement efforts.

To gauge the progress of these environmental activities, Sony has developed an online data system for periodically collecting performance for, among others, energy 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

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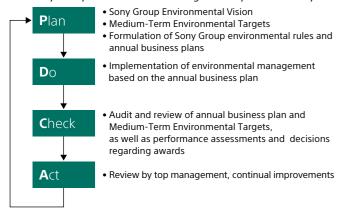
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environmental document structure in line with the requirements of ISO 14001. The structure covers overall elements of environmental management such as management procedures on site and in the business groups, internal environmental communications, efforts to make products more environmentally conscious, and internal audits. 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



### **Connecting Environmental Initiatives with Remuneration**

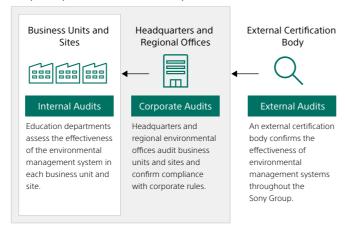
For all businesses of the Sony Group (except for certain operations such as the financial services), the results of environmental initiatives are assessed as part of the annual review of business results, and the assessment is used to determine bonuses for employees of Sony's main business units. Additionally, environment-related matters are taken into account as a factor in evaluating the remuneration linked to business results of Senior Executives and Senior Vice Presidents in charge of each business unit. Awards are given annually at the global level to recognize outstanding achievements in raising awareness and expanding initiatives.

→ Basic Policy Regarding Senior Executive Remuneration

### **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



# Overview of Sony's Environmental Impact

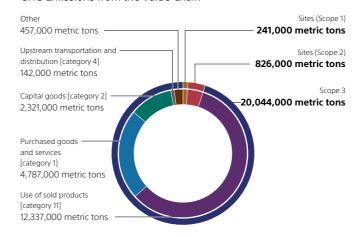
# Assessing GHG Emissions over the Entire Value Chain

The recent escalation of climate change issues has prompted corporations to broaden the scope of efforts to ascertain the GHG 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 calculated emissions for its entire value chain.\*² The amount of emissions from Sony's overall value chain in fiscal year 2023 is estimated to be approximately 21.111 million metric tons. The largest volume of emissions, approximately 12.337 million metric 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 4.787 million metric tons. Sony will continue to strive to identify and manage emissions over the entire value chain.

- \*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 GHG emissions are calculated in accordance with the GHG Protocol's scope 3 accounting and reporting standard and guidelines published by Japan's Ministry of the Environment.

### GHG Emissions from the Value Chain



Environmental Data

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## **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 year 2023 for items that Sony can recognize and manage directly.

### Environmental Data Collection Methods and Rationale

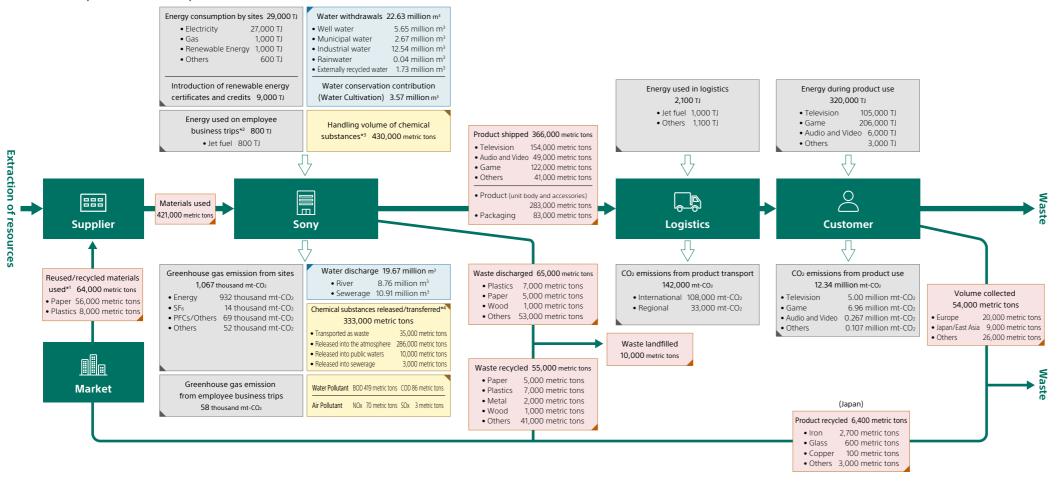
### Overview of Sony's Environmental Impact

Greenhouse gases

Resources

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Chemical substances



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# Disclosure of Climate and Natural Capital-related Information in Accordance with TCFD and TNFD

Sony Group Corporation recognizes that its business depends upon a healthy global environment, so it strives to achieve a zero environmental footprint throughout the life cycle of products and business activities. Medium-term environmental targets to achieve these ends include responding to climate change as well as tackling issues from the perspectives of natural capital and biodiversity. Business activities both depend on and impact water, minerals, energy and other natural capital resources at every stage of the product life cycle. We also consider our efforts toward curbing climate change and transitioning to a decarbonized society to be key issues we must take on. Natural capital and climate change are directly connected to each other, so we address responses related to these themes in accordance with the TCFD recommendations (hereinafter, TCFD) and the TNFD framework (hereinafter, TNFD).

# Climate Change, Natural Capital and Biodiversity Policy

Climate Change

Sony reduces energy consumption and is striving to achieve zero GHG emissions throughout the life cycle of its products, service and business activities.

Specifically, Sony has designated the following initiatives to achieve its medium-term environmental targets, and is working to reduce direct and indirect emissions.

### On-Site

- Promoting efficient energy use
- Switching to energy sources with lower GHG emissions
- Promoting use of renewable energy
- Reducing GHG emissions from non-energy related sources

#### Off-Site

- Developing and providing energy-efficient, environmentally conscious products and services
- Working with contract manufacturers and suppliers of raw materials and components

### **Natural Capital and Biodiversity**

Sony protects and utilizes ecosystem services in a sustainable manner, while actively promoting maintenance and recovery of biodiversity through business activities and local contribution. We set and work toward goals with particular focus on stages of the product life cycle where Sony is particularly dependent on or more likely to impact natural capital and biodiversity. We actively work to maintain and restore biodiversity through environmentally conscious procurement of raw materials and parts, while also working to conserve resources in the manufacture of both products and their packaging.

- → Sony Group Environmental Vision
- → Environmental Plan
- → Medium-Term Environmental Targets

### Governance

Under the Companies Act of Japan, Sony Group Corporation 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's fundamental management policies and other material matters, while broadly delegating the decision-making authority to conduct Sony's business operation to Senior Executives including CEO and Corporate Executive Officers in line with their respective responsibilities as defined by the Board, with a view to promoting timely and efficient decision-making within Sony.

The Board regularly deliberates and decides upon the mid-term management plan and annual business plan, taking into account various risks and opportunities, including climate change, natural capital and biodiversity, 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.

With authority delegated by the Board, the CEO of Sony Group Corporation, who is a member of the Board has responsibility and authority to establish and determine the Sony Group Environmental Vision, which stipulates the corporate philosophy on the global environment and corporate principles including efforts to curb climate change, protect natural capital and promote biodiversity, and

medium-term environmental targets (Green Management 20XX) which are applicable to the entire group. The Corporate Executive Officer in charge of sustainability including environmental matters is appointed by the Board, then established the Sony Group Environmental Management Structure, which consists of internal regulations that stipulate the basic framework for global environmental management at Sony. Through the Environmental department, this Corporate Executive Officer supervises the initiatives implemented by each business unit and business site to achieve the Sony Group Environmental Vision, and also supervises their operation of and adherence to the Sony Group Environmental Management Structure. In order to address TCFD and TNFD, the Environmental department leads the analysis and identification of climate-related risks and opportunities through scenario analysis and reviews the countermeasures (For more details, see "Climate Strategy" and "Natural Capital and Biodiversity Strategy"). The progress on initiatives implemented under this environmental execution framework are regularly reported to and reviewed by the Board. The primary roles of the Compensation Committee are to: (a) set policy on the content of individual compensation for Directors, Corporate Executive Officers and other officers and (b) determine the amount and content of individual compensation of Directors and Corporate Executive Officers in accordance with the policy, and oversee the determination regarding the amount and content of individual compensation of Senior Executives other than Corporate Executive Officers. Sustainability including environmental matters is taken into account as a factor in evaluating remuneration linked to business results of Senior Executives. Furthermore, KPIs for initiatives to address sustainability issues that each business emphasizes are set and incorporated into the performance evaluation of each business.

- → Sony Group Environmental Vision
- → Environmental Management Structure
- → Climate Strategy
- → Natural Capital and Biodiversity Strategy

## **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

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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, in 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 of Directors receives regular reports on the framework and its operational status, to confirm the validity of the framework.

Under the framework, each business unit, subsidiary/affiliated company and corporate division also assesses and analyzes risks related to climate change, natural capital and biodiversity when assembling business strategies and business plans.

# Disclosure of Climate-related Information in Accordance with the TCFD Recommendations

In May 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 Group Corporation also participates in the TCFD Consortium, which was established to facilitate implementation and discussion among companies and financial institutions that endorse the TCFD Recommendations in Japan. Sony Group Corporation will continue its climate-related information disclosure in accordance with the TCFD Recommendations.

## **Climate Strategy**

### **Identifying and Addressing Business Risks**

Tackling environmental issues is consistent with Sony's commitment to build a sustainable world and is important in terms of ensuring business continuity. Sony seeks to identify various environment-related risks and address foreseeable risks. This applies to transition risks such as adoption of carbon taxes, regional expansion of emissions trading schemes, stronger regulation of energy efficiency standards for products, and market changes driven by shifting

consumer attitudes. It also applies to physical risks such as abnormal weather events and sea level rise due to climate change.

### **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 COP 21\*2 meeting in December 2015 addressed climate change issues, and with increasing public awareness, consumer demand is shifting toward energy-efficient products. 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. One example of this is the development of IMX500, an intelligent vision sensor with Al processing functionality in its image sensor logic chip. We expect it to be used in IoT fields. Processing information through the sensor on its edge enables the transmission of metadata only (semantic information). This reduces the amount of data transmitted to the cloud as well as the amount of data to be processed, which we believe will reduce energy consumption.

- \*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).

### Scenario Analysis

### **Analysis Methodology and Assumptions**

We conducted scenario analysis in accordance with the requirements of the TCFD Recommendations and advice from external experts. To assess the impact of climate change across the Sony Group, each business segment (except Financial Services) assessed the degree to which climate change impacts its industry on a four-point scale of "Very Significant," "Significant," "Moderate," and "Minor." The rating was based on how often climate change impacts were mentioned in the guidelines and assessment methodologies for investors, ESG assessment institutions, and investor initiatives. We discovered that the impact of Imaging & Sensing Solutions (I&SS), Entertainment, Technology & Services (ET&S) and Game & Network Services (G&NS) was medium, while Music and Pictures was low. Sony Group Corporation conducted scenario analyses\*1 using multiple scenarios for I&SS (which has the highest GHG emissions) and ET&S (one of three segments with medium impact). We also targeted the Financial Services segment, a key sector in TCFD Recommendations. In order to evaluate impact across the entire Financial Services segment, we conducted scenario analysis\*1 on Sony Life Insurance, Sony Assurance and Sony Bank based on individual business characteristics and the exposure of assets held. As prerequisite scenarios, we used the 1.5°C scenario, the 2°C scenario and the 4°C scenario.\*2

- \*1 Assuming no major changes in business content between the time of analysis and fiscal year 2030.
- \*2 Main scenario used: World Energy Outlook (published by IEA), water risk assessment tool Aqueduct and Resource Watch (Published by WRI), the Flood Control Economic Survey Manual (published by the Ministry of Land, Infrastructure, Transport and Tourism)

#### **Analysis Results and Countermeasures**

As a result of analyses based on the above prerequisites, recognized risks and opportunities and countermeasures which are unique to the I&SS segment, ET&S segment and Financial Services segment are as shown in the table on the following page.

Based on the results of the above scenario analysis, the entire Sony Group is working toward using 100% renewable electricity in its own operations by 2030 to achieve its RE100\* target. Specifically, Sony Group Corporation is examining measures such as directly purchasing renewable electricity from power utilities and purchasing renewable electricity certificates.

Along with these efforts, in each business segment, Sony develops and enhances risk management and business continuity plans (BCPs) from the perspective of improving risk management across supply chains, through the identification, analysis, and assessment of business continuity risks. Flood damage has grown in recent years due to the impact of climate change, prompting Sony to reassess the flood risk at its manufacturing sites in Japan and implement preventative measures that will mitigate flood damage and facilitate rapid recovery. Sony is collaborating with relevant companies and organizations, and conducts hands-on drills to address foreseeable risks, in an effort to enhance business continuity and accelerate flood recovery. Sony will continue to increase its resilience to climate change, based on its analyses and initiatives.

\* A global initiative in which participating corporations aim to operate on 100% renewable electricity. It is headed by an international non-governmental organization, the Climate Group, in partnership with the CDP.

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## Climate Change Risks, Opportunities, Countermeasures and Metrics

### **I&SS Segment**

Assume Scenario	Recognized Risks and Opportunities	Countermeasures
2°C Scenari	<ul> <li>Strengthening regulations due to decarbonization polices of each jurisdiction, and the subsequent introduction of carbon pricing and subsequent increases in carbon price will lead to an increase in crude oil and fossil fuel prices. As a result, manufacturing costs for semiconductors, which require large amounts of electricity to produce, will increase.</li> <li>Strengthening carbon emission targets/policies in every jurisdiction increase the costs related to better efficiency of in-house equipment, and purchase of renewable energy power certificates, etc.</li> </ul>	<ul> <li>Manufacturing sites outside Japan: Achieved 100% renewable electricity in fiscal year 2021.</li> <li>Manufacturing sites in Japan: Promote achieving 100% renewable electricity in the medium to long-term, including installing solar panels, procuring environmental value from off-site renewable energy power equipment, and purchasing renewable electricity certificates.</li> </ul>
2°C and 4°C Scenarios	<ul> <li>Expected utilization of Al in IoT space increases demand/sales for products and services contributing to power reduction in cloud, data centers and networks.</li> <li>Progressive temperature rise increases the severity and frequency of abnormal weather, damaging Sony's manufacturing sites and suppliers and reducing demand due to the disruption of the supply chain.</li> </ul>	<ul> <li>Development of IMX500 and other products that help reduce the amount of data transmitted to the cloud as well as the amount of data to be processed.</li> <li>Building and provision of edge Al sensing platform (AITRIOS), which enables Al processing in the edge (to reduce power consumption) through technologies such as IMX500.</li> <li>Regular on-site surveys dispatched from headquarters to establish a Plan-Do-Check-Act cycle to identify issues and establish improvement plans to achieve reduction of risk.</li> </ul>

### ET&S Segment

Assumed Scenario	Recognized Risks and Opportunities	Countermeasures
1.5°C and 2°C Scenarios	Taxation on non-recyclable plastics increases the cost of manufacturing products made with plastic.	Reducing the weight of products as well as the size and weight of packaging, and using plastic alternatives for packaging reduces the amount of plastics used (including our Original Blended Material paper).  Use of recyclable plastics in products (including our SORPLAS recycled plastic).  Promotion of resource recovery from end-of-life products.
1.5°C, 2°C and 4°C Scenarios	<ul> <li>Strengthening regulations due to decarbonization polices of each jurisdiction, the subsequent introduction of carbon pricing and increasing carbon price will lead to an increase in crude oil and fossil fuel prices. Costs increases due to carbon tax on own emissions and impact of carbon pricing affecting logistics and purchase price.</li> <li>Progressive temperature rise increases the severity and frequency of abnormal weather, damaging Sony's manufacturing sites and suppliers and reducing demand due to the disruption of the supply chain.</li> <li>Decline of competitive edge and sales if products are not designed with energy saving and other environmental features in mind.</li> <li>Droughts caused by rising average temperatures reduce availability of water for manufacturing, leading to a</li> </ul>	<ul> <li>Promotion of energy conservation, improvement of energy efficiency and introduction of solar power at our sites.</li> <li>Optimization of transportation efficiency and modal shifts to switch to low-carbon means of transport.</li> <li>Periodic risk assessment for floods and other natural disasters at our production sites.</li> <li>Increased product life span due to improved quality and durability of such products.</li> <li>Development of automatic sensing and other functionality that contributes to reduction of energy consumption during product use.</li> <li>Promotion of product the amount of water used and requiring suppliers manage reduction that great for the amount of water used taking into account the risk of water doubtion.</li> </ul>

targets for the amount of water used, taking into account the risk of water depletion.

### Financial Services Segment

Assumed Scenario	Recognized Risks and Opportunities	Countermeasures
1.5°C and 2°C Scenarios	<ul> <li>Increasing demands for loans to purchase the low-carbon vehicles and housing that contribute to creating a low carbon society increase profit opportunities.</li> <li>Value of securities issued by companies taking insufficient low-carbon action declines, increasing investment opportunities for companies that contribute to a transition to a low-carbon society.</li> </ul>	Development of products/services and procurement of funds in consideration of climate change.     Establishment of a system for ESG investment at Sony Financial Group companies based on Sony Financial Group's ESG investment policy.
4°C Scenario	<ul> <li>Increase in insurance and benefits payments due to climate change-related disasters such as typhoons and floods, and increase in infectious disease and heat stroke due to rising average temperatures.</li> <li>Increase in credit costs due to the loss of value of security real estate granted to home loans due to the effects of climate change-related disasters.</li> <li>Impact on operations and increase in costs due to climate change-related disasters affecting our offices and human resources.</li> </ul>	Continue collecting information on climate change-related disasters, infectious diseases and heat stroke (including impact on collateral value).  Continued risk segmentation and setting of appropriate insurance premium rates in consideration of the impact of climate change-related disasters.  Continued utilization of reinsurance.  Examination of impact assessment for collateral real estate for instances connected to climate change-related disasters.  Continued consideration of BCP advancement in the event of a natural disaster.

Note: The above scenario analysis was conducted using IEA's scenarios for 1.5°C, 2°C and 4°C temperature rise and based on multiple assumptions.

decrease in production. In addition, quality of procured products reduce due to lack of high-quality pure water.

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### **Metrics and Targets**

### **Climate Change Metrics and Targets**

In 2010, Sony formulated the Road to Zero global environmental plan, which aims to reduce its environmental footprint to zero by 2050. The target year for our goal of achieving carbon net zero group-wide was moved up from 2050 to 2040 in May 2022. For climate change action, Sony is developing and supplying environmentally conscious products and services in order to reduce GHG emissions not only from manufacturing at its sites, but also throughout the life cycle of its products. 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 emissions.

In September 2020, Sony Group Corporation announced its Green Management 2025 medium-term environmental targets to achieve by the end of fiscal year 2025 and has been implementing initiatives to meet these targets since April 2021. At each stage, Sony has set specific targets from the four perspectives of climate change, resources, chemical substances, and biodiversity, and implemented initiatives to achieve these targets. Climate change targets include a 5% reduction in annual energy consumption per Sony product (compared to fiscal year 2018). Along with moving up the year to meet our climate change targets, we have also changed the target rate for renewable electricity used in our facilities from 15% or more to 35% or more.

Both our 1.5°C target to be achieved by 2035 and our net zero target to be achieved by 2040 are approved by the Science Based Targets (SBT)\* initiative as climate change targets based on scientific grounds. In the Financial Services segment, we invest in green bonds, social bonds, sustainability bonds and other ESG-related investments. We established the Sony Financial Group ESG Investment Policy in April 2022, and our financial group companies are now proceeding to establish systems for ESG investment in accordance with this policy. We also set medium to long-term goals for the cumulative amount of ESG investments and loans as a financial group in March 2024.

- → Green Management 2025
- → Green Management 2025 Targets and Progress
- Sony Financial Group ESG Investment Policy

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<sup>\*</sup> An international initiative to encourage companies to set science-based GHG reduction targets in order to limit the increase in the average global temperature due to climate change to 1.5 degrees Celsius above preindustrial levels.

# Disclosure of Natural Capital-related Information in Accordance with TNFD

# **Natural Capital and Biodiversity Strategy**

Disclosure of Natural Capital and Biodiversity Efforts in Accordance with TNFD Recommendations

Recognizing the importance of natural capital as the very foundation of human life and the ecosystem services it supplies, Sony continues to pursue long-term efforts according to its Environmental Vision. The Recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD) was released in September 2023. Affirming our commitment to disclosure in accordance with this framework, we have become a registered TNFD Adopter, and once more evaluated the relationship between our business and the natural environment. Based on TNFD recommendations, we screened the value chain of major businesses based on their degree of dependence and impact on natural capital, then implemented a LEAP (locate, evaluate, assess prepare) approach to conduct analysis of nature-related issues, specifically targeting I&SS, ET&S and G&NS segments as well as our mineral resource extraction operations in the upstream value chain, and have disclosed the results below.

### Screening Analysis Scope (ENCORE Mapping)

by TNFD) to visualize the relationship between Sony Group businesses overall and nature, then quantified dependence and impact related to natural capital for our main businesses. We discovered that our I&SS, ET&S and G&NS segments have a relatively high level of dependence and impact, leading us to set these segments as targets for LEAP analysis in our first year of TNFD analysis.

Additionally, many of our electronics contain mineral resources that have become a point of environmental concern for stakeholders. With this in mind, we have decided to make the contracted manufacturer sites and mineral resource extraction processes a target in addition to direct operation processes at our own production.

We utilized ENCORE and the Biodiversity Risk Filter (tools recommended

### **Locate: Identifying Priority Areas**

Following TNFD guidelines for determining sensitive locations, we identified all our manufacturing sites and major contracted manufacturer sites in our I&SS ET&S and G&NS segments, as well as 898 mines\*1 for extraction of mineral resources in the upstream supply chain, and made them priority areas. We then conducted analysis through tools and databases\*2 suggested by TNFD to locate and score these areas based on five criteria: areas important for biodiversity, areas of high ecosystem integrity, areas of rapid decline in ecosystem integrity, areas of high physical water risks and areas of importance for ecosystem service provision, including benefits to indigenous peoples, local communities and stakeholders. Our results indicate that 58% of production sites and 32% of mines are in areas important for biodiversity (within a 5 km radius of a site in the World Database on Protected Areas (WDPA)), and 23% of production sites and 41% of mines are in areas of high physical water risk.

- \*1 Mining site information includes mineral resources likely contained in our products to the extent that such information is generally available.
- \*2 IBAT (World Database on Protected Areas (WDPA), Key Biodiversity Area (KBA), Species Threat Abatement and Restoration (STAR)), Biodiversity Intactness Index, Ecoregion Intactness Index, WRI Aqueduct, Critical Natural Asset Layers

# Evaluate: Identifying and Evaluating Dependency and Impact on Natural Capital

Once located, we then identified and evaluated dependence and impact on nature for our I&SS, ET&S and G&NS segments. We found major dependency and impact as follows.

- I&SS: Relies heavily on water due to pure water used in semiconductor manufacturing (cleaning, processing, etc.). While these manufacturing sites are built in areas with abundant water, and all chemicals generated during manufacture are properly disposed of, potential impact on groundwater due to excessive water intake or pollution from chemical substances remains.
- ET&S, G&NS: While less severe than that of I&SS, there is potential impact due to factors common across electronics manufacturing sites, including water use, water discharges, general waste, pollution and GHG emissions from manufacturing processes.

• Extraction of mineral resources upstream in the value chain: Similar to the three segments above. Additionally, products contain a variety of mineral resources (including rare metals), making them directly dependent on mineral resources. Mining development also has the potential to impact the ecosystem.

These discoveries allowed us to understand dependency and impact related to risk and opportunity in respective business segments. Once we located sensitive areas, we mark them as priority areas where critical dependency, impact, risk and opportunity exist.

# Assess: Scenario Analysis for Determining Risk and Opportunity

After determining dependence and impact on nature for the I&SS, ET&S and G&NS segments, as well as for mineral resource extraction, in the Evaluate phase, we created a long list of nature-related risks and opportunities based on the categorization in TNFD recommendations. Then, we conducted scenario analysis of these to determine the importance of individual risks.

Our scenario analysis assumes 2030 for time, using ecosystem service degradation and alignment of market/non-market forces, as proposed within TNFD guidelines, as axes, and of four scenarios, we have adopted two in terms of risk and likelihood of occurrence.

- Scenario 2 assumes high level of both physical risk due to degradation of nature and transitional risk due to nature-positive policy, law and regulation, and that nature-related risk for Sony will be high.
- Scenario 3 assumes high physical risk due to degradation of nature, but low transitional risk due to lower interest in natural capital from government, consumers and other stakeholders.
   Transition to a nature-positive economy has only just begun, so we should also consider the possibility of transitioning to this scenario further in the future.

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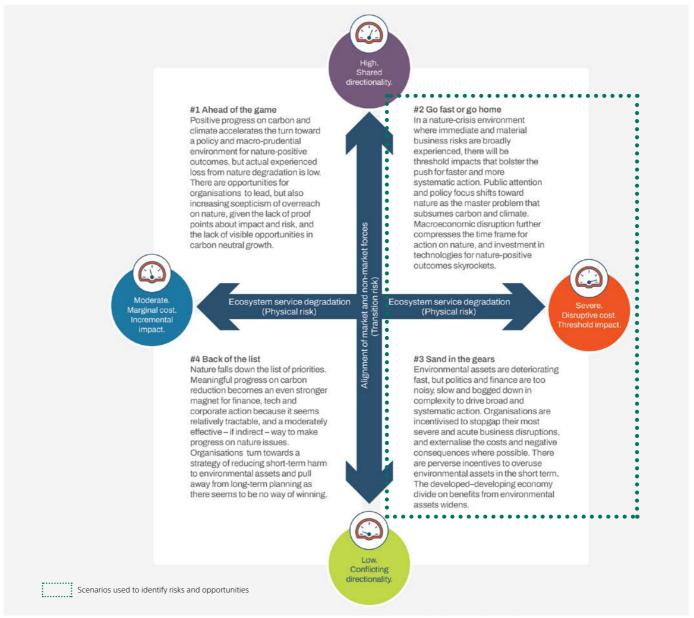
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We prioritized risk based on each of these scenarios. We conducted risk evaluations to identify critical risk from two perspectives: intensity of financial impact and likelihood of occurrence. Opportunities were considered based on the idea that reducing risk leads to such opportunities, using the AR3T (avoidance, reduction recovery/revitalization, transformation) framework to develop countermeasures for critical risk identified, which we recognize as nature-related opportunity.

The table on the following pages shows the risks, opportunities and measures to be taken as a result of the aforementioned analysis of I&SS, ET&S and G&NS segments as well as mineral resource extraction. For scenario 2, both physical and transitional risks were rated critical. Physical risks include direct damage to buildings and increased restoration costs as a result of ecosystem degradation attributed to increased operating costs at manufacturing sites from changes to land and both water pollution and shortages. Transitional risks include increased response time to allow for more stringent nature-related law and regulation, as well as damage to reputation as a result of impact on the natural environment. While physical risk for scenario 3 did not vary much from that of scenario 2, the importance of transitional risks was rated lower since the scenario assumes lower stakeholder concern regarding natural capital.

Additionally, similar nature-related risks and opportunities were identified for I&SS, ET&S and G&NS segments under the assumption that all are directly operated manufacturing processes, but the I&SS segment is expected to require greater water consumption, making relevant risk greater than that of ET&S and G&NS.

### Exemplary Scenarios by TNFD and Scenarios Used



Source: TNFD 2023 - The TNFD's default nature - risk scenarios

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### Risks and Opportunities Related to Natural Capital: Countermeasures

I&SS, G&NS, ET&S Segments (Manufacturing Sites including Contracted Manufacturer Sites)

Risk Category	Recognized Risks and Opportunities	Main Dependence	Main Impact	Countermeasures
	Excessive water consumption, salinization, lack of water resources due to climate change and water pollution from chemicals increase operating costs associated with review of product processes and timing at production sites, and decrease profits as a result of operational stagnation (particularly costly in I&SS).	Water Supply	Water Use & Pollution	<ul> <li>Improvement of water usage intensity by 5% at sites with high water consumption, and implementation of risk reduction measures at sites located in water risk areas.</li> <li>Promotion of wastewater recycling and reduced water usage at domestic and overseas sites related to manufacture of semiconductors and electronics. Kumamoto Technology Center of Sony Semiconductor Manufacturing Corporation is also implementing groundwater recharge measures that resulted in approx. 3.57 million m³ in fiscal year 2023, which is more than intake.</li> </ul>
Physical Risks	Direct damage to buildings and increased recovery costs due to construction and other land changes, deterioration of ecosystems from water discharges, and weakened natural disaster prevention functions.	Storm and Flood Mitigation	Terrestrial & Freshwater Ecosystem Use	<ul> <li>Periodic risk assessment for floods and other natural disasters at our production sites.</li> <li>Nature restoration and biodiversity conservation efforts that meet regional needs for the green areas on the premises of Sony sites and surrounding areas.</li> </ul>
	Decreased productivity and increased recovery costs due to factory shutdowns and road closures from landslides caused by climate change-induced heavy rains and other weather events.	Climate Change Regulation, Soil & Sediment Retention	Greenhouse Gas Emissions, Terrestrial Ecosystem Use	<ul> <li>Periodic risk assessment for floods and other natural disasters at our production sites.</li> <li>For further information on climate change adaptation and mitigation efforts.</li> <li>→ Climate Strategy</li> </ul>
	Increased response costs as a result of more stringent natural capital law and regulation (water resource conservation, marine and soil pollution, ecosystem conservation).	_	Water Use, Water & Soil Pollution, Ecosystem Use	<ul> <li>Establishment and regular improvement of globally unified environmental management system.</li> <li>Continued efforts to minimize withdrawal of water and to ensure the water discharges that return to water sources is of a quality that does not negatively impact the environment, taking into account site locations and regional differences.</li> <li>Nature restoration and biodiversity conservation efforts that meet regional needs for the green areas on the premises of Sony sites and surrounding areas.</li> </ul>
Transitional Risks	Decline in corporate value and decrease in profits due to deterioration of reputation with surrounding communities and stakeholders, as well as increase in response costs due to litigation issues as a result of deterioration of surrounding natural environment, including water pollution and soil contamination from water use and water discharges from production processes, waste, pollution and GHG emissions.	-	Water Use, Water, Soil & Air Pollution, Solid Waste	<ul> <li>Reduction and replacement of chemical substances of very high concern.</li> <li>Adherence to water quality law and regulation, water discharges management exceeding regulatory levels.</li> <li>Continued efforts to minimize withdrawal of water and to ensure the water discharges that return to water sources is of a quality that does not negatively impact the environment, taking into account site locations and regional differences.</li> <li>Nature restoration and biodiversity conservation efforts that meet regional needs for the green areas on the premises of Sony sites and surrounding areas.</li> </ul>

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### Mineral Resource Procurement (Upstream Supply Chain)

Risk Category	Recognized Risks and Opportunities	Main Dependence	Main Impact	Countermeasures	
Physical Risks	Increased mineral resource procurement costs due to decrease in available mineral resources as a result of large-scale extraction and intensified competition over limited resources.	Mineral Resource Supply	Mineral Resource Use	Reduction of parts derived from virgin resources to zero by identifying key resources in terms of environmen impact due to the depletion, uneven distribution and mining of resources, loss of biodiversity due to mining the effects of these on local communities.	
	Stagnation or curtailment of mineral resource supply, decrease in product sales and increased procurement costs due to depletion of water resources caused by climate change-induced drought, deterioration of water quality from mining and ground destabilization that results in stagnation of mining and decline in mineral resources.	Climate Change Regulation, Water Supply, Soil Retention	Terrestrial & Freshwater Ecosystem Use, Water Use	<ul> <li>Improvement of recovery efficiency in recycling of key mineral resources (tantalum).</li> <li>Active participation in and support of industry groups and alliances (Responsible Minerals Initiative of the Responsible Business Alliance (RBA), Japan Electronics and Information Technology Industries Association (JEI that identify the negative effects of mineral extraction in high-risk areas, and mitigation or prevention of these effects for high-risk minerals.</li> <li>For further information on climate change adaptation and mitigation efforts.</li> <li>→ Climate Strategy</li> </ul>	
	Stagnation or curtailment of mineral resource supply, decrease in product sales and increase in procurement costs due to supply chain disruption and suspension of mining activities as a result of landslides caused by climate change-induced heavy rains.	Climate Change Regulation, Soil Retention	Greenhouse Gas Emissions, Terrestrial Ecosystem Use	<ul> <li>For further information on climate change adaptation and mitigation efforts.</li> <li>→ Climate Strategy</li> </ul>	
Transitional Risks	Decrease in sales due to increased costs associated with due diligence and other responsible procurement, and increased difficulty procuring raw materials due to suspension of operations for non-compliant suppliers accompanying more stringent environmental law and regulation governing mine operating suppliers.	_	Terrestrial & Freshwater Ecosystem Use, Water Use	<ul> <li>Active participation in and support of industry groups and alliances (RMI of RBA, JEITA) that identify the negative effects of mineral mining in high-risk areas, and mitigation or prevention of these effects for high-risk minerals.</li> <li>Expanded assessment of our sites and suppliers, such as by having primary suppliers request secondary suppliers</li> </ul>	
	Loss of brand value and decreased profits due to deterioration of reputation with stakeholders as a result of use of mineral resources procured from mining sites that pollute terrestrial and freshwater ecosystems, discharge pollutants in their mining activities, or otherwise cause negative environmental impact.	-	Terrestrial & Freshwater Ecosystem Use, Water, Soil & Air Pollution	comply with the Sony Supply Chain Code of Conduct, in order to further strengthen efforts to establish a responsible supply chain.  • Due diligence in accordance with OECD guidance and other internationally recognized frameworks.	

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### **Metrics and Targets**

**Nature-related Metrics and Targets: Prepare** 

Sony formulated the Road to Zero environmental plan in 2010, setting medium-term environmental targets in five year increments that are then progressively backcasted based on current achievement levels in consideration of expected and intended impact levels. This approach enables Sony to work steadily toward achieving our zero environmental footprint goal, while making ongoing adjustments based on current progress.

We announced GM2025 (Green Management 2025), which specifies medium-term environmental targets until fiscal year 2025, in September 2020, and at each stage, we have set specific targets from the four perspectives of climate change, resources, chemical substances, and biodiversity, and implemented initiatives to achieve these targets.

Targets from these four perspectives are closely tied to natural capital, and are further connected to measures to tackle nature-related risks and opportunities identified by the Sony Group.

- In consideration of resources, Sony set the goals of improving water usage intensity value on sites that use high volumes of water by 5% and implementing risk reduction measures at sites located in water risk areas. Further, we request that suppliers of raw materials and components and contract manufacturers set water consumption reduction targets and perform progress management, while taking into consideration the water depletion risk in site locations. All such goals are connected to water risks identified for I&SS, ET&S and G&NS segments. In mineral resource extraction in the upstream of the supply chain, the Sony Group works to reduce usage and increase recycling of important mineral resources, such as tantalum, with the goal of increasing collection efficiency by 1.5 times (compared to fiscal year 2020), thereby building and maintaining a recycling process that corresponds to the needs of the surrounding community. This is further connected to countering risk associated with decreases in mineral resources as a result of large-scale extraction and rises in mineral prices directly tied to increased competition for limited resources.
- Looking at chemical substances, the group is making efforts to replace environmentally controlled substances of high concern in

high-risk applications, while prohibiting the use of some substances altogether. Across the supply chain, Sony Group further requests that suppliers of raw materials and components and contract manufacturers conduct management compliant with unified Sony Group standards. This is applicable to raw materials, parts and products delivered to the group, as well as semi-finished and finished products delivered to the group by contract manufacturers. We have also set targets for the appropriate management or prohibition of substances separately designated by the group, applicable to raw material and component suppliers and contract manufacturers.

- One of our goals is to continue to conduct biodiversity conservation
  activities that meet local needs, so we request suppliers of raw
  materials and components and contract manufacturers to take
  initiatives in consideration of this. All of these goals and targets
  are related to efforts to mitigate reputational risk associated with
  the increased environmental impact of pollutant emissions from
  production sites in the I&SS, ET&S and G&NS segments.
- Climate change is a major cause of water resource shortages and landslides that are critical risks in the l&SS, ET&S and G&NS segments. Countermeasures to curb or adapt to climate change will additionally lead to the reduction of nature-related risks. The promotion of efforts to achieve targets aimed at climate change are as described in relevant metrics and targets.

See our Environmental Data for further information related to core TNFD disclosure metrics on water usage, waste generated, etc.

- → Climate Change Metrics and Targets
- → Green Management 2025
- → Green Management 2025 Targets and Progress
- Environmental Data

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## Contributions to Solving Environmental Issues

## **Development of Environmental Technologies**

Sony regards working to realize a sustainable society as a key theme and is conducting technological development to solve both environmental and social issues in R&D departments of our companies, Sony Computer Science Laboratories, Inc. (Sony CSL), and other R&D organizations. This includes the promotion of next-generation development in projects like Sony's Earth MIMAMORI platform, which utilizes sensing on a global scale to help prevent environmental destruction, and Synecoculture™\*, which creates a rich ecosystem through new farming methods.

There are a variety of departments responsible for the development and utilization of technologies that contribute to sustainability. Among these, we established the Sustainability Technology Liaison Meeting, which meets regularly to identify issues, search for, and share solutions. At meetings, information is actively exchanged by mapping activities pursued by each business as well as by sharing the issues faced and initiatives pursued by each department.

## **Environmentally and Socially Beneficial Products and Services**

Sony works to create products, services and systems that solve environmental and social issues through a wide range of business areas. In terms of products, we supply image sensors equipped with Preguis<sup>™</sup> global shutter technology for automatic plastic bottle collection equipment use by TORMA, a company that offers global collection, reuse and recycling solutions. In our materials business area, Sony provides licenses for Triporous™, an adsorbent material that purifies water we developed in-house, and also supply SORPLAS™, which enables up to 99% of recycled materials to be utilized. In services and systems, we have made the Autonomous Power Interchange System that lies at the core of our Open Energy Systems™ open source and free of charge. This energy system facilitates the storage of renewable energy-derived power for flexible community interchange. In video production, we provide digital cinema systems that reduce environmental impact of movie productions and screenings, and virtual production technology that enables simultaneous shooting of virtual backgrounds and real subjects without being constrained by time or location. Aerosense Inc., an affiliate of Sony Group, utilizes drones in a wide range of endeavors, such as helping survey for damage after a natural disaster induced by abnormal weather, or aiding in the inspection of roadways and other infrastructure

Further details on these products and services can be found in Technology for Sustainability.

→ Technology for Sustainability



Examples of products and services that contribute to the resolution of environmental and social issues (from top left): Logo for Triporous, a new material made from rice husks; Two types of recycled flame-retardant plastic SORPLAS pellets and a sulfur-based flame retardant; Demonstration test for our Open Energy Systems; BURANO digital cinema camera; Aerosense drone; Virtual production shooting.

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<sup>\*</sup> Synecoculture is a trademark of Sony Group Corporation.

<sup>→</sup> Technology for Sustainability

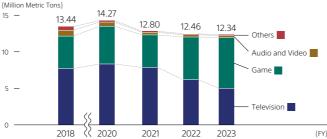
## **Products and Services**

## **Reducing Greenhouse Gas Emissions**

Sony products consume electrical power while used by their owners, resulting in indirect emissions of CO<sub>2</sub>. Sony has adopted the target of reducing annual energy consumption per product\*<sup>1</sup> from product use by 5% by fiscal year 2025 compared to the fiscal year 2018 level. Sony sets specific fiscal year targets in every product category and is implementing diverse measures to reduce energy consumption. Fiscal year 2023 power consumption Sony-wide decreased approximately 0.7% over fiscal year 2018. Total CO<sub>2</sub> emissions in product use over the lifetime of all products sold in fiscal year 2023 were approximately 12.34 million metric tons\*<sup>2</sup>. While emissions decreased across product categories such as televisions, they increased in games, resulting in a slight decrease over fiscal year 2022.

- \*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 fiscal year 2023 should be calculated from the total quantity of electrical power consumed by previously sold Sony products that are still in use by consumers in fiscal year 2023. 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 fiscal year 2023 as an indicator for CO<sub>2</sub> emissions during use.

#### CO<sub>2</sub> Emissions from Product Use



Notes: • CO<sub>2</sub> conversion rate from fiscal years 2018 to 2020 uses the 2013 value of the relevant country.

- CO<sub>2</sub> conversion rate from fiscal year 2021 onward, as well as CO<sub>2</sub> conversion rate for qames in fiscal year 2020, are used for each fiscal year
- Some figures were recalculated.

BRAVIA™ television models feature a new Eco Dashboard that consolidates power saving features in a single location. The menu is easily accessible from the home screen, making it simple to adjust power settings. They are also equipped with an Auto Power Saving Mode\*³, \*⁴ that detects user movement to automatically reduce screen brightness, reducing power consumption when no one is in front of the TV. This reduces energy consumption by 32%.\*5



The X95L 4K LCD TV series

Additionally, subscribers to the NURO Hikari fiber-optic broadband service in Japan can lease a BRAVIA™ television and make use of the NURO Denki CO₂ Free Plan, which harnesses renewable energy. This energy plan combines electricity generated from natural gas, coal, oil and other fossil fuels with electricity generated from solar, wind and other renewable sources for increased environmental value (non-fossil fuel certified). This allows users to emit almost no CO₂ through homeuse electricity, including that consumed by their BRAVIA™ television. Our VPL-XW5000 video projector also boasts an energy-saving design that reduces power consumption by 30% per lumen (a unit for measuring the amount of light) compared to the previous model, VPL-VW775, while maintaining the same performance.

For the Crystal LED VERONA, which boasts a high quality LED display used for virtual production and other professional applications, we combined high luminosity-efficient LEDs and Sony's proprietary power supply design to improve energy efficiency by approximately 32%\*6 over conventional LED models.

- \*3 The BRAVIA CAM accessory automatically detects movement.
- \*4 Depending on model, BRAVIA CAM is either included or sold separately.
- \*5 Figures may vary by model and region.
- \*6 Power efficiency improvement per unit of brightness calculated at max brightness. Power efficiency per unit of brightness indicates the amount of power required to produce the required level of brightness. VERONA ZRD-VP15EB (with calibration function on) was compared to the ZRD-B15A B series as the conventional LED model.

#### ☐ Reducing the Power Consumption of BRAVIA™

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## **Conserving Resources**

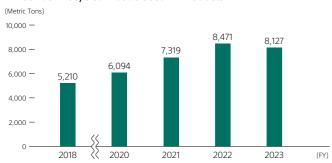
#### **Total Volume of Resources Used in Products**

Sony is working to reduce the average mass of products in order to minimize resource inputs. In fiscal year 2023, the total volume of resources used in products\* was approximately 366 thousand metric tons, which was 28% lower than in fiscal year 2018. This is due to continuous efforts to reduce the size and weight of both products and packaging in a wide range of product categories, as well as a decrease in the number of units sold.

In fiscal year 2023, the Sony Group used approximately 8.1 thousand metric tons of recycled plastic in its products. This amount consisted of approximately 73% recycled plastic content from scraps and other waste materials generated from manufacturing by the Sony Group and other companies, and approximately 27% post-consumer recycled plastic content from used products, containers, and other sources. We have used approximately 67 thousand metric tons of recycled plastic from fiscal year 2014 through fiscal year 2023.

\* 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.

#### Amount of Recycled Plastic Used in Products



☑ BRAVIA™ Environmental Initiatives☑ Sony Group Portal Website "Environment"

## **Reducing Use of Virgin Plastics Product Bodies**

With the target of reducing virgin oil-based plastic used per product by 10% from the fiscal year 2018 level, by fiscal year 2025 (excluding packaging), Sony is working to expand its use of recycled plastics and make its product chassis more lightweight and compact while also minimizing plastic packaging. In fiscal year 2023, virgin oil-based plastic used per product was down approximately 16.1% from the fiscal year 2018 level. This is mainly due to the advancement of recycled plastics across a wide range of product categories, such as televisions, and the reduction of product size and weight. In the music segment, we developed an environmentally conscious disc tray for our music and video packaging that is made from our Original Blended Material and other paper to reduce virgin oil-based plastic by 97%,\* and have further accelerated measures to reduce plastic group-wide.

\* Compared to conventional plastic disc trays

Original Blended Material

Environmentally Conscious Disc Tray (in Japanese)

#### **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 is using its original recycled plastic SORPLAS™ in the rear cover of select BRAVIA™ televisions, which is one of the largest plastic parts used in the product, and will continue to work on technology to support large-screen models. In 2023, we adopted this same technology for our 77-inch model.

In the audio product category, we developed a unique recycled plastic that ensures high-quality sound while also being environmentally conscious, and are working to adopt this technology in various models. 2023 results include using recycled plastic for approximately 90%\* of the plastic parts in the HT-S2000 soundbar. In addition, in the HT-AX7 portable theater system, approximately 75%\* of plastic parts are made with recycled plastic, and fabric used is approximately 100% made from recycled plastic bottles.

The average recycled Polypropylene plastics from post-industrial waste

used in Sony Interactive Entertainment game disc cases has increased from 14% in fiscal year 2022, to 21% in fiscal year 2023 globally.

\* Gross value includes virgin plastics and additives. Recycled plastics may not be usable depending on production schedule.



HT-AX7 portable theater system

Audio Product Initiatives

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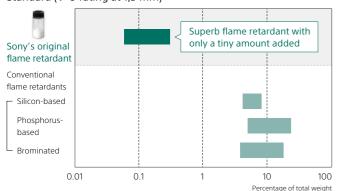
### SORPLAS™, Sony's Original Flame-Retardant Recycled Plastic

Sony commenced external sales of SORPLAS (Sustainable Oriented Recycled Plastic), a flame-retardant recycled plastic, in 2011. This plastic is made possible by a proprietary compounding technology that combines an original, non-halogen and non-phosphorus flame retardant—itself 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 while conventional flame retardants require an addition amount of around 10%. SORPLAS not only surpasses conventional flame retardant plastics in terms of durability, heat resistance 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 CO<sub>2</sub> emissions in product manufacturing by up to 72%.\* 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 such as select models of BRAVIA $^{\text{TM}}$ , Xperia $^{\text{TM}}$  Smartphones, compact cameras and camcorders.

\* Comparison of the CO<sub>2</sub> emitted from the production of SORPLAS to that of flame-retardant virgin plastic for the same application. Based on Sony calculations.

#### Volume of Additive Required for Material to Meet Flame-retardancy Standard (V-O rating at 1.5 mm)



 $\rightarrow$  External Sales of SORPLAS  $^{\rm TM}$  Recycled Plastic

### **Reducing Plastic Packaging**

Sony has adopted the targets of reducing plastic packaging used per product by 10% and eliminating plastic packaging from newly-designed small products, and is actively working to reduce the amount of single-use plastic packaging used in a range of product categories. In fiscal year 2023, plastic packaging used per product was 25.1% lower than in fiscal year 2018. This was mainly due to the reduction in the amount of Polystyrene used in televisions and the shift from plastic to paper packaging materials in audio and other product categories. Individual packaging\*1 uses zero plastic\*2 for the WF-1000XM5 headphones, the Xperia<sup>TM</sup> 1 V and 5 V Smartphone and the Vlog camera ZV-1 II released in 2023. Sony's Original Blended Material was used for individual product boxes for the WF-1000XM5, Xperia 1 V, Xperia 5 V, and Vlog camera ZV-1 II.

- \*1 Individual packaging refers to the individual product box and packaging inside the box
- \*2 Coating and adhesive materials excluded.



Packaging made with our Original Blended Material is made from bamboo, sugar cane fiber and recycled paper.

- Reducing plastic packaging for headphones
- Original Blended Material

Previous iterations of BRAVIA<sup>™</sup> packaging had cushioning on the top, bottom and sides of the product. However, upon testing, we arrived at a way to protect the product with only the top and bottom cushioning, reducing plastic cushioning in the 2023 model by approx. 48%\*<sup>3</sup> over the 2018 model.

For the packaging of our ELF-SR2 Spatial Reality Display, we used cardboard and other paper, as well as a pulp mold to reduce Styrofoam (a plastic material) to zero.\*4 While the ELF-SR2 increased the screen size from 15.6 to 27 inches, the plastic packaging used was still reduced by approx. 60%.

With the release of the latest PlayStation®5 model (CFI-2000 model group – slim), the plastic carrying handle was removed and for our other products we have made efforts to find alternatives to using traditional plastic hanger tabs; all newly released smaller PlayStation products in fiscal year 2023 use paper-based hang tabs (where applicable).\*5

- \*3 Comparison of the 2023 model (XR-85X95L) to 2018 model (KD-85X9000F)
- \*4 Styrofoam includes cushioning for individual packaging
- \*5 Newly released smaller PlayStation products with paper-based hanger tabs in fiscal year 2023 include: PlayStation Link™ USB adapter, PULSE Elite™ wireless headset, PULSE Explore™ wireless earbuds, Access™ controller, Disc Drive For PS5® Digital Edition Consoles and Vertical Stand for PS5® Consoles.



ELF-SR2 cushioning continues to effectively prevent impact damage thanks to its shape, despite being made of paper.

Taking on polystyrene foam alternatives, a Sony initiative to reduce plastic packaging for large products 114

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Leading the development of recycled plastics

### **Extending Product Life to Save Resources**

Sony indirectly reduces resource consumption by extending product life. Xperia™ Smartphone models from fiscal year 2022 and after feature unique charging optimization technology that adjusts the amount of charge according to a user's individual usage habits, and a "careful charging" function that reduces load on the battery during charging. These features promote long-lasting batteries that don't deteriorate, even after three years\* of use. This allows for a product to be used long-term, reducing battery and product waste.

\* Based on a simulation that repeatedly charges and discharges with the same type of battery (for USB charging). Battery life varies by use.

### **Going Paperless**

Sony is working to reduce paper use across a wide range of its businesses. For our electronics products, we continue to prioritize ease of customer understanding for instruction manuals, while moving online in a variety of product categories to reduce paper use. We had previously included instructions for multiple languages for overseas models of audio products such as Walkman® or headphones, but have now unified these after-purchase instructions by introducing the Textless Quick Start Guide (QSG), which uses illustrations that users can easily understand regardless of language since 2015. For our LinkBuds, released in 2022, we removed after-purchase paper instructions entirely, instead providing a 2D code on the packaging to enable users to use their smartphone to access the online Help Guide. Further, we revised the precautions and specifications that must be provided in paper manuals to reduce paper included in packaging by 85%.\* We then have expanded these measures to the WF-1000XM5, WF-C700N, WH-CH720N, WH-CH520, INZONE H5 and INZONE Buds headphones released from 2023. We have also employed this in the HT-S2000 soundbar and the HT-AX7 Portable Theater System.

The Sony Financial Group has been reducing the use of paper for contracts and transactions across companies group-wide, employing digital technology both to conserve paper resources and reduce mailing, which produces carbon emissions.

\* Compared to WF-SP800N headphones

☑ Sony Financial Group Paper Use Reduction Efforts

## Resource Conservation in Sales and Repairs Sony is working to reduce resource consumption in products and

packaging as well as during sales and product repairs.

Previously, boxes containing promotional materials were discarded after delivery, but in fiscal year 2023 in Japan, we began planning, design and implementation of a new process where these boxes can be used as storefront signage as a part of efforts toward zero packaging waste. This has enabled us to reduce packaging box waste by a massive 34% in terms of cardboard used. We further conserve resources through reduced packaging for BRAVIA™ television promotional items through new standardization and downsizing. In TV repair, we are working to reuse LCD panel packaging materials. Though the growing size of TV screens in recent years has required more packaging materials, we have reduced waste generated during repairs and reduced the use of new packaging materials.

## **Management of Chemical Substances**

## Sony's Proprietary Global Standards for the Management of Chemical Substances

Many of Sony's electronics products are made of between a few hundred and a few thousand parts and contain a variety of chemical substances, some of which may be classified as hazardous and may harm the environment if they are not properly treated prior to product disposal. Many countries and regions have introduced various laws and directives to prevent such environmental harm. In the European Union, certain chemical substances in products are restricted by 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 that make up its products.

- \*1 Directive on the restriction of the use of certain hazardous substances in electric and electronic equipment (RoHS).
- \*2 REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals) is a regulation for managing chemical substances 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 "Management Regulations for Environment-related Substances to be Controlled which are Included in Parts and Materials" on the Sony website.)
- Management Regulations for Environment-related Substances to be controlled which are Included in Parts and Materials (SS-00259)

## Complying with Regulations Governing Chemical Substances in Products

Sony has set up necessary procedures to ensure compliance with the EU's RoHS Directive and REACH Regulation requirements. In response to the CE marking requirement under RoHS Directive and REACH Regulation to provide information to customers and to submit notification, Sony has adopted the chemSHERPA\*1 scheme based on IEC 62474.\*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 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 products.

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## 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:

#### **Upstream Management**

Sony introduced the Green Partner Environmental Quality Approval Program in 2002. This program outlines Sony's Green Partner Standards for chemical substance management. Sony audits suppliers based on these standards. Sony purchases 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, Sony also supplies our primary suppliers with a List of Specified Raw Material Suppliers (a list of recycled plastic and, coated wire suppliers list) through our electronic procurement system.

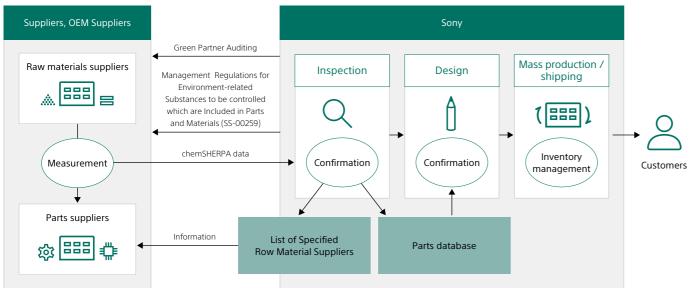
### Management in Quality Control/Quality Assurance Processes

New parts and materials are tested to confirm whether they comply with "Management Regulations for Environment-related Substances to be controlled which are Included in Parts and Materials (SS-00259)," based on collected chemSHERPA data, in addition to conventional quality control standards. 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 precision analysis (10 substances) on the specific parts and raw materials. For some high-risk substances Sony has also implemented internal control systems where we perform analysis to help confirm that prohibited substances are kept out of products.

#### System for Managing Chemical Substances in Products



## Management of Chemical Substances in Packaging Materials

Sony 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 Directive on packaging and packaging waste.

## **Organic Fluorine Compound Initiatives**

Sony prohibits use of PFOA (perfluorooctanoic acid), PFOS (perfluorooctane sulfonic acid) and PFHxS (perfluorohexane-1-sulfonic acid), which are considered particularly harmful among PFAS (per- and polyfluoroalkyl substances), in our products.

PFAS in accessories, carrying cases and other textiles is prohibited as of January 2024. Currently, we are working to understand use of PFAS in electronics other than textiles to better understand usage amount and scope. Sony will continue to comply with individual national regulations and promote alternative options.

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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 "Management Regulations for Environment-related Substances to be Controlled which are Included in Parts and Materials (SS-00259))." Sony either prohibits the use of these substances in parts or phases them out wherever a viable alternative that meets all product quality requirements and are technically and economically available. In addition, 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 proceeds to prohibit the "Controlled Substances" in the specified use.

Management Regulations for Environment-related Substances to be controlled which are Included in Parts and Materials (SS-00259)

## Replacement of 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 2024, Sony has replaced PVCs in new products and new models in the following products with alternative substances.

Xperia™ Smartphone

WALKMAN® memory-type portable audio players

IC recorder / Sound Monitoring Receiver

Video Camera Handycam®

Digital Still Camera Cyber-shot™

Interchangeable lens camera α™

Memory Stick™

SxS™ memory card

\* Parts in which PVC is eliminated are as below (excluding bundled/standalone accessories):

Xperia Smartphones: in all plastic components.

Products other than Xperia Smartphones: in casings and internal wiring.

☑ Examples of Polyvinyl Chloride (PVC) -Free Products and Brominated Flame Retardant (BFR) -Free Products

## Replacement of 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 2024, Sony has replaced BFRs in new products and new models in the following products with alternative substances.

BFR-Free Product Categories*
Xperia™ Smartphone
WALKMAN® memory-type portable audio players
IC recorder / Linear PCM Recorder / Sound Monitoring Receiver
Video Camera Handycam®
Digital Still Camera Cyber-shot™
Interchangeable lens camera $\alpha^{\text{\tiny{IM}}}$
Memory Stick™
SxS™ memory card

<sup>\*</sup> Parts in which BFR is eliminated are as below (excluding bundled/standalone accessories):

Xperia Smartphones: in all plastic components.

Products other than Xperia Smartphones: in casings and main PWBs.

## ☑ Examples of Polyvinyl Chloride (PVC) -Free Products and Brominated Flame Retardant (BFR) -Free Products

Sony has banned the use of tris (2-chloroethyl) phosphate (TCEP), a chlorinated flame retardant identified as carrying risks similar to those associated with brominated flame retardants, as well as tris (1-chloro-2-propyl) phosphate (TCPP), tris (1,3-dichloro-2-propyl) phosphate (TDCPP) short chain chlorinated paraffins. As of January 2024, it has also banned the use of Dechlorane Plus™.

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## Substance Management in Xperia™ Smartphones

In the smartphone category, Sony began phasing out brominated flame retardants (BFRs) in circuit boards, casings, and cables starting in 2002, making it one of the first companies in the industry to phase out BFRs. Since then Sony 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.

☑ Sony Mobile Critical Substances [PDF:151KB]

## **Creating Environmentally Conscious Products**

### **Promoting Environmentally Conscious Design**

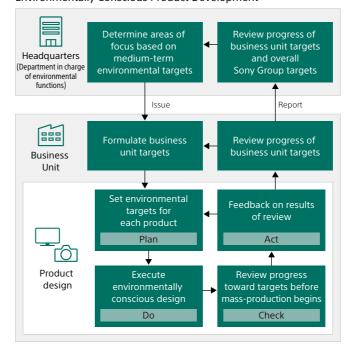
Sony has set medium-term environmental targets for products, including reducing annual power consumption, promoting resource conservation and managing chemical substances. Business units set areas of focus based on Sony medium-term environmental targets and targets based on the specific characteristics of the environmental impact throughout the lifecycle of targeted product categories. In the course of product design, environmental targets are set for each product according to business unit targets and feedback about previous models to execute an environmentally conscious design. Environmental assessments are conducted and progress toward these targets is reviewed before mass-production of a product begins. Business units receive feedback on the results of this review, conduct their own review of progress with their medium-term environmental 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 and conducts an overall review of the Sony Group's progress on achieving its medium-term environmental targets. Based on the results of this review, Sony determines areas of focus for the subsequent fiscal year. This method enables Sony to execute ongoing environmentally conscious processes for the department in

charge of environmental functions at headquarters, as well as each business unit and product, which in turn ensure the development of environmentally conscious products.

#### Designing Environmentally Conscious Products: Key Considerations

Observe Relevant Laws in Individual Countries	Product energy efficiency regulations Regulations concerning chemical substances in products Product recycling regulations	
Reduction of Energy Consumption	Aim for zero energy use in standby mode     Reduce power use in all modes     Enhance the efficiency of external power supply     Incorporate energy-saving features in products	
Resource Conservation	Ease of disassembly/reparability     Use recyclable materials     Reduce product weight     Extend product life	
Management of Chemical Substances	Controlled substances     Compliance with technical standards	
Other	Improve shipping efficiency by limiting weight of packaged products	

## Management Structure for Environmentally Conscious Product Development



## **Examples of Environmental Features** in Sony Products

Sony is working on environmentally conscious and recyclingconscious 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 following website.

☑ Sony Corporation | Environment

☑ ENVIRONMENT - Sony Interactive Entertainment Japan

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## Designing Recyclability and Reparability into Products

One initiative Sony is taking to ensure that its products are environmentally conscious involves designing them with recyclability and reparability in mind. This means, for example, labeling the material type of plastic used in parts to make it easier to extract resources from used products during recycling, and reducing the number of screws to make it easier to dismantle and repair the product. These specific environmental considerations are compiled and incorporated into the design of each product.

For example, Sony has issued Environmental Design Standards and Guidelines for TVs and Serviceability Standards, which are used when planning and designing new products, and monitors progress on meeting these standards. These design standards and guidelines reflect the trends in regulations inside and outside of Japan as well as Sony's medium-term environmental targets. 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, an affiliate of Sony engaged in the recycling business. Additionally, in order to ensure compliance with the laws and regulations regarding circular economy in Europe, Sony provides information on repair and disassembly of the display products such as TVs and commercial monitors on the support page of the website for repair shops and recyclers, and provides dealers and retailers with reparability index information for TV and smartphone products sold in France.

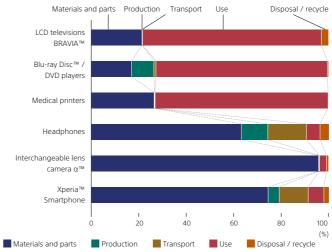
## **Utilizing Life Cycle Assessment (LCA)**

Product life cycle assessment (LCA) is 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). LCA of major products helps us to clarify priorities for product improvement for all product categories and reduce the environmental impact of Sony products.

As shown in the graph below titled "Breakdown of CO<sub>2</sub> Emissions Over the Life Cycle of Sony Products," we see that the life cycle stages responsible for generating a large portion of a product's CO<sub>2</sub> emissions differ depending on the product category. For example, for product categories such as LCD televisions, Blu-ray Disc™\*/DVD players and medical printers, emissions during product use account for a large proportion of total emissions. For this reason, reducing the power consumption and emissions associated with consumables for these products during use is particularly important. Among product categories such as headphones, smartphones and interchangeable lens camera α<sup>™</sup>, a large portion of CO<sub>2</sub> emissions occur in the production of materials and parts, rather than during use. For these products, such measures as reducing product weight are crucial in lowering life cycle CO<sub>2</sub> emissions. LCA results are reflected in medium-term environmental targets and utilized in product design for the environment.

\* The "Blu-ray Disc™" word mark is a trademark of the Blu-ray Disc Association.

#### Breakdown of CO<sub>2</sub> Emissions Over the Life Cycle of Sony Products



Sony calculated the emissions based on the following assumptions:

- Place of sale: Japan
- Product transportation: by truck in Japan, by ship or by air for international transport
- Years of use: BRAVIA™ LCD televisions, 10 years; Blu-ray Disc™ / DVD players, 7 years; Medical printers, 5 years; Headphones, 4 years; Interchangeable lens camera α™, 6 years; Xperia™ Smartphone, 3 years

Notes:  $\bullet$  This chart shows the proportion of CO<sub>2</sub> 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 CO<sub>2</sub> emissions differ among products. 119

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## **Supply Chain**

## Reducing Environmental Impact Across the Supply Chain

## Working with Materials/Parts Suppliers and Subcontractors to Reduce Environmental Impact

As a part of its efforts to reduce environmental impact across the supply chain, we request that our materials and parts suppliers and subcontractors handle both greenhouse gas and water depletion issues. For GHG emissions, Sony requests them to monitor emission levels, set medium- and long-term targets for emissions reduction and perform progress management. For water depletion, Sony requests them to set targets for water consumption reduction in consideration of water depletion risk in the areas where the site is located. Sony conducts surveys on efforts to reduce environmental burden in order to understand the impact greenhouse gas emissions and water consumption, etc., by sites have on manufacturing materials, components and products, delivered to Sony. In fiscal year 2023, Sony obtained answers about a variety of data from materials and parts suppliers which account for approximately 80% of the total transaction value and from subcontractors which account for approximately 90% of the total transaction value. We provided both tools and guidance to support GHG emissions calculation as well as instructional videos on how to use those tools. This enabled all suppliers surveyed to be able to calculate and monitor their emissions.

Our 1.5°C Science Based Target (SBT) stipulates materials and parts suppliers and subcontractors will set SBT-consistent reduction targets equivalent to 10% of supply chain GHG emissions by fiscal year 2025. To this end, Sony provides SBT guidance during surveys to them and

supports target setting and certification acquisition of SBT-consistent targets for some suppliers. In September 2023, Sony announced its intention to reduce Scope 2 GHG emissions released during use of purchased electricity at the site of Sony's major suppliers to net zero by 2030.

With regard to chemical substances, Sony requires its materials and parts suppliers and subcontractors to comply with laws and regulations in each country restricting or banning the use of chemical substances in materials, parts, semi-finished goods and finished products delivered to Sony based on Sony's own chemical substance management standards. Sony requests that substances restricted under international frameworks and separately designated by Sony not be used in the manufacturing process and continues to investigate the use of these substances.

- List of Chemical Substances Prohibited in the Manufacturing Process and Requiring Proper Management (for Sony Materials and Components Suppliers and Outsourcing Contractors) [PDF:425KB]
- → Distributing Videos and Providing Education for Raw Materials and Parts Suppliers

### Sharing Expertise on Reduction of Energy Consumption and Promoting Renewable Energy Utilization

In fiscal year 2022, Sony began promoting the Partner Eco Challenge Program, which provides suppliers with expertise on the reduction of energy consumption as implemented at Sony sites globally. In this program, personnel who are familiar with environmental initiatives and energy management visit suppliers, identify areas for improvement at manufacturing sites and provide Sony expertise. Using this as a starting point, employees at supplier manufacturing sites proactively develop initiatives for improvement and verify the results of these initiatives during the half-year period set for the program. During this period, Sony regularly checks progress and provides support for initiatives by visiting the site, while also holding seminars on basic energy conservation and other endeavors that raise awareness throughout the site. Through this program, Sony accelerates the use of renewable energy as its power usage on the supplier site, setting

goals equivalent to SBT and providing ongoing support for the acquisition of target certification.

In fiscal year 2023, Sony implemented the program in cooperation with suppliers in Japan and factories in China. Energy-saving initiatives led to improvements for all participants, and suppliers stated that the program provided an excellent opportunity to raise employee awareness concerning energy conservation.

### **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.

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## Development and Introduction Support for Low VOC Paint

Sony has long supported the development and introduction of water-based paints and other low VOC paints in order for manufacturers to reduce the volatile organic compounds (VOC) generated in the product painting process.

It's technically more difficult to ensure the coating performance and aesthetic beauty used to evaluate overall performance with water-based paints than with conventional paints. To remedy these points, Sony worked with paint manufacturers to learn how to optimize paint components, repeatedly undergoing a verification process at our in-house laboratory that was used to improve coating performance and aesthetic appearance.

Through this, we succeeded in developing a low environmental impact water-based paint that more than halves the VOC generated\*1 while still maintaining the same performance as conventional paint. We also provided support for introducing coating equipment that is optimal for using water-based paint at coating manufacturers. Once we had ensured the paints met the high quality standards required of Sony products, we began using them for some products in 2020. Since then, we expanded use year after year, and in 2023, the paints were used for Vlog camera ZV-E1.\*2

- \*1 Compared with individual parts.
- \*2 Water-based paint is used for the resin parts of the black model. Type of paint may be changed as needed for production time.



The black model of the Vlog camera ZV-E1 includes resin parts coated with water-based paint

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## **Manufacturing Sites**

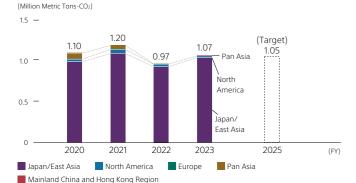
## **Reducing Greenhouse Gas Emissions**

### **Greenhouse Gas Emissions at Sony Sites**

With the target of reducing absolute greenhouse gas (GHG) emissions from Sony sites by 5% relative to fiscal year 2020 levels by fiscal year 2025, Sony has endeavored to reduce greenhouse gases such as  $CO_2$  and perfluorocarbons (PFC) related to energy consumption. In fiscal year 2023, the total volume of GHG at manufacturing sites was approximately 1.067 million metric tons, which was approximately 3.2% lower than in fiscal year 2020. While there was an increase in the amount of energy used in semiconductor manufacturing, overall emissions decreased due to increased efforts to promote energy-saving, expansion of renewable energy\* use and other GHG emission reduction measures.

\* Renewable energy includes solar, wind, water, geothermal, and biomass. This is energy that comes from sustainable sources.

#### Greenhouse Gas Emissions at Sony Sites



Japan/East Asia: Japan, South Korea and Taiwan Region

## CO<sub>2</sub> Emissions from Energy Use at Sites

In fiscal year 2023, emissions of CO<sub>2</sub> from energy use at Sony sites accounted for approximately 0.932 million metric tons, out of the approximately 1.067 million metric tons, of total greenhouse gas emissions at Sony, down by approximately 72,000 metric tons from fiscal year 2020. The above CO<sub>2</sub> emissions resulting from energy use at Sony sites include emissions from fuel used by Sony-owned business vehicles. In fiscal year 2023, CO<sub>2</sub> emissions resulting from fuel used in vehicles amounted to approximately 8,000 metric 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 through training programs designed to foster energy-saving leaders.

## Emissions of PFCs and Other Greenhouse Gases

PFCs and other greenhouse gases with high global warming potential are used in cleaning and etching processes during the manufacturing of semiconductors. Emissions of PFCs and other greenhouse gases in fiscal year 2023 (calculated in terms of CO<sub>2</sub>) totaled approximately 135,000 metric tons, up about 37,000 metric tons from fiscal year 2020. Despite the introduction of PFC abatement equipment and other reduction initiatives, total emissions increased due to the growth in semiconductor device production.

### **Promoting Efficient Energy Use**

To achieve its fiscal year 2025 reduction targets, Sony is working on various energy conservation activities at its sites around the world.

### **High Efficiency Energy Systems for Plants**

Sony Semiconductor Manufacturing Corporation's Nagasaki Technology Center (Nagasaki TEC) aimed to be the most energy efficient plant in the semiconductor industry upon construction of the Fab 5 building. In the chillers and boilers that control the temperature and humidity of clean rooms used for semiconductor manufacturing, Al is utilized, and advanced control technology minimizes chiller operation, while

another system reuses the production equipment exhaust heat to power the boiler. These innovations improved clean room energy efficiency by approximately 30% compared to fiscal year 2015. Sony Device Technology (Thailand) Co., Ltd. installed an energy-efficient air conditioning system when it reconstructed its clean room for semiconductor production. The system requires less airflow than conventional air-conditioning systems to keep the work area clean, enabling it to reduce its annual CO<sub>2</sub> emissions by approximately 4,911 metric tons, a 75% reduction compared to the previous system. Additionally, the same system was installed in the new building where we have started a production line operation in fiscal year 2024, in order to further reduce electricity consumption.



Outside Nagasaki TEC where Fab 5 began operation

Sony Technology (Thailand) Co., Ltd. (STT) is working with Kansai Energy Solutions (Thailand) and TipTop Engineering to reduce greenhouse gas emissions in air conditioning. Design, operation and management of our highly efficient chiller system\* reduces CO<sub>2</sub> emissions by approx. 2,500 metric tons per year.

\* A chiller system that supplies chilled water to a plant.

☐ Helping to Reduce our Plant's Footprint

☑ Greenhouse Gas Emissions Reduction Project at STT



Chiller system installed at STT

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## **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 Group 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.



Power management project at Shanghai Suoguang Visual Products Co., Ltd

One main example of this is at Shanghai Suoguang Visual Products Co., Ltd. (SSVE) in China, where employees from various departments all consider and implement measures together to reduce energy consumption based on their own perspectives. In the manufacturing division, for example, employees took the lead in fine tuning air condition operation, lighting management and turning power off during holidays according to production planning needs. Such efforts led to a more than 1,000 metric ton CO<sub>2</sub> reduction in fiscal year 2023, and an approximately 11% reduction in energy consumption compared to the previous year.

In addition, at Sony EMCS (Malaysia), employees led energy-saving initiatives to control air conditioning, lighting, compressed air leakage and ovens, reducing energy consumption by 198,085 kWh annually.

## **Use of Renewable Energy**

## Use of Renewable Energy and Renewable Electricity Rate

Sony's original goal to use renewable energy (renewable electricity rate) for 15% or more of the electricity used in operations at business sites by fiscal year 2025 was updated to 35% or more by 2025 in May 2022. Sony is working to adopt renewable energy in ways suited to the regional circumstances of its business locations worldwide, employing strategies such as installing solar power systems in site buildings, procuring renewable energy from power utilities, and utilizing renewable energy certificates. In fiscal year 2023, 967,268 MWh renewable electricity was used, which is approximately 35.3%, to achieve our target two years ahead of schedule.

### **Renewable Energy Procurement Policy**

Sony has always considered the surrounding environment when introducing renewable energy, so we have updated our procurement policy in fiscal year 2022 with additional environmentally conscious items for the introduction and operation of power generation equipment.

#### **Key Procurement Policy**

Evaluate environmental impact when introducing or operating power generation equipment, taking care to prevent adverse effects on the environment.

Examples of Environmentally Conscious Items:

- Land stability (outflow of earth or equipment due to slope collapse, etc.)
- Noise generated from power conditioners, etc.
- Impact of reflected solar panel light on living environment
- Impact on landscape
- Impact on animals, plants and ecosystems
- Check laws and regulations, and communicate with the local community during off-premises installation.
- Hydroelectric power generation must be 25 MW or less (exemption possible due to the procurement environment of the country/region).
- Carry a sense of forward movement to promote proliferation of new renewable energy power generation as much as possible.
- Choose a renewable energy power source that already exists in the country or region of the site.

#### Major Sony Sites that have Installed Solar Power Equipment

Location	Sites	Capacity
Japan	Sony Music Solutions, JARED Oigawa Center	1.7MW
Japan	Sony Music Solutions, Oigawa Production Center	0.22MW
Japan	Sony Global Manufacturing & Operations Kohda Site	1.2MW
Japan	Sony Customer Service (Japan) Togane Technology Site	0.20MW
Japan	Sony Semiconductor Manufacturing Kumamoto Technology Center	2.9MW
Japan	Green Cycle	0.28MW
United States	Sony Pictures Entertainment Studio	1.8MW
UK	Sony UK Technology Centre	0.74MW
Austria	Sony DADC Europe Thalgau Plant	0.84MW
Thailand	Sony Technology (Thailand) Chonburi Plant	5.4MW
Thailand	Sony Device Technology (Thailand)	4.6MW
Malaysia	Sony EMCS (Malaysia)	0.83MW
South Korea	Sony Electronics of Korea Corporation	0.20MW

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### **RE100 Membership**

In 2018, Sony joined RE100,\* a global initiative to use 100% renewable energy, in addition to internally set targets. Our goal of working toward sourcing 100% renewable electricity was originally 2040, but was moved up to 2030 in May 2022.

\* 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.

Sony accelerates target to achieve a zero environmental footprint by ten years

### **Regional Initiatives**

Even before joining RE100, Sony had been taking action on renewable energy at sites around the world. It has already achieved 100% use of renewable energy in many regions. In fiscal year 2008, it was one of the first enterprises in Europe to make the switch to 100% renewable energy for the electricity consumed at its sites. Since then, it has also achieved 100% renewable energy in China (in fiscal year 2020) and at all manufacturing sites in the Pan Asia region (in fiscal year 2022). This success in the Pan Asia region is due to the installation of solar power systems at its sites and the active use of renewable energy certificates. In September 2023, the expansion of on-site solar power generation at the Sony Technology (Thailand) Co., Ltd. Chonburi Plant

was implemented, increasing the ratio of solar power in electricity consumption from 8% (in the first half of fiscal year 2023) to 18% (in the second half of fiscal year 2023). In fiscal year 2024, at the Chonburi Plant, installation of additional on-site solar power panels on the roof of the cafeteria and the energy supply building is planned, and at Sony Device Technology (Thailand) Co., Ltd., there are plans to install additional solar power panels in the new building. Meanwhile, Sony is systematically increasing the amount of renewable energy it sources in North America, with the aim of achieving 100% in fiscal year 2030.

Similar introduction through a variety of initiatives is underway in Japan, as well. As the first such initiative in Japan, we began operating a virtual PPA using the feed-in premium (FIP) system in fiscal year 2022. With virtual PPA, power generated is then sold on the market, which means that market price fluctuations may cause a financial loss to Sony as the consumer, which we are then responsible for compensation for. Through the FIP system, government subsidies reduce risk associated with price fluctuations, making it possible to procure renewable energy that's sustainable from a management perspective. Through these endeavors, we expect the Sony Global Manufacturing & Operations Kohda Site, a production base of the Sony Group, to introduce environmental value of approximately 2.4 million kWh of electricity derived from renewable energy annually. Furthermore, Sony Semiconductor Manufacturing Corporation (SCK)

#### Virtual PPA Mechanism (Figure Redrawn with Permission from Renewable Energy Institute)



A virtual PPA (Power Purchase Agreement) is a system in which consumers (companies that wish to use electricity) conclude a long-term contract with a power generation company directly, trading the "environmental value" contained in renewable power rather than actual power. Sony has concluded a contract with OTS LLC, a power generation company, to utilize the platform provided by Digital Grid Corporation.

also introduced the new virtual PPAs using the FIP system in fiscal year 2023.

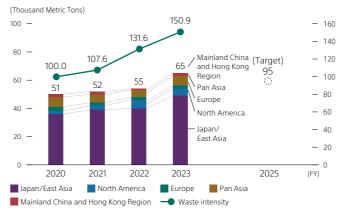
On the other hand, Sony Electronics of Korea Corporation has achieved 100% renewable energy by introducing on-site solar power generation and procuring renewable energy certificates in fiscal year 2023.

## **Reducing Waste Generation**

## Amount of waste generated at sites

With the target of reducing waste amount intensity value from Sony sites by 5% relative to fiscal year 2020 levels by fiscal year 2025, Sony has implemented a variety of measures to reduce waste and use resources more effectively. In fiscal year 2023, the amount of waste generated at sites worsened approximately 50.9% in waste intensity compared to fiscal year 2020. Sites generated approximately 65,000 metric tons of waste, which is up approximately 27.3% from fiscal year 2020. Although Sony is promoting reduction by continuously improving production site processes and reducing waste generated, the volume of waste increased, mainly due to the expansion of semiconductor plants and increased production. Furthermore, about 6,500 metric tons of industrial waste generated was plastic waste.

#### Amount of Waste Generated at Sites



Japan/East Asia: Japan, South Korea and Taiwan Region

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### **Landfilled Waste Rate for Sony Sites**

In fiscal year 2023, the landfilled waste rate for all Sony Group sites was approximately 0.9%. The rate for sites in Japan was approximately 0.2%. However, the landfilled waste rate for Sony sites became approximately 15.9% when the calculation includes waste that Sony is required by law or ordinance to dispose of by landfills. Sony strives to reduce the rate of waste disposed in landfills by recycling waste 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**

Sony is reducing waste at all its business sites. Sony Semiconductor Manufacturing Corporation (SCK) changed the flocculant used in the treatment of water discharges generated from production machinery to a biobased polymer flocculant that offers improved setting and flocculating performance, and this initiative is being optimized and employed at the technology centers that serve as production bases. This led to a reduction of sludge, which accounts for the majority of waste, as well as a reduction of both conventional primary flocculant (inorganic flocculant) and inorganic flocculant-derived sludge. Sludge was further reduced by processing excess sludge in a dehydrator. These, in addition to other measures, have reduced waste by about 1,300 metric tons annually.

In 2021, SCK's Kagoshima Technology Center worked with a subcontractor company to recycle sludge from on premises into a block to create a flowerbed. A signboard describes this recycled block, giving customers and locals an opportunity to learn about

environmental activities while also raising the awareness of people on premises.



Flowerbed made from blocks of recycled sludge

## **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 container used to transport components at Sony Global Manufacturing & Operations Corporation

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.

→ CO<sub>2</sub> Emissions from Product Transport

## Proper Water Management to Protect the Local Environment

### Water Usage and Risk at Sony Sites

Water is a constantly circulating and unevenly distributed resource, which makes water issues very regional in nature. To tackle this issue, Sony set the goals of improving water usage intensity value on sites that use high volumes of water by 5% relative to fiscal year 2020 and implementing risk reduction measures at sites located in water risk areas. In fiscal year 2023, water usage at Sony sites worsened approximately 11.6% in water intensity relative to fiscal year 2020. Water usage was approximately 20.86 million metric tons, which is up approximately 6.3% from fiscal year 2020. Sony is making efforts to recycle water and save water on production sites, but the amount of water used has increased, mainly due to the expansion of semiconductor plants and increased production.

#### Water Usage at Sony Sites



Japan/East Asia: Japan, South Korea and Taiwan Region

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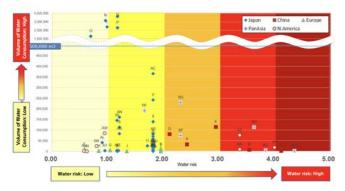
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Sony also takes steps to ensure the quality of water discharges at its sites. In addition to observing related laws and regulations in each of the countries and territories in which it operates, Sony manages water discharges quality criteria further than is required. For example, the introduction of sophisticated water treatment facilities has enabled it to reduce BOD and COD levels\* in discharged water. Available water resources vary greatly in terms of quantity and quality, depending upon the region. In business, it is necessary to consider water resources from the perspective of securing enough water for production while maintaining good stakeholder relations. Sony uses water risk assessment tools provided by the World Resources Institute (WRI) and the World Wide Fund for Nature (WWF) to perform water risk assessments for the regions where Sony sites are located. Sony is working with local stakeholders to ensure proper use of water by promoting activities that reflect the water risks in each region.

\* Biochemical oxygen demand (BOD) and chemical oxygen demand (COD) are indicators of water pollution.



Water Risk Analysis Chart for Sony Group sites

☑ Environmental Data (Environmental Data file: Water Pollutants)

### Efforts in Water Usage and Local Water Risk

- Sony's semiconductor manufacturing sites use the largest volumes of water and are located in areas where water risk is low, but we continue to promote wastewater recycling to reduce usage.
- We have set voluntary standards for environmental pollutants in water discharges, and are working to reduce the risk of water discharges pollution at Sony sites where water discharges pollution risk is high.
- We have mostly non-manufacturing sites located in areas with a high risk of water depletion and drought. The volume of water consumed at these sites is low, but we continue to work to reduce water usage.

One example of initiatives underway at areas of high water risk can be found at our non-manufacturing sites (offices, etc.) in India, where we have been employing a variety of methods to reduce water usage since fiscal year 2022. These include adjustments to shower faucets, adoption of sensor faucets in break rooms and cafeterias, awareness training, and display of Save Water posters at hand-washing stations, break rooms and cafeterias. Sony Technology (Thailand) Co., Ltd. Chonburi Plant works to reuse water employed within the plant.

## **Reducing Water Use at Manufacturing Sites**

For semiconductors and electronic devices, 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 usage.

## Increasing Semiconductor Production while Reducing Water Usage

Sony Semiconductor Manufacturing Corporation (SCK) is working toward reducing the amount of water it uses for the semiconductor production while increasing the production capacities.

SCK Nagasaki Technology Center (Nagasaki TEC) is working to reuse water discharges from gas detoxifying equipment used in the semiconductor manufacturing process and is reusing about 80% of

the water discharges. In addition, Nagasaki TEC has been working on the reuse of treated sewage water in order to contribute to the recycling and effective use of resources (water). In collaboration with local authorities such as Nagasaki Prefecture and Isahaya City, Nagasaki TEC has established a system to further purify the local treated sewage water and was the first in the prefecture to reuse the treated sewage water for industrial use. This has reduced the extraction of local groundwater.

Kumamoto Technology Center (Kumamoto TEC) is aiming to reduce water used for combustion treatment to remove exhaust gas emitted from the semiconductor production lines. To do this, they have enhanced the equipment to increase the proportion of recycled water, thereby lowering the amount of fresh water needed by about 50%. In addition, in order to help preserve the abundant aquifer in the Kumamoto region, Kumamoto TEC has for many years been conducting "groundwater recharge" efforts. This involves flooding fields with river water that slowly permeates into the water table during times when no crops are being grown.

In fiscal year 2023, approximately 3.57 million m³ water intake was recharged, a volume that exceeds that used by Kumamoto TEC. Kumamoto TEC has previously been recognized externally for its groundwater recharge efforts through a variety of awards. In fiscal year 2022, they received the 3rd Kumamoto Environmental Awards Special Award and the 2022 Local Environmental Conservation Merit Award. In fiscal year 2023, we received an award from the Foundation for the Preservation of Green and Water Resources of Higo.



Kumamoto TEC's facility for recovery of water used for gas combustion treatment

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### **Reducing Water Usage in Various Ways**

Green Cycle Corporation, an affiliate of Sony that engages in the recycling of home appliances, began harvesting rainwater in fiscal year 2014. Green Cycle uses the rainwater in recycling processes such as crushing machines. Via measures such as turning the entire 2,500 m² rooftop of Plant No. 2 into a rainwater collection area, Green Cycle Corporation was able to harvest 1,646.9 m³ of rainwater in fiscal year 2023, which covered 44.2% of the plant's total water usage. Water reduction activities in fiscal year 2023 continued to expand in the Pan Asia region. Sony Technology (Thailand) Co., Ltd. (STT) focuses on wastewater recycling to reduce public water usage. It has installed an on-site wastewater treatment plant to supply the recycled water to air conditioning cooling towers, which normally use large amounts of public water. By using the recycled water for the cooling towers, water consumption was reduced in fiscal year 2023 by 42,031 m³.

Sony Device Technology (Thailand) Co., Ltd. also implemented a rainwater harvesting project by utilizing the rainwater for their operation and reduced the water withdrawal amount in fiscal year 2023 by 20,245 m³. The harvested rainwater was utilized like a public water supply, including in common areas (cafeteria, restrooms), and as a supply for production areas by filtering through the deionized (DI) water system.



Wastewater treatment plant installed at STT

The Sony headquarters building uses treated wastewater to cool its heating equipment. By using water treated at the nearby Shibaura Water Reclamation Center to cool heating equipment, the amount of clean water normally used to replenish the water in the cooling towers has been reduced by approximately 30,000 m³ per year. In fiscal year 2023, Sony Electronics San Diego implemented a project to treat and use groundwater rather than sending it to the local wastewater treatment plant. Collected groundwater is treated through a filtration and dosing system, making the treated groundwater suitable for use as make-up water for cooling towers. The installed system can treat up to 2.5 m³ per day (660 gallons per day), with an estimated incoming water reduction of 570 m³ (150,000 gallons) annually.



Groundwater treatment system installed at Sony Electronics San Diego

## **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. We consistently strive to reduce paper use by purchasing paper that is environmentally conscious in terms of bleaching and printing, paper where the main raw material is recycled paper and paper that is sourced from properly managed forests as certified by relevant third party organizations. Particularly, we promote the use of FSC-certified paper,\* which is evaluated for both its legality and for forest sustainability. In fiscal year 2023, Sony used a total of approximately 246 metric tons of FSC-certified paper\* for such items as corporation publications, including company brochures and notices of general meetings of shareholders, product catalogs, calendars, business cards, and envelopes.

→ Focus on Paper Resources

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<sup>\*</sup> Paper certified as being produced from wood in consideration of conservation by the Forest Stewardship Council (FSC).

## **Management of 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

Sony categorizes chemical substances into four classes and carefully manages and reduces the amounts of these chemical substances used, as well as 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

List of Chemical Substances Registered as Class 1 (Prohibition of Use) in Site Operation by the Sony Group. [PDF: 132KB]

#### 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 regulatory trends or 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

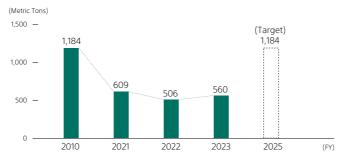
Class 4 substances: Comply with the relevant laws and regulations and use under appropriate control

 The substances not classified as Class 1, 2, or 3. Note that water and air are not required to be managed as chemical substances.

#### Efforts to Reduce VOC Emissions to Air

With the target of reducing volatile organic compounds (VOCs) released into the air to fiscal year 2010 levels or lower, Sony is working on a variety of initiatives, such as transitioning to VOC alternatives and reducing the amount of VOCs used in the manufacturing process. In fiscal year 2023, VOC emissions into the air were approximately 560 metric tons, down approximately 53% relative to fiscal year 2010. The decline was the result of a series of measures that include replacing VOCs with alternative substances and reducing VOC use in manufacturing processes.

#### Release of VOCs into the Air



## 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 ongoing 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 **≡** 128

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### **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 year 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 airconditioning 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 accidents falling withing the scope of ISO 14001 certification were reported at any of Sony's sites in fiscal year 2023.

## 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 Sony Group sites as follows. In response, Sony has been remediating the contamination and submitting regular reports to authorities.

#### Progress of Soil and Groundwater Remediation (as of August 2024)

Site	Sony Global Manufacturing & Operations Corporation's Inazawa Site (Japan)	Sony Group Corporation Atsugi Technology Center (Japan)	Sony Group Corporation Atsugi Technology Center (Japan)
Date Contamination Confirmed	June 2001 (Result of voluntary assessment)	March 2022 (Result of voluntary assessment)	February 2023 (Investigation in accordance with the Soil Contamination Countermeasures Act)
Substance(s) Detected	Fluorine	Fluorine and its compounds	Fluorine and its compounds Lead and its compounds Arsenic and its compounds
Cause	Leak from crack in drainage pipe	Leak from loose drainage pipe fitting	Assumed to be the result of past business activities
Response / Current Status	The site has discontinued use of the equipment that caused the contamination and is remediating and monitoring groundwater.  Analysis conducted in fiscal year 2023 found a groundwater concentration of 0.97mg per liter.	An administrative report indicated there was soil and groundwater pollution on site, but because there is no possibility of this pollution flowing outside the site, it was designated as an area without health risk in June 2022. Contaminated soil was removed from the site as of September 2022. We will continue to monitor groundwater contamination.	The administrative report in March 2023 indicated that the area presents no risk of health hazards, though there is soil contamination. Replacement of contaminated soil is underway.

Please see below for the latest information on site status.

Progress of Soil and Groundwater Remediation

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## **Examples of Biodiversity Conservation Initiatives**

## Guiding Principles for Biodiversity Conservation Initiatives

Recognizing the importance of natural capital, as the very foundation of human life, and the ecosystem services it supplies, Sony endeavors to maintain and recover biodiversity, both in its business activities and through regional biodiversity conservation initiatives. Changes in land usage have been indicated as one of the causes of loss and deterioration of biodiversity. From a land use perspective on the site, we consider the impact of our business activities on neighboring ecosystems, carrying out biodiversity conservation and restoration initiatives in the green areas of our manufacturing sites, as well as in the ecosystems of the surrounding area according to the region's specific needs.

#### **Conservation Initiatives**

Conservation Activities in Sony Forest to Promote a Richer Ecosystem

Since its inception in 1972, the Kohda Site of Sony Global Manufacturing & Operations Corporation, a producer of products such as digital still cameras, has protected a natural woodland on its site, naming it Sony Forest. Sony Forest was designated as a wildlife sanctuary\*1 (Kohda Northern Wildlife Sanctuary, Aichi Prefecture, Japan), and is vital to the neighboring ecosystem. Owls are at the top of the ecosystem pyramid, so in order to build a rich ecosystem inhabited by them, we continue activities at the Kohda Site such as building spaces for owls to fly and feed, as well as installing nest boxes. As a result of these efforts, inhabitation of endangered owls has been confirmed every year since 2016. In 2023, we began demonstration testing of owl monitoring harnessing an AI environmental sound recognition system equipped with internally developed advanced signal processing technology. Through this system, we extract owl sounds captured by on-site microphones, increasing the efficiency of monitoring and furthering the establishment of sustainable environment conservation initiatives.

Then, in 2011, the Kohda Site began carrying out activities to secure and share seedlings of native species, necessary for regeneration of the local ecosystem. It has been promoting this through collaboration with local government, residents, and companies. As Sony Forest initiatives continue, the Kohda Site was certified by the Japan Committee for the United Nations Decade on Biodiversity as the sixth exemplary project in 2015. In 2023, in acknowledgement of its value as a "secondary natural environment" and a "habitat for rare plants and animals," as well as an area where biodiversity conservation was implemented through private initiatives, \*2 it was recognized by the Ministry of the Environment as Nationally Certified Sustainably Managed Natural Site. Along with certification, the forest has been registered in an international database as a part of Other Effective Area-based Conservation Measures, contributing to the 30by30 targets of the Kunming-Montreal Global Biodiversity Framework adopted at the 15th meeting of the Conference of the Parties (COP15).

- \*1 An area considered important for the protection of wild birds and mammals.
- \*2 Certification for sites in line with the 30by30 goal, where at least 30% of the land and sea is to be conserved as a healthy ecosystem by 2030 in order to halt biodiversity loss. Sony participates in the 30by30 Alliance for Biodiversity, as promoted by the Ministry of the Environment, Government of Japan

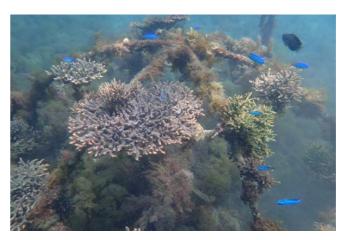


Owl chick born in the Sony Forest

### Coral Conservation Efforts in Nagasaki Prefecture

Sony Semiconductor Manufacturing Corporation works to conserve the wild coral that grows around the beaches of Takashima off the southern coast of Nagasaki Prefecture and is important to the area's rich ecosystem. In 2019, we worked with the Yattaro de Takashima local preservation group, Associate Professor Yukio Koibuchi of the University of Tokyo, who develops coral cultivation shelves,\* MM Bridge Co., Ltd., The Nippon Corrosion Engineering Co., Ltd., and CP Farm to build two coral cultivation shelves, and have continued to monitor their effects since installing them on the seabed of the area. In 2023, MM Bridge Co., Ltd. led a project to install five additional units. These devices help conserve the biodiversity of the sea area as a habitat, breeding ground and source of nutrition for wildlife.

\* Currently affiliated with the National Institute of Standards and Technology (USA) as research scientist and a professor of the Chuo University Research and Development Initiative.



Growing coral

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#### **Monitoring Survey of the Recovering Gamo Tidal Flats**

Sony Group Corporation's Sendai Technology Center (Sendai TEC) and Sony Storage Media Manufacturing Corporation's Tagajo site are conducting a biological monitoring survey of the Gamo Tidal Flats (Sendai City, Miyagi Prefecture, Japan), which is about 4 km from the manufacturing site. The Gamo Tidal Flats were damaged by the tsunami caused by the Great East Japan Earthquake, devastating the surrounding pine forest and reed fields, leading to a critical situation for the area's flora and fauna. This rich natural area was originally inhabited by a variety of worms and gobies, is a breeding ground for little terns and Kentish plovers, and is also the wintering ground for the brant goose, a natural monument of Japan, and has been designated as a national wildlife sanctuary special protection area. Since 2014, Sendai TEC and the Tagajo Site have been tracking the recovery of the Gamo Tidal Flats in collaboration with the Gamo Conservation Society environmental NGO. Over a decade has passed since the earthquake, and the environment of the Gamo Tidal Flats continues to recover. In a 2023 survey, 20 species of benthic life including Helice tridens, 14 species of birds including herons such as the striated heron and the great egret, five species of plants including the beach morning glory and Carex scabrifolia, and two species of fish, the stone flounder and the flathead grey mullet, were confirmed. Three rare species, the osprey and the Kentish plover (birds), and the Suaeda maritima (halophyte), were also observed.



Helice tridens is a dominant species found in large numbers in the Gamo Tidal Flats.

#### **Biodiversity Conservation Activities in Austria**

The Sony DADC Thalgau plant in Austria is actively promoting activities to conserve biodiversity in the nature-rich region of the Thalgau-Fuschlsee Nature Reserve, located in the greater Salzburg area. In recent years, the habitat of the wild bee, which plays an important

role in the ecosystem as a pollinator in this area, has been deteriorating due to climate change and housing development. Sony DADC Austria is implementing activities to protect the bee, such as installing beehives on the plant grounds, housing approximately 800,000 bees. In addition, to protect the ecosystem that lives in the grassland on the plant grounds and as a way of landscape management, employees let sheep of local farmers graze the land instead of using tractors that strain the soil.



Beehive conservation activities

#### **Biodiversity Conservation Activities in China**

Sony Precision Devices (Huizhou) Co., Ltd. (SPDH) is located in a natural area close to a mangrove forest, and is actively working to remove alien species and promoting biodiversity conservation efforts in the region. Mangrove Forest Park is home to a wide variety of flora and fauna that inhabit the intertidal zone and brackish water, including storks, black-faced spoonbills (nationally protected species in China) and other endangered species. SPDH began planting mangrove trees in 2022, and had planted a total of 450 by 2023.



Activities at Mangrove Forest Park

#### Promoting Biodiversity through Synecoculture™\*

Sony is promoting biodiversity conservation and extension activities on its sites through Synecoculture. Synecoculture is a farming method advocated by Masatoshi Funabashi, senior researcher at Sony Computer Science Laboratories, in which a wide variety of plants are mixed and densely grown on a single area of farmland to create an augmented ecosystem, thereby maximizing the circulation inherent in an ecosystem. The basic principles are "no tillage," "no use of fertilizers," and "no pesticides." By implementing Synecoculture, we aim to create a sustainable society, where human activities and the natural environment are compatible.

Sony Group Entities in China have been widely promoting/extending Synecoculture since fiscal year 2020 at sites across the country with coordinated efforts both internally and externally. Nine Synecoculture experimental farms have now been established, with over 3,000 kg of vegetables harvested in the last four years. The harvested vegetables were provided to employee cafeterias.

Sony China has also introduced Syneco Portal to corporate sites and external facilities. This is a small scale Synecoculture that serves as a learning tool to experience and learn about ecosystems. In addition, the company has been conducting hands-on activities for employees to experience Synecoculture. Sony China's corporate efforts in deploying Synecoculture have been widely recognized. As a result, the company received seven awards in China in fiscal years



Vegetables harvested from a Synecoculture farm

2022 to 2023.

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In Japan, Sony/Taiyo Corporation started a Synecoculture farm in fiscal year 2022 with the support of SynecO, Inc. (Syneco, Inc. is a company that promotes augmented ecosystems and Synecoculture), planting more than 140 species of plants. Plants on the farm have continued to grow steadily, creating a healthy ecosystem that provides vegetables served in the employee cafeteria. In fiscal year 2023, Synecoculture activities were expanded to Atsugi Technology Center (Atsugi TEC).

#### Other Initiatives

- ☑ Volunteering to Protect Nature Reserves in the UK
- ☑ Old Growth Conservation Efforts in Kunisaki City, Oita Prefecture
- ☑ Promoting Forest Management Activity at So-net Forest (in Japanese)
- Protecting Spawning Grounds of the Endangered Loggerhead Turtle in Japan
- Environmental Protection Activity in New York City
- ☑ Coral Conservation Efforts in Nagasaki Prefecture
- ☑ Participating in the Forest Conservation Project in Sumatra
- ☑ Participating in Panama's Biodiversity Event Festi Harpia 2019

### **Environmental Initiatives for Food**

Sony has been working on environmental issues related to food in our Food for the Future project since 2021. We engage every employee in activities that encourage them to be aware of use of environmentally conscious food and take action in their daily lives through a variety of efforts, including distribution of a guidebook detailing environmentally conscious food, internal seminars and educational events, and providing meals that use environmentally conscious food in our employee cafeterias worldwide. October has been named Food for the Future Month, and in 2023, on-site cafeterias shared information about environmentally conscious food, provided meals that use them, and held seminars featuring expert keynote speakers from outside the company.



Environmentally-conscious menu served at employee cafeteria during Food for the Future Month

### **Reducing Food Loss in Singapore**

In Singapore, Sony Electronics Asia Pacific and Sony Electronics Singapore held Ugly Food Day in 2023 to reduce food waste and educate employees. At the event, more than 250 pieces of over imported and "ugly" fruit were given out to employees to reduce food waste and create awareness on food sustainability issues in Singapore. Two online workshops were held in the Pan Asia region, where guest speakers shared tips on reducing food waste and explained what water footprint\* in food is. The workshops were extended to Sony Pictures employees as well.

\* Indicator of the amount of water consumed or contaminated both directly and indirectly through the life cycle of food and related products including production, processing and distribution.



Distributing fruit and vegetables on Ugly Food Day

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<sup>\*</sup> Synecoculture is a trademark of Sony Group Corporation.

## Worldwide Cleanup Activities Catered to Regional Characteristics

Sony continues to conduct cleanup activities at its manufacturing sites around the world that are catered to the specific characteristics of the region. Sony also conducts the One Blue Ocean Project to tackle the issue of marine pollution by collecting plastic waste and reducing the use of single-use plastic at its business sites. For example, Sony Device Technology (Thailand) Co., Ltd. has been planting mangroves since 1999 and is also engaged in cleanup activities to conserve these forests. In 2023, we cleaned up the mangrove area at Bang Pu Nature Education Centre, Samut Prakan, collecting about 129 kg of waste. Sony Technology (Thailand) Co., Ltd. (STT) has been planting mangroves and engaging in cleanup activities since 2010. In fiscal year 2023, STT employees planted 2,000 mangrove trees and cleaned up the landscape in Chonburi province. For non-manufacturing sites, in fiscal year 2023, Sony Philippines Inc. (SPH) conducted mangrove planting and beach cleanup, planting 3,125 propagules on the shoreline of Santiago Island, and collecting 465 kg of waste from the beach, while employees of Sony Malaysia Sdn. Bhd. (SOMAS) partnered with external organizations to conduct cleanup activities at Malaysia's National Zoo and Port Klang beach, collecting more than 300 kg of waste.

In fiscal year 2023, Sony Electronics participated in the community cleanup event "I Love a Clean San Diego's Kids Ocean Day" in Mission Beach, San Diego. The event educates students on pollution prevention and ocean conservation, and concludes with a visit to the beach. Volunteers supported around 1,000 students taking part in the beach cleanup and aerial art photograph. Additionally, Sony's staff provided photo and film footage on the ground by using the Airpeak S1.

Employees of Sony Middle East and Africa FZE together with their families participated in the Saih Al Salam (Al Qudra Desert) cleanup, collecting more than 170 kg of waste.



Sony Volunteers supporting Kids Ocean Day

→ Tackling Ocean Plastic Pollution with the One Blue Ocean Project

#### Other Initiatives

Cleaning Up Marine Plastic Waste Across China

## **Wow! Wow! Biodiversity Project**

Together with the Nature Conservation Society of Japan, Sony launched the Wow! Wow! Biodiversity Project in fiscal year 2015, as a platform for organizing nature appreciation events, holding photo contests for the general public and spreading awareness of biodiversity through social media. In fiscal year 2016, Sony China joined this project and is conducting similar awareness-raising activities in various cities across China. The annual photo contests have become popular in both Japan and China. Through the submission of photos, the splendor of nature and the importance of biodiversity are conveyed to more and more people. About 11,400 entries were submitted to the Chinese photo contests from 2016 to 2023, and they were introduced on social media by the employees of each site throughout China, with approximately 1,070,000 views in 2023. The 9th photo contest was held in Japan, boasting a record-breaking 2,166 entries from 1,156 people. In addition to holding exhibitions of the winning photo entries in Japan and China, the project has been providing other opportunities for the public to

think about the importance of biodiversity, through activities such as biodiversity lectures and nature photographing workshops using Sony cameras.



Winning piece from the Chinese photo contest

☑ Wow! Wow! Biodiversity Project (in Japanese)

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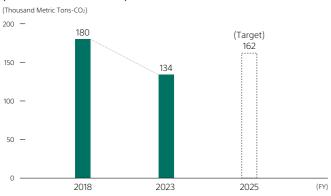
## **Logistics**

## **CO<sub>2</sub> Emissions from Product Transport**

With the target of reducing absolute  $CO_2$  emissions related to international and inland logistics\* by 10% (compared with fiscal year 2018) by fiscal year 2025, Sony has worked to reduce transport weight by making products and packaging smaller and lighter, while optimizing transportation efficiency and switching to transportation methods that have a low impact on the environment. In fiscal year 2023, the total  $CO_2$  emissions from product transport (international and inland) was approximately 134 thousand metric tons, a decrease of 25% over fiscal year 2018. This was due to changes in the volume transported, adopting methods that emit less  $CO_2$ , shortening distances through more efficient routing and improving loading efficiency by downsizing product packaging and improving parts packaging.

\* Some countries and regions are excluded from "inland transportation."

## CO<sub>2</sub> Emissions from Product Transportation (International and Inland)



## Reducing the Environmental Impact of Logistics

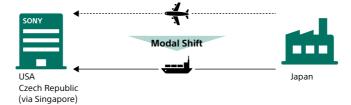
### **Promoting Modal Shift**

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 for Tape Media

From fiscal year 2020, Sony Storage Media Solutions Corporation switched from air to sea transport for storage tape media that is manufactured in Japan and destined for distribution centers in the US, Singapore and Czech Republic. This led to a reduction of approximately 3,000 metric tons of CO<sub>2</sub> emissions in fiscal year 2023 compared to fiscal year 2020.

#### Modal shift from air to sea transport



#### Modal Shift in the US

Sony Electronics Inc. (SEL) in the United States continues to optimize the use of rail transport for product shipments from the West Coast to reduce  $CO_2$  emissions generated during transport. SEL also focuses on increasing loading efficiency reducing number of shipments; focused on minimizing outbound air shipments; reducing small load shipments and working with carriers for shipment consolidation. Annually, SEL in conjunction with its logistics partner run a carrier nomination bid, strategically focused on reduction in environmental impact as a member of the SmartWay program operated by the United States Environmental Protection Agency (EPA). These efforts led to a 4.99% reduction in  $CO_2$  emissions per ton mile shipped in fiscal year 2023 compared to fiscal year 2022.

#### **Modal Shift in Japan**

In Japan, Sony has promoted modal shift from truck to rail transport, which boasts lower CO<sub>2</sub> emissions. Recognizing our efforts to use rail transport, particularly for consumer electronics, Sony Corporation 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.

Sony also promotes domestic sea transport. In fiscal year 2023, CO<sub>2</sub> emissions attributable to the transport of products in Japan were approximately 123 metric tons lower than would have been the case if products had been transported by truck.



Logo indicating Eco Rail Mark certification for businesses

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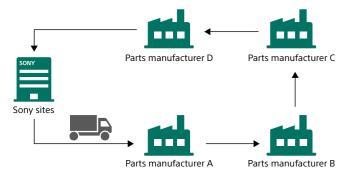
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## **Improving Transport Efficiency with Milk Runs**

Efficient transport realized by maximizing loading volume per truck reduces environmental impact. Sony seeks to improve transport efficiency by utilizing milk runs.\* In China, Sony has been improving transport efficiency, which helps to reduce CO<sub>2</sub> emissions, using a combination of transport solutions such as milk runs and round trips for incoming parts and finished goods deliveries.

\* 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.



Sony trucks run loaded round-trip to increase transportation efficiency

### 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 its materials. This has contributed to the reduction of use and disposal of packaging materials such as stretch films.



A reusable band in use

## Optimizing Shipping Boxes for Improved Loading Efficiency

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, improvements to the boxes at the Terre Haute plant have been made through redesign into a shape optimally suited for the size and amount of products to be shipped, expanding choice of boxes available and utilizing mailer envelopes for very small orders. Ultimately, the plant 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

## Improved Loading Efficiency in Container Transport

We are working to improve loading efficiency in the transportation of containers for BRAVIA™ large screen televisions by taking every route possible. Typically, containers are loaded on to a cardboard pallet that is over 10 cm thick, which takes up space and leads to unusable space at the top of the container since they cannot be stacked. To better utilize the entire space, we now use 0.5 mm slip sheets instead of the pallets, and looked into changing how we stacked items, which led to us being able to stack more items in a single container. We saved approximately 62 containers in the shipping of BRAVIA™ televisions in 2023.



A container loaded with televisions

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## **Product Recycling**

## **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.

### **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 E-Waste Management Rules, 2022 and amendments.

### Sony's Recycling Targets and Record

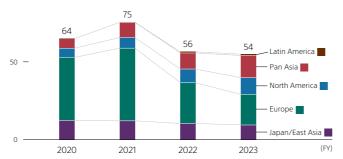
Sony promotes the collection of end-of-life products worldwide with our goal to establish and maintain recycling schemes suitable for the needs of local communities. In fiscal year 2023, Sony's Take-Back of End-of-Life Products Record was approximately 54 thousand metric tons of end-of-life products. The figures for fiscal year 2023 are aggregate figures current as of July 2024, and do not include some countries, namely France and Switzerland.

Sony has also been working on advanced recycling since 2021 with the goal to improve collection efficiency 1.5 times over fiscal year 2020 in regards to the recycling of key mineral resources (tantalum), further improving efficiency from fiscal year 2021 to 2022. We worked with specific recycling plants in Japan to adjust sorting equipment and improve the operation process used to collect parts containing tantalum from end-of-life products. These efforts led to 55% of the total weight of parts in end-of-life products containing tantalum being recoverable, approximately 44 times the efficiency of fiscal year 2020.

#### Take-back of End-of-Life Products Record

(Thousand Metric Tons)

100 —



Notes: • The figure for fiscal year 2023 is as of July 2024. The figures for fiscal years 2021 and 2022 were corrected from that of previous year's report.

- Japan/East Asia refers to the Japan, South Korea and Taiwan region.
- This includes the weight of batteries and packaging. End-of-life products collected and counted may vary by region.

## **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, an affiliate of Sony specializing in the recycling business. Highly effective, practical measures incorporating these ideas and suggestions for easier disassembly and separation of materials obtained during the recycling process 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 by sharing the latest information on product dismantling.

### **Workshops on Television Recycling**

Sony has been holding workshops on television recycling since 2006 at Green Cycle Corporation.\* Attended by product designers, mechanical designers and a wide array of employees in other fields, we use these events to reaffirm the importance of recyclability considerations and recycling-oriented design for future product manufacture. Training begins with observation of television disassembly lines, followed by hands-on experience taking apart LCD televisions themselves. After, Green Cycle line managers hold discussions, explaining current challenges and needs. Participants then apply what they've learned to design products sold worldwide, better incorporating difficulties and improvement points for disassembly work, as well as their understanding of the importance of reusing materials gained in this way.

 $^{\star}$  These events weren't held from 2020 to 2022 due to COVID-19.



An LCD TV disassembly workshop at Green Cycle Corporation.

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## **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. Sony works to improve recycling methodology for home appliances at its affiliated companies.

### **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, and in April 2024, extended to OLED televisions. Among applicable products, Sony manufactures televisions.\* 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

At these recycling plants, TVs are manually disassembled, and the parts are crushed and sorted using various equipment. Materials such as iron, copper, aluminum, and plastic are then separated out and sold to businesses that produce raw materials, making them available for reuse. In addition, certain harmful substances such as lead and mercury found in some older products and parts are removed and disposed of properly in accordance with the law. In fiscal year 2023, Sony recycled approximately 82 thousand CRT televisions and 384 thousand 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 year 2001. In fiscal year 2023 the recycling rate for Sony-manufactured CRT televisions was 74%, while for Sony-manufactured flat-screen televisions it was 86%.

Compliance with Japan's Home Appliance Recycling Law (in Japanese)

☑ Sony's Recycling Record

Green Cycle Corporation has been working on high-purity sorting processes for used home appliance plastics. Products made from a mix of plastics are collected and disassembled, then the materials are crushed at recycling factories. Next, they are sorted by material in preparation for use. Polypropylene (PP) is used in variety of applications, however, even sorted and collected plastics contain a variety of other plastics with only a small ratio of PP, so these materials have conventionally been exported overseas.

Green Cycle Corporation developed a high-purity sorting process to enable collection of materials that are 98% or more PP. This enables the collected materials to be sold to domestic resin compounding facilities, increasing plastic resources recycled in the country. The water used in this sorting process is rainwater and water generated during the dehydration process, making almost 100% of the water used recycled.



Equipment used for sink/float sorting, one part of the high purity sorting process at Green Cycle Corporation

☑ Sony's Green Cycle Corporation Receives an award at the 2024 Aichi Environmental Award (in Japanese)

## **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.\*

Sony is a member of the PC3R Promotion Association and collects and recycles used PC products under the industrywide collection and recycling scheme operated by the association. The results of the association's collection and recycling efforts are published on the association's website (link below).

In fiscal year 2023, Sony collected and recycled a total of approximately 12 thousand units, for a total weight of approximately 63.7 metric tons. From these items, about 45.4 metric tons of materials were reused, including metal, plastic, and glass parts.

- \* LCD displays include gaming monitors
- Result of Collection and Recycling of Used PCs by the PC3R Promotion Association (in Japanese)
- ☑ Information on Recycling Used Computers Made by Sony (in Japanese)

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<sup>\*</sup> Sony-manufactured televisions include products bearing the Aiwa brand manufactured in and before 2005.

## **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. With the aim of building a recycling market where the principle of competition works in Europe, Sony formed the European Recycling Platform (ERP) in cooperation with other companies in 2002, building efficient and cost-effective systems for the collection and recycling of end-of-life products that enable member companies to fulfill their obligations as manufacturers. Sony continuously strives to find the best recycling partners.

- \*1 Directive 2012/19/EU on waste electrical and electronic equipment (WEEE)
- \*2 Directive 2006/66/EC on batteries and accumulators and waste batteries and accumulators (to be replaced by Regulation (EU) 2023/1542 on batteries and waste batteries published in July 2023)
- \*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 2023, Sony financed the costs of recycling approximately 19,594 metric tons\* 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.

\* End-of-life products in fiscal year 2023 does not include certain countries, such as France and Switzerland.

## **Recycling Activities in North America**

Sony Electronics Inc. in the United States and Sony of Canada ULC continue to contribute to enhance recycling of electronics in North America. All recycling and support activities are committed to a responsible recycling process that supports state and provincial legislation and voluntary initiatives.

## United States: Promoting of the Sony Take Back Recycling Program

Sony Electronics Inc. (SEL) continues to promote the Sony Take Back Recycling Program, which was put in place to increase recycling rates for used electronics in compliance with individual state laws and regulations. Through this program, SEL works with recycling companies across the United States to allow consumers to drop off Sony products at designated collection centers free of charge. In fiscal year 2023, these collection centers, mail back and through compliance channels collected approximately 8,027 metric tons (17.70 million pounds) of used consumer electronics. This equates to recycling 0.33 kg for every 1 kg of electronics sold.

about the program and the importance of recycling. The website provides consumers with useful recycling information that helps make recycling easy for used electronics through a variety of features, such as a search function to find nearby recycling centers. As a member of the Call2Recycle Program,\* SEL recycles rechargeable batteries free of charge in line with the program's recycling scheme.

\* 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.

☑ Sony Take Back Recycling Program

☑ Call2Recycle

### 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 that evaluate such factors as environmental management performance and workplace environment. In the effort to support responsible recycling of electronics, SEL has joined e-Stewards enterprise.

## Canada: Working with Provincial Governments to Support Electronics Recycling Programs

Since the first provincial program was launched in 2004, Sony of Canada ULC (Sony Canada) has worked with provincial governments to set up recycling programs for end-of-life products. 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 10 provinces and two territories. In addition, Sony Canada is a founding and current board 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.

☑ Recycling your Sony products

Electronic Products Recycling Association

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## **Recycling Activities in Pan Asia**

The operations of Sony in the Pan Asia region stretch from the Middle East 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 E-Waste Management Rules, 2022 and amendments, Sony India has partnered with a leading third party company for channelization of e-waste which includes collection and recycling of e-waste. In fiscal year 2023, Sony India collected and recycled approximately 9,950 metric tons of e-waste internally and through the third party partner. Additionally, Sony India focused on raising awareness regarding environmentally safe disposal of E-waste and encouraged end-consumers to submit their end of life Sony Products to the broad network of e-waste collection points established by Sony India for their safe disposal. In fiscal year 2023, Sony India launched the awareness campaigns through newspapers, social media and organized seminars through its third party recyclers. Pan India circulation of newspapers reached more than 4.2 million readers, awareness video on social media received more than 6.6 million views in total and 23 seminars were conducted in schools and institutions. Sony India continues to review results and formulate future plans accordingly.

☑ ELECTRONIC WASTE ("E-WASTE") MANAGEMENT

## Australia: Participating in the "National Television and Computer Recycling Scheme" (NTCRS)

Since 2012, Sony Australia has been taking part in a recycling scheme 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 2023 through June 2024, approximately 3,292 metric tons of applicable e-waste had been recycled as Sony's share of the total amount recycled.

### Korea: "ART" (Action Really Together) Campaign

In Korea, the recycling law has been in place since 2003 and covers electronics, batteries 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.



"ART" campaign logo

## **Recycling Activities in Latin America**

Sony has offices in a number of Central and South American countries, including Argentina, Bolivia, Chile, Colombia, 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 Inter-American, 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 year 2023, approximately 26 metric tons of e-waste was collected and processed appropriately. Going forward, the companies will continue to implement the Green Service Program.

## **Recycling Programs in Latin America**

Sony encourages customers to recycle their products under each recycling program in countries with existing take back and recycling regulations.

In Mexico, Sony handles the individual WEEE take back and recycling scheme through 6 collection points, and complies with the recycling regulation based on producer responsibility. In Colombia, Ecuador and Peru, Sony belongs to a collective scheme promoting WEEE take back and recycling, and complies with the recycling regulation.

Also, in Colombia and Chile, Sony is participating in the collective take back program for containers and packaging. These collective programs seek to continue the path to the recycling of containers and packaging within the framework of the existing regulation.

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# **Environmental Communication**

## Worldwide Environmental Communication

Through hosting special events and supplying special content, Sony is helping to raise the environmental awareness of society. Sony provides a wide variety of stakeholders with environmental information in an accurate, timely and continuous manner.

## Taking Advantage of Sony Events to Raise Environmental Awareness

Sony China held Sony Expo 2023 to showcase the latest information on Sony Group businesses in China. At the event, a sustainability session was held to introduce Sony's environmental initiatives. We shared our environmental vision and supporting initiatives of group companies in the region to an audience of over 7,000. We also featured environmental technologies\*¹ such as Synecoculture™, a farming method that aims to create an augmented ecosystem, Triporous™, a porous carbon material made from rice husks, and SORPLAS™, a flame-retardant recycled plastic. We also held a panel discussion with Sony employee representatives who promote sustainability initiatives, noted experts and university students, an exhibition of Sony's environmental technologies, and an event where we distributed vegetables harvested at the Synecoculture trial farm in China.

Sony China also exhibited on sustainability themes at the China International Import Expo, held in November 2023 to promote trade. In addition to the aforementioned technologies, we also shared local environmental initiatives. Sony's environmental efforts were shared with over 3,000 attendees, among which were government officials

and media representatives, and response was favorable. 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\*2 with an environmental focus. In 2024, we continued our sustainability initiatives at the tournament to reduce the overall environmental footprint of the event through continued energy and resource efficiency practices. The event has been recognized by the State of Hawaii Green Business Program since 2016. SEL continues to work with the Hawaii Bicycling League to provide a bike valet service to enable attendees to choose environmentally conscious transportation. To mitigate the impact of the 2024 event, SEL supported the Hawaiian Legacy Reforestation Initiative, who plant native and endemic trees to restore wildlife corridors and native habitat to preserve Hawaii's native environment.

- \*1 For further details on these environmental technologies, please refer to "Technology for Sustainability" on the link below.
- \*2 PGA Tour is the US men's professional golf tour.



Sharing environmental initiatives at the Sony Expo sustainability session

→ Technology for Sustainability

### Environmental Activities Leveraging Entertainment Business

Sony capitalizes on its influential entertainment business to promote environmental activities.

### **Raising Awareness Using Gaming Technology**

Sony Interactive Entertainment (SIE) and PlayStation Studios are

developing Climate Station™, an application which uses virtual reality technology to allow people to view, interact with, and understand complex climate data to raise awareness about climate change. Climate Station™ is an immersive experience which maps 120 years of historic climate data across thousands of locations, allowing users to see how the climate has changed where they live. Cutting edge game technology is used to visualize the impact of different future scenarios on our planet. SIE showcased Climate Station™ at the 28th United Nations Climate Change Conference (COP28) and the sixth United Nations Environment Assembly (UNEA-6) to NGOs, governmental and educational stakeholders.



Exhibiting Climate Station™ at COP28

#### **Environmental Initiatives in Television Content**

In 2023, Sony Pictures Networks India (SPNI) supported the sustainable content initiative with numerous activations in television content to engage and inspire their audiences. For example, in a television quiz show, for every incorrect answer provided by a contestant, SPNI pledged to plant 100 trees. If a contestant answered incorrectly, the host commended their effort and redirected focus towards the positive impact on the environment. Seven thousand trees were planted throughout one season. Additionally, a cooking game show featured a zero-waste cooking challenge and a family TV show featured episodes with themes of adopting healthier lifestyles, sustainable food systems, and saving water and energy.

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#### Participating in Initiatives of the Music Industry

Sony Music Group (SMG) is actively involved in environmental initiatives in the music industry. On behalf of Sony Music Entertainment (UK), SMG has been involved in the Music Climate Pact since 2021 to share insights on combating climate change and promote decarbonization efforts across the music industry. In 2023, SMG, Universal Music Group and Warner Music Group founded the Music Industry Climate Collective, an alliance that aims to work to address the challenges and changes in the global climate and how they relate to the music industry. SMG has been working with the alliance members to develop comprehensive sectoral guidance for measuring scope 3 GHG emissions in the music industry. SMG also enhanced its companywide environmental framework to develop policies and programs to meet Sony's environmental targets as well as shared visions within the music industry.

#### ☑ The Sony Music Group joins the Music Climate Pact

#### **Initiatives Through Characters**

Sony Creative Products Inc. (SCP) handles domestic marketing of the beloved global IP "Peanuts" in Japan. Under the theme "SNOOPY Loves NATURE" for activities in Japan in fiscal year 2023, SCP held SNOOPY Loves NATURE "Team UP!" cleanup events that were open to the public and further utilized the IP to support other cleanup activities across the country.



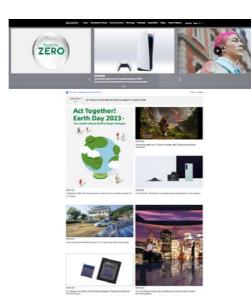
© 2024 Peanuts Worldwide LLC

Cleaning up with Snoopy

Events were held at five locations across Japan, including cleanup activities and workshops open to the public. Displaying Snoopy costumes encouraged people of all ages to both think about environmental action and enjoy cleanup. We also sold T-shirts and other merchandise featuring Peanuts characters to raise money for the cause, donating a portion of the proceeds to NPOs engaged in cleanup activities.

## **Environmental Communication Through the Corporate Websites**

Sony regularly shares environmental information on the websites and social media of our group companies. To celebrate Earth Day on April 22, the perfect time to think about the global environment, we introduced a limited time Earth Day home screen for the website of our group headquarters, the Sony Group Corporation, along with a message from the CEO and information summarizing net zero and environmental measures taken by group companies. During that time, other group company websites and social media accounts also shared environmentally conscious products and initiatives.



The Earth Day home page of Sony Group Corporation's website

## 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 conducts events and educational activities for employees at its business sites around the world, to introduce environmental issues and Sony's environmental initiatives. For example, in 2023, Sony conducted online seminars on green washing and issues of environmentally conscious food for all employees in Japan.

### 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 Manufacturing Corporation actively participates in local community events and organizes its own interactive events. The company also holds tours of its manufacturing plants, during which it explains to visitors how wastewater is processed by environmental-related equipment.

## **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.

→ Partnership and Participation in Multi-Stakeholder Frameworks

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## Overview

## **Basic Approach**

Sony conducts research and development as a creative entertainment company with a solid technological foundation with the aim of "filling the world with emotion through the power of creativity and technology." Sony believes it is essential to understand the motivations of creators and users in order to fulfill its management objective of creating technology that gets closer to people. To help solve the problems faced by humanity, society, and our planet, we will contribute through Sony Group's diverse products, content and services, which people and technology are constantly improving.

### Structure

#### R&D

Based on Sony Group's R&D mission to "Push our civilization forward and make this planet sustainable" and the direction of our technology—"We are here for creators", we consider all people who pioneer the future as creators, including researchers and entrepreneurs, and we are engaged in research and development activities to expand their creativity. Sony is prioritizing R&D that enables creators to fully apply their creativity and convey their ideas to diverse users around the world. The three domains of sensing, Al, and the digital virtual world, as well as integration among them, will be the core to realize this. In addition, by developing large Al models to accelerate progress in these three domains, Sony will transform itself as an Al and data-driven company.

To create technology that brings *kando* (emotion) to a diverse range of people, we also emphasize diversity within our organization. In addition to conducting R&D activities at multiple sites across Japan, China, India, Europe, and the United States, each taking advantage of regional characteristics and strengths, we will continue to recruit talented researchers from around the world. These diverse organizations constitute the Sony R&D ecosystem which aims to contribute towards creating value for the Sony Group, and we will further strengthen our collaborations with creators as well as academia to pioneer a better future together.

☑ Technology That Inspires Emotion

### **Sony Computer Science Laboratories**

Sony Computer Science Laboratories, Inc. (Sony CSL) was established in 1988 to pioneer new research fields and paradigms, as well as new technologies and businesses, for the good of humanity, society and our planet. Sony CSL gives free rein to its researchers and is committed to creating a better future via creative and imaginative research. As of 2024, Sony CSL is researching a diversity of themes at its laboratories in Tokyo, Paris, Kyoto and Rome, ranging from social issues in areas such as ecosystems, urban planning, and energy to augmentation of human capabilities and creativity. It strives to channel the fruits of its research back into society.



☑ Sony Computer Science Laboratories

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### **Sony Research**

Sony Research Inc. was founded in April 2023 with the mission to "pioneer the future of creation." It undertakes the research and development of disruptive technologies that aims to empower creators around the world to maximize their creativity, IP value, and fan engagement. Sony Research defines creators in the largest possible sense and aims to develop technology that can also make fundamental societal contributions. The company includes Sony Al, which was founded in 2020 and will initially focus on projects in the realm of sensing, Al, and digital virtual spaces. Going forward, the scope of research will be expanded to include new fields and greater challenges. Recognizing the power and influence that Al can have on society, Sony Research aims to contribute by developing Al that is responsible, fair and transparent.

## Sony Research

Sony Establishes Sony Research to Undertake Unprecedented Disruptive Research in Sensing, Al and Digital Virtual Spaces

## **Programs**

### Sony Startup Acceleration Program (SSAP)

The Sony Startup Acceleration Program (SSAP) was launched in 2014 as a program to support the creation and operations of new businesses within Sony, and began providing services outside the company from fiscal year 2018. With Sony's employees serving as experienced accelerators, SSAP provides seamless support from ideation to commercialization for Sony Group companies, external organizations (including major corporations), venture companies, SMEs, non-profits (NPOs), and educational institutions. Thus far, SSAP has provided new business acceleration services in more than 600 cases to hundreds of companies across 24 industries, creating 27 new businesses from scratch, with over 400 people using its incubation program. SSAP engages in open innovation with companies and organizations, and aims to bring people's ideas to life and create an affluent and sustainable society.

Sony Startup Acceleration Program

Sony Startup Acceleration Program (in Japanese)

### **Sony Innovation Fund**

Sony has participated for many years in the global ecosystem for creating new businesses and supporting the business growth of venture companies. It established the Sony Innovation Fund in 2016, the Innovation Growth Fund in 2019, the Sony Innovation Fund: Environment in 2020 to support companies tackling global environmental issues, and in 2021 launched an innovative program to support ESG initiatives by companies that it invests in. Sony Ventures Corporation, established in July 2021, launched Sony Innovation Fund 3 L.P. in February 2022. This new investment fund, which completed a final closing with a total of 26.5 billion yen, invests in venture companies in industries that are expected to show strong growth. The new fund brings the total Assets Under Management (AUM) to over 60 billion yen. Sony Innovation Fund 3 L.P. is intended to contribute to social progress and the creation of sustainable societies via ESG-focused investment and support for venture companies.

## Sony Innovation Fund

- ☑ Sony Innovation Fund
- News Releases: Sony Ventures Corporation Completes final closing of the "Sony Innovation Fund 3 L.P." (SIF3) with a total of 26.5 billion yen

### **Sony Research Award Program**

Sony Research Award Program is an open innovation program for research and development. The program is open to universities and research institutions in North America, Europe, and India, and calls for research proposals, sponsoring grant awards recipients with research funding and opportunities to collaborate with Sony's diverse R&D organizations. Launched in 2016 for North American universities, the program has expanded to cover more regions and research institutions and granted awards to a total of 168 research projects by fiscal year 2023. It contributes to making Sony's R&D advanced and promoting R&D on innovative technologies and their implementation in society on a global scale.

SONY RESEARCH AWARD PROGRAM

## Sensing Solution University Collaboration Program (SSUP)

Sensing Solution University Collaboration Program (SSUP) is a program that, with the keywords of "Sensing" and "Collaboration," offers joint research and research support through the free lending of research equipment for research themes that use Sony Semiconductor Solutions Corporation's sensing solutions, as well as related activities to encourage co-creation and to support education. It aims to create a better future and bring surprise and excitement to people, sensing the world with Sony's devices such as low-power consumption microcontroller computers and cameras, to derive solutions for real-world problems as well as to create entertainment. Beginning in 2019, SSUP has globally conducted joint research with 54 university laboratories (34 in Japan and 20 overseas) by fiscal year 2023.



☑ Sensing Solution University Collaboration Program

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# Technology for Sustainability

Sony regards working to realize a sustainable society as a key theme and is conducting technological development to solve both environmental and social issues.

# **Projects**

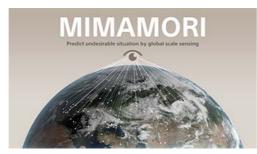
# IoT for a Sustainable Society: Sony's Earth MIMAMORI platform

In order to realize a sustainable society, it is necessary to constantly protect various regions such as mountain forests, satoyama (woodlands surrounding rural settlements), rivers, and coasts. Achieving this aim also requires the detection of anomalies to prevent problems from arising, instead of addressing environmental issues after they have already arisen. Such systems can only be realized through the ability to acquire and transmit data in a global sensor network extending to mountainous and coastal areas not serviced by conventional mobile networks. They also require devices and networks that can function in areas where electricity service is difficult. Sony has a range of technologies to realize these systems, including:

- IMX500, an intelligent vision sensor equipped with Al processing functionality
- Low-power edge Al devices such as SPRESENSE™ that offer advanced sensing in a battery-powered device
- ELTRES™-compatible radio signal processing technology that enables low power and low bit rate data transmission with a range of over 1,000 km
- Prediction One, an analysis tool that makes useful predictions from the data collected
- A wafer-level diode-pumped solid-state surface-emitting laser, which can be used in atmospheric monitoring to sense particles invisible to the eye

and more besides

Combining these technologies enables sensing all around the world, even in locations where humankind is not active. The data from such sensing can be collected by low Earth orbit satellites and the necessary information relayed to human society via Al processing. Sony calls this concept MIMAMORI and is engaged in research and development to make this mechanism to change human behavior patterns a reality. Within frameworks such as a comprehensive alliance with the Japan International Cooperation Agency (JICA), and the Social Innovation Division for Planetary Boundary jointly established with Hokkaido University, Sony is collaborating with external partners in joint research and trials at various locations around the globe. In March 2023, Sony signed a letter of intent with Thailand's Geo-Informatics and Space Technology Development Agency (GISTDA) to work towards building a system to alleviate damage caused by natural disasters. These projects will help to prevent environmental destruction and predict emergencies such as river flooding and wildfires, as well as increase agricultural and livestock productivity.



MIMAMORI, a proposed global sensing solution to detect anomalies and take preventative action

- ☑ Sony's Earth MIMAMORI platform
- ELTRES
- ☑ News Release: Wireless Experiment System Compatible with Sony's Proprietary Low-Power Wide Area (LPWA) Communications Standard ELTRES™ Successfully Received Signal in Space (in Japanese)
- Prediction One (in Japanese)
- [2] News Release: Hokkaido University and Sony Group Open the "Social Innovation Division for Planetary Boundary"
- News Release: Sony Awarded Minister for Internal Affairs and Communications Award at Japan's 6th Space Development and Utilization Awards (in Japanese)

# STAR SPHERE, New Perspectives of Earth

In August 2020, Sony announced that it would begin developing a nano satellite that could be operated from the ground to capture the earth and stars. Development has been completed under a joint demonstration agreement with the Japan Aerospace Exploration Agency (JAXA) and the University of Tokyo.

Until now, space missions have been used mainly for industrial purposes such as planetary exploration or space communication and surveys, and only a few people, such as astronauts, have experienced manned space flights. Believing that it is important for anyone to experience the universe for themselves and see Earth in a new light, as a planet in space, to help humanity create sustainable societies and find solutions to environmental issues, Sony, the University of Tokyo, and JAXA founded the STAR SPHERE project. In January 2023, STAR SPHERE's nano satellite EYE was launched from Florida, USA. Starting in February 2024, Sony has offered Space Photography Experiences to the general public through the web application EYE CONNECT (this service is currently available in Japan only), which is used to operate EYE. Sony has also held space-related educational events entitled the Earth Childlens Project in Saga and Kanagawa prefectures. By enabling people to discover unfamiliar aspects of the Earth, such as the expressive colors of the atmosphere, STAR SPHERE will create more opportunities for everyone to feel closer to space, and to think about our planet and environment. Photos taken with EYE can be viewed in EYE CONNECT.



Picture taken by the nano satellite EYE

☑ STAR SPHERE-Space Inspiration Project

[2] EYE CONNECT

☑ Earth Childlens Project (in Japanese)

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### Synecoculture™\*1 and Augmented Ecosystems

Conventional agriculture largely focuses on increasing productivity from a single crop by plowing topsoil, spreading fertilizer, and applying agrochemicals. These practices damage ecosystems and cause environmental problems. Sony CSL successfully conducted demonstration tests for Synecoculture, a new agricultural practice that balances productivity and biodiversity, moving closer toward sustainability. Synecoculture has the potential to have a major global impact and is already contributing to desert greening and supporting local economies in the Sahel region in Africa, and helping to enhance food production and environmental conditions in China and South America. Synecoculture eliminates the need for plowing, fertilizing, and

agrochemical use that impact the environment, by using material cycling that occurs naturally in ecosystems in a multifaceted manner, aiming to create rich ecosystems with a diverse mix of plants that coexist together and grow vibrantly. Sony CSL is also working to supply new value through augmented

ecosystems, which expand the applications for Synecoculture beyond food production to the creation of ecosystems with diverse objectives and functions. The project supports education to enhance the understanding of natural environments and adds new value to the basic infrastructure of urban and living spaces.

SynecO Inc. was established to support the implementation and dissemination of Sony CSL's research.

SynecO is working to create sustainable environments and industries based on the renewable natural capital in which society should be rooted. Its activities include a reforestation pilot project on the island of Sumatra.

<sup>\*1</sup> Synecoculture is a trademark of Sony Group Corporation.



Method of open-field agriculture and augmenting ecosystems utilizing the self-organizing power of the ecosystem

- Synecoculture™ and Augmented Ecosystems
- News Release: New Company Founding: SynecO, Inc.
- ✓ News Release: Launch of Pilot Project to Utilize Synecoculture™ for Forest Restoration in Sumatra

# **Products**

### **Edge AI Solutions to Help Solve Social Issues**

In May 2020, Sony Semiconductor Solutions Corporation (SSS) announced the commercial release of its IMX500 intelligent vision sensors, the first image sensors in the world\*2 to be equipped with Al processing functionality. They feature a stacked configuration consisting of a pixel chip and logic chip, which are key technologies of SSS image sensors. The logic chip is equipped with SSS's proprietary DSP (Digital Signal Processor) dedicated to AI signal processing, and embedded memory for the AI model.

The spread of the IoT has made cloud AI processing systems commonplace. However there is concern that this will lead to increased CO<sub>2</sub> emissions as IP traffic and data center electricity consumption rise due to higher data volumes from the growing number of IoT devices. Edge Al processing addresses these problems by processing and analyzing data on the devices themselves.

SSS developed the IMX500 to be capable of outputting the desired metadata as semantic information. Only necessary data is extracted, reducing data transmission latency, power consumption, and communication costs. Privacy concerns are also addressed by not outputting information that can identify an individual.



AITRIOS edge AI sensing platform

In late 2021, Sony launched the AlTRIOS™\*3 Al sensing platform to accelerate the development of solutions using the IMX500 and various other image sensors. AITRIOS is a one-stop platform that provides various partners involved in development with all the features they need to efficiently develop and deploy solutions. The platform supports partners in efforts to build optimal systems in which the edge and the cloud function in synergy and address global environmental issues, thereby helping to solve issues with cloud systems. Services using IMX500 and AITRIOS have already started in fields such as logistics, retail and manufacturing. One example is an edge Al-driven vision detection solution for retail stores.

Implementation of this AITRIOS visual detection solution at 500 major convenience stores and other locations began in April 2024, aiming to improve digital signage systems by providing insight into aspects such as the number and percentage of people who view signage while addressing privacy concerns.

In the field of logistics, services designed to enhance efficiency at warehouse loading/unloading areas (berths) began in November 2023. A combination of SSS's edge Al technology with Hacobu, Inc.'s MOVO Berth truck reservation service and a web application from Restar Corporation has enabled the automatic collection of data such as transportation truck berth usage records and working time data with the aim of addressing the issue of transportation capacity shortages faced by the logistics industry as a result of working hour regulations in Japan.

- \*2 Among image sensors. According to Sony research (as of announcement on May 14, 2020).
- \*3 AITRIOS and AITRIOS logos are the registered trademarks or trademarks of Sony Group Corporation or its affiliates.
- News Release: Sony to Release World's First Intelligent Vision Sensors with Al Processing Functionality\*2
- ☑ AITRIOS | Edge Al Sensing Platform
- News Release: Edge Al-Driven Vision Detection Solution Introduced at 500 Convenience Store Locations to Measure Advertising Effectiveness
- News Release: Edge Al-Driven Service to Improve Efficiency at Sony Semiconductor Solutions, Hacobu, and Restar Electronics Warehouse Berths Launched (in Japanese)

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### **OTC (over-the-counter) Hearing Aids**

Sony Corporation's self-fitting OTC hearing aids were launched in the U.S. in October 2022, in partnership with WS Audiology. OTC hearing aids are newly approved hearing aids in the U.S. that can be purchased without professional prescription or intervention for people with perceived mild to moderate hearing loss over the age of 18. In the U.S., the low prevalence of hearing aid use is an issue. Less than 20%\*1 of people aged 20-69 who need hearing aids actually wear them. Some studies show that hearing loss may increase the risk of developing dementia, which means hearing care is an important issue to address in order to extend people's healthy life expectancy. The advantages of OTC hearing aids are affordability, ease of purchase at mass retailers or online stores, and easy self-fitting. During the initial stage of product development, we considered we could apply Sony's headphone designs to hearing aids, but we found that people with hearing loss have unique needs and challenges through a series of in depth interviews. Based on these findings, we created discreet, sleek and ergonomic designs to encourage people to want to wear the hearing aids, and developed a user-friendly smartphone app for improved usability.

We will continue to combine Sony's technologies and expertise in the development of OTC hearing aids with the aim of providing hearing experiences that deliver "Anshin" and "Kando" to enrich human life.

\*1 Quick Statistics About Hearing. (2021, March 25). www.nidcd.nih.gov. Retrieved October 11, 2022, from https://www.nidcd.nih.gov/health/statistics/quick-statistics-hearing



CRE-E10 OTC Hearing Aids

- News Release: Sony and WS Audiology Have Entered into a Partnership Agreement in the Over-the-Counter Self-Fitting Hearing Aid Business
- Sony Electronics Launches its First Over-the-Counter Hearing Aids in the US and Makes Hearing and Improved Accessibility Options for Consumers a Reality
- Aiming for Over the Counter ("OTC") Hearing Aids Where Everyone Can Share the Moment, for Richer Conversations and Experiences
- ☑ Reference: Quick Statistics About Hearing, Balance, & Dizziness (National Institute on Deafness and Other Communication Disorders)

# NOS-DX1000 Next-gen Olfactometry System Contributing to Longevity with Proprietary Odorant Control Technology

According to a report by Japan's Ministry of Health, Labour and Welfare, one in five elderly people in Japan will have dementia in 2025, making it critical to detect the disease early and control its progression. Several studies report that a drop in olfactory ability is one of the symptoms that heralds the onset of Alzheimer's disease or Lewy body dementia. This indicates that smell testing could play a role in the early detection of the disease.

In March 2023, Sony Corporation released the NOS-DX1000 Next-gen Olfactometry System. Previous methods of measuring the sense of smell had drawbacks such as requiring 30 or more minutes for measurement, contaminating rooms with odors, or only being usable in certain facilities. Sony's product uses the proprietary Tensor Valve<sup>TM\*2</sup> technology, which prevents odor leakage, to digitally transform processes of smell testing and measurement in an easy-to-use manner without odor contamination.

Smell testing performed with NOS-DX1000 has significant potential in the medical field as a screening method that can contribute to early detection of dementia that places little burden on patients and medical staff, and research focused on the link between reduced olfactory ability and neurodegenerative diseases is ongoing. The product's applications in providing smell testing relating to Lewy body dementia and Parkinson's disease were presented at the 64th Annual Meeting of the Japanese Society of Neurology in May 2023 and the 17th Congress of the Movement Disorder Society of Japan in July of the same year. A health checkup facility in Nagoya has also began offering smell testing with NOS-DX1000 as an optional

additional health check in February 2024. Moving forward, this olfactive technology will continue to contribute to medicine and health care through use in olfactory research at medical and research institutions.

\*2 Tensor Value is a trademark or registered trademark of Sony Group Corporation.



Olfactometry with the NOS-DX1000

Olfactive Technologies

### Camera Authenticity Solution to Enhance Transparency and Trustworthiness in News Workflows

With the rapid advancement of generative AI, the spreading of fake images and false information may have a significant negative impact on society as a whole. Addressing this issue is key to ensuring transparency and trustworthiness, especially in the field of news reporting.

To aid in the fight against manipulated imagery and Al-generated fakes, Sony delivers Camera Authenticity Solution, the proprietary in-camera digital signature and C2PA\*3 (Coalition for Content Provenance and Authenticity) format support, which make it possible for news agencies to ensure the authenticity of images, contributing to industry efforts to protect creators, and society from fake imagery. This will initially be offered to select news media agencies, expanding to other agencies at a later date.

Starting in March 2024, Sony delivered highly anticipated firmware updates for the Alpha 1, Alpha 7S III, Alpha 7 IV, and the Alpha 9 III. These updates contain some of Sony's most impactful technology, including Camera Authenticity Solution, the proprietary in-camera

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digital signature that signs images in real-time and C2PA\*3 (Coalition for Content Provenance and Authenticity) format support. This new feature certifies the authenticity of an image at the point of capture and creates a 'digital birth certificate' that is retained throughout revisions. Sony's solution also helps protect the authenticity of content by including an Image Validation Site, which verifies the image even after edits have been made by C2PA-compliant editing software. The signature contains metadata including 3D-depth information captured through the proprietary technology in the image sensor developed by Sony. This depth information can show if the image captured was of an actual 3D object, or a photograph of an image or video, providing an extra level of protection and even more assurance of the content's authenticity and making Sony's solution especially unique for photojournalists and news agencies.

- \*3 C2PA is a Joint Development Foundation project that aims to develop an end-to-end open technical standard to provide publishers, creators and consumers with opt-in, flexible ways to understand the authenticity, and provenance of different types of media.
- News Release: Sony Electronics Delivers Firmware Updates including C2PA Compliancy as a Next Step to Ensure Authenticity of Images

# Image Sensors Equipped with Global Shutter Technology for Automatic Reverse Vending Machines

Sony Semiconductor Solutions (SSS) supplies image sensors fitted with the global shutter technology Pregius™ to TOMRA, which is engaged in resource collection and recycling projects around the world. TOMRA uses the sensors in its reverse vending machines for plastic bottles.

Accurate sorting is an essential part of resource recycling, and TOMRA's reverse vending machines for plastic bottles and other drinks containers required high-speed, accurate sorting based on characteristics such as shape, material and barcodes. Conventional image sensors produce distortion when capturing high-speed objects, meaning they did not meet the required standard.

To meet the challenges TOMRA faced in creating its reverse vending machines, SSS has supplied image sensors equipped with its

proprietary global shutter technology capable of capturing fast-moving subjects without distortion. This enables accurate reading of a bottle's shape and barcode in about one second, contributing to effective sorting and resource recycling.



Customers putting used bottles into a reverse vending machine from TOMRA

Sony Supplies Image Sensors for TOMRA Reverse Vending Machines

# Material

# Licensing of Triporous™

Triporous is a plant-based porous carbon material with excellent adsorption qualities. Sony obtained end-to-end patents on this material and began licensing Triporous in 2019. Triporous is made from rice husks, of which Japan alone generates around two million metric tons per year, and this excess biomass is part of approximately 100 million metric tons generated annually worldwide. Manufacturing Triporous can reduce air pollutants and greenhouse gases more than using incinerator disposal. Thanks to its microstructure derived from rice husks, Triporous has unique adsorption properties different from those of conventional activated carbon. Triporous has been shown to be highly effective in adsorbing surfactants commonly contained in factory and domestic wastewater, and some perfluoroalkyl substances (PFAS), which have become a prominent issue in recent years.

Triporous is expected to contribute to improving water circulation and soil environments. In water treatment, using Triporous in place of conventional domestic activated carbon filters helps to reduce filter replacement rates, systems costs and waste. Triporous is being used in deodorizing, antimicrobial fibers for apparel and in cleansers for healthcare. Triporous has also been selected for a project commissioned by the Japanese Ministry of the Environment, and its use is expected to become even more widespread. Sony will work with partners to apply Triporous to solve a variety of social issues and help to bring about a more environmentally conscious, recycling-oriented society.



Triporous, a new material made from rice husks

- ☐ Triporous™ Official Website
- 7 Triporous's Environmental Performance
- ✓ News Release: Sony Begins Licensing of New Material Triporous™
- ☑ News Release: Triporous™ Selected for Functional Material Development and Demonstration Project Commissioned by Ministry of the Environment in Japan (in Japanese)

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### **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.

Sony aims to promote the recycling of resources and help reduce the environmental impact of society as a whole by offering SORPLAS to other companies. Many companies are interested in using SORPLAS. So far, it has been adopted for a wide variety of products, including televisions, cameras, smartphones, computers, lighting fixtures, and daily necessities such as travel goods and stationery.

\* SORPLAS is an environmentally conscious plastic developed and provided by Sony Semiconductor Solutions Corporation.



SORPLAS recycled plastic pellets (black), recovered pellets (transparent: right) and Sony's original flame retardant (left)

- → SORPLAS™, Sony's Original Flame-Retardant Recycled Plastic
- ☑ 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

# **Services and Systems**

### Implementing Open Xchange Systems in Society

Sony Computer Science Laboratories, Inc. (Sony CSL) conducted research, development, and demonstrations with its Open Xchange Systems (OXS) to promote decarbonization and biodiversity conservation through climate change mitigation. OXS combine Sony CSL's decentralized Open Energy Systems™ (OES) and educational programs including tools that visualize carbon dioxide emitting behaviors in daily activities. With these technological and design approaches, OXS aims to accelerate the use of renewable energy and trigger behavior changes that would lead to decarbonization. One of the main actions taken with OXS was to publish the source code for the Autonomous Power Interchange System (APIS), the core module of the OES, as open-source software in 2020. The UMABA Project commenced in July 2021. This new power-sharing demonstration, which linked storage batteries and EVs over an AC electricity network, was conducted by an industry-academiagovernment consortium investigating environmentally conscious working vacations. The project was based in Umaba School Cottage, a working vacation facility in Miyoshi, Tokushima Prefecture, and had been working to facilitate decarbonization in the area.



Demonstration test in UMABA Project

Open Xchange Systems

# **Digital Cinema Systems**

Previous film development required a massive amount of positive film, water and chemicals. To rectify this issue, Sony introduced the HDW-F900, the world's first 24P digital video camera for cinema production, back in the year 2000, and began offering 4K digital cinema projection systems consisting of projectors and other devices in 2007. Since then, we have continued to provide digital cameras to movie production sites and theaters worldwide. These cameras save both resources and power, and improve operation efficiency. In terms of recent developments, Sony released the VENICE digital cinema camera in 2018. This camera fitted with a full-frame sensor was both smaller and lighter than conventional models, yet capable of 6K recording. This was followed in 2022 by VENICE 2, which supports internal recording in an even smaller, lighter body. In 2024, Sony released BURANO, designed with greater focus on high mobility optimized for shooting with small crews.



A BURANO digital cinema camera

☑ VENICE Size and Weight Reduction Information

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### **Virtual Production Technology**

Sony provides virtual production technology to creators that has the potential to reduce environmental impact of content production. The technology enables in-studio filming that blends live-action footage with computer-generated imagery in real time to achieve the look of being on-location. The combination of large LED displays, cameras, camera tracking, and a real-time 3DCG rendering engine allows creators to shoot in front of a virtual 3DCG background image on the LED displays and combine CG and live action without post processing. According to Sony Pictures Entertainment, this technology could reduce greenhouse gas emissions approximately 52%\* compared to on-location productions. In addition, 3DCG virtual backgrounds can be reused repeatedly to minimize waste.

\* Assuming that no renewable energy is used



Virtual production shooting

☑ Environmental Considerations in Content Production

# Supporting Disaster Countermeasures and Infrastructure Inspections with Drones

Aerosense Inc., an affiliate of Sony Group, combines automated flight drones with cloud services to provide various industrial solutions. They enable high-precision drone surveying that helps save labor at civil engineering sites nationwide. This technology is also used for confirmation work in natural disaster response and prevention, bolstering national resilience by allowing damage to be quickly investigated during such events. In recent years, climate anomalies have driven an increase in natural disaster damage. Authorities need drones that can fly long distances to safely and efficiently make assessments of broad areas. One of the many current applications of Aerosense's vertical take-off and landing (VTOL) drones is inspecting infrastructure damaged by mountain landslides, such as power lines and roads.

In fiscal year 2023, Aerosense's proposal was adopted by the Japanese Cabinet Office's Key and Advanced Technology R&D through Cross Community Collaboration Program (K Program) and the Ministry of Land, Infrastructure, Transport and Tourism's Small Business Innovation Research (SBIR) project. As part of the K Program, development of a next-generation large VTOL drone is progressing towards expected completion in 2025. Expected applications include carrying materials during disasters and other emergencies, and surveying and inspection using high-precision sensors and cameras. Under the SBIR, as part of the National Disaster Resilience and Development and Demonstration of Wide-area, Strategic Infrastructure Management Technology project, Aerosense develops small VTOL drones capable of long-distance flight that are compatible with Class 1 UAS certification with the aim of revolutionizing the inspection of domestic infrastructure, including around roads and rivers.



Aerosense drone

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# Ethics and Compliance



# **Overview**

# **Basic Approach**

Under our Purpose & Values we strive to earn trust for the Sony brand through ethical and responsible conduct and such commitment supports Sony's value creation.

With this in mind, Sony's ethics and compliance program is designed to comply with laws, manage key group-wide risks and foster an ethical corporate culture. The program is continuously improved, taking into account of the changes in business environment, based on both best practices and global regulatory expectations.

Sony has also adopted in-depth group-wide policies, procedures and controls for key risk areas such as antitrust, anti-corruption, and privacy and personal information management. Senior management evidences its commitment to ethical business conduct by repeatedly communicating the importance of staying true to the Code and leading by example.

# **Structure**

Sony instituted a global ethics & compliance network to ensure effective oversight and implementation of our program by all Sony Group companies.

# **Looking to the Future**

Sony continuously assesses its risks and engages in ongoing reviews and program improvements to maintain and elevate an ethical corporate culture. Senior management continues to allocate necessary resources to achieve Sony's goal of ethical and responsible business conduct and compliance with all applicable laws and regulations by all Sony Group personnel.

#### Milestones

2009:

2018:

2024:

2001:	Established the Compliance Division in Sony Corporation (Current "Ethics & Trust Department, Sony Group Corporation")
2003:	Adopted the Sony Group Code of Conduct Refresher training on the Sony Group Code of Conduct Establishment of the Compliance Hotline (Current "Sony Ethics & Compliance Hotline") was delivered to all employees. Establishment of the Global Ethics & Compliance Network which consists of regional offices of Global Entertainment & Americas, Europe, Japan, East- Asia and Pan-Asia
2008:	Established the Compliance Monitoring Function

Established the Compliance Leadership Team

Revision of Sony Group Code of Conduct

Revision of Sony Group Code of Conduct Reorganized the Global Ethics & Compliance Network

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# Global Ethics & Compliance Network

### **Overview**

Sony's global ethics and compliance program is designed to support ethical and responsible business conduct. It is a shared endeavor among directors, management, and employees at all levels here at Sony, with each person taking ownership and responsibility for ethical business conduct and compliance with the law and in every interaction. Sony established a group-wide ethics & compliance network of experienced compliance personnel (the "Global Network") to strengthen effective implementation of the ethics and compliance program throughout Sony Group. The Global Network was reorganized in 2024 into a structure better suited for Sony's current business portfolio.

In the Global Network, Business Domain Heads and management have responsibility as the first line for ensuring an ethical culture and managing legal risks associated with the business. Sony's ethics and compliance personnel and departments, as the second line, provide support, advice and oversight to the business to support an ethical culture and effective risk management.

Sony's Monitoring Team and the audit departments provide objective and independent assurance.

The Global Network (i) establishes a centralized risk management framework in line with best practices; (ii) provides necessary support and guidance to ethics and compliance personnel embedded in the business; and (iii) monitors compliance with the risk management framework to provide effective oversight, address gaps between the ethics and compliance program's requirements and actual operations, and drives consistency and continuous program improvement across all Sony Group companies.

# **Roles**

### **Executives in charge of Compliance:**

Provide top-level leadership for the Global Network and oversee Sony's global ethics and compliance program.

#### Sony Group Corporation Ethics & Trust Department:

Under the Executives in charge of Compliance and with support of the Compliance Leadership Team, designs and implements Sony's group-wide ethics and compliance program and network, and provides updates to the Board of Directors and the Audit Committee. It also works with the Compliance Leadership Team members and the Ethics & Compliance Officers to conduct comprehensive risk assessments and implement compliance policies, procedures, and internal controls to prevent and detect unethical behavior. It provides oversight of investigations related to potential legal or policy violations.

#### The Compliance Leadership Team:

Provides advice and recommendations regarding program activities and input into operational and regional views. The team is comprised of the Senior Vice President in charge of Compliance, all Ethics & Compliance Strategy Leaders, the Head of Monitoring Team and experienced legal/compliance personnel from Sony Group companies.

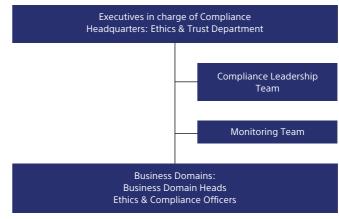
#### **Monitoring Team:**

Helps to measure the effectiveness and maturity of Sony's global ethics and compliance program by conducting periodic and global-based assessments on program implementation and by undertaking risk-based compliance audits and validations of internal controls.

#### **Business Domain Heads and Ethics & Compliance Officers:**

Implements and executes the ethics and compliance program and other activities to effectively manage the legal and regulatory risks and maintain the ethical culture in their Business Domain.

#### Global Ethics & Compliance Network



# Oversight by the Board of Directors and Audit Committee

The Sony Group Corporation Board of Director's Audit Committee provides oversight of Sony's program. The Audit Committee receives monthly reports as well as periodic, in-person updates concerning the ethics and compliance program's activities. Reports to the Audit Committee include information about global regulatory developments, top and emerging risks, and data used to inform program design, implementation and effectiveness such as data derived from program assessments, audit and investigation results, compliance hotline metrics, ethics culture survey results, and employee training data. It also includes information about program improvements. The Sony Group Corporation Board of Directors also receives annual updates on compliance related risks and Sony's global ethics and compliance program.

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# The Sony Group Code of Conduct

The Code is the cornerstone of Sony's ethics and compliance program and applies to all Sony board members, officers and employees ("Sony Group personnel").

The Sony Group Code of Conduct explains what we should do in our day-to-day work to earn trust for the Sony brand, embracing the Sony's Purpose & Values. The Code provides a set of guiding principles to conduct our business activities on a principled path. Staying true to the Code is the basis for earning trust from stakeholders, and such continued efforts contributes to Sony's sustainable growth.

Sony engages with colleagues, business partners and the communities in which Sony does business based on the Code.

Please refer to the below page for the overview of the Code.

#### → The Sony Group Code of Conduct / Sony's Basic Policy for Sustainability Initiatives

Sony periodically updates the Code of Conduct as part of its continued effort to provide clear direction on Sony's ethical principles and to maintain the Code's effectiveness. Sony recently revised the Code of Conduct in April 2024.

The Code confirms Sony's commitment to its core ethical values in every aspect of its business operations and includes guidance on key risk areas such as:

#### Earn Trust

Earn Trust for the Sony Brand / Make Sound Business Decisions / Speak Up

#### • Contribute to the World

Contribute to a Sustainable Society / Live with Planet Earth

#### • Empower and Respect People

Respect Human Rights / Embrace Diversity of People and Foster Respect / Engage in Sound Labor and Employment Practices / Maintain a Healthy and Safe Work Environment

#### Strive to Create and Deliver Kando

Be Diverse and Competitive / Deliver Kando Experiences / Market Honestly / Compete Fairly

#### Collaborate Responsibly

Collaborate with Business Partners / Source Responsibly

#### Embrace Creativity and Technology

Use Technology Responsibly / Create and Protect Intellectual Property / Safeguard Confidential Information / Respect Privacy / Maintain Information Security

#### Safeguard Sony's Integrity

No Corruption / Avoid Conflicts of Interest / Protect Sony's Assets / Keep Accurate Records and Reports / Make Appropriate Public Disclosures / No Insider Trading / Follow Trade Control Laws / Follow Tax Laws / Communicate Responsibly

Sony also recognizes its responsibility as a member of a global society. The Code reflects principles set out in relevant ethical quidelines, which include (among others):

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

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

The Code was approved by the Sony Group Corporation Board of Directors and adopted by the decision-making bodies of every Sony

Group company ("Sony Group" or "Sony Group companies") as their respective code of conduct. Sony Group managers, at all levels, are responsible for promoting the Code as part of their ongoing commitment to creating a culture of integrity and ensuring ethical and responsible business conduct. 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 Sony Group personnel and relevant third parties working for Sony. Sony provides additional translations as necessitated by changing workforce demographics.

Sony Group Code of Conduct [PDF: 2.96MB]



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# Sony's Ethics and Compliance Program

### The Basics

Sony's ethics and compliance program starts with "Tone from the Top." Senior management continuously 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 business processes, including ongoing risk assessments, policies and procedures, training and messaging, third party management, reporting mechanisms, and monitoring and audits. Sony continuously improves its program in accordance with regulatory guidance and other leading practices that organizations with mature ethics and compliance programs have found to be effective.

The following chart shows the key elements of our ethics and compliance program, based on regulatory guidance and leading practices.



# Risk Assessment Areas under Ethics and Compliance Program

Sony conducts ongoing risk assessments to help assure that Sony's ethics and compliance program activities effectively mitigates and manages relevant top risks. When conducting risk assessments, the Ethics & Compliance Officers perform the risk evaluation process for relevant ethics and compliance risks in their respective business domain together with the management of the business, and then the SGC Ethics & Trust Department evaluates the overall risk of Sony Group based on the business domains' risk evaluation results. Key legal and compliance risk areas assessed include:

- Antitrust / Competition Laws
- Bribery
- Conflict of Interest
- Economic Sanctions Laws
- Environmental Laws
- Financial Laws
- Fraud
- Information Security Laws
- Infringement of Intellectual Property
- Insider Trading
- Labor and Employment Laws
- Money Laundering
- Privacy / Personal Information Protection Laws
- Product Safety / Product Compliance
- Securities Laws
- Supply Chain Laws
- Trade Compliance
- Other Laws

# **Policies and Procedures**

Sony's global policies provide necessary rules and procedures to help ensure ethical and responsible business conduct and compliance with applicable laws and regulations. For example, Sony maintains global policies in each of the following risk areas:

- Sony Group Anti-Bribery Policy
- Sony Group Third Party Engagement Policy
- Sony Group Record Retention Policy
- Sony Group Global Policy on Antitrust / Competition Law Compliance
- Global Insider Trading Prevention Policy

These policies are regularly communicated to all Sony Group personnel and relevant third parties as appropriate. Policies are regularly reviewed to ensure that they clearly state Sony's direction on important matters, reflect current legal and business requirements, and are effectively implemented by the relevant business units.

#### **Antitrust and Competition Law Compliance**

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

\* Sony's material legal and regulatory proceedings in fiscal year 2023 are disclosed in our Form 20-F: "Item 8. Financial Information A. Consolidated Statements and Other Financial Information. Legal Proceedings," p. 94.

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# **Training and Messaging**

Sony adopted a "Compliance Education Protocol" to ensure that minimum ethics & compliance training and communications in critical risk areas are provided to all employees and relevant third parties working for Sony. For example, all Sony Group personnel and relevant third parties working for Sony are required to complete comprehensive Code of Conduct training and Proper Workplace Conduct training within 90 days of first providing services to Sony. Refresher comprehensive Code of Conduct training must also be completed at least every four years. In addition, in-depth training on key Code of Conduct topics must be completed at least once every two years and training on information security and privacy must be completed at least annually. Additional compliance training is mandated based upon risk assessments and employee and third-party roles and responsibilities. Key ethics & compliance training includes:

- Anti-Bribery
- Third Party Engagement
- Antitrust and Fair Competition
- Import / Export Trade Compliance
- Manager Training

Furthermore, frequent messaging concerning Code topics and key risk areas is provided to all Sony Group personnel and relevant third parties working for Sony.

# **Third Party Management**

Sony established internal rules and procedures to help ensure compliance with applicable laws and regulations related to potential third party risks, which include: anti-corruption, anti-money laundering, economic sanctions, trade controls, tax matters, and supply chain laws related to the procurement of electronics products. These rules are designed to help assure that Sony only does business with reputable third parties.

### Third Party Due Diligence

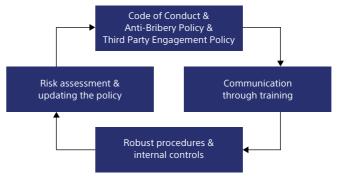
The Sony Group Third Party Engagement Policy was established to help ensure compliance with applicable laws and regulations related to potential third party risks, which include: anti-corruption, anti-money laundering, economic sanctions, trade controls, tax matters, and supply chain laws related to the procurement of electronics products. This policy describes the methodology for assessing the risk profile for higher risk transactions and includes risk-based due diligence and pre-approval requirements. Required due diligence is performed by the employees responsible for the transaction with support from legal, finance and accounting as appropriate. The results of due diligence determine whether the transaction can proceed or whether it can only proceed subject to additional safeguards. Ongoing monitoring for red flags is required and due diligence must be refreshed periodically after the commencement of the transaction. All personnel involved in third party onboarding, including relevant personnel in Sony's finance, accounting, trade controls and legal functions are required to receive training on this policy.

# **Anti-Bribery and Corruption**

Sony believes that corruption negatively impacts the communities and economies where we do business and that it must be eliminated to realize a sustainable, inclusive, and transparent society. One of the core principles set forth in the Code is the need to give due consideration to the impact of our business activities on the interest of our stakeholders. The Code prohibits all types of corrupt practices. Sony also adopted global policies ("Sony Group Anti-Bribery Policy" and "Sony Group Third Party Engagement Policy") that contains rules and procedures designed to prevent corruption involving government officials.

Sony closely monitors global anti-corruption laws and enforcement trends to ensure that Sony's global ethics and compliance program and internal controls properly address these evolving risks.

#### Sony's Anti-Bribery and Corruption Program



#### **Policies**

- The Code prohibits improper payments in every transaction, whether with a government official or with a private party.
- The Sony Group Anti-Bribery Policy provides rules and procedures designed to prevent government corruption including pre-approval rules and limitations on the amount and type of permitted expenditures.
- The Sony Group Third Party Engagement Policy provides rules and risk-based procedures, including due diligence and pre-approvals for any third party that may interact with a government official on Sonv's behalf.

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#### **Communication through Training**

- Sony provides extensive training and support to assist local management with policy compliance. For example, all Sony employees receive training on anti-bribery and corruption expectations as part of the Code of Conduct training upon hire.
   Refresher training is also provided at least every four years thereafter.
- In addition, employees who are at a higher risk for interactions with government officials (i.e., senior management, marketing, sales, procurement and any other employees identified as dealing with government officials) receive more focused anti-corruption training at least every two years and more frequently if indicated by risk assessments. This enhanced training includes training on Sony's specific policy pre-approval and due diligence requirements.
- For personnel in Sony's control functions (legal, finance, accounting, other control personnel) the above described training is supplemented by live, in-person training.

#### **Robust Procedures & Internal Controls**

- Sony has implemented robust internal controls and accounting processes designed to detect and prevent violations of company policies relating to improper payment risks and to ensure accurate books and records.
- Third parties (including intermediaries such as distributors and subagents) who interact with government officials on Sony's behalf, joint venture partners, parties to acquisition targets and certain investments are subject to risk based due diligence. In accordance with the due diligence procedures specified based on risk levels, including but not limited to whether the transaction involves any red flags or high risk territories that Sony specifically identifies in its polices, types of transactions and whether the transaction involves any intermediaries such as distributors and sub-agents, employees handling the transaction and professional functions such as the Finance, Accounting, or Legal departments in each company perform due diligence together as appropriate. Due diligence is performed periodically thereafter if the transaction is continuous in its nature. Any transacting parties (including intermediaries such as distributors and sub-agents) who pose high risks must also agree to abide by applicable anti-corruption laws and regulations and Sony's Anti-Bribery Policy and Third Party Engagement Policy.

 Concerns are promptly investigated via the Global Network and legal department of each subsidiary. Appropriate action for the case such as disciplinary, remedial and/or corrective action is considered and implemented. Such remediation activities are monitored until completed.

#### Risk Assessment & Updating Policy

- Sony conducts periodic anti-corruption assessments and audits of its business to raise overall awareness, detect potential misconduct, and monitor compliance with anti-corruption laws and policy.
- Based on these assessments, Sony updated the Sony Group Anti-Bribery Policy and adopted the Sony Group Third Party Engagement Policy in 2023.

Sony continues to leverage opportunities to share both knowledge and best practices across its system.\*

\* Sony's material legal and regulatory proceedings in fiscal year 2023 are disclosed in our Form 20-F: "Item 8. Financial Information A. Consolidated Statements and Other Financial Information. Legal Proceedings," p. 94.

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#### **Elimination of Anti-Social Forces**

Sony strongly opposes anti-social forces that threaten to disrupt the order and safety of the community. Sony will not entertain relationships with members of anti-social forces. Furthermore, Sony will not give economic benefits to, or accept illegal demands from, any anti-social force. Sony ensures that it does not do business with members of organized crime and other anti-social forces by performing due diligence procedures on its business partners and providing relevant communications to its employees.

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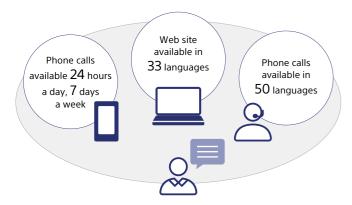
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# Reporting Mechanism (Sony Ethics & Compliance Hotline)

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.

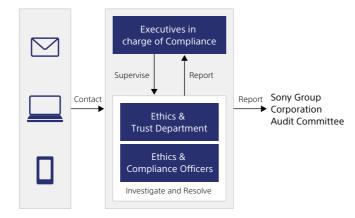
# **Multiple Reporting Channels**

Sony 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 33 different languages) or by phone, 24 hours a day, seven days a week. The phone lines are staffed by specially trained third-party representatives, with translators in up to 50 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.

# How Sony Operates the Hotline / How Sony Investigates Reported Matters



All concerns raised through the Hotline are investigated independently of ordinary internal reporting structures. Third party representatives, following the receipt of concerns, check possible conflicts of interest before providing necessary information to the appropriate ethics and compliance personnel. The ethics and compliance personnel review each report to determine the appropriate investigator with subject matter expertise to conduct the investigation. Under the oversight of Sony Group Corporation Ethics & Trust Department and respective Ethics & Compliance Officer, the ethics and compliance personnel and the investigator investigate the reported allegations, collect more information, and take other actions as appropriate. They may also work with internal or external legal and/or other subject matter experts to determine how to best investigate and resolve the allegations. When violation of law or company policy is confirmed, management will take any necessary corrective action to improve business operating systems or take disciplinary action against employees involved in the violations. Each Ethics & Compliance Officer reviews all reports, responses and investigation results for all companies in their business domain to help assure matters are fully and fairly addressed. The concerns raised by hotline are reported to Sony Group Corporation Ethics & Trust Department either immediately or on a monthly basis, depending on the nature of the case, and are reported to the Sony Group Corporation Audit Committee.

In fiscal year 2023, the Hotline received 492 concerns. The pie chart below shows the total number of concerns received in fiscal year 2023 by category. 72% of raised concerns was related to employees, diversity, and workplace. 13% was related to business integrity.

#### FY2023 Reported Concerns by category



Notes: The figures in percentages are rounded to the nearest whole number.

In fiscal year 2023, 91 concerns were substantiated and remediated as appropriate. The remainder includes cases which were unsubstantiated, and cases under investigation, among others.

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The table below are examples of issues raised through our Hotline, including information about how these issues were addressed.

#### FY2023 Hotline Cases

Issue(s) Raised	Guidance	Action(s) Taken
The work environment is deteriorating due to a manager's inappropriate behavior.	The Sony Group Code of Conduct provides that Sony aims to create an environment free from harassment or discrimination of any kind.	An investigation confirmed the allegation. The manager was required to participate in specific training designed to improve their workplace conduct and communications.
An employee failed to report that it lost an equipment in the office.	The Sony Group Code of Conduct provides that all Sony personnel must ensure that all records and reports are accurate, complete, honest and timely.	An investigation confirmed the concern. The company cautioned the employee, and improved the control operations of business assets.
An employee is putting fraudulent manual inputs in its attendance records.	The Sony Group Code of Conduct provides that Sony personnel must not cause records to be inaccurate or create records that are misleading or artificial.	An investigation confirmed the concern. The company issued a serious written warning letter to the employee.

### **How Sony Promotes Speak-Up Resources**

Sony continuously promotes both the need to raise concerns as well as the various resources available for employees to raise their concerns. The Code clearly states that every employee is responsible for speaking up to protect their colleagues and Sony. Code of Conduct training and ongoing messages also promote the importance of reporting concerns and advise employees that their concerns can be directed to either their manager, human resources personnel, legal and compliance personnel, or the Sony Ethics & Compliance Hotline. Since Sony understands that employees may prefer to raise concerns with their manager in the first instance, training is also provided to all managers on how to create an environment where employees feel comfortable speaking up when they observe unethical behavior. This training instructs managers on how to handle concerns and prevent any appearance of retaliation.

#### No Retaliation

Sony strictly prohibits retaliation in any form. The Code and other internal rules explicitly provide that Sony does not tolerate any form of retaliation against anyone for making a good faith report or for cooperating in an investigation of a report. Sony keeps information provided to the Hotline confidential to the extent possible. Sony promotes its policy against retaliation in training and communication to all Sony Group personnel and imposes strict consequences in the event anyone is found to have engaged in retaliatory behavior.

# **Monitoring / Audit**

Sony has multiple mechanisms to measure the effectiveness and maturity of Sony's global ethics and compliance program. These mechanisms include: conducting reviews of program implementation on a global basis and using advanced analytics on data from various sources such as hotline and ethical culture survey results, third party benchmark information and audit/review results. Sony also conducts risk-based compliance reviews, audits and validations of controls.

# **Compliance Program Review**

Sony's Monitoring function is focused on monitoring Sony's ethics and compliance program. One of its key monitoring activities is conducting periodic Compliance Program Reviews. The Compliance Program Review are conducted in collaboration with ethics and compliance personnel in each group company, utilizing an automated real-time process, and also serve as educational initiatives for the ethics and compliance personnel. For each finding/gap identified through the review process, action plans are developed, and the remediation progress is monitored.

Sony intends to continue conducting periodic reviews to ensure continuous ethics and compliance program improvement.

# **Ethical Culture Survey**

Sony periodically conducts an anonymous global survey containing detailed perceptions of Sony's ethical culture. The survey is designed to measure ethical culture and the effectiveness of ethics and compliance program. Each Ethics & Compliance Officer works with Sony group companies in their business domain that participated in the survey to analyze their results and to take appropriate actions to improve ethical culture and compliance program effectiveness.

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# Privacy and Personal Information Management

Sony believes it is important to protect the personal information of Sony's customers, employees and other stakeholders and thus ensure trust.

The global privacy landscape and advancements in information and communication technology are changing at a faster pace than ever before. New global privacy laws continue to emerge, raising the bar for privacy compliance across the world. Rapidly evolving cloud-based solutions, cyber threats, and transformative technologies, mean Sony faces new privacy challenges and risks every day.

To be able to respond to these changes and to ensure Sony continues to earn stakeholders' 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 Group Corporation's Senior Vice President responsible for Legal, Compliance and 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 groupwide 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 reviews and revises these policies and standards to

address changes in the risk landscape, and the regulatory environment. For example, Sony introduced a set of Ethical Privacy Principles via its global privacy management framework which are designed to ensure trust with our customers, employees and other stakeholders through the proper and ethical handling of personal information.

Sony Group Corporation's Senior Vice President responsible for Legal, Compliance and Privacy monitors the global implementation of and compliance with those policies. In addition, Sony has a compliance monitoring program in place to periodically assess the Group's compliance with Sony's overarching privacy management framework and to proactively identify and manage potential privacy risks. Under the direction of Sony Group Corporation's Senior Vice President responsible for Legal, Compliance and Privacy, the Sony Group Corporation Privacy Section, Privacy Officers and legal departments responsible for privacy and personal information management at Sony Group companies work together to ensure effective implementation of policies and standards. In addition, Sony has a Privacy Leadership Team consisting of privacy leaders from across the Group. This team is responsible for advising on and supporting Sony Group Corporation's Senior Vice President responsible for Legal, Compliance and Privacy, with setting privacy strategy and direction. 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 Privacy and Personal Information

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 at each stage of the data life cycle.

To maintain the stakeholders' trust, Sony 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. In addition, Sony provides privacy specialist personnel with regular training and awareness on new privacy requirements and hot topics, as well as running privacy-related working groups and group-wide privacy compliance projects.

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# **Customer-first Business Operations**

Sony Financial Group is in charge of Sony's financial services business and pursues business operations from a customer-oriented perspective throughout. As a financial holding company, Sony Financial Group Inc. has clarified this initiative as its customer-first business operation policy and, as subsidiaries, Sony Life Insurance Co., Ltd., Sony Assurance Inc. and Sony Bank Inc. each go further to establish business operation policies fine-tuned to their respective activities. These policies are reviewed periodically to respond to factors such as changes in the business environment, and the progress of their initiatives is reported regularly to the respective companies' boards of directors or relevant senior managements and disclosed on their websites.

# "Customer-first Business Operation Policy" and Relevant Initiatives

- ☑ Sony Financial Group Inc.
- ☑ Sony Life Insurance Co., Ltd. (in Japanese)
- ☑ Sony Assurance Inc. (in Japanese)
- ☑ Sony Bank Inc.
- ☑ Sony Financial Group [Customer-first Business Operation Policy] Performance of Fiscal 2023 Initiatives (in Japanese)



# Corporate Governance



# **Overview**

# **Basic Approach**

Historically, Sony Group Corporation has consistently focused on effective group management by evolving its governance while diversifying its businesses, the regions it serves and its capital procurement methods. Sony Group Corporation therefore continuously strives to strengthen its corporate governance system based on the understanding that corporate governance is an essential basis to promote our management in order to fulfill the company's corporate social responsibility and increases corporate value over the mid- and long-term. To operate Sony effectively, Sony Group Corporation continues to approach 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 maintains a sound and transparent governance framework by utilizing the Nominating Committee, the Audit Committee and the Compensation Committee; and
- (b) The Board determines Sony's fundamental management policies and other material matters and delegates to each of the Senior Executives that 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 with a view to promoting timely and efficient decision-making within Sony.

# **Structure**

In furtherance of these efforts, Sony Group 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"). Under this system, Sony Group 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 discussions; and advancing the proper functioning of the statutory committees.

#### Milestones

	accounting
1970:	Listed on the New York Stock Exchange and began disclosing quarterly earnings
1971:	Started appointing independent directors
1997:	Introduced a new corporate executive officer system
2003:	Adopted a company with three committees system Appointed the outside Director as the Chair of the Board
2005:	Majority of the board became independent All members of the Audit Committee became outside Directors
2015:	Split out business units as subsidiaries
2018:	All members of the Compensation Committee became outside Directors
2021:	Launched Sony Group Corporation All members of the Nominating Committee became outside Directors

1961: Issued American Depositary Receipts (ADRs); Started US-GAAP

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# 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 multiple perspectives based on the ideas of management led by the CEO. 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:

Sony Group Portal Website

About Sony

Corporate Strategy

Business Briefing

☑ Vision of Founder and Approach to Sustainability

☑ The Founding Prospectus

For details such as policies, approaches, plans and initiatives on sustainability, please refer to the pages below.

- → Sony's Basic Policy for Sustainability Initiatives
- → Environment
- → Respect for Human Rights
- → Diversity, Equity and Inclusion

# Governance Framework

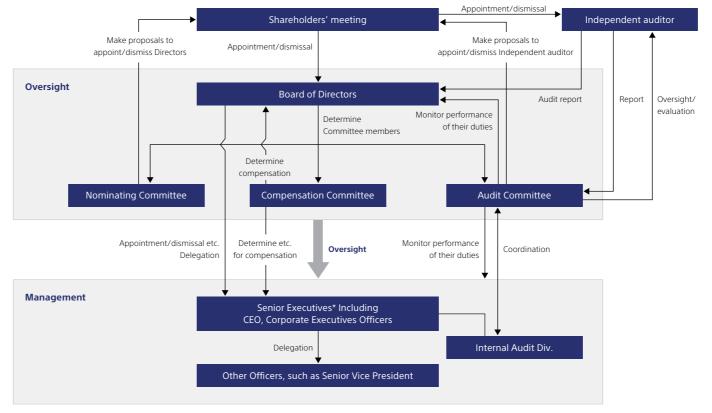
Sony Group Corporation is governed by the Board, the members of

which are elected at the Ordinary General Meeting of Shareholders. Under the Companies Act, a "Company with Three Committees" is required to have three committees: a Nominating Committee, an Audit Committee and a Compensation Committee, each consisting of Directors appointed by the Board. 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 Group Corporation has appointed its Chief Executive Officer ("CEO"), who is responsible for Sony's overall management, and

other officers who are responsible for important and extensive headquarters functions as Corporate Executive Officers. Sony Group Corporation has also appointed Corporate Executive Officers, including the CEO and other executives, 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.

Sony Group Portal Website | Executives

#### Corporate Governance Structure



<sup>\*</sup> Senior Executives: Corporate Executive Officers and certain other senior officers that assume important roles for management of Sony

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# The Board of Directors

Members: 10 Directors including 8 outside Directors

As of July 31, 2024

			Commi	ittee Memb	ership/Assi	gnment			Experien	ce and Expe	rtise, etc.		
Name	Position/Principal Activities Outside Sony	Years as Director	Audit Committee Member	Nominating Committee Member	Compensation Committee Member	Director in Charge of Information Security	CEO or Equivalent Position of Business Enterprise	Global Business	Diversity (Gender/ Nationality)	Engineering/ IT/ Technology	Sony Group Business Segment/ Relevant Industry	Finance/ Accounting	Risk Management Government Relations
Kenichiro Yoshida	Representative Corporate Executive Officer, Chairman, and CEO	10			_		•	•		•	<b>●</b> *2	•	•
Hiroki Totoki	Representative Corporate Executive Officer, President, COO and CFO	5			_		•	•		•	*2	•	•
Yoshihiko Hatanaka*¹ (Chair of the Board)	Outside Director, Shiseido Company, Limited. Former Representative Director, Chairman of the Board, Astellas Pharma Inc.	5		Chair			•	•			(Healthcare)	•	•
Wendy Becker*1 (Vice Chair of the Board)	Chairperson of the Board, Logitech International S.A. Independent Non-Executive Director, Chair of Remuneration Committee, GSK plc	5			Chair		•	•	•		(Telecommunication Service/Consumer Goods)		•
Sakie Akiyama* <sup>1</sup>	Founder, Saki Corporation	5					•	•	•	•	(IT/Devices)		
Keiko Kishigami* <sup>1</sup>	Certified Public Accountant in Japan Board Member, WWF Japan	4						•	•			•	•
Joseph A. Kraft Jr.* <sup>1</sup>	CEO, Rorschach Advisory Inc.	4	Chair					•	•		(Financials)	•	•
Neil Hunt* <sup>1</sup>	Board member, Roku, Inc. Former Chief Product Officer, Netflix, Inc.	1						•	•	•	(Entertainment/ IT/Software)		•
William Morrow*1	CEO, DIRECTV Entertainment Holdings LLC	1					•	•	•	•	(Telecommunication Service/ Entertainment)	•	•
Shingo Konomoto* <sup>1</sup>	Chairman, Member of the Board, Nomura Research Institute, Ltd.	Newly appointed					•	•		•	(IT)	•	•

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.

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<sup>\*1</sup> An outside Director who satisfies the requirements under Item 15, Article 2 of the Companies Act of Japan.

<sup>\*2</sup> Executive Directors Kenichiro Yoshida and Hiroki Totoki have comprehensive knowledge of each business of Sony and play important roles in developing and executing strategies of overall management of Sony.

### **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 Corporate Executive Officers, and oversee the status of appointment/dismissal of Senior Executives except for 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 Regarding 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 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 work and other experience, achievements and expertise), availability, and independence, as well as diversity, including gender and internationality, in the boardroom, 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 Group Corporation also requires that the Board consist of not fewer than 8 Directors and not more than 14 Directors. In addition, since 2005 the majority of the members of the Board have been outside Directors.

# Qualifications for Directors and Limitation of Re-election

The qualifications for Directors of Sony Group Corporation under the Board Charter are generally as summarized below. As of June 25, 2024, 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 120,000 USD, 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
  1,000,000 USD, or two percent of the annual consolidated sales of
  such company.

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

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# Reasons for Specification of the Experience and Expertise, etc. Required of Directors of the Corporation

Experience and Expertise, etc.	Reason for Specification
CEO or Equivalent Position of Business Enterprise	As the Board is required to comprehensively oversee the management of the Sony Group, the Corporation believes that experience and knowledge in corporate leadership as a top executive are important, and therefore specified this criterion.
Global Business	As the Sony Group has developed all its businesses globally and has headquartered half of its six main business segments in the U.S., the Corporation believes that management experience and insight developed in companies with global operations are important, and therefore specified this criterion.
Diversity (Gender/Nationality)	As the Sony Group operates diverse businesses, Sony believes that it is important to appoint Directors with various backgrounds, including gender and nationality, to oversee the management from multiple perspectives, and therefore specified this criterion.
Engineering/IT/Technology	As Sony brands itself "A Creative Entertainment Company with a Solid Foundation of Technology," the Corporation believes that experience and knowledge in technological research and development, as well as in the development of products and services using IT/digital technologies, are important, and therefore specified this criterion.
Sony Group Business Segment/ Relevant Industry	As the Board is required to evaluate the restructuring of the Corporation's business portfolio, as well as supervise the Sony Group's six main businesses segments, the Corporation believes that experience and knowledge related to its businesses or its relevant industries are important, and therefore specified this criterion.
Finance/Accounting	As the Board is required to supervise the Sony Group's financial strategies and accounting practices effectively, the Corporation believes that experience and knowledge in finance and accounting are important, and therefore specified this criterion.
Risk Management/ Government Relations	As the Board is required to oversee responses to major changes in the environment surrounding the Sony Group including geopolitical risks, information security, and the rise of new technologies such as AI, global environmental challenges and social division, the Corporation believes that experience and knowledge in risk evaluation and management, and experience and knowledge in government agencies/NGOs/specialized institutions are important, and therefore specified this criterion.

#### **Matters Related to Outside Directors**

Sony Group 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 25, 2024, the Board has 10 Directors, eight of whom are outside Directors. The Chair and the Vice Chair of the Board are outside Directors; all members of the Nominating Committee, the Compensation Committee and the Audit Committee are outside Directors.

# Policy and Procedure for Selection and Dismissal of Senior Executives

Sony Group Corporation appoints Corporate Executive Officers including the CEO and other officers that assume important roles for the management of Sony as "Senior Executives."

The Board has the authority to appoint and dismiss and assign the roles and responsibilities of or to request a report regarding such matters for Senior Executives, including the CEO, and exercises such authority as necessary.

In making decisions on the appointment of Corporate Executive Officers, 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 Corporate Executive Officer positions have the necessary skills, capabilities, experiences and achievements that correspond to such Corporate Executive Officers' expected roles and responsibilities. The Board also receives a report on the status of appointment and dismissal of Senior Executives other than Corporate Executive Officers. The term of office of Senior Executives, including the CEO, is one year. The Board discusses, determines and/or oversees their reappointment upon the expiration of each term considering the factors described above as well as their latest performance. The Board dismisses a Corporate Executive Officer, as necessary, in the event that the Board recognizes such Corporate Executive Officer is

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disqualified after discussions amongst the members of the Board or the Nominating Committee, even in the middle of the term for such Corporate Executive Officer.

# **Nominating Committee**

Members: 3 outside Directors

Name	Position
Yoshihiko Hatanaka	Chair of the Nominating Committee (Outside Director)
Wendy Becker	Nominating Committee Member (Outside Director)
Joseph A. Kraft Jr.	Nominating Committee Member (Outside Director)

# **Purpose/Authority**

- To determine the content of proposals regarding the appointment and dismissal of Directors to be submitted for approval at the General Meeting of Shareholders
- 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 Regarding Composition of the Nominating Committee

Under the Companies Act, the Nominating Committee must consist of at least three Directors, the majority of whom must be outside Directors. In addition, under the Board Charter, 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 25, 2024, the Nominating Committee is comprised of three outside Directors.

### **Management Succession Plans**

**Management Succession** 

Sony places priority on CEO succession to realize sustainable value creation throughout the Sony Group. In the CEO succession planning process, the Nominating Committee, composed entirely of independent outside directors, vets potential successors based on the Sony CEO's qualification. It does so in frequent consultation with executives, including the CEO, and reports its recommendations to the Board of Directors. In addition to CEO succession planning, the Nominating Committee assesses succession plans for Senior Executives with key management responsibilities for individual business units and headquarters functions, based on reports from management side, including the CEO.

#### **CEO Succession Planning Process**

CEO succession planning involves defining the qualifications that Sony seeks in CEOs able to manage its diverse businesses as a unified Group, screening both internal and external candidates, and comparing the two groups, so as to ensure the thoroughly objective evaluation of successor candidates. Sony looks for candidates both internally and externally on a year-round basis. The Nominating Committee narrows down the pool of candidates by vetting them in light of their potential to fulfill the CEO role, and then reviews both near-term and longer-term CEO successor candidates based on their anticipated timelines toward becoming CEO.

# **Audit Committee**

Members: 3 outside Directors

Name	Position
Joseph A. Kraft Jr.	Chair of the Audit Committee (Outside Director)
Keiko Kishigami	Audit Committee Member (Outside Director)
Shingo Konomoto	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**

Under the Companies Act, the Audit Committee shall consist of at least three Directors, the majority of whom shall be outside Directors. In addition, under the Board Charter, each member of the Audit Committee ("Audit Committee Member") shall satisfy all of the following qualifications:

- He/she shall not be a Director engaged in the business operations of Sony Group Corporation or any of its subsidiaries, a Corporate Executive Officer, an accounting counselor, a general manager or other employee of Sony and
- 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 Group 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. In determining whether to appoint or remove the Audit Committee Member, continuity of the Audit Committee shall be duly taken into account.

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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 Group Corporation. The Board makes a determination on whether or not such Audit Committee Members meet these requirements. As of June 25, 2024, the Audit Committee is comprised of three outside Directors, one of whom (Keiko Kishigami) is an "audit committee financial expert" within the meaning of Item 16A of Form 20-F under the Securities Exchange Act of 1934, as amended.

# 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

# **Compensation Committee**

Members: 3 outside Directors

Name	Position
Wendy Becker	Chair of the Compensation Committee (Outside Director)
Sakie Akiyama	Compensation Committee Member (Outside Director)
William Morrow	Compensation Committee Member (Outside Director)

# **Purpose/Authority**

- To set policy on the content of individual compensation for Directors, Corporate Executive Officers and other officers
- To determine the amount and content of individual compensation of Directors and Corporate Executive Officers in accordance with the policy, and oversee the determination regarding the amount and content of individual compensation of Senior Executives other than Corporate **Executive Officers**

# **Policy Regarding Composition of the Compensation Committee**

Under the Companies Act, the Compensation Committee must consist of at least three Directors, the majority of whom must be outside Directors. In addition, the chair is to be selected from among the outside Directors. A Director who is a CEO, a Chief Operating Officer ("COO") or a Chief Financial Officer ("CFO") of Sony Group 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 25, 2024, 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:

# **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 the Sony Group, 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 on the above, Director remuneration shall consist of the following components. The amount of each component and its percentage of total remuneration shall be set at an appropriate level determined in accordance with the basic policy above and research conducted by a third party regarding remuneration of directors of both Japanese and non-Japanese companies.

Type of Remuneration	Description
Fixed remuneration	• The amount of fixed remuneration shall be at an appropriate level determined in accordance with the basic policy above and based on research conducted by a third party regarding remuneration of directors of both Japanese and non-Japanese companies.
	• Restricted stock or RSUs are granted to further promote shared values between Directors and shareholders, and to incentivize Directors to develop and maintain a sound and transparent management system.
Stock-based compensation (restricted stock or RSUs)	• Any Director to whom restricted stock is granted may not sell or transfer the granted shares during his/her tenure, and in principle, such restriction is to be released when such Director resigns.
(Testricted stock of RSOS)	• In principle, RSUs held by Directors vest when he/she resigns, and the Common Stock of the company will then be delivered to the Directors upon vesting.

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# **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, or their respective businesses of the Sony Group. In order to further improve the business results of the Sony Group, the following two elements have been established as the basic policy for the determination of Femination 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 on the above, Senior Executive remuneration shall primarily consist of the following components. 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. The amount and percentage will also be based on research conducted by a third-party regarding remuneration of management of both Japanese and non-Japanese companies, with an emphasis on linking Senior Executive remuneration to business results and shareholder value.

Type of Remuneration	Description
Fixed remuneration	• The amount of fixed remuneration shall be at an appropriate level determined based on research conducted by a third party regarding remuneration of management of both Japanese and non-Japanese companies, according to his/her responsibility, and in order to maintain competitiveness in recruiting talent.
Remuneration linked to business results	• Structured appropriately and based on appropriate metrics to ensure that such remuneration effectively incentivizes Senior Executives to achieve financial targets for the mid- and long-term and financial targets for the fiscal year for which compensation will be paid.
	• Specifically, the amount to be paid to Senior Executives shall be determined based on the level of achievement of the two metrics below and can fluctuate, in principle, from 0% to 200% of the standard payment amount depending on the level of achievement.  (1) Certain key performance indicators linked to consolidated or individual business results of Sony during the fiscal year, such as Operating Income and Operating Income Margin, which are based on the areas for which each Senior Executive is responsible.*  (2) Achievement of the Group Sustainability Evaluation.
	• The Group Sustainability Evaluation is an evaluation of efforts by Senior Executives to enhance the mid- to long-term corporate value and sustainable growth of the Sony Group as a whole, not limited to their respective businesses and organizations, including management succession planning and investment in human capital, sustainability initiatives related to social value creation and ESG (environment, social and governance), value creation through collaborations among the businesses of the Sony Group, and engagement indicators based on employee surveys.
	• 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.
	• The Corporation adopted a clawback policy for the recoupment of compensation. (Please see below Reference: Clawback Policy.)
	• Stock acquisition rights, and restricted stock or RSUs are granted to incentivize Senior Executives to increase mid- to long-term shareholder value.
	• The exercise of the stock acquisition rights is, in principle, restricted during a one-year period from the allotment date, and one-third of the total number of exercisable stock acquisition rights will vest and be exercisable each year thereafter. (All of the allocated stock acquisition rights will be exercisable on and after three years from the allotment date.
Stock-based compensation (Stock acquisition rights, and restricted stock or restricted stock units)	• The Senior Executives to whom restricted stock is granted, in principle, may not sell or transfer the granted stock before the third anniversary date of the Ordinary General Meeting of Shareholders of the fiscal year when the restricted stock was granted.
	• In principle, all RSUs held by the Senior Executives will vest after three years have passed since the date of grant of the RSUs, and the Common Stock of the Corporation will then be delivered to the Senior Executives upon vesting.
	• As a general policy, remuneration for a Senior Executive who has greater management responsibility and influence over the Sony Group as a whole has a higher proportion of stock-based compensation, which is directly linked to the corporate value. (Please see "Reference: Executive Compensation Package Designed to Focus on Long-Term Management" below.)
	• The amount of stock-based compensation 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 stock-based compensation.
Phantom restricted stock plan	• Points determined every year by the Compensation Committee shall be granted to Senior Executives every year during his/her tenure, and at the time of resignation, the remuneration amount shall be calculated by multiplying the Common Stock price (closing price) by the individual's accumulated points.

<sup>\*</sup> The indicators during the fiscal year ending March 31, 2025.

The amount to be paid for the fiscal year ended March 31, 2024 was determined based on the level of achievement of certain key performance indicators linked to consolidated or individual business results of Sony during the fiscal year, such as Adjusted EBITDA and Adjusted EPS, which are based on the areas for which each Senior Executive is responsible.

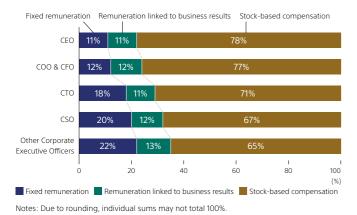
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# (Reference: Executive Compensation Package Design to Focus on Long-Term Management "Fiscal Year ended on March 31, 2024")

The bar chart below shows the components of remuneration for Corporate Executive Officers for the fiscal year ended March 31, 2024. For this chart, the remuneration linked to business results is based on the Business Results Linked Standard Payment Amount for each Corporate Executive Officer. As to the stock-based compensation, the underlying amount is calculated based on the fair value of a stock acquisition right as of the date such stock acquisition right was granted in the fiscal year ended March 31, 2024 and the issue price of the restricted stock when granted. Accordingly, the components of remuneration based on the amount actually paid will be different from the chart below.



# (Reference: Stock-Based Compensation)

Sony Group Corporation introduced stock acquisition rights, restricted stock and RSUs as forms of stock-based compensation, granted to the Directors and the Senior Executives including Corporate Executive Officers.

The purpose of the stock-based compensation for the outside Directors is to incentivize the outside Directors to develop and maintain a sound and transparent management system by further promoting shared values between the shareholders and the outside Directors. Furthermore, the purpose of the stock-based compensation

for the Senior Executives including Corporate Executive Officers 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.

The details of such stock-based compensation, including vesting conditions, recipients and number of grants, are determined or supervised by the Compensation Committee based on research conducted by a third party regarding stock-based compensation of both Japanese and non-Japanese companies. In addition, in determining the number of shares or units to be granted, the impact on dilution of the value of the shares of Sony Group Corporation is monitored.

# (Reference: Clawback Policy)

The SEC recently adopted rules relating to the mandatory recovery of erroneously awarded incentive-based compensation received by certain current or former executive officers, and the NYSE has, in turn, adopted new listing standards in connection with such rules. Accordingly, Sony Group Corporation's Compensation Committee adopted a clawback policy, with an effective date of October 2, 2023 (the "Clawback Policy"). The Clawback Policy provides for the mandatory recovery of erroneously awarded incentive-based compensation received by each Executive Officer (as defined in the Clawback Policy) during the three-fiscal-year period prior to the date Sony Group Corporation is required to prepare an Accounting Restatement (as defined in the Clawback Policy), in accordance with the above rules and standards. The amount of erroneously awarded incentive compensation that the Executive Officers would be required to repay is the amount of incentive-based compensation paid to the Executive Officer that exceeds the amount the Executive Officer would have received had it been determined based on the restated amounts, computed without regard to any taxes paid. The recovery of such compensation applies regardless of whether an Executive Officer engaged in misconduct or otherwise caused or contributed to the requirement of an accounting restatement.

# Procedures to Determine Remuneration of Directors and Senior Executives

Based on the policy outlined above, the amount and content of the

compensation for each Director and Senior Executive, including Corporate Executive Officers, are determined by the Compensation Committee or otherwise under the supervision of the Compensation Committee. Specifically, in principle, as for Directors, 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 compensation for the corresponding fiscal year are determined or reviewed. Thereafter, at the meeting of the Compensation Committee held after the corresponding fiscal year end, the final amount of compensation for each Senior Executive is determined or supervised. 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 based on the areas for which each Senior Executive is responsible and the achievement of the Group Sustainability Evaluation are determined and thereafter, 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 at the meeting of the Compensation Committee held after the corresponding fiscal year end for Corporate Executive Officers or otherwise under supervision by the Compensation Committee for Senior Executives other than Corporate Executive Officers

The amount of compensation of each Director and Senior Executive including Corporate Executive Officers for the fiscal year ended March 31, 2024 was also determined by the Compensation Committee or otherwise under supervision by the Compensation Committee according to the procedure above. The Compensation Committee concluded that the amount and content of the compensation was in accordance with the policy set forth in section above.

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### Corporate Executive Officer Remuneration Linked to Business Results for the Fiscal Year Ended March 31, 2024

The Business Results Linked Standard Payment Amount for each Corporate Executive Officer for the fiscal year ended March 31, 2024 was determined to be in the range between 60% and 100% of the amount of the fixed remuneration of such Corporate Executive Officer according to his/her responsibility.

The formula to calculate the amount of the remuneration linked to business results to be paid to Corporate Executive Officers is as follows.

The amount of the remuneration linked to business results to be paid to Corporate Executive Officers

Business Results Linked Standard Payment Amount\*1 The payment rate of the remuneration linked to business results\*2 (0% to 200%)

- \*1 Business Results Linked Standard Payment Amount: Determined to be in the range between 60% and 100% of the amount of the fixed remuneration of each Corporate Executive Officer.
- \*2 Payment rate of the remuneration linked to business results: Determined in principle, within the range from 0% to 200% based on the achievement of (i) Financial Performance KPIs based on the areas for which each Corporate Executive Officer is responsible and (ii) the achievement of the Group Sustainability Evaluation.

The Financial Performance KPIs and the weighting of such Financial Performance KPIs used for Corporate Executive Officers in the fiscal year ended March 31, 2024 were as follows:

KPI	Weight	Target to be achieved for the fiscal year ended March 31, 2024 (Consolidated)	Result for the fiscal year ended March 31, 2024 (Consolidated)
Adjusted EBITDA*1	50%	1,750.0 billion yen	1,818.0 billion yen* <sup>3</sup>
Adjusted EPS*2	50%	669.5 yen	763.52 yen* <sup>4</sup>

Adjusted EBITDA, which was determined as the Group KPI under the fourth mid-range plan, was selected as a Financial Performance KPI. Adjusted EPS was also selected in order to incentivize awareness of

shareholder value and capital efficiency. The target for Adjusted EBITDA for the fiscal year ended March 31, 2024 was 1,750.0 billion yen, which was the Corporation's forecast of Adjusted EBITDA for the fiscal year ended March 31, 2024, and which was disclosed in April 2023. The target for Adjusted EPS for the fiscal year ended March 31, 2024 was 669.5 yen, which was obtained by dividing the forecast of net income attributable to Sony Group Corporation's stockholders for the fiscal year ended March 31, 2024, and which was disclosed in April 2023 (840 billion yen) by the number of diluted shares outstanding at the beginning of such fiscal year. The results for the Financial Performance KPIs for the fiscal year ended March 31, 2024 were as follows: Adjusted EBITDA: 1,818.0 billion yen\*3 (while net income attributable to Sony Group Corporation's stockholders for the fiscal year ended March 31, 2024 was 970.6 billion), and Adjusted EPS: 763.52 yen,\*4 each exceeding the targeted amount. As outlined above under "Basic Policy Regarding Senior Executive remuneration," remuneration linked to business results for Senior Executives for the fiscal year ended March 31, 2024 was determined based on the level of achievement of the indicators which were selected based on the areas of responsibility of the relevant Senior Executive and the achievement of the Group Sustainability Evaluation. The amounts to be paid to the Senior Executives were, in principle, determined within the range from 0% to 200% 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, 2024 varied from 130.7% to 284.4% of the Business Results Linked Standard Payment Amount.

- \*1 "Adjusted EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization)" = net income attributable to Sony Group Corporation's stockholders + net income attributable to noncontrolling interests + income taxes + interest expenses, net, recorded in financial income and financial expense Gain on revaluation of equity securities, net, recorded in financial income and financial expense + depreciation and amortization expense excluding amortization for film costs, broadcasting rights, as well as for internally developed game content and master recordings included in content assets the profit and loss amount that Sony deems non-recurring.
- \*2 "EPS (Earning Per Share)" means net income attributable to Sony Group Corporation's stockholders per share. "Adjusted EPS" is calculated by using the value excluding the profit and loss amount that Sony deems to be non-recurring from the value of the net income attributable to Sony Group Corporation's stockholders.

\*3 The following table shows a reconciliation of net income attributable to Sony Group Corporation's stockholders reported in accordance with IFRS to Adjusted EBITDA for the fiscal year ended March 31, 2024.

	Fiscal year ended March 31, 2024 (Yen in billions)
Net income attributable to Sony Group Corporation's stockholders	970.6
Net income attributable to noncontrolling interests	9.9
Income taxes	288.2
Interest expenses, net, recorded in Financial income and Financial expense	3.4
(Gain) / loss on revaluation of equity instruments, net, recorded in Financial income and Financial expense	(71.4)
Depreciation and amortization expense excluding amortization for film costs and broadcasting rights, as well as for internally developed game content and master recordings included in Content assets	643.1
(Profit) / loss amount that Sony deems to be non-recurring*	(25.8)
Adjusted EBITDA	1,818.0

<sup>\*</sup> For further information about the profit and loss amount that Sony deems to be non-recurring, refer to "Operating Results" in "Item 5. Operating and Financial Review and Prospects" in Sony Group Corporation's Form 20-F (Annual Report) for Fiscal Year ended March 31, 2024.

### ☑ Form 20-F (Annual Report) for Fiscal Year ended on March 31, 2024

\*4 Adjusted EPS result for the fiscal year ended March 31, 2024 is calculated by dividing adjusted net income attributable to Sony Group Corporation's stockholders for the fiscal year ended March 31, 2024 by diluted weighted average number of shares during the fiscal year. The following table shows a reconciliation of net income attributable to Sony Group Corporation's stockholders for diluted EPS computation reported in accordance with IFRS Accounting Standards to Adjusted EPS for the fiscal year ended March 31, 2024.

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	Fiscal year ended March 31, 2024 (Yen in billions, yen per share amounts)
Net income attributable to Sony Group Corporation's stockholders for diluted EPS computation* <sup>1</sup>	970.6
Profit and loss amount that Sony deems to be non-recurring, including adjustments for income taxes and non-controlling interests*2	(27.4)
Adjusted Net income attributable to Sony Group Corporation's stockholders for diluted EPS computation	943.2
Weighted-average shares for diluted EPS computation (thousands of shares)*1	1,235,331
Adjusted EPS	763.52

<sup>\*1</sup> Refer to Note 26 of the consolidated financial statements in Sony Group Corporation's Form 20-F (Annual Report) for Fiscal Year ended on March 31, 2024

#### [2] Form 20-F (Annual Report) for Fiscal Year ended on March 31, 2024

\*2 This amount is calculated by subtracting the tax effect of 6.0 billion yen from 25.8 billion yen, the total amount of profit and loss that Sony deems nonrecurring, included in income before income tax, and adding a 7.6 billion yen decrease in tax expense associated with the dissolution of a subsidiary. For further information about the profit and loss amount that Sony deems to be non-recurring, refer to "Operating Results" in "Item 5. Operating and Financial Review and Prospects" in Sony Group Corporation's Form 20-F (Annual Report) for Fiscal Year ended on March 31, 2024.

Form 20-F (Annual Report) for Fiscal Year ended on March 31, 2024

# Support for Activities of Directors, the Board and the Committees

Sony Group 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 Chair of the Board, who is an outside Director, leads the Board's activities and secures the appropriate cooperation, communication and arrangement among outside Directors and Senior Executives. As an example of such initiatives, the outside Directors' meetings have been held, generally on the same day as each Board Meeting, for the purpose of exchanging information and sharing information with respect to recognized issues among outside Directors. The Board also conducted Directors' corporate strategic workshops with managements, business site visits by Directors, and meetings with the Chair of the Board and the CEO. All of these activities were aimed at securing better understanding by outside Directors of Sony's business and management's challenges and encouraging corporate strategic discussions among Directors. In September 2023, the Directors visited the office of SPE, a game development studio of Sony Interactive Entertainment LLC and the Digital Media Production Center (a video production studio for professionals), all located in the greater Los Angeles area, California, United States, where they observed places where creative activities take place and had discussions with the top management of the Pictures business. At a workshop held over two days in December 2023, through direct dialogue with the management team of Sony Group Corporation including the CEOs of each business segment, the Directors exchanged opinions about the content to be incorporated into the fifth mid-range plan, including the business environment and challenges surrounding each business, as well as strategies to address them. At the workshop, Directors also intensively discussed Sony Group's mid- to long-term strategies and challenges, including the development of new businesses.

### Secretariat Offices for the Board and Each Committee

The company has established secretariat offices for 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 briefing 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, under supervision by the Chairs of the Board and each Committee, 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 by Directors, 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.

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#### **The Audit Committee Aide**

With the approval of the Board and with the consent by the Audit Committee, 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 regarding their expected roles and responsibilities, including their 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.

# **Evaluation of the Board and the Committees' Effectiveness**

### **Policy for Evaluation**

Sony Group 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 Group Corporation conducts evaluations of the effectiveness of the Board and of each Committee (the "Evaluation") at least annually.

#### **Recent Evaluation**

From February through May 2024, under the leadership of the Chair of the Board, the Board conducted the Evaluation mainly in respect of Board and Committee activities in the fiscal year ended March 31, 2024 after confirming that actions proposed in response to the results of the previous Evaluation were appropriately taken. The recent Evaluation was conducted, with the support of a third-party outside counsel with 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 confirmed that the actions proposed to be taken in response to the results of the previous Evaluation were taken, and discussed and confirmed the proposed procedures for the Evaluation for the fiscal year ended March 31, 2024. 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 Chairs of the Board and each Committee, newly appointed Directors, and some of the Corporate Executive Officers; and
- Researched other companies' practices in Japan and the United States, 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 the Recent Evaluation

Based on the following findings, the Outside Counsel reported that, as assessed in the previous Evaluation, the Board is established and operated in a manner sufficient to be highly evaluated:

- The results of the questionnaire and interviews show that all Directors rate the effectiveness of the Board, including each Committee, highly.
- The addition of newly appointed Directors further diversifies the composition of the Board in terms of nationality/location and expertise.
- The changeover of the Chair of the Board went smoothly, and the other Directors speak highly of the new Chair's operation of the Board.
- Initiatives to improve effectiveness of the Board continue to be implemented.
- In terms of the Board's composition, operation, and various other aspects, the Board is notably advanced among those of other Japanese companies and can be evaluated favorably in many respects when compared to the boards of listed U.S. companies. Following discussions and analysis based on the Outside Counsel's report, the Board re-affirmed that the Board and each Committee were functioning effectively as of May 2024. The Outside Counsel also suggested several ideas on possible options for the Board and Committees to further improve their own effectiveness.

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# Actions in Response to the Results of the Evaluation

In order to increase the corporate value of Sony, Sony Group
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 2023, Sony Group Corporation took the following actions, among others, to help improve the effectiveness of the Board:

- Reviewed the progress and result of the fourth mid-range plan and established the fifth mid-range plan;
- Continuously monitored the business portfolio and capital allocation;
- Continuously supervised risks including geopolitics and cybersecurity; and
- Continued and deepened discussions about Sony's strategies regarding new technologies and social changes (including generative AI and sustainability).

# **Senior Executives and Other Officers**

Senior Executives (In Sony Group Corporation, Corporate Executive Officer, Senior Executive Vice President and Executive Vice President)

Total number of Senior Executives: 14 (including 6 Corporate Executive Officers)

Sony Group Portal Website | Executives

#### Purpose/Authority

Determines and executes Sony's business activities in accordance with their roles and responsibilities

#### 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 Corporate Executive Officers including the CEO, by determining the areas over which each Corporate Executive Officer is in charge and by determining the scope of Senior Executives. Then, it 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 (In Sony Group Corporation, Senior Vice President)

Total number of other officers: 10

#### Purpose/Authority

Carries out their assignments within designated areas, such as headquarters functions and/or R&D, in accordance with the fundamental policies determined by the Board and Senior Executives.

# Details of Actions Taken by the Board and Committees

# **Details of Actions Taken by the Board**

During the fiscal year ended March 31, 2024, the Board convened 7 times. The attendance records of respective Directors are as follows.

Name	Meeting Records*1	Attendance Records*1
Kenichiro Yoshida	7 times	7 times (100%)
Hiroki Totoki	7 times	7 times (100%)
Yoshihiko Hatanaka	7 times	7 times (100%)
Toshiko Oka*2	7 times	7 times (100%)
Wendy Becker	7 times	7 times (100%)
Sakie Akiyama	7 times	7 times (100%)
Keiko Kishigami	7 times	7 times (100%)
Joseph A. Kraft Jr.	7 times	7 times (100%)
Neil Hunt*3	6 times	6 times (100%)
William Morrow*3	6 times	6 times (100%)

<sup>\*1</sup> The numbers of the Meeting Records and the Attendance Records are those applicable to the fiscal year ended March 31, 2024.

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<sup>\*2</sup> Toshiko Oka, who was a Director during the fiscal year ended March 31, 2024, retired as a Director at the conclusion of the Ordinary General Meeting of Shareholders on June 25, 2024. Shingo Konomoto was newly appointed as a Director at the Ordinary General Meeting of Shareholders on June 25, 2024.

<sup>\*3</sup> Because Neil Hunt and William Morrow were newly appointed as Directors at the Ordinary General Meeting of Shareholders on June 20, 2023, the numbers of their Meeting Records and Attendance Records differ from those of other outside Directors.

During the fiscal year ended March 31, 2024, the Board of Directors discussed a variety of matters, such as a review of Sony Group's business performance on a quarterly basis, Sony's business portfolio, progress under and review of the results of the fourth mid-range plan, formulation of the fifth mid-range plan, formation of a business plan for the fiscal year ending March 31, 2025, strategically important M&A, effectiveness of internal control (including the ethics and compliance program) and risk management (including cybersecurity risks and geopolitical risks), as well as Sony's initiatives and strategies related to new technologies and social changes (including sustainability and utilization of generative AI).

### Details of Actions Taken by the Nomination Committee

During the fiscal year ended March 31, 2024, the Nominating Committee convened 5 times. The attendance records of respective Directors are as follows.

Name	Meeting Records*1	Attendance Records*1
Yoshihiko Hatanaka	5 times	5 times (100%)
Toshiko Oka*²	5 times	5 times (100%)
Wendy Becker	5 times	5 times (100%)

<sup>\*1</sup> The numbers of the Meeting Records and the Attendance Records are those applicable to the fiscal year ended March 31, 2024.

During the fiscal year ended on March 31, 2024, the matters given consideration by the Nominating Committee included policies on selecting outside Director candidates, exploring Director prospects, and CEO succession. In addition, the Nominating Committee assessed succession plans for Senior Executives with key management responsibilities for individual business units and headquarters functions, based on management, including CEO,

reports. With respect to the selection of candidates for outside Directors, as a priority item for the current fiscal year, the Nominating Committee confirmed the policy that candidates for outside Directors should be selected from persons who have experience as CEOs of other companies, and the Nominating Committee held discussions based on such policy. As a result, a new outside Director candidate was appointed based on this policy. Regarding the appointment of Senior Executives, the Nominating Committee reviewed and assessed the proposal of promoting Hiroaki Kitano, Corporate Executive Officer, Senior Executive Vice President and Chief Technology Officer, who assumed the position of Executive Deputy President and Chief Technology Officer, and succession plans for Senior Executives with key management responsibilities for individual business units.

# Details of Actions Taken by the Audit Committee

During the fiscal year ended March 31, 2024, the Audit Committee convened 6 times. For further information about the attendance records of respective Directors and specific considerations by the Audit Committee during the fiscal year ended on March 31, 2024, refer to "Structure of Audit by the Audit Committee, Internal Audit and Accounting Audit, and Status Thereof."

# Details of Actions Taken by the Compensation Committee

During the fiscal year ended March 31, 2024, the Compensation Committee convened 5 times. The attendance records of respective Directors are as follows.

Name	Meeting Records*1	Attendance Records*1
Wendy Becker	5 times	5 times (100%)
Yoshihiko Hatanaka* <sup>2</sup>	1 time	1 time (100%)
Sakie Akiyama	5 times	5 times (100%)
William Morrow*2	4 times	4 times (100%)

- \*1 The numbers of the Meeting Records and the Attendance Records are those applicable to the fiscal year ended on March 31, 2024.
- \*2 Yoshihiko Hatanaka, who was a member of the Compensation Committee during the fiscal year ended March 31, 2024, retired as a member of the Compensation Committee on June 20, 2023. Accordingly, William Morrow was newly appointed as a member of the Compensation Committee pursuant to the resolution at the Board meeting held on June 20, 2023. As a result, the numbers of their Meeting Records and Attendance Records differ from those of other members of the Compensation Committee.

The specific matters given consideration by the Compensation Committee included the Corporation's policy regarding the determination of individual remuneration for Directors and Senior Executives, including Corporate Executive Officers, for each fiscal year, and the amount and content of such remuneration. The Committee also considered the total number of stock acquisition rights to be issued for the purpose of granting stock options to Corporate Executive Officers and employees of the Corporation and directors, other officers and employees of the Corporation's subsidiaries, and other stock-based compensation utilizing shares of the Corporation's stock such as restricted stock and restricted stock units. In the fiscal year ended March 31, 2024, the Compensation Committee introduced the achievement of the Group Sustainability Evaluation as an evaluation metric for remuneration linked to business results to encourage executives' efforts to enhance the mid- to long-term corporate value of the Sony Group, and introduced a clawback policy to strengthen the governance of compensation. For the fiscal year ending March 31, 2025 and beyond, the Committee conducted a comprehensive review of and discussion on its policy regarding future use of stock-based compensation with consideration of other companies' trends in Japan and other countries.

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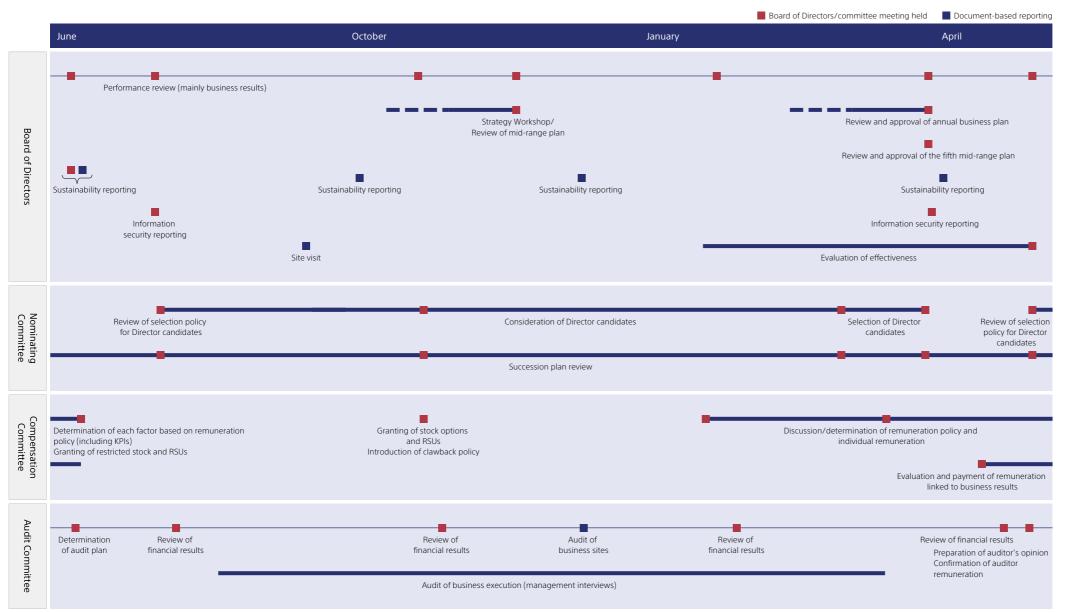
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<sup>\*2</sup> Toshiko Oka, who was a member of the Nominating Committee during the fiscal year ended March 31, 2024, retired both as a Director and a member of the Nominating Committee at the conclusion of the Ordinary General Meeting of Shareholders on June 25, 2024. Accordingly, Joseph A. Kraft Jr. was newly appointed as a member of the Nominating Committee pursuant to the resolution at the Board meeting held on June 25, 2024.

# Annual Activity Cycle of the Board and Committees (Fiscal Year ended on March 31, 2024)



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# 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 with the resolution of the Board dated as of May 14, 2024, the Board reaffirmed the framework in effect and determined to continue 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 by the resolution of the Board dated as of May 14, 2024, please refer to the page below.

#### Sony Group Portal Website | Internal Control

As for the summary of the principal frameworks of the internal control and governance framework based on the Board determination above, please refer to the following.

# **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 Internal Financial Reporting Standards (IFRS). Sony formed a cross-functional steering committee comprised of management in charge of the principal Sony 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 evaluation by Sony Group Corporation, CEO and CFO have concluded that Sony maintained effective internal control over financial reporting as of March 31, 2024.

# **Disclosure Framework**

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

Sony Group Corporation's policy on investor relations 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 Corporation has established disclosure controls and procedures as an approach to implement 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, 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 Group Corporation 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. As a body to assist the CEO and the CFO of Sony Group Corporation, in designing, implementing and evaluating the Disclosure Controls and Procedures, Sony Group Corporation has established the "Disclosure Committee," which is comprised of members of senior management of Sony who

are in charge of a part of Sony's headquarters functions. In order to assure appropriate and timely disclosure, the Disclosure Committee shall evaluate events that are reported from the important business units, subsidiaries, affiliated companies and corporate divisions in accordance with Sony's internal rules in light of their materiality to Sony. Based on such evaluation, the Disclosure Committee shall review the necessity of disclosure in accordance with applicable securities laws, regulations and rules, as well as the listing standards of the relevant stock exchanges, and report to the CEO and the CFO for their determination.

# **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 Group 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.

Examples of risks that may significantly impact investor judgements include reduced market relevance and profitability due to intensifying competition from competitors; newly incurred costs to comply with laws and regulations in countries and regions where Sony operates; impact on global operations due to trade restrictions and economic sanctions imposed by certain countries and retaliatory measures to them; impairment of long-lived assets; and changes in consumption behavior caused by the increasing prevalence of new technologies and distribution platforms.

Form 20-F (Annual Report) for Fiscal Year ended on March 31, 2024

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# 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 Group's crisis management and business continuity activities predominately occur at the business and operational level closest to the events Sony Group may encounter. Since some events can have a significant impact on Sony as a whole, Sony Group Corporation has established a group crisis management procedure to enable a swift and organized group-wide response to crises as needed.

# Framework on Business Continuity Planning

Sony has strengthened its business continuity planning (BCP) to enhance risk management throughout the supply chain. The group identifies, analyzes, and evaluates business risks to mitigate the risk of business disruptions due to such emergencies as earthquakes, natural disasters, and accidents.

Sony's electronics business was significantly impacted by the Great East Japan Earthquake and severe flooding in Thailand in 2011, and by the earthquakes in Japan's Kumamoto region in 2016. Nevertheless, 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. Knowledge gained from recovery efforts after the Kumamoto earthquakes was shared with relevant companies and local firms through industry bodies, to enhance the competitiveness of Japanese industry and strengthen supply chains.

In response to COVID-19, Sony established a group crisis management

system in fiscal year 2019, placing the highest priority on ensuring safety and preventing the spread of the virus, as well as taking swift action to minimize the impact on Sony businesses. At that time, Sony secured business continuity through its global coordination, including by establishing internal guidelines, implementing measures in

accordance with those guidelines and preparing emergency supplies. Sony Group Corporation has established policies for a group-wide crisis management and business continuity framework. This framework, which continues to be improved, is for reviewing crisis management and BCP at each Sony business and preparing for incidents and business disruptions that would significantly impact the entire Sony Group. In order to boost the effectiveness of Sony's business continuity planning, top management and Headquarters carry out exercises based on scenarios such as a Nankai Trough earthquake or other natural disasters posited by the Japanese government. Additionally, each domestic and international Sony Group business establishes and maintains crisis management and business continuity frameworks to minimize the impact of business interruptions. Sony also continues to strengthen rapid recovery potential by strengthening cooperation among relevant companies and organizations and conducting realistic exercises. Sony regards its BCP as an important part of its business strategy. Sony will continue to implement effective, practical measures, such as enhancing risk management across its group-wide supply chains.

# Main Initiatives for Reducing Business Disruption Risks for Building and Equipment

**Countermeasures Against Earthquakes** 

Utilizing lessons learned from the Kumamoto earthquakes, Sony is establishing guidelines for seismic measures for Sony group companies in Japan. These measures, which are essential to the safety of employees, are established by determining the seismic wave activity at each business site and conducting simulations to assess risk. The seismic measures apply to building structures and utility facilities as well as non-structural materials such as ceiling materials, to enhance safety in an earthquake. Sony is implementing safety measures that are particularly high in priority.

#### **Countermeasures Against Fire**

The Sony Group has global guidelines to facilitate early fire detection and protection against the spread of fire in buildings and equipment. Under the guidelines, Sony's manufacturing sites around the world implement annual self-checks and are regularly audited on-site by

the responsible department in Headquarters to verify compliance with them. Manufacturing sites implement Plan-Do-Check-Act (PDCA) cycles to address any uncovered issues and establish improvement plans to effectively reduce risks.

#### **Countermeasures Against Flood-Related Damage**

Sony has completed a survey of climate change-related flood risks at vulnerable business sites. Preventative measures will be taken depending on the situation to mitigate damage in the event of a flood and ensure that operations can be rapidly restored.

# Examples of Reducing Business Disruption Risks

Semiconductor Manufacturing Site: Seismic Isolation Structure and Initiatives to Reduce Fire Risks

The Nagasaki Technology Center of Sony Semiconductor Manufacturing Corporation became the first manufacturing site of the Sony Group to adopt a seismic isolation structure. This is being incorporated in its expansion building, which was completed in 2023. The seismic isolation system employs a hybrid seismic isolation structure with multiple base isolation devices to mitigate earthquake motion, and micro-vibration control essential for a semiconductor plant.

The expansion building is compliant with the Sony Group's global guidelines on building and equipment specifications, to reduce fire risk. For example, the building features an NFPA\* compliant high-sensitivity smoke detection system and sprinklers, non-flammable exterior walls and exhaust ducts, and fire barrier walls between distribution transformers, for early fire detection and protection against the spread of fire.

\* The National Fire Protection Association (NFPA) is a US-based organization that develops standards for fire prevention.

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Hybrid seismic isolation structure

### Semiconductor Manufacturing Site: Deployment of Earthquake Motion Prediction System

Sony Semiconductor Manufacturing Corporation completed the deployment of an earthquake motion detection system for its major business sites in 2018. The system detects initial P waves (primary waves) from earthquakes and uses the data to predict the magnitude of subsequent S waves (secondary waves). If necessary, critical semiconductor manufacturing equipment is shut down before S waves reach the site, protecting equipment and products. Peripheral observation points are linked in a network with central observation points at business sites, enabling the system to respond to inland earthquakes and provide warnings with greater speed and accuracy.

### Semiconductor Manufacturing Site: Initiatives Against Flood Damage

Sony Semiconductor Manufacturing Corporation evaluates disaster impact for each of its manufacturing sites based on flood risk simulations and other assessments. It is gradually deploying measures such as the installation of water stop logs to mitigate damage at critical facilities.

# Cybersecurity

Like many companies, Sony faces increasingly sophisticated cybersecurity threats, so the importance of information security continues to grow. In recent years, malicious actors seeking to compromise the information of global companies continue to grow in number, and their attack methods are becoming more advanced. Sony recognizes the importance of cybersecurity, both in achieving financial success for the company and in maintaining the trust of its stakeholders, which include shareholders, customers, employees, suppliers, and business partners. To address this situation and ensure that Sony continues to earn customers' trust, Sony maintains and enhances an information security program.

### Risk Management & Strategy

As part of Sony's risk management framework, Sony maintains and continuously strives to enhance its information security program. This program covers the entire Sony Group and is implemented in accordance with policies and standards, which include cybersecurity risk management and governance frameworks, and guidance, developed by Sony and based on globally recognized industry best practices and standards. The policies define information security responsibilities within Sony and outline certain actions and procedures that officers and employees are required to follow, including with respect to the assessment and management of cybersecurity risks to Sony, including its systems and information. The policies, standards, and guidance are structured to help Sony respond effectively to the dynamically changing environment of cybersecurity threats, cybersecurity risks, technologies, laws, and regulations. Sony modifies its policies, standards, and guidance as needed to adjust to this changing environment.

If Sony's cybersecurity risk management controls are overcome by a cyber attacker, Sony follows an incident response plan and escalation process as defined in the information security program. The response process includes an assessment of whether an incident may be material, and this assessment is adjusted as necessary as additional facts become known during the incident response. Any incident that is assessed as potentially material is escalated to Sony's senior

management and is reported to the two outside Directors in charge of information security on Sony Group Corporation's Board of Directors (the "Board").

In the fiscal year ended March 31, 2024, Sony was the victim of several cyberattacks. None of these incidents was assessed to be material, nor did they materially affect Sony's business strategy, the results of its operations, or its financial condition. However, there can be no guarantee that this will be the case with a future incident. Sony has also established policies and processes to help identify and manage cybersecurity risks associated with third parties, including companies that provide services and products to Sony, and companies that hold Sony information or have electronic access to Sony systems or information. The policies and processes include assessment of the cybersecurity and privacy programs at certain third parties, the use of this risk information when making contracting decisions, and the use of contract language that includes cybersecurity and privacy requirements.

Most of the information security program is implemented by Sony employees. Sony also engages the services of external providers to enhance and support its information security program, including leading cyber response specialists as may be needed, and consultants to evaluate and help improve organization, policies, and other aspects of the program.

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# Structure and Governance of Sony's Information Security Program

Sony's information security program is under the responsibility of a Senior Executive, specifically, the Sony Group Chief Digital Officer ("CDO"), and the Sony Group Chief Information Security Officer ("CISO"), who reports to the CDO.

Under the leadership of the CDO and CISO, and supported by a global information security team that works across the entire Sony Group, Sony implements the cybersecurity risk management and governance frameworks that are described in its policies and standards. Each business segment of Sony has a senior information security leader, called an Executive Information Security Officer ("EISO"), who reports both to the CISO and to the senior management of the particular business unit. EISOs and their associated teams are responsible for ensuring implementation and operation of the information security program in a way that is tailored to each specific business unit, including as it relates to the assessment and management of cybersecurity risks. The CISO coordinates with the EISOs to monitor the proper implementation and compliance with Sony's cybersecurity policies and standards. The current CDO has experience within Sony in Jaunching and overseeing the development, technical operation, and business operations of large-scale network products and services, including overseeing implementation and operation of the information security program. The current CISO has more than 40 years of experience in cybersecurity. Before joining Sony, the CISO served as Deputy Chief Information Officer for Cybersecurity of the U.S. Department of Defense (the department's equivalent of a CISO) and before that, as the Chief Information Assurance Executive at the Defense Information Systems Agency (DISA), an agency of the U.S. Department of Defense. To oversee the information security program, the Sony Group CEO and COO receive regular reports from the CDO, monthly reports from the CISO, additional reports as needed during the response to a cyber incident, and briefings from the CDO and CISO at various times during the year. The head of each Sony business segment also receives the monthly reports from the CDO and the CISO, as well as reports and briefings from the business segment EISO. The Board oversees Sony's information security efforts, including in the following ways:

- Two outside Directors oversee Sony's information security efforts, via monthly meetings and ad-hoc incident response communications with the CDO and CISO. Those meetings address, among other matters, significant cybersecurity incidents and Sony Group-level policies and key initiatives regarding cybersecurity.
- One of these two outside Directors has extensive experience in the development of large-scale information systems, including experience with management of the risks associated with cyberattacks.
- The other outside Director serves simultaneously as the Chair of the Audit Committee.
- The full Board receives reports from the outside Directors in charge
  of information security and briefings several times a year from the
  CDO and the CISO. The full Board also engages in discussion of
  these matters.

# 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 study the types of behaviors they must avoid in order 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.

# 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, 2024), activities of Audit Committee Members (for example, reviewing reports relating to the execution of duties by the Corporate Executive Officers and employees of Sony Group Corporation, or directors, statutory auditors and employees of major subsidiaries of Sony and visiting audits at Sony's business sites), 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. 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. Furthermore, the meetings with divisions in charge of internal control of Sony were held nine times, and the meetings with the independent auditor were held 11 times during the fiscal year ended March 31, 2024.

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During the fiscal year ended on March 31, 2024, the Audit Committee convened six times. The attendance records of respective Directors are as follows.

Name	Meeting Records*	Attendance Records*
Toshiko Oka	6 times	6 times (100%)
Keiko Kishigami	6 times	6 times (100%)
Joseph A. Kraft Jr.	6 times	6 times (100%)

<sup>\*</sup> The numbers of the Meeting Records and the Attendance Records are those applicable to the fiscal year ended on March 31, 2024.

Specific considerations by the Audit Committee include review of audit plans in three-way audits, identification and audit of priority audit items for each fiscal year, review of financial results and disclosure documents related to financial results, review of development and operation of internal control systems, audit of financial reports and SOX 404-related activities, audit of internal audit activities, review of the content and process for determining the compensation of the independent auditors, audit of the appropriateness of audit by the independent auditors and evaluation of the independent auditors. In addition to these, the Audit Committee held interviews with Senior Executives and Other Officers to receive reports on matters such as the recognition of issues and the status of risk management in the respective areas of responsibility of each business and headquarter function, and engaged in dialogue. The priority audit items for the fiscal year ended on March 31, 2024 were disclosure of non-financial information, risk management, the impact of the adoption of new accounting standard and subsidiary management. Through audit activities conducted in cooperation with the internal audit division and the divisions of the Sony Group responsible for internal control, the following audit activities were executed.

i) Disclosure of non-financial information

The Audit Committee received the reports regarding the latest updates in Japan and overseas regarding the disclosure and assurance of non-financial information, such as climate change from the Internal Control Department and the status of company's response to these regulations has been verified. The Audit

Committee also discussed with the independent auditors regarding relevant disclosure and assurance standard trends.

ii) Risk management

In addition to confirming during interviews with Senior Executives and Other Officers regarding the overall risk management, including company's internal structure and challenges related to information security, the Audit Committee have also received the reports from the Internal Control Department and exchanged opinions to enhance continuous response.

iii) Impact of the adoption of new accounting standard
The Audit Committee received the reports regarding the impact of
the application of IFRS 17 "Insurance Contracts" on the financial
statements from the Internal Control Department and the
independent auditors, and the contents of the financial statements
were verified.

iv) Subsidiary management

The Audit Committee received the reports regarding the audit activities of its subsidiaries from the heads of the Internal Audit Department for each business segment, and engaged in discussions. Additionally, the independent auditors provided the report regarding the audit plan, progress, and results of our consolidated subsidiaries.

#### Internal Audit Structure and Status

Sony Group Corporation established a department in charge of internal audit, the Risk & Control Department (which is composed of approximately thirty members), 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 in order to promote Sony'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's governance in order to strengthen Sony'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 Risk & Control Department makes periodic presentations on the result of internal audit to the Audit Committee, and the Senior Executive in charge of internal audit.

The Internal Audit 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 has been conducted by PricewaterhouseCoopers Japan LLC under an agreement since 2007. The certified public accountants who conducted the accounting audit of Sony for the fiscal year ended March 31, 2024, are as follows: Takeaki Ishibashi,\* Yuko Harada,\* Hitoshi Kondo,\* and Masafumi Mitsuhiro.\* The team at PricewaterhouseCoopers Japan LLC that conducted Sony's accounting audit is composed of 31 certified public accountants and 78 other staff members.

\* The number of years of continuous audit-related work is not stated because it is within 7 years.

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# Policy and Governance Framework on Tax Strategy

### **Tax Policy**

Sony conducts its business, including managing its tax obligations, honestly, ethically and with integrity. The Sony Group Code of Conduct defines Sony's policy as being 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 both the spirit and letter of the laws and regulations that apply to its businesses.

#### **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 Sony's Global Tax Office (the GTO), which is in charge of Sony's overall tax position. The global head of the GTO is Sony Group Corporation's Senior Vice President in charge of Global Tax (as of March 31, 2024) and reports directly to Sony Group Corporation's CFO based in Japan, who is a board member. Significant tax events are reported to the Audit Committee and are included in reports to the Board of Directors as necessary.

#### **GTO Report Line**



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 other taxes are the ultimate responsibility of the relevant divisional Finance Director for each business. 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 liaising with the relevant tax authority where necessary.

### **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 and operations. Sony does not engage in transactions where the sole aim is to achieve tax avoidance or profit shifting, which are against the spirit of tax laws. 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 Group Corporation 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 judgment 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 Group Corporation prepares and files annually a country-bycountry 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. **≡** 180

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# Relationship with Shareholders and Other Stakeholders

Sony's core corporate responsibility to society is to strive to enhance its corporate value through innovation and sound business practice. Sony recognizes that its business activities have direct and indirect impacts 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. Sony Group's officers and employees must endeavor to conduct the business of Sony accordingly.

# Policy and Status of Dialogue with Shareholders

Sony Group Corporation's basic policy for 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 enterprise value of Sony Group Corporation 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 leadership, the Senior Vice President in charge of IR (the "IR SVP") and the department in charge of IR (the "IR Department") work to promote constructive dialogue with shareholders and investors. Collection of the information necessary to promote such dialogue is primarily carried out by the IR Department, in cooperation with relevant departments such as corporate planning, finance, accounting and corporate communications, as well as business units.

### Status of Dialogue with Shareholders

In the fiscal year ended March 31, 2024, in addition to individual interviews and group meetings conducted by IR SVP and IR Department, the management team of Sony Group Corporation, including the CEO, COO and CFO, other corporate executives, and the head of each business segment, conducted dialogs for investors, including Corporate Strategy Meeting, Business Segment Meeting, Sustainability Briefings, etc., as well as tours of manufacturing site of image sensors, individual interviews and group meetings conducted after these events with a wide range of institutional investors from both in and outside of Japan, such as portfolio managers, analysts and governance/voting managers of major investment funds. Sony Group Corporation also arranged opportunities for individual dialogues between certain Outside Directors and institutional investors. The interests of investors at these dialogues cover, in addition to an overview of financial results, the business environment/competitive advantage/potential growth of the entertainment, centered on the G&NS businesses and the image sensor businesses, initiatives in new areas such as mobility, policy regarding the business portfolio including partial spin-off of Sony Financial Group Inc., M&A, a review of the fourth mid-range plan for the fiscal year ended March 31, 2024. the content of the fifth mid-range plan for the three fiscal years started on April 1, 2024 and ending on March 31, 2027, approach to shareholder returns and environmental and other sustainability initiatives. The interests/opinions of investors obtained through such dialogues are fed back to the Board and management team to enhance Sony's disclosure and future dialogues.

In addition to dialogue with institutional investors, Sony Group Corporation conducted multiple briefings for individual investors by the IR Department, providing opportunities to explain the overview and strategy of each business, as well as Sony's views on sustainability and shareholder returns, for the purpose of encouraging active dialogue with individual investors.

Sony's policy is not to disclose insider information when communicating with shareholders and investors. The IR Department reviews information to be disclosed in advance with other relevant departments, such as the Legal Department, and outside experts, as appropriate. In principle, a set of materials related to earnings announcements, materials for investor briefings such as Corporate

Strategy Meetings, as well as timely disclosures are disclosed simultaneously in both Japanese and English.

For the details of Sony Group Corporation's "Disclosure Controls and Procedures" and IR activities, please refer to the website below.

- → Disclosure Framework
- Sony Group Portal Website | Investor Relations

# Administration of the General Shareholders' Meeting

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

## Basic Policy for the General Shareholders' Meeting

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

- Take any necessary measures to encourage the shareholders who find it difficult to attend the shareholders' meeting to vote
- Encourage direct communications between the shareholders who attend the general shareholders meeting and Sony Group Corporation's management

Sony Group Corporation sets the date of the general shareholders meeting appropriately, depending on venue availability. Further, Sony Group Corporation displays the voting results gathered before the general shareholders meeting date on the screen of the meeting hall during voting in order to operate the general shareholders meeting in a transparent manner. In addition, Sony Group Corporation has provided streaming live video of the general Shareholders meeting (hybrid virtual shareholder meetings) in 2021. Also since 2022, Sony Group Corporation has started to accept questions from the shareholders who are watching the streaming live video

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#### **Activities to Secure the Rights of Shareholders**

Sony Group Corporation endeavors to develop an environment in which shareholders can 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 the concerns of minority shareholders and foreign shareholders adequately, through confirming shareholder composition quarterly. As a part of these activities, Sony Group Corporation 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 Group Corporation strives to send the convocation notice for the general shareholders meeting early enough to give shareholders sufficient time (about three weeks before the date of the general shareholders meeting) to consider the agenda, and posts it on its website in advance. Sony Group Corporation also uses an electronic voting platform to allow electronic voting through the internet (via PC or smartphone). For more information on the general shareholders meeting, please refer to the page below.

Sony Group Portal Website | 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, the CEO communicates and implements our thoughts and initiatives about Sony Group Corporation's social responsibility and relationship with stakeholders of Sony. The Board periodically receives a 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 Group Corporation understands that there are various challenges in society, such as fulfilling the Sustainable Development Goals (SDGs) and identifies material challenges highly relevant with Sony's business operations, such as environmental challenges, diversity, and inclusion, through CSR Materiality Assessment. Sony Group Corporation will aim to engage in CSR activities with an understanding of such material challenges.

- → Sony's Basic Policy for Sustainability Initiatives
- → Environmental Policies and Targets
- → Diversity, Equity and Inclusion
- → Supporting Active Contributions by Diverse Employees

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 Group 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 Group Corporation and its subsidiaries decide whether to acquire or continue to hold shares of listed companies (excluding the acquisition and holding of shares by Sony Group Corporation's listed subsidiaries, and Sony Group Corporation'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 meet Sony's business purposes and to have sufficient economic rationale. If it is determined that investments do not meet these criteria, Sony Group Corporation and its subsidiaries will avoid or reduce exposure to such holdings.

#### Method of Assessing Rationale for Shareholding

In all cases where Sony Group Corporation and its subsidiaries hold shares in listed companies (excluding shares held by Sony Group Corporation's listed subsidiaries, and Sony Group Corporation's shareholdings in its own listed subsidiaries) for reasons other than for the sole purpose of investment, Sony Group Corporation carries out a timely review to assess qualitatively 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 Group Corporation also assesses the appropriateness of these shareholdings via a quantitative assessment of expected return on investment and cost of capital. These evaluations are first carried out on the management side, after which 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.

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# Details of the Assessment by the Board of Directors of Whether Individual Shareholdings Are Appropriate

Based on the above policy, at the Board meeting held on June 25, 2024, Sony Group Corporation carried out an assessment of the rationale for its and its subsidiaries' shareholdings in listed companies (excluding shares held by Sony Group Corporation's listed subsidiaries, and Sony's shareholdings in its own listed subsidiaries) as of March 31, 2024. Based on the assessment, Sony will consider reducing its exposure to shareholdings for which it was determined that a reduction should be considered.

### **Policy for Exercising Voting Rights**

Sony Group Corporation believes in the importance of enhancing the corporate value of the listed companies whose shares it holds, and Sony Group Corporation's own corporate value in turn, through the exercising 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 conducting a comprehensive consideration of both the significance and economic rationale of its shareholdings, and reviewing the details of proposals. For example, Sony Group Corporation 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 Group Corporation makes appropriate decisions regarding how it exercises its voting rights.

# **Business Relations with Companies** who Invest in Sony Group Corporation

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

# **Anti-Hostile Takeover Measures**

Sony Group Corporation has not adopted any anti-hostile takeover measures. Sony Group Corporation will fully examine the necessity and rationale with respect to measures that could materially affect the interests of shareholders, such as the adoption of anti-hostile takeover measures, Sony's response in the event that its shares are subject to a tender offer and the implementation of capital policies resulting in a change in control or a major dilution, with the Board and/or the Audit Committee. Once this examination is complete, Sony will provide sufficient explanation to shareholders.

# **Related-Party Transactions**

As a part of the Sony Group Code of Conduct established by the Board, Sony Group Corporation's officers and employees are prohibited from committing any conduct where their loyalties may be divided between Sony Group Corporation's interests and their own interests. To help ensure compliance with these requirements, Sony Group Corporation regularly reviews the status of related-party transactions, whether financial or otherwise, between Sony companies and officers in Sony or their close relatives. Furthermore, Sony Group Corporation requires its Directors and officers to obtain approval of the Board in connection with transactions between Sony Group 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 an 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 after concluding that the interests of Sony Group Corporation and its shareholders are not adversely affected.

# **Policy for Shareholder Returns**

Sony Group Corporation believes that continuously increasing corporate value and providing dividends are essential to rewarding

shareholders. It is the policy of Sony Group Corporation 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 Group Corporation will determine the amount of dividends based on an overall consideration of its consolidated operating results, financial condition and future business expectations.

# Roles of Corporate Pension Funds as Asset Owners

Sony Group Corporation owns, as a domestic corporate pension plan, a closed-end defined-benefit corporate pension (the "Pension Plan"). The Pension Plan manages its assets in line with its Basic Pension Plan Management Policy (the "Basic Management Policy") which was set to secure beneficiaries' right of benefit and to increase the benefit. In order to realize a prudential and appropriate asset management structure in the Pension Plan, Sony Group Corporation appoints an asset management director of the Pension Plan who should have proper knowledge and skills, based on the nomination by the Senior General Manager of Sony Group Corporation's Finance Department, and an external advisor to supplement their specialties in asset management. Any decisions on fund management are made by the person who has the ultimate authority in accordance with the Basic Management Policy, after deliberation at the pension committee, which is composed of heads and/or personnel of the HR Department, the Accounting Department and the Finance Department which are related to the management of the Pension Plan, and then, any potential conflict of interests between Sony Group Corporation and the Pension Plan is properly controlled.

In addition, when asset management begins, the asset management guidelines which show matters to be complied with in asset composition, management method, etc., are issued to the managing trustee, and the compliance status pursuant to the guidelines is periodically reviewed and evaluated.

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# **Datasheet**

Employees (FY)

Item	Sco	Scope*1		2021	2022	2023
		Total	Persons	108,900	113,000	113,000
	Sony Group*2	(Contract employees)	Persons	13,100	12,900	12,500
		Men	Persons	70,500*3	74,200*3	74,300*3
		Women	Persons	38,100*3	38,400*3	38,400*3
		Total	Persons	2,839	2,445	2,109
	Sony Group Corporation	(Contract employees)	Persons	93	103	114
	Corporation	Men	Persons	2,140	1,769	1,456
Number of employees		Women	Persons	699	676	653
Number of employees		Total	Persons	55,100	56,400	57,200
	Japan* <sup>2</sup>	(Contract employees)	Persons	6,700	7,100	7,200
		Men	Persons	41,100	42,000	42,500
		Women	Persons	14,000	14,400	14,700
	Outside Japan*2	Total	Persons	53,800	56,600	55,800
		(Contract employees)	Persons	6,400	5,800	5,300
		Men	Persons	29,400*3	32,200*3	31,800*3
		Women	Persons	24,100*3	24,000*3	23,700*3
	Total		Persons	108,900	113,000	113,000
	Game & Network	Services	Persons	10,200	12,700	12,700
	Music		Persons	10,800	11,100	11,300
	Pictures		Persons	8,100	9,100	9,500
Number of employees by business segment*2	Entertainment, T Services	echnology &	Persons	40,200	38,400	38,700
	Imaging & Sensi	ng Solutions	Persons	18,100	20,300	19,700
	Financial Service	S	Persons	13,200	13,500	13,600
	All Other		Persons	2,300	2,100	1,900
	Corporate Emplo	yees	Persons	6,000	5,800	5,600

Item		Scope*1		Unit	2021	2022	2023
item		Scope	Men	%	75.4	72.4	69.0
		Total					
			Women	%	24.6	27.6	31.0
		Under 30	Men	%	9.9	9.9	9.6
			Women	%	3.8	4.2	4.9
		30 - 39	Men	%	18.6	18.7	18.2
	Sony Group	30 - 39	Women	%	6.6	7.9	8.6
	Corporation	40.40	Men	%	25.5	23.6	22.7
		40 - 49	Women	%	6.9	7.4	8.8
		50 50	Men	%	19.2	17.5	15.6
		50 - 59	Women	%	6.9	7.6	7.9
			Men	%	2.1	2.6	2.9
Employee ratio by age		60 and over	Women	%	0.4	0.6	0.7
group		Total	Men	%	74.8	74.4	74.5
			Women	%	25.2	25.6	25.5
		Under 30	Men	%	9.2	9.8	9.9
		Under 30	Women	%	4.6	4.9	4.7
		20, 20	Men	%	16.4	16.5	16.2
		30 - 39	Women	%	5.4	5.7	5.8
	Japan	40 - 49	Men	%	23.4	22.2	21.4
		40 - 49	Women	%	7.7	7.1	6.7
		FO FO	Men	%	22.0	21.9	22.3
		50 - 59	Women	%	6.5	6.8	7.2
		CO	Men	%	3.9	4.1	4.7
		60 and over	Women	%	1.0	1.1	1.2

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Independent Assurance Statement

(FY)

Namagement positions   Sony Group positions     Management positions   Sony Group positions								(FY
Men	ltem		Scope*1		Unit	2021	2022	2023
Management positions				Total	Persons	2,865	2,471	2,133
Percentage of women				Men	Persons	2,161	1,790	1,475
Management positions   Sony Group Positions			Total	Women	Persons	704	681	658
Board of Directors*4   Momen   Persons   4   4   4   4   4   4   4   4   4					%	24.6	27.6	30.8
Management positions   Sony Group Forestions   Sony Group higher   Percentage of women   Persons   Perso				Total	Persons	8	8	8
Management positions			Board of	Men	Persons	4	-	4
Namagement positions   Sony Group Foreithins				Women	Persons	4	4	4
Namagement positions   Sony Group Formation					%	50.0	50.0	50.0
Management positions   Sony Group corporation   Senior Managers or higher   Percentage of women   Persons   23   24   22   22   24   22   25   25   26   27   19   27   27   28   27   28   28   29   29   29   29   29   29				Total	Persons	2	2	2
Management positions   Sony Group positions			In-house			2	2	
Percentage of women					Persons	0	0	0
Management positions   Senior Vice Presidents or higher*   Men   Persons   3   3   3   3   3   3   3   3   3					%	0.0	0.0	0.0
Management positions   Sony Group Corporation   Senior Managers or higher   Men   Persons   13.0   12.5   13.6   15.6   13.0   12.5   13.6   15.6   13.0   12.5   13.6   15.6   13.0   12.5   13.6   15.6   13.0   12.5   13.6   15.6   13.0   12.5   13.6   15.6   13.0   12.5   13.6   15.6   13.0   12.5   13.6   15.6   13.0   12.5   13.6   15.6   13.0   13.0   13.0   15.6   13.0								
Nanagement positions   Sony Group						-		
Management positions   Sony Group Corporation   Senior Managers or higher   Senior Men Persons   228   214   180					Persons	3	3	3
Management positions			higher*5		%	13.0	12.5	13.6
Management positions			Managers or higher	Total	Persons			
Management positions   Sony Group Corporation   Fersons   Percentage of women   Managers or higher   Fersons   Managers or						-		
Sony Group Corporation   Sonitions   Total   Persons   273   258   224   228   244   180					Persons	24	14	15
Men	Management	Sony Group			%	13.3	13.5	15.6
Managers or higher   Percentage of women   Persons   45   44   44	positions	Corporation	Senior	Total	Persons	273	258	224
Nigher   Percentage of women   W   16.5   17.1   19.6				Men	Persons	228	214	180
Total   Persons   817   495   623				Women	Persons	45	44	44
Assistant Managers or higher			higher		%	16.5	17.1	19.6
Managers or higher   Women   Persons   123   101   138				Total	Persons	817		623
Neglect   Percentage of women   Women   Women   Women   Neglect								
Total   Persons   1,561   1,580   1,158   Men   Persons   1,056   1,065   704   Men   Persons   505   515   454   Percentage of women   Women   Persons   477   362   320   Men   Persons   405   304   261   Men   Persons   72   58   59   Percentage of women   Persons   43   31   29   Appointed in management   Percentage   %   16 3   19 4   310					Persons	123	101	138
Men   Persons   1,056   1,065   704			higher		%	15.1	20.4	22.2
All Other					Persons			,
Percentage of women						-	-	
Of women         %         32.4         32.6         39.2           Of which, people in management positions         Total         Persons         477         362         320           Women         Persons         405         304         261           Women         Persons         72         58         59           Percentage of women         %         15.1         16.0         18.4           Of which, people newly appointed in management         Men         Persons         43         31         29           Women         Persons         36         25         20           Women         Persons         7         6         9           Percentage         %         16.3         19.4         31.0			All Other		Persons	505	515	454
Of which, people in management positions         Men         Persons         405         304         261           Women         Persons         72         58         59           Percentage of women         %         15.1         16.0         18.4           Of which, people newly appointed in management         Men         Persons         43         31         29           Women         Persons         36         25         20           Women         Persons         7         6         9           Percentage         %         16.3         19.4         31.0					%	32.4	32.6	39.2
Persons   405   304   261     Women   Persons   72   58   59     Percentage of women   70tal   Persons   43   31   29     Percentage of women   70tal   Persons   43   31   29     Appointed in management   Percentage   40   40   40     Percentage   40   40   40   40     Percentage   40     Percentage   40   40     Percentage   40     Percentag			Ofwhich	Total	Persons	477	362	320
Momen   Persons   72   58   59			1 '	Men	Persons	405	304	261
positions         Percentage of women         %         15.1         16.0         18.4           Of which, people newly appointed in management         Total         Persons         43         31         29           Women         Persons         36         25         20           Women         Persons         7         6         9           Percentage         %         16.3         19.4         31.0			1 ' '	Women	Persons	72	58	59
people newly appointed in management Men Persons 36 25 20 Women Persons 7 6 9 Percentage % 16 3 19 4 31 0					%	15.1	16.0	18.4
people newly appointed in management   Men   Persons   36   25   20			Of which,	Total	Persons			29
management Percentage % 16.3 19.4 31.0			1 '	Men	Persons	36	25	20
1 10 1 10 10 10 10 10 10 10 10 10 10 10				Women	Persons	7	6	9
					%	16.3	19.4	31.0

						(FY)
Item	Sco	pe*1	Unit	2021	2022	2023
	Sony Group		%	35.0	34.0	34.0
	Sony Group Corp	poration	%	24.6	27.6	31.0
	Japan		%	25.4	25.5	25.7
	Outside Japan		%	44.8	42.4	42.4
Women in the workforce	United States		%	38.9	38.4	38.5
	Mainland China Region	and Hong Kong	%	51.8	50.7	56.1
	Asia-Pacific*6		%	54.2	49.5	47.5
	Europe		%	35.6	35.3	36.1
	Other Areas*7		%	38.2	37.0	36.8
	Sony Group		%	30.1	30.0	30.7
	Sony Group Corporation		%	15.1	16.0	18.4
	Japan		%	10.5	10.9	11.8
	Outside Japan		%	39.3	37.8	38.2
Management positions held	United States		%	41.6	40.8	40.7
by women*8	Mainland China and Hong Kong Region		%	37.9	35.8	36.6
	Asia-Pacific*6		%	37.8	33.3	32.9
	Europe		%	37.7	36.1	37.4
	Other Areas*7		%	38.1	38.2	40.1
		Total	Years	11.9	11.5	11.6
	Sony Group	Men	Years	12.5*3	12.1*3	12.1*3
		Women	Years	10.7*3	10.4*3	10.5*3
		Total	Years	16.7	16.4	15.8
	Sony Group Corporation	Men	Years	16.6	16.4	15.7
A	Corporation	Women	Years	16.9	16.5	16.1
Average years of service		Total	Years	15.2	15.1	15.0
	Japan	Men	Years	15.3	15.2	15.1
		Women	Years	15.1	14.7	14.5
		Total	Years	8.7	8.2	8.3
	Outside Japan	Men	Years	8.8*3	8.2*3	8.3*3
		Women	Years	8.6*3	8.2*3	8.4*3

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Number of newly hired employees   Sony Group Number of peliginars per new graduate hire*   Number of applicants							(FY)
Number of newly hired employees   Sony Group   Men   Persons   8,537*3   9,498*3   7,458*3   Number of newly hired employees   Total   Persons   157   182   197	ltem	Sco	pe*1	Unit	2021	2022	2023
Number of newly hired employees   Sony Group Corporation			Total	Persons	14,272	15,215	12,846
Number of newly hired employees   Sony Group Corporation   Men   Persons   157   182   197   Men   Persons   103   134   140   Momen   Persons   54   48   57   Men   Persons   3,837   4,489   4,196   Men   Persons   2,628   3,000° 3   2,733   Momen   Persons   1,209   1,487° 3   1,463   Men   Persons   1,0487° 3   1,463   Men   Persons   1,0487° 3   1,463   Men   Persons   1,0495° 3   1,462° 3   3,743° 3   Men   Persons   5,909° 3   6,498° 3   4,725° 3   Momen   Persons   4,270° 3   4,062° 3   3,743° 3   Men   Non-engineer positions, men   Times   40.3   41.2   64.1   Men   Non-engineer positions, men   Times   45.9   58.6   55.8   Men   Secondary   Men   Men		Sony Group	Men	Persons	8,537*3	9,498*3	7,458*3
Number of newly hired employees   Sony Group Corporation   Women   Persons   54   48   57     Women   Persons   3,837   4,489   4,196     Men   Persons   2,628   3,000° 3   2,733     Women   Persons   1,029   1,487° 3   1,463     Total   Persons   10,435   10,726   8,6550     Women   Persons   10,435   10,726   8,6550     Women   Persons   5,909° 3   6,498° 3   4,725° 3     Women   Persons   4,270° 3   4,062° 3   3,743° 3     All positions, men   Times   40.2   33.2   62.3     All positions, men   Times   45.9   58.6   55.8     Number of applicants per new graduate hire*   Sony Group   Fingineer positions, men     Persons   4,270° 3   4,062° 3   3,743° 3     Persons   4,270° 3   4,062° 3   3,743° 3     All positions, men   Times   40.3   41.2   64.1     Non-engineer positions, men   Times   45.9   58.6   55.8     Persons   5,909° 4   6,498° 3   6.23     All positions, men   Times   45.9   58.6   55.8     Persons   4,270° 3   4,062° 3   3,743° 3     Persons   4,270° 3   4,062° 3     Persons   4,270° 3     Persons			Women	Persons	5,479*3	5,549*3	5,206*3
Number of newly hired employees   Men   Persons   103   134   140			Total	Persons	157	182	197
Number of newly hired employees         Momen         Persons         54         48         57           Image: Persons of Employees         1 Total         Persons         3,837         4,489         4,196           Image: Men         Persons         2,628         3,000°³         2,733           Women         Persons         1,209         1,487°³         1,463           Men         Persons         1,590°°         6,498°°         4,725°°           Men         Persons         1,209         1,487°³         1,463           Men         Persons         1,590°°         6,498°°         4,725°°           Men         Persons         4,270°°         4,062°°         3,743°°           Men         Persons         4,270°°         4,062°°         3,743°°           All positions, men         Times         40.2         33.2         62.3           All positions, men en graduate hire*°         Sony Group         Non-engineer positions, men         Times         45.9         58.6         58.2           Engineer positions, men en graduate hire*°         Fingineer positions, men         Times         37.3         25.8         66.7           Engineer positions, men         Times         37.3         25.8			Men	Persons	103	134	140
Number of applicants per new graduate hire*9   Sony Group Corporation   Sony Group Fengineer positions, women   Times   Men   Men	Number of newly hired	Corporation	Women	Persons	54	48	57
Number of applicants per new graduate hire*9	employees		Total	Persons	3,837	4,489	4,196
Total   Persons   10,435   10,726   8,650     Men   Persons   5,909*3   6,498*3   4,725*3     Women   Persons   4,270*3   4,062*3   3,743*3     Women   Persons   4,270*3   4,062*3   3,743*3     All positions, men   Times   40.2   33.2   62.3     All positions, men   Times   40.3   41.2   64.1     Non-engineer positions, men   Times   45.9   58.6   55.8     Non-engineer positions, men   Times   61.4   76.8   58.2     Engineer positions, men   Times   37.3   25.8   66.7     Engineer positions, men   Times   17.5   14.5   87.7     Women   Women		Japan	Men	Persons	2,628	3,000*3	2,733
Outside Japan   Men   Persons   5,909*3   6,498*3   4,725*3   3,743*3			Women	Persons	1,209	1,487*3	1,463
Number of applicants per new graduate hire**9   Sony Group Corporation   Sony Group Times   Sony Group Corporation   Sony Group Group Corporation   Sony Group Group Gorporation   Sony Group Group Gorporation   Sony Group Group Gorporation   Sony Gorporation   Son			Total	Persons	10,435	10,726	8,650
Number of applicants per new graduate hire**   Sony Group Corporation   Sony Group Registrons, women   Times   A0.2   A1.2   64.1		Outside Japan	Men	Persons	5,909*3	6,498*3	4,725*3
Number of applicants per new graduate hire*   Sony Group Corporation   Sony Group Corporation   Figure 1   Sony Group Corporation   Sony Group Positions, men Positi			Women	Persons	4,270*3	4,062*3	3,743*3
Number of applicants per new graduate hire*9   Sony Group Corporation   Sony Group Corporation				Times	40.2	33.2	62.3
Number of applicants per new graduate hire*9   Sony Group Corporation   Non-engineer positions, women   Times   Sony Group   Non-engineer positions, women   Times   Sony Group   Times   Sony Group   Times   Sony Group   Times   Sony Group   Total   Sony Group   Men   %   7.6*3   9.1*3   6.0*3   Women   %   8.2*3   8.9*3   7.2*3   Non-engineer positions, women   Times   Sony Group   Total   %   7.6*3   9.1*3   6.0*3   Non-engineer positions, men   Times   Sony Group   Total   %   7.6*3   9.1*3   6.0*3   Non-engineer positions, men   Times   Sony Group   Total   %   1.7   2.2   1.3   Sony Group   Total   %   1.7   2.2   1.3   Sony Group   Total   %   1.9   2.4   1.5   Non-engineer positions, men   Times   Sony Group   Sony Group   Total   %   Sony Group   Sony Group   Total   %   Sony Group   Sony Group   Total   %   Sony Group   Sony Group   Sony Group   Total   %   Sony Group   Sony Group   Sony Group   Total   %   Sony Group   Sony Group   Sony Group   Sony Group   Total   %   Sony Group   Sony Group				Times	40.3	41.2	64.1
Corporation   Positions, women   Times   61.4   76.8   58.2				Times	45.9	58.6	55.8
Turnover rate*10    Positions, men   Times   37.3   25.8   66.7			positions,	Times	61.4	76.8	58.2
Turnover rate*10    Positions, women   Times   17.5   14.5   87.7				Times	37.3	25.8	66.7
Sony Group   Men			positions,	Times	17.5	14.5	87.7
Turnover rate*10  Women % 8.2*3 8.9*3 7.2*3  Total % 1.7 2.2 1.3  Men % 1.9 2.4 1.5  Women % 1.3 1.3 0.9  Total % 2.9 3.3 3.4  Japan Men % 2.6 3.2 3.2  Women % 3.9 4.0 4.1  Total % 13.2 15.0 9.3  Outside Japan Men % 15.3*3 17.9*3 9.7*3			Total	%	7.8	9.0	6.4
Turnover rate*10    Sony Group Corporation		Sony Group	Men	%	7.6*3	9.1*3	6.0*3
Turnover rate*10    Sony Group Corporation			Women	%	8.2*3	8.9*3	7.2*3
Turnover rate*10  Corporation  Ween			Total	%	1.7	2.2	1.3
Turnover rate*10    Japan   Men			Men	%	1.9	2.4	1.5
Japan         Total         %         2.9         3.3         3.4           Men         %         2.6         3.2         3.2           Women         %         3.9         4.0         4.1           Total         %         13.2         15.0         9.3           Outside Japan         Men         %         15.3*3         17.9*3         9.7*3	T	Corporation	Women	%	1.3	1.3	0.9
Women         %         3.9         4.0         4.1           Total         %         13.2         15.0         9.3           Outside Japan         Men         %         15.3*3         17.9*3         9.7*3	Turnover rate*10		Total	%	2.9	3.3	3.4
Total         %         13.2         15.0         9.3           Outside Japan         Men         %         15.3*3         17.9*3         9.7*3		Japan	Men	%	2.6	3.2	3.2
Outside Japan Men % 15.3*3 17.9*3 9.7*3			Women	%	3.9	4.0	4.1
			Total	%	13.2	15.0	9.3
Women % 10.4*3 11.3*3 8.7*3		Outside Japan	Men	%	15.3*3	17.9*3	9.7*3
			Women	%	10.4*3	11.3*3	8.7*3

	 		(FY)	

Item		Scope*1	Unit	2021	2022	2023
Per capita HR development ir	ivestment*11	Sony Group Corporation	Yen	204,000	216,000	205,000
	Number of programs			21,406	18,218	19,778
	Number of times offered		Times	46,845	47,819	38,601
	Participants	Sony Group	Persons	382,110	437,262	421,165
	Cumulative total training time		Hours	1,472,974	1,462,334*12	1,735,760
	Number of programs			2,910	2,319	2,660
Training participation across	Number of times offered	lanan	Times	11,159	7,332	11,647
Sony Group	Participants	Japan	Persons	179,043	232,178	225,707
	Cumulative total training time		Hours	568,662	818,292	983,087
	Number of programs	- Outside Japan		18,496	15,899	17,118
	Number of times offered		Times	35,686	40,487	26,954
	Participants		Persons	203,067	205,084	195,458
	Cumulative total training time		Hours	904,312	644,042*12	752,673
Percentage of employees wit	h disabilities*13	Sony Group Corporation	%	2.87	2.76	2.76
		Japan	%	2.50	2.46	2.48
Average days of annual paid	eave taken	Sony Group Corporation	Days	14.8	14.2	15.8
by employees		Japan	Days	13.2	13.3	14.6
Percentage of granted annual paid leave taken by employees		Sony Group Corporation	%	65.6	62.6	70.9
		Japan	%	62.1	62.4	68.6
Percentage of group companies with flexible work policy*14		Japan	%	92	91.1	92.6
Average overtime hours per r	nonth	Sony Group Corporation	Hours	25.5	25.1	24.1

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ltem	Sco	pe*1	Unit	2021	2022	(FY)
		Total	%	68.9	66.7	85.3
	Sony Group Corporation	Men	%	59.5	56.9	76.2
Number of employees taking childcare leave		Women	%	100	100	100.0
(leave of absence) and childcare paid leave*15		Total	%	59.0	66.9	81.5
	Japan	Men	%	47.8	59.1	76.7
		Women	%	96.4	98.8	100.0
		Total	%	95.8	96.0	100.0
	Sony Group Corporation	Men	%	100	80.0	100.0
Employees who returned to		Women	%	94.7	100.0	100.0
work after childcare leave*16	Japan	Total	%	98.5	97.3	99.2
		Men	%	99.3	99.3	99.6
		Women	%	98.1	96.3	98.9
		Total	%	95.7	100	96.8
	Sony Group Corporation	Men	%	100	100	92.3
Retention of employees		Women	%	94.4	100	100.0
after childcare leave		Total	%	-	94.1	98.2
	Japan	Men	%	-	94.2	98.1
		Women	%	-	93.9	98.3
Employee engagement survey response rate	Sony Group	Sony Group		-	93	93
Employee engagement index*17	Sony Group		%	-	90	90

- \*1 Japan: Total of Sony Group companies including Sony Group Corporation
- \*2 Numbers rounded to the nearest hundred employees
- \*3 Employees included in these data are those for whom gender has been applied. Therefore, the sum of women and men employees is not equal to the total number of employees.
- \*4 Refer to the "Composition of Sony Group Corporation's Board of Directors" datasheet for the latest figures.
- \*5 Excluding people who serve on the Board of Directors.
- \*6 Southeast Asia, Oceania, India, South Korea and Taiwan Region
- \*7 Middle East, Latin America, Africa, and Canada
- \*8 The definition of "manager" varies in different countries, regions and companies.
- \*9 Figures include only general employment contracts (regular employees)
- \*10 Only voluntary turnover of regular employees.
- \*11 Employees included in these data are those who work for Sony Group Corporation
- \*12 Figures were corrected from those published in previous year's report for data review.
- \*13 Only companies with 101 or more employees, including special-purpose subsidiaries. As of the end of March 2024
- \*14 A collective term for telework, remote work, working from home, etc.
- \*15 Figures of Sony Group Corporation and fiscal years 2022 and 2023 Japan: Percentage of employees who used the programs during the current fiscal year among employees with newborns during the current fiscal year (fiscal year 2021: Percentage of employees who used the programs during the previous and current fiscal year among employees with newborns during the previous year)
- \*16 Percentage of employees who returned to work, among employees who completed their leave of absence by the end of fiscal year 2022
- \*17 Percentage of employees who did not give an unfavorable response to four questions regarding employee engagement. Some of the four questions in the employee engagement index were replaced, so the 2022 index is also listed in the same group of questions.

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#### Occupational Health & Safety

(m)	
(FY)	

Item	Sco	pe*1	Unit	2021	2022	2023
	Number of accidents causing absence from work		Reports	75 (6)	57 (10)	66 (12)
Workplace accident statistics*1 *2	Number of lost workdays	Global	Days	1,210 (191)	1,458 (638)	1,439 (224)
	Frequency rate		Points	0.39	0.27	0.31
	Severity rate		Points	0.0052	0.0057	0.0056
	Number of deaths		Persons	0	0	0
Number of sites with ISO 45001 certification* <sup>3</sup>		Manufacturing sites	Sites	27	50	54

<sup>\*1</sup> Scope of data for fiscal year 2023: 60 sites in Japan and 121 sites outside of Japan

### **Human Rights**

ltem	Scope	Unit	2021	2022	2023
Percentage of employees participating in human rights-related e-learning course	Sony Group Corporation and Group companies in Japan	%	94	94	95

#### **Quality and Customer Service**

(FY)

Item	Scope		Unit	2021	2022	2023
		Total	Sites	3,458	3,362	3,286
	Electronics	Japan	Sites	454	421	405
		United States/ Canada	Sites	636	653	608
Consumer AV product service		Europe	Sites	803	728	726
locations (global)		Mainland China and Hong Kong Region	Sites	553	553	567
		Asia-Pacific*1	Sites	533	531	531
		Others*2	Sites	479	476	449

<sup>\*1</sup> Southeast Asia, Oceania, India, South Korea and Taiwan Region

#### Responsible Supply Chain

Item	Scope		Unit	2021	2022	2023
Number of CSR self- assessments at own electronics manufacturing sites	Own electronics manufacturing sites		Companies	12 (100%)	12 (100%)	12 (100%)
		Assessment using questionnaire	Plants	796	406	235
Number of supplier CSR assessments of implemented	Electronics products supply	Written improvement instructions	Plants	94	75	9
	chain	Remote assessment / on-site assessment	Plants	39	64	12
		Number of smelters and refiners identified	Site	339	337	345
Addressing the issue of conflict minerals	Sony Group	Number of smelters and refiners with recognition, including RMAP*1, identified above.	Site	255	246	237

<sup>\*1</sup> Compliant with RMAP, contained in the London Bullion Market Association Good Delivery List or certified by the Responsible Jewellery Council.

### **Community Engagement**

(FY)

Item		Scope	Unit	2021	2022	2023
Community engagement*1		Sony Group	billion yen	Approx. 3.5	Approx. 5.1	Approx. 4.7
Sony Global Relief Fund for COVID-19*2		Sony Group	billion yen	Approx. 1.6	Approx. 0.8	Approx. 0.9
Global Social Justice Fund*2		Sony Group	billion yen	Approx. 2.7	Approx. 3.5	Approx. 2.0
Educational programs for children*3	Total no. of people	Sony Group	Persons	Approx. 290,000	Approx. 360,000	Approx. 330,000

<sup>\*1</sup> In addition to donations, sponsorships and independent program expenses (including facility operation expenses), this amount includes the market value of products donated

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<sup>\*2</sup> Totals include external contractors. Figures in parenthesis indicate accident data for non-Sony employees Number of lost workdays for fiscal year 2022 was revised upon confirmation of actual numbers

<sup>\*3</sup> Number of sites subject to ISO 45001 certification: functional organizations at headquarters, manufacturing sites, logistics sites, and R&D sites; total of 60

<sup>\*2</sup> Middle East, Latin America and Africa

<sup>\*2</sup> Includes expenditures by fiscal year for Sony Global Relief Fund for COVID-19 and the Global Social Justice Fund

<sup>\*3</sup> Number of participants from education programs implemented by the Sony Group globally

Environment (FY)

Item	Scope	Unit	2021	2022	2023
Annual energy consumption reduction rate per product (compared to fiscal year 2018)	Electronics products	%	Increased 3.3%	Increased 3.9%	0.7% reduction
Greenhouse gas emissions: Scope 1 (direct emissions)	Group-wide ISO 14001 certified sites	Thousand mt-CO <sub>2</sub>	211	230	241
Greenhouse gas emissions: Scope 2 (indirect emissions)	Group-wide ISO 14001 certified sites	Thousand mt-CO <sub>2</sub>	984	736	<b>✓</b> 826
Greenhouse gas emissions: Scope 3 (Other emissions)	*1	Thousand mt-CO <sub>2</sub>	18,239	21,119	20,044
1 Purchased goods and services	*1	Thousand mt-CO <sub>2</sub>	3,810	6,208	4,787
2 Capital goods*2	*1	Thousand mt-CO <sub>2</sub>	1,016	1,801	2,321
3 Fuel- and energy-related activities (not included in scope 1 or scope 2)	*1	Thousand mt-CO <sub>2</sub>	173	188	140
4 Upstream transportation and distribution	*1	Thousand mt-CO <sub>2</sub>	208	170	142
5 Waste generated in operations	*1	Thousand mt-CO <sub>2</sub>	44	49	56
6 Business travel	*1	Thousand mt-CO <sub>2</sub>	11	40	58
7 Employee commuting	*1	Thousand mt-CO <sub>2</sub>	52	94	97
8 Upstream leased assets	*1	Thousand mt-CO <sub>2</sub>	(N/A)	(N/A)	(N/A)
9 Downstream transportation and distribution	*1	Thousand mt-CO <sub>2</sub>	5	6	12
10 Processing of sold products	*1	Thousand mt-CO <sub>2</sub>	5	5	5
11 Use of sold products*3	*1	Thousand mt-CO <sub>2</sub>	12,804	12,460	12,337
12 End-of-life treatment of sold products	*1	Thousand mt-CO <sub>2</sub>	94	76	64
13 Downstream leased assets	*1	Thousand mt-CO <sub>2</sub>	(N/A)	(N/A)	(N/A)
14 Franchises	*1	Thousand mt-CO <sub>2</sub>	(N/A)	(N/A)	(N/A)
15 Investments	*1	Thousand mt-CO <sub>2</sub>	160	220	250
Total for Scope 3 categories 2, 3, 4, 5, 6, 11, and $12^{\star4}$	*1	Thousand mt-CO <sub>2</sub>	-	14,784	15,117
Energy consumption by sites	Group-wide ISO 14001 certified sites	Thousand TJ	26	27	27

					(FY)
ltem	Scope	Unit	2021	2022	2023
Greenhouse gas emissions from sites	Group-wide ISO 14001	Thousand mt-CO <sub>2</sub>	1,195	965	1,067
Greenhouse gas emissions nom sites	certified sites	mt-CO <sub>2</sub> / million yen*5	0.120	0.084	0.082
Generation of renewable energy	Group-wide ISO 14001 certified sites	%	14.6	29.7	<b>✓</b> 35.3
CO <sub>2</sub> emissions from product transport	Sony Group	Thousand mt-CO <sub>2</sub>	191	162	134
Total volume of resources used in products	Electronics products	Metric tons	435,599	459,206	365,957
Reduction in use of virgin oil-based plastic per product	Electronics products	%	3.1	3.4	16.1
Reduction in use of plastic packaging per product	Electronics products	%	15.2	22.2	25.1
Amount of recycled plastic used in products	Electronics products	Metric tons	7,319	8,471	8,127
Amount of waste generated at sites	Group-wide ISO 14001 certified sites	Metric tons	51,615	54,944	65,375
Of which, amount of plastic waste generated	Group-wide ISO 14001 certified sites	Metric tons	7,194	5,988	6,567
Waste improvement per unit at sites	Group-wide ISO 14001 certified sites	%	7.6% worsen	31.6% worsen	50.9% worsen
Amount of waste recycled at sites	Group-wide ISO 14001 certified sites	Metric tons	50,558	53,149	54,811
Amount of waste landfilled at sites*6	Group-wide ISO 14001 certified sites	%	0.5	2.5	0.9
Take-back of end-of-life products record*7	Electronics products*8	Metric tons	74,644	55,924	54,366
Water consumption at sites*7	Group-wide ISO 14001 certified sites	Million m <sup>3</sup>	19.55	19.97	20.86
Water consumption improvement per unit at sites	Group-wide ISO 14001 certified sites	%	1.7% worsen	11.7% worsen	11.6% worsen
Amount of discharged water from sites	Group-wide ISO 14001 certified sites	Million m <sup>3</sup>	16.85	16.87	19.67
Amount of BOD emissions from sites*9	Group-wide ISO 14001 certified sites	Metric tons	363	405	<b>4</b> 19

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					(FY)
Item	Scope	Unit	2021	2022	2023
Amount of COD emissions from sites*9*10	Group-wide ISO 14001 certified sites	Metric tons	127	95	<b>✓</b> 86
NOx emissions from sites	Group-wide ISO 14001 certified sites	Metric tons	79	85	70
SOx emissions from sites	Group-wide ISO 14001 certified sites	Metric tons	3	3	3
Amount of chemical substances handled at sites					
Class 1 substances		Metric tons	0.22	0.26	1.03
Class 2 substances	Group-wide ISO 14001	Metric tons	3,370	3,046	4,476
Class 3 substances	certified sites	Metric tons	38,353	54,063	53,420
Class 4 substances		Metric tons	305,500	339,838	372,220
Number of environmental accidents at sites	Sony Group	Accidents	0	0	0
Sites with Integrated ISO14001 certification	Sony Group	Sites	91	91	86

Note: 

✓ were assured by PricewaterhouseCoopers Sustainability LLC

- \*1 Refer to "Overview of Calculation for Scope 3 Emissions"
- \*2 The figure for fiscal year 2023 includes CO<sub>2</sub> emissions associated with the production of capital goods acquired by the Sony Group
- \*3 The figures for fiscal years 2021 and 2022 were corrected from that of previous year's report due to a correction in the annual energy consumption of game consoles
- \*4 The figure for fiscal year 2022 was corrected due to the correction in the category 11 figure from that of previous year's report
- \*5 Metric tons per unit of consolidated sales
- \*6 Excludes amount unavoidably landfilled due to the laws and administrative guidance of individual regions
- \*7 The figure for fiscal year 2023 is as of July 2024. The figures for fiscal years 2021 and 2022 were corrected from that of previous year's report
- \*8 This includes the weight of batteries and packaging. End-of-life products collected and counted may vary by region
- \*9 The figures have been changed to only those of sites that are legally regulated since fiscal year 2022 (until fiscal year 2021, the figures were calculated by adding the figures of sites with voluntary measurement in addition to those regulated by law)

\*10 The figure for fiscal year 2022 was corrected from that of previous year's report

**Ethics and Compliance** 

(FY)

Item	Scope	Unit	2021	2022	2023
Number of reports to Sony Ethics & Compliance Hotline	Sony Group	Reports	Approx. 407	Approx. 451	Approx. 492

#### Corporate Governance

FY)

Item	Scope	Unit	2021	2022	2023
	Total	Persons	10	10	10
	Outside directors	Persons	7	8	8
Composition of Sony Group	Men	Persons	6	6	7
Corporation's Board of Directors*1	Women	Persons	4 (40.0%)	4 (40.0%)	3 (30.0%)
	Non-Japanese nationals	Persons	3 (30.0%)	4 (40.0%)	4 (40.0%)
	Total	Persons	26 (2) *3	24 (2) *3	24 (2) *3
	Men	Persons	23 (2) *3	21 (2) *3	21 (2) *3
Composition of Sony Group Corporation executives*1 *2	Women	Persons	3 (11.5%)	3 (12.5%)	3 (12.5%)
	Non-Japanese nationals	Persons	6 (23.1%)	6 (25.0%)	5 (20.8%)

<sup>\*1</sup> As of end of August for each year

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<sup>\*2</sup> Chairman, Vice Chairman, President, Executive Deputy Presidents, Senior Executive Vice Presidents, Executive Vice Presidents, and Senior Vice Presidents.

<sup>\*3</sup> Number in parentheses refers to the number of people who concurrently serve as director

# **Environmental Data Collection Methods and Rationale**

# Scope, Collection Period, and Accuracy of Compiled Data

# Collection Period: Saturday, April 1, 2023 - Sunday, March 31, 2024

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

As of March 31, 2024, 86 sites were integrated ISO14001 certified. 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 integrated 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**

Calculated based on energy-related emissions (power, heat, and fuel usage) and non energy-related emissions (used for manufacturing processes, facilities) from sites.

■ CO<sub>2</sub> emissions from energy consumption (energy-related)
CO<sub>2</sub> 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 CO<sub>2</sub> conversion rate.
For energy consumption using renewable energy including
certificates, the CO<sub>2</sub> conversion rate is zero.

#### Emissions of PFCs and other greenhouse gases (non energy-related)

Emissions of PFCs and other greenhouse gases are converted to CO<sub>2</sub> by multiplying greenhouse gas emissions from each site by global warming potentials.

Global warming potentials are based on the Sixth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC).

#### ■ CO<sub>2</sub> conversion rates

#### [Electricity]

Japan: Latest rate published each year by contracted power companies. Outside Japan: Latest rate published each year by contracted power companies or that for the relevant country/region published by the International Energy Agency.

#### [Fuel & Heat]

Japan/Outside Japan: Calculation method and list of emission factors

applicable to the Japan's Act Promotion of Global Warming Countermeasures are used (The Ministry of the Environment's Greenhouse Gas Emissions Accounting and Reporting Manual Ver4.8). As for the heat, if the latest coefficient of the supplier with which the site has a contract is available, the latest coefficient is used.

## **Renewable Electricity Rate**

Sony's efforts to reduce Greenhouse Gas emissions through renewable energy use include using electrical power produced from renewable energy sources, purchasing electrical power produced from renewable energy sources, and purchasing renewable energy certificates and so on. Renewable electricity rates are calculated by the following equation.

Renewable electricity rate = renewable electricity consumption  $\div$  total consumption of sites  $\times$  100

### **CO<sub>2</sub> Emissions from Capital Goods**

CO<sub>2</sub> emissions are aggregated for the production of capital goods invested in by the Sony Group. These are calculated by multiplying the amount invested in facilities and software and the increase in right-of-use assets by an emissions intensity for household electronic appliances from the Emissions Unit Values for Accounting of Greenhouse Gas Emissions, etc., by Organizations Throughout the Supply Chain (Ver. 3.4), (6) the emissions intensity per unit price of capital goods, published by the Ministry of the Environment and the Ministry of Economy, Trade and Industry (Japan).

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CO<sub>2</sub> emissions are aggregated for upstream from the procurement of fuel used by integrated ISO14001 certified Sony Group sites, and from the production process of electricity and heat. These are calculated based on the Emissions Unit Values for Accounting of Greenhouse Gas Emissions, etc., by Organizations Throughout the Supply Chain (Ver. 3.4), (7) Emissions Intensity from Electricity / Heat Usage, published by the Ministry of the Environment and the Ministry of Economy, Trade and Industry (Japan), which contain the total products sold for the fiscal year, as well as IDEA Ver 3.1 emissions intensity.

### CO<sub>2</sub> Emissions from Logistics

CO<sub>2</sub> emissions are aggregated for those from international transport of Sony Group G&NS, ET&S, I&SS segments and other major electronics products (video game consoles, televisions, audio equipment, cameras, smartphones, image sensors, etc.), as well as regional transport of ET&S products in Japan, the US, Europe and Asia. For Japan, transportation for some G&NS and music products is included. These are calculated by multiplying ton-kilometers transported (weight of goods transported x distance traveled) by an emissions intensity. In certain instances, CO<sub>2</sub> emissions arising from transport by truck are calculated by multiplying an amount of fuel used (fuel consumption per kilometer x number of kilometers traveled) by an emissions intensity. For international transport by ship, the calculation uses the weight of goods transported including the weight of shipping containers. Emissions intensity (kg-CO<sub>2</sub> / ton-kilometer) used for calculation uses the following values for international transportation.

Ship	Aircraft				
	< 463km	≤ 463km & < 1108km	1108km ≤		
0.01283	1.970224	1.483384	0.622734		

Regional transport emissions are calculated by prioritizing the emissions intensity supplied by the applicable region or country. For Japanese domestic transport, Sony refers to the factor of the amount of fuel used per unit of freight transported (Ministry of Economy,

Trade and Industry Notification No. 66 (2006), No. 67 (2009)), based on the Act on Rationalizing Energy Use, and the emissions factor related to fuel usage (Greenhouse Gas Emissions Calculation and Reporting Manual Ver4.8), based on the Act on Promotion of Global Warming Countermeasures. For transport in the United States, Sony uses the emissions intensity supplied by the SmartWay Transport Partnership, which is administered by the U.S. Environmental Protection Agency (EPA).

# CO<sub>2</sub> Emissions from Waste Generated in Operations

CO<sub>2</sub> emissions are aggregated for those related to the disposal and treatment of waste (excluding valuable waste) not generated at integrated ISO14001 certified Sony Group sites.

These are calculated by multiplying amount of waste processed and recycled by type at sites by the emission intensity from the Emissions Unit Values for Accounting of Greenhouse Gas Emissions, etc., by Organizations Throughout the Supply Chain (Ver. 3.4), (8) Emissions Intensity by Waste Type/Processing Method, published by the Ministry of the Environment and the Ministry of Economy, Trade and Industry (Japan), as well as IDEA Ver 3.1 emissions intensity.

# CO<sub>2</sub> Emissions from Employee Business Trips

CO<sub>2</sub> emissions are aggregated for flights traveled by Sony Group employees on business trips in Japan, China, Europe, North America and South America, which airline tickets are managed globally. These are calculated by multiplying the travel distance by the number of employees traveling, multiplied by an emissions intensity (kg-CO<sub>2</sub> / person / km) for each class below.

	< 463km	≥ 463km & < 1108km	1108km ≤
Economy	0.17147	0.09245	0.08263
Premium Economy	0.17147	0.09245	0.13221
Business	0.17147	0.13867	0.23963
First	0.17147	0.13867	0.33052

#### CO<sub>2</sub> Emissions from Product Use

CO<sub>2</sub> emissions are aggregated for major Sony Group G&NS and ET&S electronics products. These are calculated by multiplying the assumed lifetime power consumption (including standby) of products sold in the fiscal year of reporting by an emissions intensity (not the amount of CO<sub>2</sub> actually emitted during use of the fiscal year of reporting). In theory, CO<sub>2</sub> emissions during product use in the fiscal year of reporting 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 fiscal year of reporting. 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 estimated total quantity of electrical power consumed while in use over the lifetime of Sony products sold in the fiscal year of reporting to calculate CO<sub>2</sub> 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 latest emissions intensity provided by the Electric Power Council for a Low Carbon Society. Outside of Japan, it uses country or region-specific CO<sub>2</sub> conversion rates (from the end of the applicable period) provided by the International Energy Agency (IEA).

### CO<sub>2</sub> Emissions from End-of-Life Treatment of Sold Products

CO<sub>2</sub> emissions are aggregated for those associated with the recycling or disposal of major electronic products (video game consoles, televisions, audio equipment, cameras, smartphones, image sensors, etc.) handled by the Sony Group's G&NS, ET&S, I&SS segments and other disc businesses. These are calculated by multiplying the total amount for products sold for the fiscal year of reporting by an emissions intensity from the Emissions Unit Values for Accounting of Greenhouse Gas Emissions, etc., by Organizations Throughout the Supply Chain (Ver. 3.4), (8) Emissions Intensity by Waste Type / Processing Method, published by the Ministry of the Environment and the Ministry of Economy, Trade and Industry (Japan), as well as IDEA Ver 3.1 emissions intensity.

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For GHG-related data collection methods and rationale, see below.

☑ Greenhouse Gas Related Data Collection Methods and Rationale

#### 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 purchased or acquired 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 within the scope of data collection.	
Category 4	Upstream transportation and distribution	Emissions associated with the transportation 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 within the scope of data collection.	
Category 6	Business travel	Emissions associated with travel (by air) for business purposes by Sony Group company employees, mainly in Japan, Europe, and North America.	
Category 7	Employee commuting	Emissions associated with employees' commute 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 assumed post-sale third-party processing of 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 some business activities of companies in which the Sony Group has invested.	

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# Resource Related Data Collection Methods and Rationale

#### **Amount of Waste Generated at Sites**

Total volume of industrial waste and non-industrial waste.

#### **Amount of Waste Landfilled**

Total amount of landfilled waste generated at sites.

# Volume of Water Consumption / Intake / Discharged

#### ■ Volume of water consumption

The total volume of water used at sites (municipal water, industrial water, well water). This does not include water recycled outside the company and rainwater.

#### ■ Volume of water withdrawal

The volume of water generated outside the company and rainwater, in addition to water consumed.

#### ■ Volume of water discharged

The sum of discharged water to rivers and 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.

#### **Total Volume of Resources Used in Products**

Total volume of resources used in products, accessories, manuals and packaging materials. Total weight of products shipped is used as a substitute.

#### Take-back of End-of-Life Products Record

Take-back of end-of-life products (including batteries and packaging) record 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 collection period may vary by region.

# 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.

#### ■ Volume of chemical substances handled

The volume of chemical substances used at sites; purchase volume is substituted when exact volume of usage cannot be determined.

#### ■ Volume of chemical substances emitted

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 discharged x volume of water discharged. Sites that are requested to measure by law and other requirements, such as contracts, etc., 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 to measure by law and other requirements, such as contracts, etc., are subjected to this data collection.

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# **Independent Assurance Statement**

# **Purpose and Scope of Assurance**

Sony has obtained third-party assurance for environmental data since fiscal year 2001 to ensure the credibility of data reported and facilitate the ongoing improvement of its environmental management. Fiscal year 2023 data assurance was handled by Pricewaterhouse Coopers, with related procedures including on-site inspection of manufacturing sites. Environmental data has been verified by a third party in accordance with ISAE3000 and ISAE3410.

### **Independent Assurance Statement**

☑ Independent Assurance Statement (full text) [PDF:228KB]



#### [Note]

The original "Independent Practitioner's Limited Assurance Report" is in Japanese. This English translation is for readers' convenience and reading this translation is not a substitute for reading the original assurance report in Japanese.

# Independent Practitioner's Limited Assurance Report (English Translation)

To Mr. Kenichiro Yoshida, Chairman and CEO Representative Corporate Executive Officer of Sony Group Corporation

> PricewaterhouseCoopers Sustainability LLC Otemachi Park Building, 1-1-1, Otemachi, Chiyoda-ku, Tokyo

Toru Yoshioka Partner

We have undertaken a limited assurance engagement in respect of the information listed below and identified with a \( / \)(checkmark) (the "Identified Sustainability Information") in Sony Group Corporation's (the "Company") Sustainability Report for the year ended March 31, 2024 (the "Sustainability Report 2024").

#### **Identified Sustainability Information**

The Identified Sustainability Information for the year ended March 31, 2024 are summarized below:

Identified Sustainability Information	Amount (unit)
Greenhouse gas emissions: Scope 1 (direct emissions)	241 (thousand tons-CO <sub>2</sub> )
Greenhouse gas emissions: Scope 2 (indirect emissions)	826 (thousand tons-CO <sub>2</sub> )
Total of the following Greenhouse gas emissions: Scope 3 (Other	
emissions)	
Category 2: Capital goods	
Category 3: Fuel- and energy-related activities (not included in	
Scope 1 or Scope 2)	15,117 (thousand tons-CO <sub>2</sub> )
Category 4: Upstream transportation and distribution	
Category 5: Waste generated in operations	
Category 6: Business travel	
Category 11: Use of sold products	
Category 12: End-of-life treatment of sold products	
Generation of renewable energy	35.3%
Water consumption at sites	20.9 (million m <sup>3</sup> )
Amount of wastewater from sites	19.7 (million m³)
Amount of BOD in wastewater from sites	419 (tons)
Amount of COD in wastewater from sites	86 (tons)

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# **GRI Standards 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	
GRI Universal Standards			
GRI 1: Foundation 2021	GRI 1: Foundation 2021		
GRI 2: General Disclosures	s 2021		
1. The organization and its	reporting practice		
		∠ Corporate Info	
2-1	Organizational details	☑ Form 20-F Item4	
2-1	Organizational details	→ Business Overview	
		→ Sony Supply Chain	
2-2	Entities included in the organization's sustainability reporting	→ Editorial Policy	
2-3	Reporting period, frequency and contact point		
2-4	Restatements of information	→ GRI Standards Content Index	
2-5	External assurance	→ Independent Assurance Statement	
2. Activities and workers			
2-6	Activities, value chain and other business relationships	☑ Form 20-F Item4	
2-7	- Faralassa		
2-1	Employees	→ Datasheet	
2-8	Workers who are not employees	→ Datasheet	
3. Governance			
2-9	Governance structure and composition	→ Corporate Strategy, Business Strategy and Other Policies	
		→ Governance Framework	

	Index No.	Index name	Related page
	2-10	Nomination and selection of the highest governance body	→ Governance Framework
_			→ Governance Framework
	2-11	Chair of the highest governance body	☑ Corporate Governance Report (in Japanese)
	2-12	Role of the highest governance body in overseeing the management of impacts	☐ Form 20-F Item4 ☐ Corporate Governance Report
-	2.12	Delegation of responsibility for	(in Japanese)
_	2-13	managing impacts	→ Organizational Structure
	2-14	Role of the highest governance body in sustainability reporting	→ Sony's Sustainability
	2-15	Conflicts of interest	→ Evaluation of the Board and the Committees' Effectiveness
	2-16	Communication of critical concerns	→ Corporate Governance
_	2-10	Communication of Chical Concerns	→ Ethics and Compliance
	2-17	Collective knowledge of the highest governance body	→ Relationship with Shareholders and Other Stakeholders
_	2-18	Evaluation of the performance of the highest governance body	→ Evaluation of the Board and the Committees' Effectiveness
-	2-19	Remuneration policies	
-	2-20	Process to determine remuneration	→ Details of Actions Taken by the Board
_	2-21	Annual total compensation ratio	The average annual compensation of our employees in FY2023 is approximately 11.13 million yen, the total amount of cash compensation*1 of the CEO is approximately 593 million yen, and the ration of the average annual compensation of our employees to the total cash compensation of the CEO is 1:53.The ratio of total cash compensation plus the theoretical value of stock-based compensation*2 is 1:210.
			linked to business results  *2 Stock options and restricted stock. Stock options values is calculated using fair market value per share as of the grant date in FY2023, restricted stock value is calculated using FY2023 issue price. For details, see page 73 of the FY2023 SEC Filing  Form 20-F

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4. Strategy, policies and p	practices	
		☑ Vision of Founder and Basic Policy for Sustainability Initiatives
2-22	Statement on sustainable development strategy	☑ Form 20-F
	Strategy	→ Sony's Basic Policy for Sustainability Initiatives
2-23	Policy commitments	→ Ethics and Compliance
2-25	Folicy communents	→ Responsible Supply Chain
2-24	Embedding policy commitments	→ Ethics and Compliance
2-24	Embedding policy commitments	→ Responsible Supply Chain
		→ Respect for Human Rights
2-25	Processes to remediate negative impacts	→ Ethics and Compliance
		→ Supply Chain Management
2-26	Mechanisms for seeking advice and	→ Sony's Sustainability
2-20	raising concerns	→ Ethics and Compliance
		→ Ethics and Compliance
2-27	Compliance with laws and regulations	→ Response to Soil and Groundwater Contamination
		→ Managing Chemical Substances
2-28	Membership associations	→ Sony's Sustainability
5. Stakeholder engageme	ent	
2-29	Approach to stakeholder engagement	→ Sony's Sustainability
2-30	Collective bargaining agreements	→ Employees
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3-1	Process to determine material topics	→ The Materiality Assessment Process
3-2	List of material topics	→ Analysis Results and Sony Group Material Topics
3-3	Management of material topics	→ Strategies, Targets and Major Initiatives Relating to the Most Important Material Topics
Economic		
GRI 201: Economic Perform	mance 2016	
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