Sustainability Report 2023
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 directors, officers, and employees (“Sony Group personnel”) in their daily work.

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 activities on a principled path. Staying true to the Code helps ensure Sony’s long-term success, which in turn is based on the trust of stakeholders.

Sony’s Purpose, which is to fill the world with emotion through the power of creativity and technology, challenges Sony Group personnel to create new value, as well as to contribute to stakeholders from a long-term perspective. In pursuing this Purpose, in accordance with our Values, it is crucial that we follow the Code.

Approach to Sustainability

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.
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At a Glance 2022

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Sales and financial services revenue by geographical segment

Target year for climate change initiatives

Moved up 10 years

<table>
<thead>
<tr>
<th>Year</th>
<th>2050</th>
<th>2040</th>
<th>2030</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Move</td>
<td>↑</td>
<td>↓</td>
<td>↑</td>
<td></td>
</tr>
<tr>
<td>Notes</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Community engagement expenditure by field

<table>
<thead>
<tr>
<th>Field</th>
<th>Total Expenditures approx. 5.1 billion yen</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education</td>
<td>43%</td>
</tr>
<tr>
<td>Arts/Culture</td>
<td>21%</td>
</tr>
<tr>
<td>Health/Welfare</td>
<td>17%</td>
</tr>
<tr>
<td>Emergency Relief</td>
<td>13%</td>
</tr>
<tr>
<td>Local Community Contributions</td>
<td>9%</td>
</tr>
<tr>
<td>Environment</td>
<td>7%</td>
</tr>
<tr>
<td>Civic and Community Engagement</td>
<td>4%</td>
</tr>
<tr>
<td>North America Activities</td>
<td>3%</td>
</tr>
</tbody>
</table>

*Total expenditures do not include expenditures from the Sony Global Relief Fund for COVID-19 and Global Social Justice Fund.

Number of employees by geographical segment

113,000

<table>
<thead>
<tr>
<th>Region</th>
<th>Number of Employees</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States</td>
<td>340,414</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>29,900</td>
</tr>
<tr>
<td>Japan</td>
<td>269,200</td>
</tr>
<tr>
<td>China</td>
<td>85,540</td>
</tr>
<tr>
<td>Europe</td>
<td>219,030</td>
</tr>
<tr>
<td>Other Asia Pacific**</td>
<td>156,430</td>
</tr>
<tr>
<td>Other Asia**</td>
<td>837,300</td>
</tr>
</tbody>
</table>

Other Areas**:

- Middle East, Latin America, Africa, and Canada
- Other Asia:
  - Southeast Asia
  - Taiwan Region

Composition of Board of Directors

<table>
<thead>
<tr>
<th>Director Type</th>
<th>Number of Directors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Men</td>
<td>6</td>
</tr>
<tr>
<td>Women</td>
<td>4</td>
</tr>
<tr>
<td>Non-Japanese nationals</td>
<td>4</td>
</tr>
<tr>
<td>Executive directors</td>
<td>2</td>
</tr>
<tr>
<td>Directors</td>
<td>8</td>
</tr>
</tbody>
</table>

Implemented supplier plant assessments regarding a compliance of Sony Supply Chain Code of Conduct

406 assessments

Support for social justice and human rights groups (Global Social Justice Fund)

Education 54%

Diversity Through Impact 31%

Women in the workforce

<table>
<thead>
<tr>
<th>Gender</th>
<th>Percentage</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Men</td>
<td>34.0%</td>
<td></td>
</tr>
<tr>
<td>Women</td>
<td>66.0%</td>
<td></td>
</tr>
</tbody>
</table>

Management positions held by women

<table>
<thead>
<tr>
<th>Gender</th>
<th>Percentage</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Men</td>
<td>30.0%</td>
<td></td>
</tr>
<tr>
<td>Women</td>
<td>70.0%</td>
<td></td>
</tr>
</tbody>
</table>

*As of July 31, 2023

Non-Japanese nationals 4

Technology

Sony Research Award Program

Awarded to a total of 134 research projects

Sensing Solution University Collaboration Program

Worked with 45 laboratories on research and support

*All figures represent cumulative progress from project commencement until the end of March 2023.

Selected as one of the World’s Most Ethical Companies

5 Consecutive Years

*Awarded by the Ethisphere Institute, a corporate ethics research and promotion organization based in the USA. “World’s Most Ethical Companies” and “Ethisphere” names and logos are registered trademarks of Ethisphere LLC.

Exhibited at the CSUN Assistive Technology Conference, the world’s largest international conference on accessibility

Sony’s Accessibility CSUN 2023

Sony has been participating in CSUN since 2018 and we were bronze sponsors in 2023

Materiality

Respect for Human Rights

Quality and Customer Service

Community Engagement

Ethics and Compliance

Corporate Governance

Data Section

GRI Standards Content Index
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 2023 has been issued to provide a comprehensive and detailed report on non-financial information for a wide range of stakeholders. This report is categorized into nine areas of activity, and it focuses on activities in fiscal year 2022. It is issued with the approval of the corporate executive officer 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.

Period Covered
FY2022 (April 1, 2022 - March 31, 2023)
Some information on activities in April 2023 and after is also included.

Date of Issue
August 2023 (Previous report issued: August 2022; issued annually)
**Business Overview**

**Corporate Data** (as of March 31, 2023)

- **Company name:** Sony Group Corporation
- **Founded:** May 7, 1946
- **Headquarters:** 1-7-1 Konan, Minato-ku, Tokyo, 108-0075 Japan
- **Common stock:** 880.4 billion yen
- **Subsidiaries:** 1,627
- **Affiliated companies:** 155
- Out of which 1,597 are consolidated subsidiaries (including structured entities), and 141 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:** 1,261,081,781
- **Number of shareholders:** 395,668

**Distribution by shareholder type**

- **Foreign institutions and individuals:** 57.5%
- **Japanese financial institutions:** 27.6%
- **Japanese individuals and others:** 10.5%
- **Other Japanese corporations:** 0.9%
- **Japanese securities firms:** 1.4%
- **Treasury stock:** 2.1%

**Data by Geographic Segment**

**Sales and financial services revenue**

- **Other Areas:** 837.0 billion yen
- **Asia-Pacific:** 1,563.4 billion yen
- **China:** 855.4 billion yen
- **Europe:** 2,360.3 billion yen
- **United States:** 3,261.4 billion yen

**Number of Employees**

- **Total:** 113,000
- **Japan:** 66,400
- **Asia-Pacific:** 11,539.8 billion yen

**Data by Segment**

**Sales and financial services revenue**

- **Financial Services:** 1,454.5 billion yen
- **Entertainment, Technology & Services:** 2,476.0 billion yen
- **Imaging & Sensing Solutions:** 1,402.2 billion yen
- **Music:** 1,380.6 billion yen
- **Pictures:** 1,369.4 billion yen

**Number of Employees**

- **Total:** 113,000
- **Corporate employees 5,800**
- **Game & Network Services 13,100**
- **Finance 13,100**
- **Imaging & Sensing Solutions 20,100**
- **Music**
- **Pictures**

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*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

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*Securities Report (in Japanese)*
*Form 20-F*
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).

### Organizational Structure

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<thead>
<tr>
<th>Board of Directors</th>
<th>Senior Executive in charge of Sustainability</th>
<th>Sustainability Department at Sony Group Corporation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Relevant Divisions</td>
<td>Business Unit Operating Company</td>
<td></td>
</tr>
</tbody>
</table>

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 discussion, evaluation, and response for the risk of loss related to sustainability.

### 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, sustainability is incorporated into one of the Senior Executives’ performance-linked remuneration evaluation factors for individual performance from the perspective of social value creation and ESG (Environment, Social, Governance). In the fiscal year ended March 31, 2023, a global sustainability conference was held, where the Senior Executive in charge of Sustainability, the Senior Executive in charge of Human Resources, and sustainability personnel from the Business Units came together to confirm and share the sustainability initiatives for the Business Units and their progress on the Sustainability KPIs.

For the fiscal year ended March 31, 2023, the Sustainability KPIs included reducing the use of virgin oil-based plastic in Sony products, introducing renewable energy at Sony’s manufacturing facilities, reducing GHG emissions in Sony’s manufacturing processes, implementing awareness-raising activities related to the environment and diversity, equity, and inclusion (DE&I) using Sony’s content IP, as well as conducting DE&I programs and training.

### 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.

### Raising Employee Awareness

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

- Sustainability Awards
- Sustainability forums
- Sustainability-themed sessions at global online meetings open to all employees
- 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 (climate change and other environmental initiatives, prevention of forced labor in the supply chain and other human rights initiatives, diversity and social initiatives, etc.) and the Board reviews them. For matters of great importance, the senior executive and department in charge of a particular matter provide regular reports for the Board of Directors to review.
Message from the Senior Executive in Charge of Sustainability

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

Promoting Sustainable Management

Under our Purpose to “fill the world with emotion, through the power of creativity and technology,” and our Corporate Direction of “getting closer to people,” Sony operates diverse businesses and aims for sustainable value creation based on mid-to-long-term growth in the Sony Group’s corporate value. Sony will continue to focus on management centered around Kando and People based on such diversity. 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 sustainable global environment. We believe it is important for us to fulfill our responsibility to society and the environment, and contribute through our technologies and businesses.

Materiality Assessment

Sustainability-related issues are diverse, and new challenges continue to arise accompanying the evolution of society and technology. In addition, the issues that we see as priority areas may change depending on the status of Sony’s business going forward. In promoting sustainability initiatives, we believe that it is important to regularly review and update the sustainability issues that are important to the Sony Group, both from our own perspective and from that of our stakeholders. Our previous materiality analysis was conducted in 2018. Since then, the environment surrounding Sony has changed dramatically, including an increase in natural disasters due to climate change, the COVID-19 pandemic, an increase in human rights risks and social divisions, and the emergence of new geopolitical risks. In light of these changes, we conducted a materiality analysis from the perspective of the entire Sony Group in 2022, and we identified climate change; diversity, equity and inclusion (DE&I); respect for human rights; and technology for sustainability as the most important. We are tackling a variety of sustainability issues from this perspective.

Initiatives for Diverse Business, People, and Society

For Sony to achieve further growth and create value over the long term, we must also continue to evolve the diversity of our businesses and employees. As one of our measures to evolve the diversity of our employees, we are making leadership appointments that encourage new perspectives and value creation. At Sony University, which aims to develop future leaders, we are increasing the diversity of participants. We are also working to further improve diversity, including gender and internationality, on the Board of Directors. In addition, we provide various external programs that help people from various backgrounds for their career development and challenges. In 2020, Sony established the Global Social Justice Fund to support initiatives that promote social justice and human rights, and to foster DE&I around the world. Sony Group Companies in the U.S., mainly the Entertainment Companies, published their Global Social Justice Fund Impact Report in 2022, highlighting the outcomes of the grants for communities around the globe. Through our commitment to an inclusive future, Sony aims to create a world where everyone belongs. We strive to enhance the accessibility of our products, services and experiences. We employ inclusive design and incorporate feedback gained through the interviews and usability tests with employees and users with disabilities in the planning and development process into our design and features. The PlayStation®5 (PS5™) software God of War Ragnarök featured more than 70 accessibility features when it was released in 2022. It enables players to customize their gameplay experience depending on their individual needs. Sony also collaborates with other companies to enhance and accelerate accessibility and inclusion, and launched over-the-counter (OTC) hearing aids and a retinal projection camera kit.

Global Environmental Initiatives

Sony has been promoting environmental activities since the 1970s. Road to Zero, our long-term environmental plan established in 2010, is designed to reduce the Group’s environmental footprint to zero by 2050. It follows a specific road map including concrete medium-term targets that are set every five years by backcasting from the final goals of the plan for 2050, which are based on four environmental perspectives of climate change, resources, chemical substances and biodiversity. However, as climate change risks are becoming more apparent and serious worldwide, and the transition to a decarbonized society has become an urgent issue, we decided in May 2022 to accelerate our environmental impact reduction activities in the climate change area and to bring forward the target year of achieving a zero environmental footprint in this area by ten years. Specifically, we are aiming to first reduce Scope 1 and 2 GHG emissions generated from our business sites to net-zero by 2030. Furthermore, when including Scope 3, which indirectly occurs in the value chain, we aim to reach net-zero by 2040. Sony leverages its technologies and businesses to improve the global environment, examples include our development of new environmentally conscious materials, the Synecoculture™ initiative, and our project to protect the earth by supporting environmental monitoring using AI and sensing technology.

Moving forward, we would like to further evolve our sustainability initiatives by prioritizing dialogues with our stakeholders and continuing to learn.

* Synecoculture is a trademark of Sony Group Corporation.

News Release: Sony and WS Audiology Have Entered into a Partnership Agreement in the Over-the-Counter Self-Fitting Hearing Aid Business (Sony Corporation)

## Summary of Actions

<table>
<thead>
<tr>
<th>Area of Focus</th>
<th>Key Focus</th>
<th>Main Results for Fiscal Year 2022</th>
<th>Looking to the Future</th>
<th>Coverage</th>
</tr>
</thead>
</table>
| Environment   | Climate Change |  - 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 |  - 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 |

### Climate Change
- Annual energy consumption rate per product: Up 3.9% (compared to fiscal year 2018)
- Greenhouse gas emissions from sites: Down 12.5% (compared to fiscal year 2020)
- Use of electricity derived from renewable energy (renewable energy ratio): 29.7%
- GHG emissions related to logistics between nations and within regions: Down 10.0% (compared to fiscal year 2018)

### Resource Conservation
- Use of virgin oil-based plastics per product unit: Down 3.4% (compared to fiscal year 2018)
- Use of plastic packaging per product unit: Down 22.2% (compared to fiscal year 2018)
- Amount of waste generated at sites: Worsened by 31.6% (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
- Implemented education and awareness-raising initiatives on biodiversity conservation at all Sony sites as part of their community engagement
- Promoted the One Blue Ocean Project worldwide, and held community clean ups for plastic waste
- Expanded the Food for the Future project, distributed a guidebook detailing environmentally conscious foods to employees, and provided meals that use environmentally conscious foods in Sony employee cafeterias. Designated October as Food for the Future Month, holding events related to utilizing environmentally conscious foods at Sony Group sites worldwide
- Promoted the One Blue Ocean Project worldwide, and encouraged reduction of single use plastic use at Sony sites
- Expanded the Food for the Future project, distributed a guidebook detailing environmentally conscious foods to employees, and provided meals that use environmentally conscious foods in Sony employee cafeterias. Designated October as Food for the Future Month, holding events related to utilizing environmentally conscious foods at Sony Group sites worldwide
- 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
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
- Strengthen systems and initiatives that tackle AI ethics

Main Results for Fiscal Year 2022

- Implemented joint research and demonstration testing for MIMAMORI at sites worldwide
- Promoted practical use of Triporous™ in healthcare, adopted clothes made of Triporous™ for use aboard the International Space Station
- Established the Sustainability Technology Liaison Meeting and held regular forum meetings to ascertain issues, and search for and share solutions among departments responsible for development and promotion of technologies that contribute to sustainability
- Launched an AI ethics assessment of the development life cycle of electronics products and services
- Boosted employee awareness of AI ethics

Looking to the Future

- Emphasize technology that maximizes creativity in a variety of fields, and research and development to deliver their intentions to diverse users around the world by focusing on three areas: Sensing, AI and Virtual Spaces
- Begin development of large-scale AI models that accelerate the above in order to transform Sony into an AI and data-driven company
- Improve AI ethics assessment processes and streamline their operation
- Improve and continue activities to educate employees about AI ethics

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

Diversity, Equity and Inclusion

- Percentage of management positions held by women: 30.0% (Sony Group, as of March 31, 2023)
- Percentage of employees with disabilities: 2.76% (Sony Group Corporation, as of March 31, 2023)
- As one of the Iconic Leaders of The Valuable 500, provided support for the Media Hub project

Talent Development and Employee Engagement

- Provided more accessible learning opportunities, including personalized content and online courses on a wide range of topics
- Promoted an environment where employees consciously build their own career and aim for self-growth
- 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
- Employee survey response rate of 93%, employee engagement index of 89% (Percentage of employees who did not give an unfavorable response to four questions regarding employee engagement)

Occupational health & safety

- Implemented OHS initiatives targeting zero injury and zero illness
- 90 sites from amongst our 60 sites worldwide have obtained comprehensive ISO 45001 certification

Looking to the Future

- Appoint Senior Executive and Senior Vice-President in charge of Lead of Group DE&I, and enhance its organizational structure aimed to achieve further group-wide growth by making the most of wide-ranging diversity among its businesses and employees
- Focus on “Diversity, Equity and Inclusion,” “Talent Development,” and “Employee Engagement”
- Build safe, healthy working environments
- Provide opportunities for employees to improve and make the most of their individual strengths, skills, abilities, and creativity
<table>
<thead>
<tr>
<th>Area of Focus</th>
<th>Key Focus</th>
<th>Main Results for Fiscal Year 2022</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Respect for Human Rights</td>
<td>• Continue reasonable efforts to avoid causing or contributing to adverse human rights impacts that may arise from our operations, products, services and/or business relationships</td>
<td>• 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: &quot;responsible supply chain,&quot; &quot;respect for diversity, equity and inclusion,&quot; and &quot;responsible development and use of technologies&quot; and reviewed and updated action plans considering the trends in laws and regulations.</td>
<td>• Continue to analyze and monitor human rights risks throughout Sony Group's business activities and value chains. • Continue to carry out human rights due diligence, and will further enhance initiatives to prevent or mitigate potential negative impact on human rights</td>
<td>Respect for Human Rights</td>
</tr>
<tr>
<td>Responsible Supply Chain</td>
<td>• Address risks to human rights, labor conditions, health and safety, and the environment throughout the electronics product supply chain</td>
<td>• Conducted CSR assessment at 12 Sony manufacturing sites and at the plants of 406 new and existing suppliers. • Conducted training on requirements related to the Sony Supply Chain Code of Conduct, and Sony Group's environmental targets and procurement initiatives for all raw materials and parts procurement personnel. • Donated to the Better Mining Project</td>
<td>• 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</td>
<td>Responsible Supply Chain</td>
</tr>
<tr>
<td>Quality and Customer Service</td>
<td>• Exceed customer expectations of product quality and customer service, pursue product safety, security, and improve usability and accessibility, thereby remaining a highly trusted partner to all customers</td>
<td>• 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. • Engaged with inclusive design in order to deliver products and services that take accessibility into account.</td>
<td>• 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. • Continue to promote accessibility and inclusive design.</td>
<td>Quality and Customer Service</td>
</tr>
</tbody>
</table>
### 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**
  - Community engagement expenditures: approx. 5.1 billion JPY
  - Educational programs for children (approx. 360 thousand participants)
  - Utilized the Sony Global Relief Fund for COVID-19 to provide support in the medical and educational fields, and for the creative community (Fiscal year 2022 expenditures: approx. 0.8 billion JPY)
  - Supported initiatives to promote social justice and human rights through the Global Social Justice Fund (Fiscal year 2022 expenditures: approx. 3.5 billion JPY)

- **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**
- **Through the two global funds, continue to support activities that leverage the Sony Group’s assets and expertise**
- **Implement awareness-raising initiatives for people in and outside the Sony Group to address global issues, and strengthen employee engagement**
- **Apply technologies to solve social issues**

### 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**
- **Provide trainings and messaging on ethics and compliance via the Global Ethics & Compliance Network**
- **Operate the Sony Ethics & Compliance Hotline (Number of reports: 451 in fiscal year 2022)**
- **Review and expansion of third party risk-management through the establishment of the Sony Group Third Party Engagement Policy**
- **Maintained and implemented anti-bribery programs based on the Sony Group Anti-Bribery Policy**
- **Enhanced the global privacy management system and ran programs in order to respond to key changes in the privacy environment**
- **Improved the efficiency of privacy assessment processes through the use of privacy management software Provided privacy training to all employees**

- **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**
- **Continue to assess risks and programs related to Sony’s business activities and review the compliance programs based on the results of the assessment**
- **Improve technology and processes to further streamline privacy-related operations**
- **Monitor compliance with privacy-related policies, ensure that training is given, and strengthen action to boost awareness**
Governance

Area of Focus | Key Focus | Main Results for Fiscal Year 2022 | Looking to the Future | Coverage
---|---|---|---|---

Corporate Governance

- Enhance Corporate Governance System
  - Intensively review and effectively supervise the following items:
    - Sustainability (including climate change, human rights, D&I and accessibility)
    - Risk management (including geopolitical risks and information security)
    - AI and group collaboration through IP collaboration
    - Selection of Director candidates to ensure diversity/continuity of the Board of Directors
    - Further consideration of the use of stock-based compensation and strengthening remuneration governance measures
    - Audit Committee to ensure effective cooperation with management side and appropriate relationships with the accounting auditor and internal audit department

- Information Security
  - Periodically validate and revise information security standards based on industry best practices, review information security risks, and drive improvement initiatives, thereby continuously strengthening information security governance
  - 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 issues
  - Continuously secure and develop high-level security professionals

- Risk Management
  - Continuously manage impact on global operations due to trade restrictions and economic sanctions imposed by certain countries and regions, and other geopolitical risks
  - Strengthen cooperation with group companies and headquarters, conduct and continuously improve practical drills, thereby enhancing the effectiveness of crisis management and BCP
  - Continue to reduce risks of buildings by optimizing facility renewal or facility renovation
  - Continue to reduce fire risk at manufacturing sites, in accordance with Sony Group guidelines

- 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.

- Compliance
  - 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

- Other
  - Provided support to governments and the OECD regarding tax reform efforts and tax policy to ensure any future rules are fair and administrable.
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.

<table>
<thead>
<tr>
<th>Stakeholders</th>
<th>Principal Goals</th>
<th>Main Communication Methods</th>
</tr>
</thead>
</table>
| 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 | • Handles inquiries from customers, important notices regarding products and services, surveys of purchasers, trade shows, seminars, the Sony Group Portal “Accessibility”, various social media sites, etc. |
| Shareholders                  | • Ensure swift and appropriate disclosure  
                                • Achieve continued growth in corporate value | • General meetings of shareholders and presentations on financial results, Business Segment Briefings and meetings for individual investors, Sustainability Meeting, Technology Meeting, the Sony Group Portal “Investor Relations”, Corporate Report (integrated report), etc. |
| Business partners             | • Ensure appropriate, transparent and fair procurement practices, in line with the Sony Group Code of Conduct and Sony Supply Chain Code of Conduct  
                                • Ensure that procurement practices are in harmony with the environment and society (including labor issues, human rights and conflict minerals) | • Explanatory meetings for suppliers, audits and surveys related to CSR procurement, dedicated website for suppliers and a department established for handling their inquiries, regular consultations with suppliers, Sony Group Policy for Responsible Supply Chain of Minerals Hotline, etc. |
| Employees                     | • Support employees with diverse backgrounds  
                                • Hiring diverse talent  
                                • Nurture global business leaders and engineers who will drive growth in the future  
                                • Support individual career building efforts  
                                • Promote dialogue through employee surveys and town hall meetings | • Town hall meetings, career counseling, employee surveys, Sony Ethics & Compliance Hotline, labor-management negotiations, Occupational Health & Safety Committee, in-house newsletters, in-house websites, 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 | • 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 and NPOs 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. |
**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.

<table>
<thead>
<tr>
<th>Organization/Initiative</th>
<th>Description</th>
<th>Sony Actions</th>
</tr>
</thead>
</table>
| Responsible Business Alliance (RBA) | 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 | A global non-profit organization with experts in CSR | • Member of the Human Rights Working Group and Sustainability Strategy Working Group organized by BSR |
| 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 |
| The Valuable 500 | An international initiative to promote participation by individuals 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 Leaders that are a driving force in their respective countries, regions, and industries |
| G20 EMPOWER | 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 |

⇒ Responsible Supply Chain  
⇒ Respect for Human Rights  
⇒ Community Engagement  
⇒ Employees
<table>
<thead>
<tr>
<th>Organization/Initiative</th>
<th>Description</th>
<th>Sony Actions</th>
</tr>
</thead>
</table>
| Task Force on Climate-Related Financial Disclosures (TCFD) | The Task Force on Climate-Related Financial Disclosures established by the Financial Stability Board | • Announced its endorsement of the TCFD Recommendations in 2019  
• Joined the TCFD Consortium |
| 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 |
| 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 |
| Business Ambition for 1.5°C                | A call to set targets that keep the global temperatures rise to 1.5°C or less, led by the United Nations, Global Compact, We Mean Business and S&P | • Joined in 2020 |
| Japan Climate Initiative (JCI)             | 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 | • Joined in 2018  
• Endorsed recommendations to the Japanese government |
| Climate Savers Programme                   | A program where WWF partners with companies to formulate and implement plans to reduce emissions of greenhouse gases | • Has 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 |
| Playing for the Planet Alliance            | 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 |
| 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) |
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.

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.

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)

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- 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 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 core principle of respecting human rights is made explicit. 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 is meeting community needs, focusing on the following areas: supporting education in various countries and regions, providing emergency relief and assistance for large-scale disasters. These activities contribute to Goal A (quality education) and create a positive social impact while partnering with external groups as prescribed by Goal 17 (partnerships for the goals).

- Community Engagement
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 (December 2022)
- Sony Corporation was awarded an “A” (highest grade) and selected as a Supplier Engagement Leader in CDP’s 2022 Supplier Engagement Assessment in recognition of its climate change initiatives in cooperation with the supply chain (March 2023)
- Sony Group Corporation has been named one of the World’s Most Ethical Companies for the fifth consecutive year by Ethisphere Institute, a US-based organization dedicated to the study and advancement of ethical business practices (March 2023)
- Sony Group Corporation received the highest AAA ranking in the MSCI ESG Ratings assessment for the fourth consecutive year (December 2022)
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**Inclusion in ESG Indexes**

- FTSE4Good
- FTSE Blossom Japan Index
- FTSE Blossom Japan Sector Relative Index

**2023 CONSTITUENT MSCI JAPAN ESG SELECT LEADERS 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.

**Additional ESG Recognition**

- Sony’s Sustainability Report 2023

**ESG External Evaluations and Inclusion in Indexes**

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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 2022 (in order received)

<table>
<thead>
<tr>
<th>Name of Award</th>
<th>Recipient</th>
<th>Awarded by</th>
<th>Date Acquired</th>
</tr>
</thead>
<tbody>
<tr>
<td>2023 World’s Most Ethical Companies</td>
<td>Sony Group Corporation</td>
<td>Ethisphere Institute (United States)</td>
<td>March 2023</td>
</tr>
<tr>
<td>ESG Finance Awards Japan “Environmentally Sustainable Company”</td>
<td>Sony Group Corporation</td>
<td>Ministry of the Environment</td>
<td>February 2023</td>
</tr>
<tr>
<td>Award for Companies Promoting Experience-based Learning Activities for Youth</td>
<td>Sony Life Insurance Co., Ltd.</td>
<td>Ministry of Education, Culture, Sports, Science and Technology</td>
<td>February 2023</td>
</tr>
<tr>
<td>2022 Corporate Social Responsibility Award</td>
<td>Sony Corporation of America</td>
<td>Global Business Alliance (United States)</td>
<td>December 2022</td>
</tr>
<tr>
<td>The Game Awards (TGA) 2022 “Innovation in Accessibility Award”</td>
<td>“God of War Ragnarök” for PlayStation®5 (PS5™)</td>
<td>The Game Awards (United States)</td>
<td>December 2022</td>
</tr>
<tr>
<td>Gold Rating in the 2022 PRIDE Index</td>
<td>Sony Group Corporation and 19 Group companies in Japan</td>
<td>work with Pride</td>
<td>November 2022</td>
</tr>
<tr>
<td>Pentawards 2022 “Gold Award” (Sustainable Design)</td>
<td>Sony’s Original Blended Material: WF-1000XM4 Package</td>
<td>Pentawards (United Kingdom)</td>
<td>September 2022</td>
</tr>
</tbody>
</table>
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.

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.

Analysis Results and Sony Group Material Topics

As a result of the aforementioned assessment process, climate change; diversity, equity and inclusion; respect for human rights; and technology for sustainability as the most important.

The Sustainability Report 2023 classifies Sony’s materiality topics, including the above, into nine categories: environment, technology utilization, employees, respect for human rights, responsible supply chain, quality and customer service, community engagement, ethics and compliance, and corporate governance.
Climate Change

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

Policy and Initiative Overview
Sony has been implementing a variety of initiatives to combat global warming since 1970s. In 2010 Sony announced Road to Zero, a global environmental plan to achieve a zero environmental footprint by 2050. From the standpoint of the designated priority area of climate change, Sony set the goal of reducing greenhouse gas emissions to zero for its products and business activities throughout their entire life cycles, and to this end each business segment is implementing its own action plan.

As climate change risks become more apparent and serious worldwide, the transition to a decarbonized society has become an urgent issue. Sony made the decision in 2022 to accelerate its goal of achieving net-zero targets throughout the entire value chain, including scopes 1 to 3, by ten years from 2050 to 2040, and to make direct and indirect emissions (scopes 1 and 2) of its own operations net-zero status by 2030. Sony has also announced its plan to accelerate the target for achieving 100% renewable electricity in its own operations by ten years, from 2040 to 2030.

To achieve these goals, we work to promote energy conservation and introduce renewable energy at our sites around the world, while also encouraging our business partners who engage in parts, materials and finished product manufacturing to reduce their own GHG emissions. Furthermore, we provide energy-saving products, services and solutions for a wide range of business areas, and actively invest in startups that work to create next-generation environmental technologies to further contribute to the decarbonization of society as a whole.

Going forward, Sony will continue to further accelerate efforts to address climate change by accepting responsibility to aim for zero greenhouse gas emissions and making contributions through its diverse technologies and businesses.

Road to Zero Roadmap

<table>
<thead>
<tr>
<th>YYYY</th>
<th>GHG Emissions (Thousands of t-CO₂)</th>
<th>Percentage of Renewable Electricity Used at Own Business Sites (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>20.547</td>
<td>4.6</td>
</tr>
<tr>
<td>2019</td>
<td>18.686</td>
<td>4.6</td>
</tr>
<tr>
<td>2020</td>
<td>20.439</td>
<td>6.6</td>
</tr>
<tr>
<td>2021</td>
<td>18.904</td>
<td>14.6</td>
</tr>
<tr>
<td>2022</td>
<td>21.420</td>
<td>29.7</td>
</tr>
</tbody>
</table>

Scope 3: Reduce carbon emissions by 45% from product use (vs. FY2018)
Carbon removal: Incremental implementation

Scopes 1 & 2:
• Achieve net-zero status
• Zero carbon emissions from electricity used in Sony’s operations

GHG Emissions

- SCOPES 1 and 2 (direct and indirect emissions)
- SCOPES 3 (other emissions):
  - Purchased goods and services
  - Use of sold products
  - Other

Percentage of Renewable Electricity Used at Own Business Sites

- FY: Financial Year
**Climate Change**

**Topics**

**Initiatives to Eliminate GHG Emissions**

**Renewables as Exclusive Energy Sources for Sony Operations**

Sony is also working to utilize 100% renewable energy to power its operations worldwide, including installing solar power systems and purchasing renewable energy from electric utilities. This goal has already been attained in Europe and China, with plans in place to introduce more renewable energy in Pan-Asia, North America and Japan.

**Reducing Product Energy Demand**

Sony has instituted many initiatives to reduce the energy consumed by its products, setting specific annual goals for each product category. Examples of such initiatives include the development of an automatic energy-saving function for BRAVIA™ TV sets using a dedicated camera to detect whether a person is in front of the TV, and a focus on energy-saving design for the VPL-XWS5000 video projector, which has resulted in a 30% reduction in electricity consumption per lumen (a measure of the brightness of light) compared to the previous model, VPL-VW75S, while maintaining the same performance. Sony’s Crystal LED displays for professional use (BH and CH series) have also achieved energy efficiency gains of more than 20% over the B and C series through measures such as adoption of highly efficient LED elements, innovations in light transmission through the evolution of surface processing technology, and Sony’s proprietary power source design.

**Japan’s First Virtual PPA under Feed-In Premium Scheme**

As a new initiative to introduce more renewable energy, in FY2022 Sony Global Manufacturing & Operations Corporation implemented a virtual power purchase agreement (PPA) under the feed-in premium scheme, the first Japanese company to do so, at its Kohda Site. Under this virtual PPA, the Kohda Site is expected to consistently introduce approximately 2.4 million kWh of renewable electricity each year.

**Reduced Emissions across Entire Supply Chain**

Sony asks its manufacturing partners and suppliers of materials and parts to analyze their own GHG emissions, set reduction goals, and manage progress. It has also implemented a measure to share with its business partners and clients the energy-saving expertise it has garnered from initiatives at Group sites worldwide. Sony helps some of them set targets for emissions reduction equivalent to levels set out by the Science Based Targets initiative, and obtain the initiative’s approval.
Diversity, Equity and Inclusion (DE&I)

Rationale for Identifying Materiality
Sony recognizes that diverse organizations are more innovative in corporate activities than non-diverse organizations. Sony believes 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 it is important for the Sony Group to further promote initiatives aimed at resolving issues both inside and outside the Group.

Policy and Initiative Overview
Sony works to bring value to society from the standpoint of its Purpose & Values while implementing DE&I initiatives based on its People Philosophy, “Special You, Diverse Sony,” as well as the Sony Group Diversity Statement. 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, 2023, the ratio of women to men in the workforce was 34.0% and the ratio of women to men in management positions was 30.0% at the whole Sony Group. Additionally, Sony considers increasing gender diversity as an area of focus for Japan, where the ratio of women to men in management positions is low and the number of women majoring in the fields of science or engineering is limited. Sony also hires and provides workplace support for individuals 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.

In April 2023, Sony made changes to its organizational structure to strengthen such initiatives across the group, newly appointing the Senior Executive in charge of Lead of Group DE&I and the Senior Vice President in charge of Group DE&I Promotion. 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.

Women in the workforce and management positions held by women (Group-wide)

<table>
<thead>
<tr>
<th>Year</th>
<th>Women in the workforce</th>
<th>Management positions held by women</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>27.3%</td>
<td>30.0%</td>
</tr>
<tr>
<td>2019</td>
<td>28.3%</td>
<td>30.1%</td>
</tr>
<tr>
<td>2020</td>
<td>28.4%</td>
<td>30.0%</td>
</tr>
<tr>
<td>2021</td>
<td>30.1%</td>
<td>30.0%</td>
</tr>
<tr>
<td>2022 (FY)</td>
<td>30.0%</td>
<td>30.0%</td>
</tr>
</tbody>
</table>

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

Advancing Respect for Diversity and an Inclusive Society

Diversity Week: Deepening Diversity Awareness

Sony has been holding events to promote diversity in a wide array of countries and regions, among which is Diversity Week, introduced in Japan in 2015. From 2016 onwards, the event has been held across the globe under a common theme with the goal of Sony group companies worldwide deepening the understanding of gender, race, nationality, sexual orientation, gender identity, disability and other topics related to DE&I. In 2022, Sony held seminars, lectures and other events around the world under the theme, “Allyship*1 in Action: Enhancing communication and connection in a diverse society.”

In Japan, several events were held such as a seminar on paternity leave, a lecture on nursing care, and a program for work-life balance in the age of century-long lifespans. Sony Kibou/Hikari Corporation was established to provide employment opportunities for individuals with disabilities. The company conducted workshops where group employees participated in image data production, which is their business, and lectures on how to create a more inclusive workplace.

In the US, the themes explored included social justice, racial equity awareness, accessibility and allyship. These take a wide array of forms, from virtual conversation between employees and management and employee-led events celebrating Latinx and Hispanic culture, to educational functions about laws affecting the LGBTQ+ community or interactive bystander intervention training on how to safely intervene when one witnesses discrimination. In Europe, both events to raise DE&I awareness and online training to educate about the under-represented groups*2 and encouraging meaningful action were held. In China adopting the sub-theme of “Respect differences in workplace, and create values together,” online forums to promote respect for individuality, online workshops to facilitate a scientific approach to thinking about leadership and other exhibitions were conducted.

It is essential that each employee has a deeper understanding of diversity to foster an inclusive work environment. By learning, valuing and understanding each individual’s uniqueness, Sony makes “Diversity” as an even greater strength to create new value.

*1 Allyship: Actions to support and take action to help a member of a marginalized group by a person who is not a member of that group.
*2 Groups that make up a relatively small portion of the greater community and that, as a result, are often treated less fairly.

Initiatives to Increase Product and Service Accessibility

Sony employs inclusive design to enhance accessibility and enable more people, including people with disabilities, to enjoy its products and services. Sony incorporates feedback gained through the participation of employees with disabilities in the planning and development process, interviews with people with disabilities, and usability tests.

Social Justice and Human Rights Initiatives

In 2020, the Group established the “Global Social Justice Fund” to support organizations advocating for social justice and human rights, and promote DE&I initiatives worldwide. The fund supports more than 450 organizations engaging civic participation, criminal justice reform, diversity and education in 9 regions and 70 countries.

The Sony Music Group Global Scholars Program, established by the Sony Music Group in June 2022 to develop the next generation of industry leaders, is a case in point. It recently announced 50 scholarship recipients from all over the world and has begun assisting with their education. To address racial inequality and social injustice around the world, Sony Pictures Entertainment launched Sony Pictures Action, a multipronged strategy to promote racial equality and inclusion, anchored on the four pillars of People, Content, Partners, and Community. Sony Interactive Entertainment, meanwhile, has created its PlayStation Career Pathways Program, a multi-year talent development initiative supporting Black and Indigenous university students seeking careers in the gaming industry. The program offers scholarships, mentorships, and career readiness training to participants, with the goal of helping them build the skills and connections needed to succeed in the industry.

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Respect for Human Rights

Rationale for Identifying Materiality
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, is a responsibility that a diverse range of stakeholders expect for Sony. Considering recent changes in the external environment related to respect for human rights, Sony believes it is important to further strengthen its efforts.

Policy and Initiative Overview
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 specific to the human rights area, such as “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 “Sony Group AI Ethics Guidelines,” which guide all Sony officers and employees to utilize AI and/or conduct AI-related R&D in a manner that conforms with our values and emerging social norms. Sony engages in initiatives to prevent or mitigate any potential negative impact on human rights in line with the frameworks 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.

As one of our major efforts, Sony conducts human rights risk impact assessments, which serve as the starting point for human rights due diligence. After identifying potential human rights risks that are highly relevant to Sony’s business activities, the assessments further identified three areas as priority areas for enhancing initiatives throughout the Sony Group: responsible supply chains; respect for diversity, equity and inclusion and responsible development; and use of technologies. As a result of the assessments, Sony promotes individual initiatives for each of these areas.

For example, an overview of Sony’s efforts in the area of “Responsible Supply Chain” are as follows:
• Implements the Sony Supply Chain Code of Conduct which adopts RBA Code of Conduct, industry best practice for achieving a responsible supply chain to our own electronics manufacturing sites and suppliers, and then continue to respond to human rights, labor, safety or environmental issues throughout the supply chain.
• Checks compliance status annually for our own manufacturing sites, and at the start of business and regularly thereafter with OEM/ODM, raw materials and parts suppliers depending on level of risk and size of business.
• As a result of the above assessments, Sony requests improvements from manufacturing sites and suppliers that were determined to require corrective measures, and provides support and monitoring until the completion of improvements.

Sony Human Rights Framework Concept Diagram

Sony Supply Chain Code of Conduct
• Establish operation systems, management and supervision
• Conduct training and awareness raising

Implement risk-based compliance assessments

Evaluate assessment results

Sony Supply Chain Code of Conduct

Regular reports to officers in charge

Request compliance with the Sony Supply Chain Code of Conduct

Identify priority areas for the entire Sony Group

Conduct human rights impact assessments

Promote human rights initiatives in individual business units

Operate grievance report and consultation mechanisms

Consider the direction of initiatives in priority areas and support implementation

Coordinate implementation

Engage with stakeholders

Priority Areas: Overview of Responsible Supply Chain Initiatives
Technology for Sustainability

Rationale for Identifying Materiality

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 Sony develops, but also by having a positive impact on society and the environment.

Policy and Initiative Overview

As the environment continues to change rapidly and substantially worldwide, social and environmental problems are increasing in gravity. Sony believes that it is essential to contribute to the solving of such problems through the application of technology. To that end, Sony supports technological development that helps businesses grow, along with innovation that better society and industry for the future.

In 2022 Sony established its R&D mission: “Push our civilization forward and make this planet sustainable.” To help facilitate this, the company conducts research and development in businesses and fields where it can enrich people’s lives, shape social infrastructure, and make significant contributions to sustainability.

Sony’s research and development is underway, for example, on sensing technology that measures the water content in soil, ultra-wide-area communication network technology, and predictive data analytics technology based on captured data. Sony has combined these technologies to build Sony’s Earth-MIMAMORI platform aiming to help predict and mitigate the effects of natural disasters and contribute to solving environmental concerns. The intelligent vision sensor IMX500, which is a CMOS image sensor equipped with AI processing functionality, helps to raise efficiency and productivity in society, such as by realizing smart cities and factories. The IMX500 processes data inside the sensor itself, and is capable of extracting only necessary data. In transmitting a 4K image to the cloud, for example, it can reduce the volume of data to one-7,400th of what the average digital camera transmits, helping to reduce energy consumption and communication costs. Sony will continue to develop and offer solutions to create value for society by applying its technologies in partnership with other companies.
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 year 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 achieve net-zero direct and indirect emissions (scopes 1 and 2) in our operations. Then, by 2035, we are aiming to reduce scope 3 greenhouse gas (GHG) emissions during product use by 45%, 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: Company-wide Sony Environmental Conference established
1993: Sony Global Environmental Policy and Environmental Action Program developed
1995: Began to acquire ISO14001 certification at manufacturing sites in Japan
2002: Green Partner Environmental Quality Approval Program introduced
2006: Integration of environmental management systems at sites around the world completed
2009: 100% renewable electricity use achieved at 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

Environmental Data
“Road to Zero,” Sony’s Global Environmental Plan
Green Management 2025
Sony Group Portal Website "Environment"
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.

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 strives to achieve zero GHG* emissions throughout the lifecycle of our products, service and business activities.

* Gases that raise the temperature of the earth’s surface by absorbing infrared radiation from reflected sunlight. Carbon dioxide (CO2), methane, nitrous oxide, hydrofluorocarbon (HFC), perfluorocarbon (PFC), sulfur hexafluoride (SF6) and nitrogen trifluoride (NF3) 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 wastes 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 communications 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.

Four Focus Points for a Zero Environmental Footprint

Sony efforts to achieve a zero environmental footprint focus on four important environmental perspectives: climate change, resources, chemical substances, and biodiversity.
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. To reduce emissions, Sony conducts scenario analysis in accordance with TCFD Recommendations, analyzes and assesses climate-related risks and opportunities, and reviews 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.

Focus on Resources

Sony seeks to minimize the consumption of resources and maximize recovery 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 single-use 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.

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 it returns to water sources is of a quality that does not negatively impact the environment.

Focus on Paper Resources

Recognizing that paper resources are limited, based on available data including national regulations, toxicity, and loss of biodiversity and community impacts from resource extraction.

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 data including 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. At each stage of the product lifecycle, Sony’s business activities are either dependent on or related to natural capital and biodiversity. Sony and the environment have a symbiotic relationship, so Sony sets 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.
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

** Medium-Term Environmental Targets

Sony is working toward its goal of having a “zero environmental footprint”, setting medium-term (5-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 year 2011–2015), 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 year 2016–2020). Sony is currently implementing initiatives to achieve the goals it has set under the Green Management 2025 medium-term environmental targets (fiscal year 2021–2025).

** 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 year 2021–2025). 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 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, 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.

* Revised May 2022

**Focus Point 3: Enhance Supply Chain Engagement to Reduce Environment 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](#)
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 2022 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.

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. 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%.

<table>
<thead>
<tr>
<th>Items</th>
<th>Targets (base year: 2020)</th>
<th>Fiscal year 2022 Progress</th>
</tr>
</thead>
<tbody>
<tr>
<td>Climate change</td>
<td>Reduce absolute GHG*1 emissions from Sony's sites by 5%</td>
<td>Approx. 12.5% decrease</td>
</tr>
<tr>
<td>Resources</td>
<td>Utilize renewable electricity by 35%*2 or more (Renewable electricity rate)</td>
<td>Approx. 29.7%</td>
</tr>
<tr>
<td>Chemical substances</td>
<td>Promote the use of alternative substances based on Sony standards for management of chemical substances.</td>
<td>Class 1 substances: No use of prohibited substances</td>
</tr>
<tr>
<td>Biodiversity**</td>
<td>Continually promote biodiversity conservation activities respecting the needs of local communities.</td>
<td>Implemented activities to preserve biodiversity at 23 sites according to local needs</td>
</tr>
<tr>
<td>Biodiversity**</td>
<td>In employee cafeterias, promote the serving of environmentally conscious food.</td>
<td>Raised employee awareness by distributing quickbooks at the employee cafeteria at 44 sites and providing menus using environmentally conscious ingredients at 85 sites.</td>
</tr>
<tr>
<td>Biodiversity**</td>
<td>Implement initiatives to reduce ocean plastic pollution.</td>
<td>Reduced providing single-use plastics and promoted the use of reusable water bottles at 32 sites.</td>
</tr>
</tbody>
</table>

Sony Group has set targets for each stage of the product lifecycle and took action accordingly. The targets and fiscal year 2022 progress of activities for each stage are outlined below.

Green Management 2025 Targets and Progress

Chemical substances

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 end of fiscal year 2025.
- Utilized entertainment content to raise the awareness of more than 0.48 billion people across the entire group, and promote participation to a total of 29 million people through events and social media.

Resources

- Reduce annual energy consumption per product unit by 5%.
- Reduce the amount of virgin oil-based plastics per product unit (excluding packaging materials) by 10%.
- Reduce the amount of plastics packaging per product unit by 10%.
- Eliminate plastic packaging for newly-designed small products released in 2022, the WH-1000XM5 headphones, Xperia 1 IV and 5 IV Smartphone, Vlog camera ZV-1F, etc., realize zero plastic*2 in individual packaging.*

Chemical substances

- Eliminate high-risk applications of “Controlled Substances”*3 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.
  - Polyvinyl Chloride (PVC)
  - Brominated Flame Retardants (BFRs)

Carbon footprint and emissions

- Improve waste generation intensity value by 5%.
- Reduce landfill waste rate to 1% or less.
- Promote the use of certified and recycled paper.
- Sites that use large volume of water: Improve water usage intensity value by 5%.
- Sites located in high water-risked areas: Implement water risk reduction activities corresponding to the water risk of the area.

Biodiversity**

- Promote biodiversity conservation activities respecting the needs of local communities.
- In employee cafeterias, promote the serving of environmentally conscious food.
- Implemented activities to preserve biodiversity at 23 sites according to local needs.
- Raised employee awareness by distributing quickbooks at the employee cafeteria at 44 sites and providing menus using environmentally conscious ingredients at 85 sites.
- Reduced providing single-use plastics and promoted the use of reusable water bottles at 32 sites.

*1 Individual packaging refers to the individual product box and packaging inside the box.
*2 Coating and adhesive materials excluded.
*3 Coating and adhesive materials excluded.

** Biodiversity data includes non-ISO14001 certified sites.

GHG: Greenhouse gases.

VOC: Volatile organic compounds.

Biodiversity

- Sites located in high water-risked areas: Implement water risk reduction activities corresponding to the water risk of the area.
- Sites that use large volume of water: Improve water usage intensity value by 5%.
- Sites located in high water-risked areas: Implement water risk reduction activities corresponding to the water risk of the area.
- 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.

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- 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.
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.

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 CO2 emissions due to distribution.

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.

<table>
<thead>
<tr>
<th>Items</th>
<th>Targets</th>
<th>Fiscal year 2022 Progress</th>
</tr>
</thead>
<tbody>
<tr>
<td>Climate change</td>
<td>Request suppliers of raw materials and components to monitor their GHG emissions, set medium- and long-term targets for emissions reduction, and perform progress management</td>
<td>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)</td>
</tr>
<tr>
<td>Resources</td>
<td>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</td>
<td>Requested relevant suppliers to calculate actual emissions and water risk, set reduction targets and implement reduction measures. Surveyed supplier progress. Valid response rate: approx. 80% (transaction amount basis)</td>
</tr>
<tr>
<td>Chemical substances</td>
<td>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</td>
<td>Requested response based on Sony standards for the management of chemical substances.</td>
</tr>
<tr>
<td>Biodiversity</td>
<td>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</td>
<td>Requested manufacturing outsourcing contractors to ban the use of substances specified by Sony Group in their manufacturing processes and survey status of the use of these substances.</td>
</tr>
</tbody>
</table>

<table>
<thead>
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<th>Items</th>
<th>Targets (base year: 2018)</th>
<th>Fiscal year 2022 Progress</th>
</tr>
</thead>
<tbody>
<tr>
<td>Climate change</td>
<td>Reduce absolute CO2 emissions related to logistics between nations and within regions by 10%</td>
<td>Approx. 10% decrease</td>
</tr>
<tr>
<td>Resources</td>
<td>Establish and maintain recycling schemes suitable for the needs of local communities.</td>
<td>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.</td>
</tr>
<tr>
<td></td>
<td>When recycling a key mineral resource (tantalum), improve sorting efficiency 1.5 times (vs fiscal year 2020)</td>
<td>At specific recycling plants in Japan, we adjusted our sorting process for the recovery of parts from used products containing tantalum, improving the efficiency of this process by about 44 times that of fiscal 2020, when the equipment was first introduced.</td>
</tr>
</tbody>
</table>
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.

- 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
- 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

RE100 Membership

In 2018, Sony joined RE100* and itself is working toward sourcing 100% renewable electricity for its 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.

- 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

* 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.

- Reduce GHG emissions at Sony sites globally by 72% relative to fiscal year 2018 levels by fiscal year 2035

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 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 2022 are also outlined below.

- Reducing Plastic and Utilizing Recycled Materials
- Reducing Plastic Use in Production
- Reducing or Eliminating Single-use Plastics in Conference Rooms and Shops
- Reducing Plastic Packaging
- Reducing Plastic Use in Production
- Reducing or Eliminating Single-use Plastics in Conference Rooms and Shops

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 2022 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 2022 was reduced by 1,206 metric tons over fiscal year 2021. This represents a 2,082 metric tons reduction over plastic waste generated in fiscal year 2018.

- Reducing or Eliminating Single-use Plastics in Conference Rooms and Shops
- Reducing Plastic Packaging

Restructuring Ocean Plastic Packaging

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 2022, we stopped providing bottles and other single-use plastics in conference rooms at 32 sites. We also stopped providing plastic bags at shops and convenience stores at 23 sites, as well as plastic straws at 18 sites.

- Reducing or Eliminating Single-use Plastics in Conference Rooms and Shops
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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 2022, 7,847 Sony Group employees and their families worked together to clean up 608 45-liter trash bags and 13 metric tons of trash during a total of 127 cleanup activities at 44 sites.

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 management system with the aim of realizing the Sony's Sustainable Society in 2050. Sony has a dedicated headquarters that oversees environmental management for the entire Group based on the Sony Group Environmental Vision. It sets goals 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; logistics; 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 senior management, and a Sony Group Corporation corporate executive officer assumes ultimate responsibility. The president of Sony Group Corporation and other executives share information on environmental issues of the Sony Group's business units and sites around the world. Additionally, to promote integrated environmental management globally, Sony has established six regional environmental offices to facilitate region-wide environmental management activities, such as a better understanding of local legal and regulatory trends, effective communication of standards and instructions set forth by headquarters to the regional divisions and sites, and effective performance of audits at all regional business divisions and sites. These are the North America environmental office, Latin America environmental office, Europe environmental office, Japan/ East Asia environmental office, China environmental office, and Pan Asia environmental office.

1 The Europe environmental office supervises divisions/sites in the nations of Europe, Israel, Turkey, Russia, 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 the mainland China and Hong Kong Region.
4 The Pan Asia environmental office supervises divisions/sites in Mongolia and other Asia (except for divisions/sites supervised by the Europe environmental office, the Japan/East Asia environmental office, and the China environmental office), Africa, Middle East, Oceania, Azerbaijan, Tajikistan, Turkmenistan, and Uzbekistan.

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 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; logistics; 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.

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The Sony Group's overall environmental management system is established at the corporate level. The environmental headquarters oversees the overall environmental management function and establishes rules and regulations and conducts corporate audits in each region. The regional environmental offices clarify rules and regulations and conduct corporate audits in each region. The business divisions and sites practice environmental management and conduct internal audits. The Sony Group sites worldwide 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 2022, 7,847 Sony Group employees and their families worked together to clean up 608 45-liter trash bags and 13 metric tons of trash during a total of 127 cleanup activities at 44 sites.

The Sony Group Global Environmental Management System (As of Friday, March 31, 2023)

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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, contributing to ongoing improvement efforts.

To gauge the progress of these environmental activities, Sony has developed an online data system for periodically collecting data. In line with these plans, individual business units and sites establish and implement their own annual plans, incorporating essential elements of guiding principles established by the headquarters. Progress on the implementation of these business plans is reviewed regularly by a committee that is headed by the officer in charge of environmental affairs, contributing to ongoing improvement efforts.

The Sony Group Environmental Management System PDCA Cycle

- **Plan**
  - Sony Group Environmental Vision
  - Medium-Term Environmental Targets
  - Formulation of Sony Group environmental rules and annual business plans
  - Implementation of environmental management based on the annual business plan

- **Do**
  - Audit and review of annual business plan and Medium-Term Environmental Targets, as well as performance assessments and decisions regarding awards
  - Implementation of environmental management systems throughout the Sony Group.

- **Check**
  - Review by top management, continual improvements

- **Act**
  - Formulation of Sony Group environmental rules and annual business plans

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 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.

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

The Sony Group Environmental Management System for ensuring the implementation of environmental management systems in line with the requirements of ISO 14001 includes three types of audits:

- **Internal Audits**
  - Evaluation departments assess the effectiveness of the environmental management system in each business unit and site.

- **Corporate Audits**
  - Headquarters and regional environmental offices audit business units and sites and confirm compliance with corporate rules.

- **External Audits**
  - An external certification body confirms the effectiveness of environmental management systems throughout the Sony Group.

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.
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. 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. The amount of emissions from Sony’s overall value chain in fiscal year 2022 is estimated to be approximately 21.420 million metric tons. The largest volume of emissions, approximately 11.795 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 6.208 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.
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 2022 for items that Sony can recognize and manage directly.

Environmental Data Collection Methods and Rationale

*1 Total volume of reused/recycled materials used in products
*2 Relevant primarily to Sony Group companies in Japan, Europe and North America
*3 Volume of Class 1-4 chemical substances handled

Note: Business processes other than those shown in this chart—including the production of purchased materials used and the recycling of products—may also have an impact on the environment.

Overview of Sony’s Environmental Impact

<table>
<thead>
<tr>
<th>Description</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Waste recycled (2022)</td>
<td>53,000 metric tons</td>
</tr>
<tr>
<td>Waste handled (2022)</td>
<td>7,100 metric tons</td>
</tr>
<tr>
<td>Energy used in logistics (2022)</td>
<td>2,500 TJ</td>
</tr>
<tr>
<td>Energy used on employee business trips*2 (2022)</td>
<td>600 TJ</td>
</tr>
<tr>
<td>Handling volume of chemical substances*3 (2022)</td>
<td>40,000 metric tons</td>
</tr>
<tr>
<td>Energy during product use (2022)</td>
<td>297,000 TJ</td>
</tr>
<tr>
<td>Waste (Japan)</td>
<td>53,000 metric tons</td>
</tr>
<tr>
<td>Volume collected</td>
<td>50,000 metric tons</td>
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Off-Site
• Developing and providing energy-efficient, environmentally conscious products and services
• Working with manufacturing subcontractors and suppliers of raw materials and components

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 the 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, 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 on climate change matters and medium-term environmental targets (Green Management 20XX) both are applicable to entire Sony. 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 the TCFD Recommendations, environmental department leads the analysis and identification of climate related risks and opportunities through scenario analysis and review the countermeasures. (For more details, see the following "Strategies" section.) The progress on initiatives implemented under this environmental execution framework are regularly reported to and reviewed by the Board. The Compensation Committee has the authority to determine the compensation policy on the content of individual compensation for Senior Executives and other officers, including the CEO, and to determine or oversee the amount of individual compensation paid to Senior Executives. 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
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 that emerged from the COP21 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.

Scenario Analysis

Analysis Methodology and Assumptions

In accordance with the requirements of the TCFD Recommendations and advice from external experts, we have conducted Scenario Analysis using multiple scenarios for the segment. For the external environment in 2030, we used the 2°C and 4°C temperature rise scenarios predicted by the International Energy Agency (IEA). In the second analysis from November 2021 to March 2022, we 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 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.

In the third analysis from October 2022 to March 2023, we focused on scenario analysis of the television business, which has high environmental impact within the ET&S segment. As prerequisite scenarios, we used the 1.5°C scenario, the 2°C scenario and the 4°C scenario.

As a result of three analyses based on the above prerequisites, recognized risks and opportunities and countermeasures which are unique to the ET&S segment, Financial Services segment and ET&S segment television business are as shown in the table below. 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.
## I&SS segment

### Assumed scenario

<table>
<thead>
<tr>
<th>Recognized risks and opportunities</th>
<th>Countermeasures</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2°C scenario</strong></td>
<td></td>
</tr>
<tr>
<td>Stricter regulations due to national decarbonization policies worldwide and the introduction of carbon pricing 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.</td>
<td>• Manufacturing sites outside Japan: Achieved 100% renewable electricity in fiscal year 2021. • 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.</td>
</tr>
</tbody>
</table>

### Assumed scenario

<table>
<thead>
<tr>
<th>Recognized risks and opportunities</th>
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</tr>
</thead>
<tbody>
<tr>
<td><strong>2°C and 4°C scenarios</strong></td>
<td></td>
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<tr>
<td>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.</td>
<td>• Self-checks conducted annually at manufacturing sites, and regularly undergo on-site surveys dispatched from headquarters to establish a Plan-Do-Check-Act cycle to identify issues and establish improvement plans to reduce risk.</td>
</tr>
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</table>

### Financial Services segment

<table>
<thead>
<tr>
<th>Recognized risks and opportunities</th>
<th>Countermeasures</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1.5°C and 2°C scenarios</strong></td>
<td></td>
</tr>
<tr>
<td>• Increasing demands for loans to purchase the low-carbon vehicles and housing that contribute to creating a low carbon society increase profit opportunities. • 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.</td>
<td>• 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.</td>
</tr>
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</table>

### Assumed scenario

<table>
<thead>
<tr>
<th>Recognized risks and opportunities</th>
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</tr>
</thead>
<tbody>
<tr>
<td><strong>4°C scenario</strong></td>
<td></td>
</tr>
<tr>
<td>• 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. • 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. • Impact on operations and increase in costs due to climate change-related disasters affecting our offices and human resources.</td>
<td>• Continued 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.</td>
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</table>

### ET&S segment television business

<table>
<thead>
<tr>
<th>Recognized risks and opportunities</th>
<th>Countermeasures</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1.5°C and 2°C scenarios</strong></td>
<td></td>
</tr>
<tr>
<td>• Taxation of non-recyclable plastics increases the cost of manufacturing televisions made with plastic.</td>
<td>• 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. • Use of recyclable plastics in products (including our SORPLAS recycled plastic).</td>
</tr>
</tbody>
</table>

### Assumed scenario

<table>
<thead>
<tr>
<th>Recognized risks and opportunities</th>
<th>Countermeasures</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1.5°C, 2°C and 4°C scenarios</strong></td>
<td></td>
</tr>
<tr>
<td>• Stricter regulations due to national decarbonization policies worldwide and the introduction of carbon pricing 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. • 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. • Sales of energy-saving displays will increase due to increased interest in such products and stricter regulations.</td>
<td>• Promotion of energy conservation, improvement of energy efficiency and introduction of solar power at our sites. • Optimization of transportation efficiency and modal shifts to switch to low-carbon means of transport. • Promotion of resource recovery from end-of-life products. • Periodic risk assessment for floods and other natural disasters at our production sites. • Development of screen brightness auto adjustment and other functionality that reduces energy consumption during product use.</td>
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</table>

*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. Actual events may differ from the scenarios.*
Risk Management
Each business unit, subsidiary/affiliated company and corporate division of Sony periodically reviews and assesses risks for the area of which it is in charge and works on finding, reporting, reviewing and responding to the risks. In addition, Senior Executives have established and maintain a system to identify and control risks that may cause losses to Sony, 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 climate-related risks, when assembling business strategies and business plans.

Metrics and Targets
In 2010, the Sony Group 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 ending on March 31, 2026 and has been implementing initiatives to meet these targets since April 2021. In GM2025, the life cycle of products has been divided into five stages: product/service planning and design, operations, supply chain, logistics, take back and recycling. 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.

* 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.

→ Green Management 2025
→ Green Management 2025 Targets and Progress
→ Sony Financial Group ESG Investment Policy
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, not only in our business’s technology development departments, but also in our R&D Center, 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.

* Synecoculture is a trademark of Sony Group Corporation.

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; VENICE 2 digital cinema camera; Virtual production shooting; Aerosense drone.

Environmentally and Socially Beneficial Products and Services

Sony works to create products, services and systems that solve environmental and social issues through electronic equipment and a wide range of business areas.

In our materials business area, Sony provides licenses for Triporous™, an absorbent 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 shooting on a virtual set in studio instead of on location. The Sony Group’s Aerosense Inc. utilizes drones both in Japan and overseas to support mountain and ecosystem surveys as well as other environmental conservation projects. Further, in Bangladesh where traffic issues have become a massive issue, we provide an IC card-based boarding system equipped with FeliCa™ to promote the use of the state-run buses.

Further details on these products and services can be found in Technology for Sustainability.

⇒ Technology for Sustainability
Reducing Greenhouse Gas Emissions

Sony products consume electrical power while used by their owners, resulting in indirect emissions of CO₂. Sony has adopted the target of reducing annual energy consumption per product*1 from product use by 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. For example, BRAVIA™ television models include Auto Power Saving Mode*2, *3 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%.*4 PlayStation®VR2 (PS VR2) has improved power management compared to its predecessor. By default, the PS VR2 display turns off immediately when no one is wearing the headset, and the headset automatically shuts off after 30 minutes after you exit a game if it isn’t being worn. Only in 2018. In addition, the headset automatically shuts off after 30 minutes after you exit a game if it isn’t being worn. 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-WX775, while maintaining the same performance.

For professional grade equipment, we harness the latest surface treatment technology to equip our BH/CH Crystal LED series, often used for design review in corporate show rooms, with high luminosity-efficient LEDs and Sony’s proprietary power supply design to reduce energy consumption more than 20% over our B/C series.

However, due to larger products, higher levels of performance and additional functions, fiscal year 2022 power consumption Sony-wide increased approximately 3.9% over 2018. Total CO₂ emissions in product use over the lifetime of all products sold in fiscal year 2022 were approximately 11.8 million metric tons.**

*4 In theory, emissions during product use in the current fiscal year should be calculated from the total quantity of electrical power consumed by previously sold Sony products that are still in use by consumers in the current fiscal year. However, given the difficulty of determining how many previously sold Sony products are still in use by consumers of the total number of Sony products sold to date, Sony uses the total quantity of electrical power consumed while in use over the lifetime of Sony products sold in the current fiscal year as an indicator for CO₂ emissions during use.

Reducing the Power Consumption of BRAVIA™
Energy Efficiency of PlayStation® 5

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 2022, the total volume of resources used in products was approximately 459 thousand metric tons, which was 10% 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 2022, the Sony Group used approximately 9.5 thousand metric tons of recycled plastic in its products. This amount consisted of approximately 78% recycled plastic content from scraps and other waste materials generated from manufacturing by the Sony Group and other companies, and approximately 22% post-consumer recycled plastic content from used products, containers, and other sources. We have used approximately 59 thousand metric tons of recycled plastic from fiscal year 2014 through fiscal year 2022.

*5 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.

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 2022, virgin oil-based plastic per product was down approximately 3.4% 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.

CO₂ emissions from product use

<table>
<thead>
<tr>
<th>Year</th>
<th>TV</th>
<th>Game</th>
<th>Audio and Video</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>323</td>
<td>110</td>
<td>19.27</td>
<td>11.85</td>
</tr>
<tr>
<td>2019</td>
<td>323</td>
<td>110</td>
<td>19.27</td>
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<td>323</td>
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<td>11.85</td>
</tr>
</tbody>
</table>

Notes:  
- CO₂ conversion rate from fiscal year 2018 to 2020 uses the 2013 value of the relevant country.  
- CO₂ conversion rate from 2021 onward is used for each fiscal year.
- Some figures were recalculated.
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. In 2022, Sony also employed our in-house developed recycled plastic in LinkBuds headphones for the first time. Many of these recycled plastics have been previously painted or colored, which presents a challenge in terms of design. We overcame this issue by focusing on industrial waste materials from automobile parts before coloring, and painstakingly separating plastics by color before applying additional color. This minimizes the amount of additives required in the coloring process, enabling us to use plastics that are over 85% recycled, and up to 98% for black pellets. These plastics can be found in LinkBuds S, released in 2022, and the WH-1000XM5.

For our LinkBuds S “Earth Blue” model, released as part of our environmental efforts, we also incorporated recycled plastic obtained from reclaimed water server jugs. The unique design of the housing varies per product, featuring a marbled texture obtained by combining an original, non-halogen and non-phosphorus flame retardant—itself produced using a Sony-developed process—and plastic is made possible by a proprietary compounding technology that combines an original, non-halogen and non-phosphorus flame retardant with water-soluble additives.

In 2022, Sony Interactive Entertainment successfully trialed the use of recycled Polypropylene (PP) plastics in PlayStation® S. Over 2 million stands were produced using a minimum of 24% post-consumer recycled PP*, sourced from washing machines and refrigerators. We continue to investigate where recycled plastics can be used in our products in future. For instance, our game disc cases used worldwide in FY22 included an average of 14% recycled PP from post-industrial waste.

* This equates to approximately 3% of the total PP used for PS5 stands (that were sold globally in FY22), which is sourced from post-consumer recycled PP.

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 2022, plastic packaging used per product was 22.2% lower than in fiscal year 2018. This was mainly due to the reduction in the amount of styrofoam used in televisions and the shift from plastic to paper packaging materials in audio and other product categories. Individual packaging* uses zero plastic* for the WH-1000XM5 headphones, the Xperia 1 IV and 5 IV, the Vlog camera ZV-1F released in 2022. Sony’s Original Blended Material paper was used for individual product boxes for the WH-1000XM5, Xperia 1 IV and Xperia 5 IV.

*1 Individual packaging refers to the individual product box and packaging inside the box.
*2 Coating and adhesive materials excluded.

External Sales of SORPLAS™ Recycled Plastic

Leading the development of recycled plastics

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 weight 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 CO₂ emissions in product manufacturing by up to 72%.* Moreover, Sony’s versatile plastic compound 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™, Xperia™ Smartphones, compact cameras and camcorders.

* Comparison of the CO₂ emitted from the production of SORPLAS to that of flame retardant virgin plastics for the same application. Based on Sony calculations.
Reducing Plastic inside Product Boxes

By minimizing packaging materials using packaging drop simulation technology, Sony reduced the amount of plastic packaging used for the 4K LCD TV KJ-55X85K, launched in 2022, by approximately 35%. *1

Our recently released PlayStation®VR2 (PS VR2) headset uses 98% fiber-based packaging and cushioning materials, an improvement compared to 96% for PS VR. This year, we will also be replacing the plastic hanger tabs in selected PlayStation® peripherals worldwide with a fiber-based solution. The plastic film to protect the display and plastic hanger tabs in selected PlayStation®5 peripherals worldwide were replaced with paper starting with the Xperia PRO-I released in 2021.

Extending Product Life to Save Resources

Sony indirectly reduces resource consumption by extending product life. The Xperia™ Smartphone, released in fiscal year 2022, features 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.

Switching to Paper Product Boxes

Sony is switching to paper product boxes for a wide range of product categories. Product boxes, including those for existing models, have been changed to paper, and all headphones shipped after fiscal year 2022 will be in paper boxes. From the Xperia 1 II released in 2021, the film for Xperia™ Smartphones was changed to wear-resistant varnish.

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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 QR 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 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 QR 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 users can easily understand regardless of language since 2015.

Switching to Paper Product Boxes

Sony has also switched to paper boxes for more than 130 compact camera and camcorder accessories. Xperia™: toward zero plastic packaging

- Road to Zero Efforts by Sony Corporation - Phasing Out Plastic Packaging for Small Products Alpha 7 IV full-frame mirrorless interchangeable-lens camera and accessories

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. In-store promotional materials in Japan have shifted to build-to-order and direct delivery to shopfronts, which eliminates excess inventory, and now have a long-life design to last for multiple years. From 2022, we are promoting resource conservation in the promotion materials themselves by using packaging materials usually discarded after delivery as a part of the materials, such as for part of the structure of signboards. 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.

Extending Product Life to Save Resources

Sony indirectly reduces resource consumption by extending product life. The Xperia™ Smartphone, released in fiscal year 2022, features 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. * Compared to WF-SP800N headphones
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 products (RoHS).
*2 REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals) is a regulation for managing chemical substances introduced in Europe, whereby companies are required to, among others, register, apply for authorization, notify, restrict and communicate information on certain chemical substances.
*3 J-Moss refers to Japanese Industrial Standards (JS) 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). (For more information, please refer to “Controlled Substances - SS-00259 for General Use -” on the Sony website.)

System for Managing Chemical Substances in Products

Complying with Regulations Governing Chemical Substances in Products

Sony has set up necessary procedures to ensure compliance with the EU’s REACH Regulation requirements and RoHS Directive. In response to its obligation under REACH to provide information to customers and to submit notification, as well as to the CE marking requirement under RoHS Directive, 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 that may be used in products.
*2 IEC 62474 is a set of international standards regulating the procedures, content, format and other aspects of reporting within the supply chain regarding the presence of chemical substances and constituent materials in electrical and electronic goods.

Three Core Principles for Managing Chemical Substances in Products

To guide its efforts to manage chemical substances in products in compliance with Sony’s own global standards for management of chemical substances, titled “Management Regulations for Environment-related Substances to be Controlled which are Included in Parts and Materials” (SS-00259), Sony has established three core principles:

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 supplies 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 resin 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 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 that involve using, for example, X-ray fluorescence (XRF) and other measurement devices, to Sony sites worldwide, to help confirm that prohibited substances are kept out of products.

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.

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).

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)
In addition to the above, Sony also 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.

Examples of Polyvinyl Chloride (PVC) -Free Products and Brominated Flame Retardant (BFR) -Free Products
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 2023, Sony has replaced PVCs in new products and new models in the following products with alternative substances. PVC-Free Product Categories

<table>
<thead>
<tr>
<th>Xperia™ Smartphone</th>
</tr>
</thead>
<tbody>
<tr>
<td>WALKMAN® memory-type portable audio players</td>
</tr>
<tr>
<td>IC recorder / Sound Monitoring Receiver</td>
</tr>
<tr>
<td>Video Camera HandyCam®</td>
</tr>
<tr>
<td>Digital Still Camera Cyber-shot®</td>
</tr>
<tr>
<td>Interchangeable lens camera α™</td>
</tr>
<tr>
<td>Memory Stick™</td>
</tr>
<tr>
<td>SxS™ memory card</td>
</tr>
</tbody>
</table>

PVC-Free Product Categories*

* 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
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, polychlorinated 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 2023, Sony has replaced BFRs in new products and new models in the following products with alternative substances.

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 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 targets is reviewed before mass-production of a product begins. Management of chemical substances...
Examples of Environmental Features in Sony Products

Sony is working on environmentally conscious and recycling-friendly designs and is improving environmental performance in terms of energy and resource conservation in a wide range of product categories. Signature products for these efforts are introduced on Sony Group Portal Website “Environment.”

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 product recycling. For these products, such measures as reducing product weight occur in the production of materials and parts, rather than during use. For these products, the proportion of total emissions. For this reason, reducing the power consumption of these products during use is particularly important. Among product categories such as headphones, smartphones and interchangeable lens camera α™, a large portion of CO2 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 CO2 emissions. LCA results are reflected in medium-term environmental targets and utilized in product design for the environment.

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 to the right titled “Breakdown of CO2 Emissions Over the Life Cycle of Signature Sony Products,” we see that the life cycle stages responsible for generating a large portion of a product’s CO2 emissions differ depending on the product category. For example, for product categories such as LCD televisions, and Blu-ray Disc™/DVD players, emissions during product use account for a large proportion of total emissions. For this reason, reducing the power consumption of these products during use is particularly important. Among product categories such as headphones, smartphones and interchangeable lens camera α™, a large portion of CO2 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 CO2 emissions. LCA results are reflected in medium-term environmental targets and utilized in product design for the environment.

* This “Blu-ray Disc™” word mark is a trademark of the Blu-ray Disc Association.
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 2022, 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.

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:46KB]

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.

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 fits power usage on the supplier site, setting goals equivalent to SBT and providing ongoing support for the acquisition of target certification.

In fiscal 2022, participating suppliers said that this helped them recognize areas where there was still room for improvement.

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The black model of the Vlog camera ZV-1F includes resin parts coated with water-based paint.

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, then for Vlog camera ZV-1F*2 in 2022.

*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.
CO₂ Emissions from Energy Use at Sites

In fiscal year 2022, emissions of CO₂ from energy use at Sony sites accounted for approximately 0.844 million metric tons, out of the approximately 0.965 million metric tons, of total greenhouse gas emissions at Sony, down by approximately 0.161 metric tons from fiscal year 2020. The above CO₂ emissions resulting from energy use at Sony sites include emissions from fuel used by Sony-owned business vehicles. In fiscal year 2022, CO₂ emissions resulting from fuel used in vehicles amounted to approximately 7,000 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 the introduction of 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 2022 (calculated in terms of CO₂) totaled approximately 121,000 metric tons, up about 24,000 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, AI is utilized, and advanced control technology operates the chillers at minimum power, 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 (SDT) 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 CO₂ emissions by approximately 4,608 metric tons, a 88% reduction compared to the previous system.

Outside Nagasaki TEC where Fab 5 began operation

Sony Technology (Thailand) has reduced greenhouse gas emissions from its cooling system thanks to a collaborative project with Kansai Energy Solutions (Thailand) and Tip Top Engineering Co., Ltd., in which the two companies designed, operate and manage a highly efficient chiller system* that reduces CO₂ emissions by approximately 2,467 metric tons per year.

Helping to Reduce our Plant’s Footprint

Greenhouse Gas Emissions Reduction Project at STT

Chiller system installed at STT

* A chiller system that supplies chilled water to a plant.
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 Media Manufacturing Corporation’s Tagajo site. Similar energy conservation activities are now being implemented at Sony manufacturing sites around the world.

One main example of this is at Shanghai Suoguang Visual Products Co., Ltd. (SSVE) in China, where employees from various departments 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 consumption 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 Media Manufacturing Corporation’s Tagajo site. Similar energy conservation activities are now being implemented at Sony manufacturing sites around the world.

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 2022, 758,953 MWh renewable electricity was used, which is approximately 28.7%.

Renewable Energy Procurement Policy

Sony has always considered the surrounding environment when introducing renewable energy, so we have updated our procurement policy 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 (sufflow 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 30 MW or less
- 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

- Japan
  - Green Cycle
  - Capacity: 0.281 MW
- Austria
  - Sony DADC Europe Thalgau Plant
  - Capacity: 0.894 MW
- Thailand
  - Sony Europe UK Technology center
  - Capacity: 0.724 kW
  - Sony Technology (Thailand) Chonburi Plant
  - Capacity: 1.181 kW
  - Sony Device Technology (Thailand)
  - Capacity: 4.61 kW
- Malaysia
  - Sony EMCS (Malaysia)
  - Capacity: 0.83 kW

- Japan
  - Sony Music Solutions
  - JARED Oigawa Center
  - Capacity: 1.7 MW
  - Oigawa Production Center
  - Capacity: 0.22 MW
- Japan
  - Sony Optical Manufacturing & Operations
  - Kohda Site
  - Capacity: 1.2 MW
- Japan
  - Sony Pictures Entertainment Studio
  - Capacity: 1.8 MW
- Japan
  - Sony Customer Service (Japan)
  - Togane Technology Site
  - Capacity: 0.29 MW
- Japan
  - Sony Semiconductor Manufacturing
  - Kumamoto Technology Center
  - Capacity: 2.9 MW

Examples of Environmentally Conscious Items:
- Impact on animals, plants and ecosystems
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- Land stability (sufflow of earth or equipment due to slope collapse, etc.)
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- Hydroelectric power generation must be 30 MW or less
- Choose a renewable energy power source that already exists in the country or region of the site

Sustainability Report 2023
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 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. Sony is systematically increasing the amount of renewable energy it sources in North America, with the aim of achieving 100% in fiscal year 2030.

Sony has implemented a variety of measures to reduce waste and use resources more effectively. In fiscal year 2022, the amount of waste generated at sites worsened approximately 31.6% in waste intensity compared to fiscal year 2020. Sites generated approximately 55,000 metric tons of waste, which is up approximately 6.8% 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 6,000 metric tons of industrial waste generated was plastic waste.

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.

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 2022, the amount of waste generated at sites worsened approximately 31.6% in waste intensity compared to fiscal year 2020. Sites generated approximately 55,000 metric tons of waste, which is up approximately 6.8% 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 6,000 metric tons of industrial waste generated was plastic waste.

Amount of Waste Generated at Sites (Thousand Metric Tons)

Landfilled Waste Rate for Sony Sites

In fiscal year 2022, the landfilled waste rate for all Sony Group sites was approximately 2.5%. The rate for sites in Japan was 0.2%. However, the landfilled waste rate for Sony sites became approximately 3.0% when the calculation includes waste that Sony is required by law or ordinance to dispose of by landfill. Sony strives to reduce the rate of waste disposed in landfills by recycling wastes generated by sites.
Management of Industrial Waste

Sony takes precautions to ensure waste from its sites is not inappropriately disposed of. For example, in Japan Sony has set consistent internal standards for selecting waste disposal contractors and inspecting disposal sites on an ongoing basis. It has also established an internal system of accreditation for disposal site inspectors, and is stepping up efforts to minimize risks associated with contracting out waste disposal. To reinforce this system, Sony implements periodic on-site inspections in the waste disposal contractors, thereby ensuring rigorous management procedures.

Example of Waste Reduction

Sony is reducing waste at all its business sites. Sony Semiconductor Manufacturing Corporation changed the flocculant used in the treatment of wastewater generated from production machinery to a biobased polymer flocculant that offers improved setting and flocculating performance. This led to a reduction of sludge, which accounts for the majority of waste. This led to 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, the Kagoshima Technology Center, in cooperation with a subcontractor company, recycled sludge from on premises into a block for use as 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.

Improving Component Packaging

At all of its sites, Sony works to reduce the amount of waste through overall reviews of the packaging used in components and the optimization of this packaging. For example, a range of measures are employed to reduce the amount of materials used in component packaging materials and hence curb the amount of waste. These include the complete elimination of protective bags for components, modifications to increase the capacity of containers used to store components, and the switch from disposable containers to multi-use returnable boxes. In particular, Sony is working to standardize the sizes of, and materials used in, returnable containers while aiming to expand the range of items for which such containers are used.

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 2022, water usage at Sony sites worsened approximately 11.7% in waste intensity relative to fiscal year 2020. Water usage was approximately 19.97 million m$^3$, an increase of 6.8% relative to 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. Sony also takes steps to ensure the quality of wastewater at its sites. In addition to observing related laws and regulations in each of the countries and territories in which it operates, Sony manages wastewater quality criteria further than is required. For example, the introduction of sophisticated water treatment facilities has enabled it to reduce BOD and COD levels* in wastewater.

* Biochemical oxygen demand (BOD) and chemical oxygen demand (COD) are indicators of water pollution.

Environmental Data (Environmental Data file: Water Pollutants)
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.

**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 wastewater, and are working to reduce the risk of wastewater pollution at Sony sites where wastewater pollution risk is high.
- We have 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.

**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. Nagasaki Technology Center is working to reuse wastewater from gas detoxifying equipment used in the semiconductor manufacturing process, and is reusing about 80% of the wastewater. 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 before planting or when no crops are being grown. In fiscal year 2022, approximately 3.39 million m³ water intake was recharged, a volume that exceeds that used by Kumamoto TEC. Kumamoto TEC has been recognized externally for its groundwater recharge efforts through a variety of awards. In 2022, they received the 3rd Kumamoto Environmental Conservation Awards Special Award and the 2022 Local Environmental Conservation Merit Award.

**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 Corporation was able to harvest 1,472.3 m³ of rainwater in fiscal year 2022, which covered 42% of the plant’s total water usage. 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. Sony Technology (Thailand) (STT) focuses on wastewater recycling as a means to reduce tap water usage. It has installed an on-site wastewater treatment plant to supply make-up water to air-conditioning cooling towers, which normally use large amounts of tap water. By using recycled water for the cooling towers, STT reduced its tap water consumption in fiscal year 2022 by 49,331 m³.
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 friendly 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 2022, Sony used a total of approximately 279 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.

* Paper certified as being produced from wood in consideration of conservation by the Forest Stewardship Council (FSC).

Focus on Paper Resources

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:

<table>
<thead>
<tr>
<th>Class</th>
<th>Substances</th>
<th>Prohibit use</th>
<th>Requirements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Class 1</td>
<td>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.</td>
<td>Prohibit use</td>
<td>List of Chemical Substances Registered as Class 1 (Prohibition of Use) in Site Operation by the Sony Group. [PDF: 107KB]</td>
</tr>
<tr>
<td>Class 2</td>
<td>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.</td>
<td>Prohibit use (Exemptions granted for certain applications)</td>
<td>List of Chemical Substances Registered as Class 2 (Prohibition of Use) in Site Operation by the Sony Group. [PDF: 107KB]</td>
</tr>
<tr>
<td>Class 3</td>
<td>Substances regarded as having a serious impact on the human body or environment, which are subject to regulations requiring monitoring of the amounts released and transferred.</td>
<td>Reduce the amounts released and transferred</td>
<td>List of Chemical Substances Registered as Class 3 (Prohibition of Use) in Site Operation by the Sony Group. [PDF: 107KB]</td>
</tr>
<tr>
<td>Class 4</td>
<td>Substances regarded as having a serious impact on the environment, which are subject to regulations requiring monitoring of the amounts released and transferred.</td>
<td>Comply with the relevant laws and regulations and use under appropriate control</td>
<td>List of Chemical Substances Registered as Class 4 (Prohibition of Use) in Site Operation by the Sony Group. [PDF: 107KB]</td>
</tr>
</tbody>
</table>

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 2022, VOC emissions into the air were approximately 506 metric tons, down approximately 57% 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.

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.

Release of VOCs into the Air (Metric Tons)

<table>
<thead>
<tr>
<th>Year</th>
<th>Target</th>
<th>2010</th>
<th>2021</th>
<th>2022</th>
<th>2025</th>
</tr>
</thead>
<tbody>
<tr>
<td>2025</td>
<td>1,184</td>
<td>1,184</td>
<td>506</td>
<td>506</td>
<td>506</td>
</tr>
<tr>
<td>2022</td>
<td>1,184</td>
<td>609</td>
<td>506</td>
<td>506</td>
<td>506</td>
</tr>
<tr>
<td>2021</td>
<td>1,184</td>
<td>609</td>
<td>506</td>
<td>506</td>
<td>506</td>
</tr>
<tr>
<td>2010</td>
<td>1,184</td>
<td>609</td>
<td>506</td>
<td>506</td>
<td>506</td>
</tr>
</tbody>
</table>

Sony’s Purpose & Values

Approach to Sustainability

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Sustainability Report 2023
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 air-conditioning units only. Compliance with laws and regulations in each country is ensured, and strict care is taken to prevent leakage of CFCs from these units during maintenance.

Environmental Risk Management at Sony Sites
To carry out effective risk management of chemical substances and emergency responses, the Sony Group has enacted the Sony Group Standards for Site Environmental Risk Management, which set the management standard and give examples of improvement measures. Based on these standards, at each site Sony has implemented accident prevention measures, including prohibiting the burial of tanks for chemical substances and pipes, and various leak prevention measures. In addition, Sony rigorously works to prevent environmental accidents through ongoing improvements to its systems based on regular audits at each site, information sharing among sites and other initiatives. Sony has established a system whereby its sites are required to promptly report environmental accidents to the authorities and to take appropriate countermeasures. No accidents falling within the scope of ISO 14001 certification were reported at any of Sony’s sites in fiscal year 2022.

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 2023]

<table>
<thead>
<tr>
<th>Site</th>
<th>Sony Global Manufacturing &amp; Operations Corporation’s Inazawa Site (Japan)</th>
<th>Atsugi Technology Center, Sony Group Corporation (Japan)</th>
<th>Atsugi Technology Center, Sony Group Corporation (Japan)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date</td>
<td>Contamination Confirmed</td>
<td>March 2022 (Result of voluntary assessment)</td>
<td>February 2023 (Investigation in accordance with the Soil Contamination Countermeasures Act)</td>
</tr>
<tr>
<td>Substances Detected</td>
<td>Fluorine</td>
<td>Fluorine and its compounds</td>
<td>Fluorine and its compounds, Lead and its compounds, Arsenic and its compounds</td>
</tr>
<tr>
<td>Cause</td>
<td>Leak from crack in drainage pipe</td>
<td>Leak from loose drainage pipe fitting</td>
<td>Assumed to be the result of past business activities</td>
</tr>
</tbody>
</table>

The administrative report in March 2023 indicated that the area presents no risk of health hazards, though there is soil contamination. Contaminated soil is scheduled to be replaced in November 2023.

Please see below for the latest information on site status.

Progress of Soil and Groundwater Remediation
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 initiatives 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. Then, in 2021, 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. In recognition of these activities, Sony Forest was certified by the Japan Committee for the United Nations Decade on Biodiversity as the sixth exemplary project in 2015. In 2022 it was judged to be equivalent to an area that is certified for the promotion of biodiversity in the Promoting Biodiversity certification test project aimed at achieving 30by30“2 spearheaded by the Ministry of the Environment.

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 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 devices*, MM Bridge Co., Ltd., Nippon Corrosion Engineering Co., Ltd., and CP Farm Co. Ltd. to build two coral cultivation devices, and have continued to monitor their effects since installing them on the seabed of the area. Coral grew significantly in 2022, helping 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) and a professor of the Chuo University Research and Development Initiative.

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. A decade has passed since the earthquake, and the environment of the Gamo Tidal Flats continues to recover. A 2020 survey confirmed 12 species of benthic life including sand blubber crabs, 21 species of birds including the red-necked stint and other plovers and sandpipers, 11 species of plants including okajiki and hanamigana, and 4 species of insects including euryalines. Three rare species, osprey and dunlin (birds) and herbaceous seepweed (salt-tolerant plant) were also observed.
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 Fuschlsee Nature Reserve, located 10 km away. 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 400,000 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.

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 has been pursuing efforts to remove water hyacinth, a non-native species to the area, since 2010, in cooperation with the Huizhou Aquatic Environmental Center.

Promoting Biodiversity through Synecoculture™*

Sony is promoting biodiversity and extending the reach of such efforts 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, and by doing so, help overcome the trade-off between productivity and environmental degradation. Sony Group Enteritis in China have been widely deploying this technique since fiscal year 2020 at sites across the country with coordinated efforts both internally and externally. Five Synecoculture farms have now been established on a total of 6,000 m² of land, with over 2,000 kg of vegetables harvested in the last three years. These initiatives were recognized through an award from the Shanghai Municipal Commission of Commerce (led by Shanghai Government) in fiscal 2022. Sony/Taiyo Corporation started a Synecoculture farm in fiscal 2022 with the support of Syneco Co., Ltd., which operates a business centered on Synecoculture, planting more than 100 species of plants. Plants on the farm have continued to grow steadily, creating a healthy ecosystem that provides radishes, potatoes and other vegetables served in the employee cafeteria.

* Synecoculture is a trademark of Sony Group Corporation.

Other Initiatives

- Volunteering to Protect Nature Reserves in the UK
- Old Growth Conservation Efforts in Kunosaki 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 Harpa 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 2022 was Food for the Future Month. During the month, on-site cafeterias provide information about environmentally conscious food, provide meals that use them, and hold seminars featuring expert keynote speakers from outside the company.

Guidebook of environmentally conscious food distributed to employees
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. Even in locations where it is difficult for people to gather due to the COVID-19 pandemic, we are conducting cleanup activities after ensuring thorough infection control measures at many of our sites. For example, Sony Device Technology (Thailand) Co., Ltd. (SDT) has been planting mangroves since 1999 and is also engaged in cleanup activities to conserve these forests. In fiscal year 2022, we cleaned up the beach at The Sirindhorn International Environmental Park, collecting about 65 kg of plastic waste.

Sony Technology (Thailand) Co., Ltd. Chonburi and the Bangkadi Plant (STT) have been planting mangroves since 2010 and are also engaged in cleanup activities to conserve these forests. In fiscal year 2022, we arranged the Forest Planting Project at Khlong Tamru Environmental Education, Chonburi, Thailand, planted 2,000 mangrove trees, released 500 fish and 500 crabs, and collected about 115 kg of plastic and other waste. 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.

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 10,000 entries were submitted to the Chinese photo contests from 2016 to 2022, and they were shared through social media with approximately 993,000 people, including Sony Group employees in China and their friends. 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.
CO₂ Emissions from Product Transport

With the target of reducing absolute CO₂ emissions related to logistics between nations and within regions* 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 2022, the total CO₂ emissions from product transport (international and regional) was approximately 162 thousand metric tons, a decrease of 10% over fiscal year 2018. This was due to changes in the amount transported, adopting methods that emit less CO₂, 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 “intraregional transportation.”

CO₂ Emissions from Product Transportation (International and Regional)

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, Belgium, and Singapore. This led to a reduction of approximately 695 metric tons of CO₂ emissions in fiscal year 2022 compared to fiscal year 2020.

Modal Shift in Japan

In Japan, Sony has promoted modal shift from truck to rail transport, which boasts lower CO₂ emissions. Recognizing our efforts to use rail transport, particularly for consumer electronics, Sony has been certified by the Japanese Ministry of Land, Infrastructure, Transport and Tourism as a certified company in the “Eco Rail Mark” system since 2011. Sony also promotes domestic sea transport. In fiscal year 2022, CO₂ emissions attributable to the transport of products in Japan were approximately 167 metric tons lower than would have been the case if products had been transported by truck.

Modal Shift in the US

Sony Electronics Inc. (SEL) in the United States has optimized the use of rail transport for product shipments from the West Coast to reduce CO₂ emissions generated during transport. SEL has also increased 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).

Modal Shift in Japan

In Japan, Sony has promoted modal shift from truck to rail transport, which boasts lower CO₂ emissions. Recognizing our efforts to use rail transport, particularly for consumer electronics, Sony has been certified by the Japanese Ministry of Land, Infrastructure, Transport and Tourism as a certified company in the “Eco Rail Mark” system since 2011. Sony also promotes domestic sea transport. In fiscal year 2022, CO₂ emissions attributable to the transport of products in Japan were approximately 167 metric tons lower than would have been the case if products had been transported by truck.
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 CO₂ emissions, using a combination of transport solutions such as milk runs and round trips.

* 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.

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.

Raising Transport Efficiency by improving Shipping Boxes
At Sony DADC US Inc., warehousing, packaging, returns processing and distribution of assorted media had previously used regulation size boxes. Space inside the boxes was often left unused depending on the shipment size and number of orders. Cushioning material was also needed inside the empty spaces to protect the goods during transport, which resulted in additional expenditures for materials. In response to these circumstances, 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.
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, 2016 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 2022, Sony’s Take-Back of End-of-Life Products Record was approximately 50 thousand metric tons of end-of-life products. The figures for fiscal year 2022 are aggregate figures current as of July 2023, and do not include some countries, namely Portugal, France and Poland. 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). 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

<table>
<thead>
<tr>
<th>Year</th>
<th>Japan/East Asia</th>
<th>Latin America</th>
<th>Europe</th>
<th>North America</th>
<th>Pan Asia</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019</td>
<td>76</td>
<td>64</td>
<td>50</td>
<td>64</td>
<td>50</td>
<td>254</td>
</tr>
<tr>
<td>2020</td>
<td>75</td>
<td>64</td>
<td>50</td>
<td>64</td>
<td>50</td>
<td>254</td>
</tr>
<tr>
<td>2021</td>
<td>75</td>
<td>64</td>
<td>50</td>
<td>64</td>
<td>50</td>
<td>254</td>
</tr>
<tr>
<td>2022</td>
<td>75</td>
<td>64</td>
<td>50</td>
<td>64</td>
<td>50</td>
<td>254</td>
</tr>
</tbody>
</table>

Notes:
- The figure for fiscal year 2022 is as of July 2023. The figure for fiscal year 2021 was corrected from that of previous year’s report.
- Japan / East Asia refers to the Japan, South Korea and Taiwan region.
- 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. The amount of home electronics waste, including flat-screen TVs, has been rising in recent years, and boosting waste processing capacity has become an issue. In fiscal year 2020, Green Cycle Corporation built a second recycling building and introduced a new process for flat-screen TV processing based on Sony product information and other data. The new building has improved the efficiency of the disassembly process and significantly boosted processing capacity.
Recycling Activities in Japan

Sony recycles televisions and personal computers in line with applicable recycling-related laws in Japan. Sony also bears the cost of recycling lithium-ion batteries and other small rechargeable batteries, as well as packaging materials, as required by law.

Recycling of 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 industry-wide 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 2022, Sony collected and recycled a total of approximately 15 thousand units, for a total weight of approximately 80.2 metric tons. From these items, about 58.1 metric tons of materials were reused, including metal, plastic, and glass parts.

Recycling of Television Sets

Japan’s Home Appliance Recycling Law, which came into effect in April 2001, initially covered four major home appliances: televisions, refrigerators, washing machines and air conditioners. In April 2009, the law was revised to also cover LCD and plasma televisions and clothes dryers. Among applicable products, Sony manufactures televisions* (CRT, LCD and plasma models). The Home Appliance Recycling Law requires consumers to pay collection, transport and recycling fees when disposing of applicable home appliances, retailers to take back such appliances and return them to manufacturers, and manufacturers to recycle these appliances. Sony has established a nationwide cooperative recycling network with four other manufacturers. As a consequence, Sony-manufactured televisions are now recycled at 15 recycling plants across Japan. 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 2022, Sony recycled approximately 99 thousand CRT televisions and 388 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 2022 the recycling rate for Sony-manufactured CRT televisions was 74%, while for Sony-manufactured flat-screen televisions it was 87%.

* Sony-manufactured televisions include products bearing the Area brand manufactured in and before 2005.

Compliance with Japan’s Home Appliance Recycling Law (in Japanese)

Sony’s Recycling Record

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
*3 Directive 94/62/EC on packaging and packing 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 2022, Sony financed the costs of recycling approximately 20,396 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 and packaging in fiscal year 2022 do not include certain countries, such as Portugal, France, and Poland.

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)
Recycling Activities in North America

Sony Electronics Inc. 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 2022, these collection centers and through compliance channels collected approximately 7,771 metric tons (17.13 million pounds) of used consumer electronics. This equates to recycling 0.23 kg for every 1 kg of electronics sold.

SEL also manages a website that provides consumers with information about the program and the importance of recycling. The website promotes and implements sustainable solutions for end-of-life electronics. The website features, such as a search function to find nearby recycling centers, bolster recycling rates for used electronics through a variety of means, providing consumers with useful recycling information that helps bolster recycling rates for used electronics through a variety of means, providing consumers with useful recycling information that helps bolster recycling rates for used electronics through a variety of means.

Sony Take Back Recycling Program collection activity (United States)

United States: Promoting of the Sony Take Back Recycling Program

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.

Recycling Responsibly

In addition to conducting its own independent audits of recyclers and the downstream processing firms to which they subcontract, SEL has set forth a recycling policy whereby all recyclers it does business with must obtain Responsible Recycling (R2) or e-Stewards certification. R2 and e-Stewards are certification systems for recyclers organized in part by the U.S. Environmental Protection Agency (EPA) that evaluate such factors as environmental management performance and workplace environment.

Canada: Working with Provincial Governments to Support Electronics Recycling Programs

Since the first provincial program was launched in 2004, Sony of Canada Ltd. (Sony Canada) has worked with provincial governments to set up recycling programs for end-of-life 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 set up contracted 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 set up contracted recycling programs for end-of-life products.

India: Working with a Local Partner to Collect and Recycle E-Waste

In order to ensure compliance with E-Waste Management Rules, 2016 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 2022, Sony India collected and recycled approximately 5,179 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 2022, Sony India launched the awareness campaigns through newspapers and social media. Pan India circulation of newspapers reached more than 4.2 million readers and awareness video on social media received more than 7.5 million views in total. Sony India continues to review results and formulate future plans accordingly.

Recycling Activities in Pan Asia

The operations of Sony in the Pan Asia region stretch from 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.

Sony Take Back Recycling Program

Sony Take Back Recycling Program collection activity (United States)

Electronic Products Recycling Association
Korea: “ART” (Action Really Together) Campaign

In Korea, the recycling law has been in place since 2003 and covers electronics, battery as well as packaging. Sony Korea has been working with related associations to collect the specific volume assigned by the government annually. In addition, to educate and encourage employees and local community to play their parts in e-waste recycling, Sony Korea has initiated the “Zero Waste Campaign” in Korea since 2012. This initiative has since been extended to Sony Group companies, neighbors and friends of Sony employees as well as other organizations. Hence, the campaign was renamed "Action Really Together (ART)" in 2016 to emphasize the importance of taking actions together for a good cause, regardless of brands. Besides collecting end-of-life products for recycling, Sony Korea also collects unwanted used products in good working condition and donates them to a local NGO.

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 2022, approximately 33.3 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 the customers to recycle their products under each recycling program in countries existing the takeback 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. Further, in Chile, Sony belongs to a voluntary WEEE take-back program.

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.

Recycling Activities in China

Compliance with Regulations on Recovery Processing of Waste Electrical and Electronic Products (China WEEE)

In 2011, China enacted the Regulations on Recovery Processing Waste Electrical and Electronic Products. The regulation mandates the recycling of five types of products: televisions, refrigerators, washing machines, air conditioners and PCs, and obliges manufacturers and importers to contribute to a fund that is used to cover the cost of processing of waste electrical and electronic products. In compliance with the regulations, Sony (China) Limited makes regular contributions to the fund.

<ART campaign logo>

Sustainability Report 2023
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 presented at CEATEC 2022, a technology trade show held in Japan, where we introduced a diverse array of technologies that contribute to the environment under the theme, “To Continue to Share Kando (Emotion) on the Earth.” from the three perspectives of “The Planet,” “Society,” and “People.” For “The Planet,” we showcased our experimental space photography simulator and other highlights of STAR SPHERE, the project aiming to deliver inspiring space experiences to the environment under the theme, “To Continue to Share Kando (Emotion) on the Earth.”

Environmental Activities Leveraging Entertainment Business

Sony capitalizes on its influential entertainment business to promote environmental activities.

As part of the United Nations Playing for the Planet alliance* Green Game Jam 2022, Sony Interactive Entertainment (SIE) partnered with environmental organizations on reforestation and restoration projects as part of activities supporting the launch of its action-adventure game Horizon Forbidden West, created by Guerrilla. In addition, around 270 gamers designed their own environment games in Dreams. In total, SIE planted over 600,000 trees and supported ecological restoration projects, such as planting wildflower meadows and coastal seagrass, through cooperation with partners worldwide.

In 2018, Sony Pictures Television (SPT) and the United Nations Foundation launched the “Picture This” short film competition in order to raise awareness of the Sustainable Development Goals (SDGs). For the fiscal year 2022 competition, the World Photography Organisation joined SPT and the United Nations Foundation, seeking entries that encouraged viewers to take action to achieve the SDGs. The competition received a total of 487 submissions from video creators across the globe. The official website has been accessed by over 50,000 people, with more than 3 million impressions on social media and engagement in excess of 150,000, which indicates that a vast number of people have taken this opportunity to learn more about the SDGs.

On behalf of Sony Music Entertainment (UK), the Sony Music Group joined the Music Climate Pact in 2021 to share insights on combating climate change and promote decarbonization efforts across the music industry. In 2022, together with other smaller indie labels, Sony Music Entertainment (UK) participated in a study conducted by the British Phonographic Industry to establish a foundation to obtain the most accurate benchmark for music’s carbon footprint. In support of the Planet, Sony Music Group joined the Music Climate Pact in 2021 to share insights on combating climate change and promote decarbonization efforts across the music industry. In 2022, together with other smaller indie labels, Sony Music Entertainment (UK) participated in a study conducted by the British Phonographic Industry to establish a foundation to obtain the most accurate benchmark for music’s carbon footprint.

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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, 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 environmental measures taken by group companies. During that time, other group company websites and social media accounts also focused on sharing environmentally conscious products and initiatives.

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 at all of its plants. 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.

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 2022, Sony conducted online seminars on the issues of environmentally conscious food for all employees in Japan.

Environment

Environmental Communication Through Marketing

Sony promotes environmental communication by sharing environmental information with consumers through product websites, stores, displays and other marketing activities. For example, we introduce environmental considerations taken for products as well as the group’s environmental targets in new product announcement videos. Additionally, in 2022, we held an event for the LinkBuds wireless headphones series in Shanghai, China that was organized around environmental themes. At the event, visitors tried out LinkBuds to take part in a new auditory experience called “Always On” as they made a reusable shopping bag or participated in an exhibition about Synecoculture™, which creates a rich ecosystem through new farming methods. Through these, we were able to communicate the intrinsic appeal of our products while also helping people understand Sony’s environmental initiatives.

* Synecoculture is a trademark of Sony Group Corporation.

Visitors making reusable bags while wearing LinkBuds at the event in Shanghai, China

Sony’s Sustainability

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Partnership and Participation in Multi-Stakeholder Frameworks

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The Earth Day home page of Sony Group Corporation’s website
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 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.

Sony Computer Science Laboratories

Sony Computer Science Laboratories (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 2023, 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 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 AI, which was founded in 2020 and will initially focus on projects in the realm of sensing, AI, and digital virtual spaces. Going forward, the scope of research will be expanded to include new fields and challenges. Recognizing the power and influence that AI can have on society, Sony Research aims to contribute by developing AI that is responsible, fair and transparent.

Sony Startup Acceleration Program (SSAP)
The Sony Startup Acceleration Program (SSAP) was launched in 2014. 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 300 cases to hundreds of companies across 22 industries, creating 25 new businesses from scratch, and granted awards to a total of 134 research projects by FY2022. 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 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.

Sensing Solution University Collaboration Program (SSUP)
The 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 create solutions for real-world problems as well as in the entertainment world. Beginning in 2019, SSUP has globally conducted joint research with 45 university laboratories (32 in Japan and 13 overseas) by FY2022.
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. Furthermore, it 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:

- IMXS00, an intelligent vision sensor equipped with AI processing functionality
- Low-power edge AI devices such as SPIRESENSE™ 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 AI 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.

STAR SPHERE, a New Look at Earth

In August 2020, Sony announced that it would begin developing a nanosatellite 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 ordinary people 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. “EYE” uses water as an environmentally conscious propellant, and it can maneuver to a certain extent. The satellite is currently in orbit around the Earth, and assessments are being conducted in preparation for deploying the service. By allowing the general public to discover unfamiliar aspects of the Earth and stars, such as the expressive colors of the aurora, STAR SPHERE will give people more opportunities to learn about our planet and environment.
Synecoculture™ 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 is already being used in the Sahel region in Africa and has the potential to have a major global impact by contributing to desert greening and helping local economies around the world.

Synecoculture eliminates the need for the plowing, fertilizing, and agrochemical use that impact the environment, by taking maximum advantage of the material cycling that occurs naturally in ecosystems, aiming to create rich ecosystems with a diverse mix of plants that coexist together and grow lushly. The importance of building ecosystems with a high degree of biological diversity and functionality is increasing in response to climate change, food crises, and pandemics. Synecoculture provides a fundamental solution to such global agenda. 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. Building on this project, Sony founded SynecO Inc. to create sustainable environments and industries based on the renewable natural capital in which society should be rooted.

* Synecoculture is a trademark of Sony Group Corporation.

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 olfactometry 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™ technology, which prevents odor leakage to digitally transform processes of smell testing and measurement in an easy-to-use manner. The device contains deodorizing mechanism that suppresses odor contamination, enabling olfactometry to be carried out anywhere. Sony plans to contribute to extending longevity in a super-aged society by introducing the Next-gen Olfactometry System for diagnosis in hospitals and clinics in the near future, and will continue to contribute to otolaryngology and neurology going forward by providing simpler and more accurate olfactometry.

* Olfactometry with the NOS-DX1000

Olfactive Technologies
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 to be equipped with AI 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 CO₂ emissions as IP traffic and data center electricity consumption rise due to higher data volumes from the growing number of IoT devices. Edge AI 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, and analyzing data on the devices themselves.

Demonstration tests with AITRIOS and the IMX500 are underway in fields such as local government, retail, and manufacturing. One such test is a project in Rome to solve social issues. In Rome, drivers searching for parking spaces cause traffic jams, leading to air pollution. Overcrowded buses and traffic accidents involving jaywalkers are also issues. In an effort to solve this, edge devices (AI cameras) with IMX500 sensors are being used in a demonstration test in collaboration with a local application development partner.

Another test is being conducted in the field of logistics. SSS and NEC Corporation have been collaborating since December 2022 to demonstrate an edge AI sensing solution using edge devices (AI cameras). Unused shelf space is rendered visible with edge AI and combined with inbound and outbound logistics data in a system that can reduce work by advising warehouse workers how to use shelf space optimally. The trend in commerce toward online platforms is leading to increasingly significant shortages of personnel and processing capacity in the logistics industry. Sony will use the knowledge gained from demonstration tests to work toward implementing the technology in the logistics industry and alleviate worker shortages by facilitating digital transformation.

AITRIOS and AITRIOS logos are the registered trademarks or trademarks of Sony Group Corporation or its affiliates.

OCT (Over the Counter) Hearing Aids

Sony Corporation’s self-fitting OCT hearing aids were launched in the U.S. in October 2022, in partnership with WS Audiology. The advantages of OCT hearing aids are price 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.

The OTT hearing aids are price affordable, easy 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.

Sony and WS Audiology Have Entered into a Partnership Agreement in the Over-the-Counter Self-Fitting Hearing Aid Business

Aiming for Over the Counter (“OTC”) hearing aids where everyone can share the moment, for richer conversations and experiences

Sony Electronics Launches its First Over-the-Counter Hearing Aids in the US and Makes Hearing and Improved Accessibility Options for Consumers a Reality
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. Using filters containing Triporous instead of activated carbon to recycle water takes advantage of Triporous’s superior adsorption properties, reducing system costs and waste by allowing filters to be changed less frequently. This has been demonstrated in cooperation with a water treatment equipment manufacturer. Triporous is also being put to use in deodorizing, antimicrobial fibers for apparel and in cleansers for healthcare. Clothes containing Triporous were even selected for use on the International Space Station. 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.

Services and Systems

Implementing Open Xchange Systems in Society

Sony Computer Science Laboratories, Inc. (Sony CSL) is conducting research, development, and demonstrations with its Open Xchange Systems (OXS) to promote decarbonization and biodiversity conservation through climate change mitigation. OXS combines 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. In July 2021, the UMABA Project was commenced. This new power-sharing demonstration, which linked storage batteries and EVs over an AC network, was conducted by an industry-academia-government consortium investigating environmentally conscious working vacations. The project is based in Umaba School Cottage, a working vacation facility in Mioyoshi, Tokushima Prefecture, and is working to facilitate decarbonization in the area.

Going forward, the research team at Sony CSL will continue to research and implement OXS to realize a society that can achieve decarbonization and improve people’s quality of life anywhere in the world, regardless of the absence of energy infrastructure.
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 2018, Sony released the VENICE digital cinema camera. This camera was both smaller and lighter than conventional models, yet capable of 6K recording. In 2022, Sony released VENICE 2, which supports internal recording in an even smaller, lighter body.

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 mimics 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 display, mixing CG and live action without post processing. According to Sony Pictures Entertainment, this technology could reduce greenhouse gas emissions approximately 75% compared to on-location productions. In addition, 3DCG virtual backgrounds can be reused repeatedly to minimize waste.

FeliCa™ IC Card Ticket System

Sony’s smart card ticket system, based on FeliCa contactless IC card technology, is helping to alleviate air pollution in Bangladesh. The city is facing serious air pollution issues due to increasing traffic congestion. Transport operators in Bangladesh have introduced FeliCa’s IC card ticket system to encourage citizens to use the metro and buses. The number of passengers has increased due to the improved convenience of public transportation, such as smooth boarding and alighting, and traffic congestion has been reduced.

Supporting Disaster Prevention and Environmental Projects with Drones

The Sony Group’s Aerosense Inc. combines automated flight drones with cloud services to build and 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 ways to safely and efficiently make assessments of broad areas at long distance. One of the many current applications of Aerosense’s vertical take-off and landing (VTOL) drones is inspecting roads and power lines damaged by mountain landslides.

In 2022, Aerosense and the IT company funlead corp. began an international research collaboration with Malaysia’s Sunway University. Drones and AI were used to generate maps of mangrove distribution in Malaysia, demonstrating the technology and contributing to environmental conservation abroad. The project illustrates how Aerosense drones are trusted even outside Japan for their high reliability and technical capabilities.
Framework for AI Ethics Initiatives

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. Sony established the Sony Group AI Ethics Guidelines in September 2018 to guide all Sony officers and employees in utilizing AI and conducting AI-related R&D in a manner that conforms with its values and emerging social norms. The guidelines were subsequently revised to align with Sony’s Purpose established in January 2019 to “pull the world with emotion, through the power of creativity and technology.”

In December 2019, Sony established the Sony Group AI Ethics Committee and since that time has been strengthening its initiatives and framework for AI ethics. In 2021, the AI Ethics Office was established to provide subject matter expertise on AI ethics to all Sony business units. In addition, Sony has established a notification system for AI utilization in products, services, and internal operations toward AI Network Society, a group within the Ministry of Internal Affairs and Communications whose goal is the comprehensive study and guidelines that promote the utilization of AI for social good.

Sony is a participant in the Global Partnership on AI, an initiative launched in June 2020 to promote the development and utilization of AI and Pandemic Response Subgroup, a working group that aids the development of responsible AI solutions for epidemics of infectious disease such as COVID-19. At the request of the AI Council of the Center for Strategic and International Studies (CSIS), a U.S. think tank, Sony is participating as a council member to set the AI ethics agenda for the G7 Hiroshima Summit 2023 and reach a common global consensus on responsible AI use.

*ABOUT ML stands for “Annotation and Benchmarking on Understanding and Transparency of Machine Learning Lifecycles.”

Trusted R&D for AI

Sony pursues R&D for AI that is trusted and backed by solid technologies, and is engaged in technical initiatives related to AI ethics. As a solution for securing FTA, Sony implements its AI development tool, Neural Network Console, with explainable AI (XAI) and fairness plugins to make it easy to use. XAI is a technology that enables people to understand the logic behind AI decision-making, an area often called a “black box” since it is not always immediately apparent how it works. Sony has also released its machine learning fairness library and Responsible AI XAI source code as open source software. Additionally, Sony provided its Prediction One predictive analysis tool with the ability to visualize the predictive reasoning. In 2021, Sony also launched its AI Ethics Research Flagship within Sony AI with projects to conduct cutting-edge research into the challenges faced in the development of AI 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 AI into practice, leveraging its global and diverse perspective.

Stakeholder Dialogue and External Collaboration

Sony actively pursues dialogue with relevant companies, organizations, and the academic community on ethical issues surrounding AI utilization, while considering the interests of diverse stakeholders, including customers and creators.

In May 2017, Sony became the first Japanese company to join the Partnership on AI to Benefit People and Society (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 an expert advisor for PAI’s strategic planning. Sony also serves on the steering committee for ABOUT ML, an initiative to improve the transparency of machine learning. Sony also serves as an expert advisor to the Explainability Research Project and the Diversity and Inclusion Research Project.

Since August 2021, Sony’s Global Head of AI Ethics has been a General Chair of the ACM Conference on Fairness, Accountability, and Transparency (FAccT), the premier conference on sociotechnical algorithmic systems. Sony is also involved with Japanese initiatives to establish principles and guidelines that promote the utilization of AI for social good.

These initiatives include the AI Utilization Strategy published by Keidanren (Japan Business Federation) in February 2019 and the Social Principles of Human-Centric AI published by Japan’s Cabinet Office in March 2019. Sony is currently a member of the Conference on Fairness, Accountability, and Transparency (FAccT), the premier conference on sociotechnical algorithmic systems. Sony is also involved with Japanese initiatives to establish principles and guidelines that promote the utilization of AI for social good.

These initiatives include the AI Utilization Strategy published by Keidanren (Japan Business Federation) in February 2019 and the Social Principles of Human-Centric AI published by Japan’s Cabinet Office in March 2019. Sony is currently a member of 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. Additionally, Sony is a participant in the Global Partnership on AI, an initiative launched in June 2020 to promote the development and utilization of AI based on human-centric principles, and serves as a member of the

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Basic Approach

Since its establishment, Sony has sought to remain at the forefront of technological development and the discovery of new businesses, building continuously on its achievements to deliver new value for people everywhere. In these efforts, Sony recognizes the people who work at Sony to be its most important management resources. Sony has always viewed employees not as a group, but as individuals, based on the belief that they are important stakeholders in Sony’s diversified, global business and are the key to its efforts to achieve sustainable growth and generate social value. Sony respects the independence of each individual and their enthusiasm for taking on challenges and cherishes a corporate culture that places the company and employees on equal terms, based on the partnership of choice between Sony and each individual employee, where each party is accountable for being responsive to the needs of the other. Sony Group has defined a shared group-wide People Philosophy of “Special You, Diverse Sony” with the aim of maximizing the value created by its 110,000 diverse employees and in line with Sony’s Purpose & Values, which lead to further evolutions. The 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 human resource policies that reflect the characteristics of the environments and regions in which each individual business operates. Sony believes that increasing employee engagement by making the most of the individual skills, abilities, and creativity among teams of employees who are diverse in terms of race, nationality, religion, disabilities, gender, values, and work styles contributes to the sustained generation of social value and increases in corporate value.

Looking to the Future

With a focus on diversity, equity & inclusion, talent development, and engagement, Sony Group will continue to offer working conditions that contribute to the health and safety of employees as part of its efforts to achieve sustainable growth and generate 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

1966: Internal job posting program started
1973: Sony Technology Exchange Fair started
1978: Sony Taiyo Corporation founded
1988: Flex-time System introduced
Basic Policy and Management System established
1990: Parenting leave and flex holiday programs introduced
2000: Sony University program started
2008: Flexible work (formerly called telework) policy introduced
2015: Flexible career leave and free agent programs introduced
2018: “PORT”, a place for employees to learn and interact
2021: Sony’s People Philosophy and people strategy redefined
Sony selected as one of the Iconic Leaders of The Valuable 500
2023: Senior Executive and Senior Vice President in charge of Lead of Group DE&I appointed

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 managers 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. Through this, it aims to achieve further group-wide growth by making the most of wide-ranging diversity among its businesses and employees. Sony will continue to promote diversity as a source of innovation in order to create new value that leads to both the growth of Sony Group and the development of society.

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Sony's People Philosophy

Special You, Diverse Sony

Sony Group has defined a shared group-wide People Philosophy of "Special You, Diverse Sony" with the aim of maximizing the value created by diverse employees in various businesses and achieving further evolution of Sony Group, in line with Sony's Purpose & Values, which bring together Sony's 110,000 employees in the creation of long-term value. The phrase “Special You” describes an independent individual who shapes their own career with a spirit of freedom and open-mindedness and opens up the future. "Diverse Sony" represents Sony's culture, which values diversity and supports each employee’s individual strengths, thoughts, dreams, and the challenges they are excited about. “Special You, Diverse Sony” conveys the message that each unique individual and Sony itself, which embraces the individual, individual strengths, thoughts, dreams, and the challenges they are excited about. “Special You, Diverse Sony” expresses our desire for Sony to be a place where people inspire each other to create new value.

Since its founding, Sony has respected the independence and aspirational spirit of individuals, always cherishing a corporate culture based on the partnership of choice between Sony and each individual employee, where each party is accountable for being responsive to the needs of the other. This is the essence of Sony’s Founding Prospectus, written in 1946 by co-founder Masaru Ibuka, which reads, “We shall establish an ideal factory that stresses a spirit of freedom and open-mindedness, and where engineers with sincere motivation can exercise their technological skills to the highest level,” and “We shall place emphasis on a person’s ability, performance and character, so that each individual can fully exercise his or her abilities and skills.”

It is also reflected in the words that fellow co-founder, Akio Morita, spoke to newly hired Sony employees: “If you regret joining Sony, quit immediately. Once you’ve decided to work for Sony, let us be responsible to each other. I’d like every one of you to think at the end of your life that you have no regret spending time at Sony.” A positive growth cycle by which the growth of diverse individuals propels Sony’s growth is possible because the company and the employees stand together on equal terms, with an overarching expectancy of growth cycle by which the growth of diverse individuals propels Sony’s growth is possible because the company and the employees stand together on equal terms, with an overarching expectancy of

Engage talented individuals: Sony boosts employee engagement and creates relationships where organizations and employees help each other to develop and grow.

Because each of the Sony Group’s diverse businesses requires various management styles and talent with different skills and abilities to create value, each business plans and executes a people strategy that best suits its needs, while operating in line with the shared People Philosophy. Rather than managing each individual business, Sony Group Corporation leads and supports the evolution of each Sony business, while promoting common themes that will drive sustainable growth for the entire group.

People strategy centered on diverse individuals

Sony’s People Philosophy

Special You
It is the talented individuals who create value, and You are the one to play the leading role. The phrase “Special You” describes an empowered individual who identifies their career goals and creates a challenging andLogin via Recruitment campaigns across the Group, attracting diverse people who identify with the Sony Purpose & Values, embrace a challenging spirit and possess ambition to grow. Sony offers numerous opportunities for employees to reach their full potential, including various career paths, executive development programs, and leadership opportunities.

Diverse Sony
Sony is a place that values independent and diverse individuals, which leads to creating rich value. Sony offers numerous opportunities for employees to reach their full potential, including various career paths, executive development programs, and leadership opportunities.

Employees

Sony hires talented individuals who identify with the Sony Purpose & Values, embrace a challenging spirit and possess ambition to grow. Sony offers numerous opportunities for employees to reach their full potential, including various career paths, executive development programs, and leadership opportunities.

Special You, Diverse Sony

Employee Engagement

Sony segments its employees by special skills and diverse segments, emphasizing the talents and abilities that drive employee engagement. Sony is committed to fostering an inclusive and diverse work environment where employees can thrive and contribute to the company's success.

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Diversity, Equity and Inclusion

Sony Group Diversity Statement

Sony, which develops diverse businesses globally, employs employees with diverse backgrounds. Sony leverages its diverse businesses and workforce as drivers of value creation. The Sony Group Diversity Statement was established in 2013 to serve as a global policy to further highlight the importance of diversity in the workplace. Sony’s People Philosophy establishes that Sony is a “place” that supports and realizes the growth of independent “individuals” and will grow together to fulfill the Sony’s Purpose. Accordingly, Sony values the perspective of equality and strives to ensure true inclusion by respecting diversity encompassing characteristics such as race, nationality, religion, beliefs, disabilities, gender, age, origin, sexual orientation, gender identity, values and work style. Sony regards diversity, equity and inclusion as a key management concern and will continue to maximize its performance in this area.

Sony Group Diversity Statement

Being a company that “fills the world with emotion” means combining creativity with continuously-evolving technology. In addition to this, Sony believes that bringing together diverse people who share our Purpose & Values across a wide range of businesses and enabling organic cooperation in the creation of new value that transcends business boundaries are also essential in order to fulfill this Purpose. It is in Sony’s DNA—and a source of our innovation—to value different perspectives and backgrounds as we conduct our business activities globally and rise to new challenges. Sony strives to be an organization that promotes innovation by recruiting, training and promoting employees from diverse backgrounds, ensuring healthy work environments and enabling all employees across Sony Group to make the most of their respective experiences.

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 2022, a total of 3,500 Sony Group employees transferred to other companies within the Group. This enables employees to branch out in their careers and build cross-business connections, creating new opportunities for collaboration around the Group.

Employee Activities Across Regions

As of March 31, 2023, approximately 940 employees were working overseas as part of Sony’s global deployment of personnel, in order to transfer technology and knowledge, and launch new businesses. This includes some 100 employees dispatched from group companies outside of Japan, working in various business fields, approx. 50% of whom are in management positions. The Sony Group operates job transfer policies to efficiently facilitate international transfers. 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.

Talent Acquisition

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. Sony acquires talent in each country and region through an approach based on diversity, equity and inclusion, and works with external organizations to actively promote hiring of people from groups that have experienced barriers to equality of opportunity. 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. 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. Sony is also strengthening the recruitment of international talent of diverse nationalities for R&D departments in Japan in order to drive progress on advanced technologies and businesses, while also increasing the hiring of talented university graduates and mid-career professionals from around the world. Under its Global Internship Program, Sony welcomes talented university students from a variety of countries and regions, including Japan and other Asian countries, Europe, and North America, to offices in its major business fields. In recent years, Sony has launched workshops for junior high and high
school students with the aim of inspiring the next generation of STEM professionals. By conveying the appeal of STEM subjects to students who have not yet chosen a field of study, these activities transcend company boundaries and help to expand the future pool of professionals working in scientific fields. (The entry-level wage at Sony Group Corporation is established at an equal level for both men and women and is set to be significantly higher than the legal minimum wage in each part of the country.)

Supporting Active Contributions by Diverse Employees

Promoting Greater Opportunities for Women

Sony embraces diversity and the working contributions of women on a global basis. Women accounted for 34% of the Sony workforce and held 30% of management positions at the whole Sony Group as of the end of fiscal year 2022. Sony Group Corporation has set two targets to be achieved by the end of fiscal year 2022.

Eliminating unconscious bias is an essential step towards building a gender-equal society. In Japan, Sony provides management training intended to address a wide range of unconscious biases while also actively supporting the continued progression of female employees at various career stages through initiatives such as programs and systems encouraging men in the workforce to take parental leave. In addition to providing similar training outside of Japan, Sony also holds forums where women in leadership roles can form communities to connect and learn from each other. Sony’s efforts to promote women’s participation in the workplace and provide mid- to long-term support for female leaders also extend beyond Sony Group itself. In Japan, it engages in academic-industry collaboration to support the professional development of women, including support for the University of Tokyo’s Metaverse School of Engineering and a wide-ranging partnership with Nara Women’s University in science and engineering fields. In March 2023, Sony invited an expert to give a lecture in celebration of International Women’s Day. The event was intended to provide a deeper understanding of global trends and to encourage the audience to take action aimed at gender equality. Sony is also engaged in wide-ranging efforts to support the next generation of female creators and engineers outside of Japan, including the Diverse Directors Program in the field of film and television, Alpha Female+ for female photographers, and Girls Make Games, which supports female game developers.

Sony Group Corporation’s Action Plan for the Act on Promotion of Women’s Participation

Sony Group Corporation, Action Plan for the Act on Promotion of Measures to Support the Development of the Next Generation

Sony Group Corporation Awarded "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)

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The International Women’s Day display at the entrance to Sony City showcased a wide-ranging diversity, including in areas beyond gender, creating a more inclusive world. This provided an opportunity to reaffirm the importance of diversity as a starting point for value creation and awaken your technology.

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

Men to Women Earnings Ratio (Sony Group Corporation)

<table>
<thead>
<tr>
<th>Group</th>
<th>Men</th>
<th>Women</th>
</tr>
</thead>
<tbody>
<tr>
<td>Management</td>
<td>100</td>
<td>97.9</td>
</tr>
<tr>
<td>Assistant Manager / Leader Level</td>
<td>100</td>
<td>98.5</td>
</tr>
<tr>
<td>Senior Professional Level</td>
<td>100</td>
<td>98.3</td>
</tr>
<tr>
<td>Professional Level</td>
<td>100</td>
<td>103.5</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td>82.4</td>
</tr>
</tbody>
</table>

Period: April 1, 2022 to March 31, 2023
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, futures in Japan, and employees who do not meet the eligibility due to international assignment, leave of absence, hiring, resigning timing etc.

United States
Sony Music Publishing held an employee workshop on unconscious bias. Participants in the workshop could see how they, just like everyone else, have unconscious biases and learned how important it is to look at things from diverse angles. Sony Interactive Entertainment helps female employees to further develop their capabilities through activities such as the Senior Women’s Leadership Forum, which provides a space to connect with female managers and learn practices and strategies relating to leadership.

China
To coincide with the global Diversity Week 2022, which featured the theme of Allyship in Action, Sony China held various events to emphasize dialogue between diverse groups of employees and the co-creation of value through communication that respects differences.
This included virtual gatherings entitled Close-Up: Diverse Sony and Close-Up: Special You, together with online workshops on the topics of Diversity as a Starting Point for Value Creation and Awaken Your Heart: A Neuroscience Perspective on the Benefits of Male and Female Leadership.

Promoting Greater Opportunities for Individuals with Disabilities
Sony employs and supports individuals with disabilities in compliance with the laws, regulations, and rules of the countries and regions in which it operates, while endeavoring to create inclusive working environments that enable employees to build successful careers regardless of any disabilities they may have.

Sony co-founder Masaru Ibuka once recalled the day when an initiative was launched, saying, “We had a spirit of autonomy and a belief in doing things in a way that only Sony can, and this initiative is a small example of that.” The initiative was to provide opportunities for learning about special-purpose subsidiaries in Japan and approaches to employing individuals with disabilities, as well as avenues for companies to share expertise. By employing individuals with disabilities in a way that only Sony can, Sony is practicing the approach of co-founder Masaru Ibuka both locally and globally.

Group companies outside Japan also employ persons 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 persons with disabilities. For example, the approach of co-founder Masaru Ibuka has been cited as examples for other companies to follow. Sony provides opportunities for learning about special-purpose subsidiaries in Japan and approaches to employing persons with disabilities, as well as avenues for companies to share expertise. By employing persons with disabilities in a way that only Sony can, Sony is practicing the approach of co-founder Masaru Ibuka both locally and globally.

In December 2019, Sony became a signatory of The Valuable 500, an initiative of the World Economic Forum that focuses on the inclusion of persons with disabilities or disabilities at each group company. The Valuable 500 is a movement that seeks to provide job satisfaction 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 persons 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 persons with disabilities. 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.

The International Women’s Day display at the entrance to Sony City.
In addition to employing persons with disabilities and giving consideration to the accessibility of products and services, Sony aims to lead the inclusion of persons 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.

Employees with disabilities accounted for 2.76% of Sony Group Corporation’s workforce as of March 31, 2023, while the average for the Sony Group in Japan (companies with over 101 employees, consolidated basis) was 2.46% as of March 31, 2023, both above the 2.3% mandated by Japanese law for companies over a certain size.

China
Sony China goes beyond simply providing employment opportunities for people with disabilities; it endeavors to promote the hiring of people with disabilities via a diversity and inclusion program that supports practical courses which help university students with disabilities adapt to their future life as a working adult.

Building Safe, Authentic Workplaces for LGBT* Employees
Sony globally strives to provide LGBT* 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 2022 to express its embracing of LGBT* employees and the wider community to people within the group and beyond.

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

*1 LGBT* 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.

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

**Japan**
Sony organizes talks on LGBTQ+ topics for employees and the public online, making them easier to attend for employees from other business sites and staff in charge of diversity at other companies. In addition to expanding opportunities for employees of the Sony Group in Japan to learn about LGBTQ+ topics, this has also made clear the importance of companies in Japan working together. Elements such as the participation of LGBTQ+ allies in events has also helped broaden the scope of the proactive role of allies. Sony has also co-hosted events with other companies to increase the number of employees who are LGBTQ+ allies. Sony sponsored and was involved in Diversity Career Forum, an event organized by the NPO ReBit. Through the forum, Sony was able to broadly highlight its LGBTQ+ and diversity initiatives to the public.

**China**
Sony China goes beyond simply providing employment opportunities for people with disabilities; it endeavors to promote the hiring of people with disabilities via a diversity and inclusion program that supports practical courses which help university students with disabilities adapt to their future life as a working adult.

**United States**
Sony actively works with partners such as Disability:IN, a global organization devoted to inclusion and equity for persons with disabilities in business. Group companies in the United States have created a joint e-learning training program and conduct training for employees with the aim of enhancing understanding of accessibility and disability. Sony Pictures Entertainment is also making efforts to further advance diversity, equity and inclusion through activities such as awareness training to help managers become inclusive leaders.

**Building Safe, Authentic Workplaces for LGBT* Employees**

Sony globally strives to provide LGBT* 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 2022 to express its embracing of LGBT* 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 LGBT* topics. In Japan, Sony has expanded certain personnel programs*1 to encompass same-sex partners and implements an e-learning course covering LGBT* topics for all employees, while also offering LGBT* workshops.

In addition, Sony organizes internal and external events designed to raise awareness on working environments that are comfortable for everyone.
transgender and non-binary employees in areas such as benefits coverage, wellness, medication, hormone therapy and surgical assistance. Sony Pictures Entertainment was a Gold Sponsor of the GLAAD Media Awards, held by the LGBTQ+ media advocacy organization GLAAD.

Europe

In Europe, Sony Music Publishing (Germany) collaborated with Sony Music Entertainment to co-sponsor Christopher Street Day (Berlin Pride), one of Europe’s largest pride events. This included participation by employees, artists and DJs.
Talent Development

Growth via the Interaction of Highly Original Employees and the Sony Culture of Supporting a Spirit of Challenge

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 Development

Sony has defined the global behaviors it wants to see among employees: “Inspire and Be Inspired,” “Stay on Point,” and “Break Through Barriers.” Sony is strengthening its systematic training to give employees the skills they need in various formats including group training and e-learning.

Management is considered to play an important role in the growth of the company and its employees. Management teams and HR in the Sony Group in Japan discuss the orientation of medium-term initiatives aimed at fostering such employees and creating even more opportunities to bring their capabilities into full play.

Learning and Development

Sony has always encouraged its employees to take on new challenges, fostering this mindset both to further the growth of its employees and its growth as a company. Back in 1966, Sony became the first Japanese company to launch an internal job posting program, which has now been in place for 57 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. Sony seeks to support employees’ growth through work experience, and the New Performance Management Program used at Sony Group companies was revised in fiscal year 2016 to better reflect individual observations and foster growth. The program not only enables employees to set individual goals and track their progress, but also encourages year-round communication with management by incorporating feedback on such aspects as their everyday conduct and impact on their workplace.

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<th>Item</th>
<th>Japan</th>
<th>Outside Japan</th>
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<tr>
<td>Number of programs</td>
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<td>Cumulative total training hours</td>
<td>818,292</td>
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Career Development

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

PORT — An Ideal Venue to Develop New Talent

Sony recognizes the importance of fostering a culture and nurturing an environment in which the group’s diverse businesses and the diverse employees who drive those businesses can learn from each other and continue to grow. PORT is a place where ambitious employees who hold diverse values—people from various specialized fields and backgrounds—can organically interact across business and geographic boundaries. It embodies this concept by providing a venue for employees of the Sony Group to gather, connect, and create synergies in order to grow as individuals and nurture employees who can navigate Sony into the future. PORT holds a large number of spontaneous employee-led lectures, study sessions, workshops, and brainstorming sessions. In fiscal year 2022, more than 1,400 events, mainly online, were held, bringing in more than 58,000 participants over the year. Examples of the wide-ranging content include lectures by employees to explore Sony’s diverse businesses in depth, round-table discussions where employees share their work-related experiences and thoughts on their job, lectures to get people to think about their career, groups to discuss work styles in remote environments, AI-related workshops, and much more. These efforts enable employees of the Sony Group working in different countries and regions to stay connected despite geographical limitations and continue to create voluntary learning opportunities.

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.

Engineering Talent

To pursue its purpose of “fill the world with emotion, through the power of creativity and technology,” Sony must engage in innovation to win new customers. 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 committees are given the role of sharing knowledge from various fields across organizations, systematically advancing the technologies, and promoting the growth of human resources. The committees are highly significant in Sony’s efforts to create sustainable value and secure ongoing growth. Sony formed field-specific technology strategy committees in fiscal year 2015, and they involve approximately 1,500 employees.

Field-Specific Technology Strategy Committees

<table>
<thead>
<tr>
<th>Field-specific technology strategy committee</th>
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<tr>
<td></td>
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<td></td>
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<td></td>
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Committees to Achieve Intra-Group Collaboration

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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**

At the Sony Group in Japan, approximately 450 Sony engineers with frontline expertise in key technological fields serve as instructors, developing curricula and textbooks for use in core technology training courses and contributing to the enhancement of technical skills of engineers and other 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. Sony develops the basic skills of its new recruits by offering them general technological training designed by its leading engineering experts, as well as specialized training programs developed by each of Sony’s business units, which are designed to familiarize the trainees with technologies specific to each business. In fiscal year 2022, Sony created and updated content with a focus on the special features of different technologies, and transcended the boundaries between different Sony Group companies.

**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 engineers of the Sony Group. 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 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, from experienced employees to younger team members. In addition to providing a space to present technologies of the Sony Group’s business units, STEF also seeks to enhance expertise and knowledge among employees, featuring conferences and seminars with invited speakers from inside and outside the group, panel sessions chaired by a DE, who is an expert in their technical field, and the Open Innovation Showcase featuring exhibits by companies receiving investment from the Sony Innovation Fund. This annual event has served as a launchpad for numerous research and development projects since it was first organized in 1973. The event celebrated its 50th anniversary in fiscal year 2022, and some of the exhibitions and conferences were opened to people from outside of Sony for the first time to mark the occasion. This provided an opportunity to introduce a wide range of stakeholders, including members of the media, investors and analysts, engineers, researchers, creators, business partners, and students, to Sony’s advanced technologies and the
way in which Sony values technology. Over 20,000 people from Sony Group companies in Japan and overseas attended exhibitions online and in person. The hybrid format entered its second year after being introduced in fiscal year 2021. The on-site venue in Tokyo featured an expanded number of exhibits and provided a space for exhibitors and visitors to actively exchange ideas. There was also a live stream from the venue for employees around the world who could not make it in person, creating a sense of unity between all the venues. Online conferences were also held featuring guests and DEs who play a prominent role in their field. Sony is a creative entertainment company with a solid foundation of technology, and STEF is a key corporate event that brings employees together and creates the potential for collaborations throughout the Sony Group. STEF is intended to generate technologies that will underpin the Sony of the future.

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.

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 was established in 2000 with the mission to “cultivate talent who can create and lead management visions and strategies,” to “pass on the Sony Spirit,” and to “create a human network for group management.” Under this mission, Sony University programs are designed to foster top management candidates and global leaders who will play key roles in driving the business forward. Approximately 1,400 employees from six major businesses across Sony Group have taken part to date, bringing together a diverse group of people with different backgrounds from all over the world. Participation among female employees and entertainment business employees have both increased to approximately 30%.

Sony has established global and domestic Japanese courses with the aim of implementing programs that reflect the needs of each business. It offers programs at three levels: general manager, senior manager and emerging leaders. 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 2022, a total of four courses took place in Japan and globally. Global courses included both the course for global general managers and a newly-established course for senior managers. Participants drawn from Sony Group companies, businesses and regions around the world attended lectures and engaged in group discussions and dialogue with members of the management teams of various business segments, endeavoring to improve their skills and mindsets in areas such as leadership, strategic planning and vision. There was a dialogue session with CEO Kenichiro Yoshida where participants representing each business unit gave presentations on initiatives based on the theme of “Getting closer to a Community of Interest.” Their presentations were followed by an active discussion in which the other participants also joined.

Similarly, courses for general managers and emerging leaders in Japan 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. The emerging leader course also featured analysis of management issues facing Sony Group and the proposal of management concepts to the management team. Lively discussions ensued with CEO Kenichiro Yoshida, CFO Hiroki Totoki and other executives, including those in charge of Sony’s business segments. This helped to promote participants’ learning, broaden their horizons, and improve motivation.

In addition to the above examples, various executives and managers are involved in supporting professional development in numerous ways throughout Sony University. Moving forward, Sony Group will continue its united efforts towards further development in support of the cultivation of future leaders.
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 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 the first year, 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.

### 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. In fiscal year 2022, roundtables were held with CEO Kenichiro Yoshida and COO/CFO Hiroki Totoki, which 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.

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

- **Music**
  Sony Music Publishing (SMP) has made it a priority to expand support for employees and create a more equitable culture through several new initiatives - most recently with the launch of its Women’s Leadership Program - consisting of in-depth sessions hosted over the course of 6-9 months that are aimed at advancing growth and development of current and future women leaders at the company. The program helps women to enhance their leadership skills, adopt the practices and mindset of leaders, and learn methods to maximize their own capabilities. The Women’s Leadership Program has received extremely positive feedback from within SMP and across Sony Group. Externally, in 2023, the program was nominated for the Music Biz Agent of Change award.

- **Movies**
  To maximize the potential of employees and foster a highly engaging and rewarding professional environment, Sony Pictures Entertainment (SPE) has created a comprehensive leadership development ecosystem. SPE supports aspiring and current leaders with development resources through a wide variety of programs and initiatives, including a dedicated “Leadership Portal” containing a multitude of online tools, playlists, and a learning calendar; a full spectrum of live leadership courses targeting high-potential employees at every level; an “Internal Career Portal” with exclusive access to Sony Pictures opportunities and internal mobility support; a sophisticated and user-friendly “Learning Hub” full of engaging content and compliance requirements; a leadership development program for Employee Business Resource Groups; and “LENS,” a mentorship program with senior leaders in the animation industry.

- **Entertainment, Technology & Services**
  Sony Corporation provides a wide range of learning opportunities for young employees to study proactively in diverse settings and boost their potential to flourish professionally. It has introduced an on-demand learning system and has made some courses required for employees in certain positions with the aim of supporting employees’ subjective development. In terms of technical training, in addition to the training available throughout the group, Sony Corporation also holds intermediate and advanced courses for software engineers with the aim of enhancing the capabilities of its cloud professionals and has established a Certification Support System in the fields of AI and cloud technology. Sony Corporation also provides three training programs in the field of business skills that use business vision and leadership as key themes to cover evolving business models. These programs are designed to encourage software engineers to advance new business creation and train talent that can lead the transition to a solution-based business model, developing the leadership qualities of people who can drive the future of Sony and providing an opportunity to gain fresh perspectives and insights.

- **Imaging & Sensing Solutions**
  Sony Semiconductor Solutions (SSS) continues to enhance opportunities for learning and development with the aim of achieving reliable, sustainable growth as a business. SSS group has established and implemented its own talent management structure for management development, and has
started holding regular consultations with the management team as part of its succession planning for upper management positions. It is also actively expanding development opportunities for talented professionals. This has included conducting one-on-one sessions with executive officers to provide more wide-ranging perspectives, external assessments intended to promote development by visualizing areas for improvement, and the provision of individual training, including external training and executive coaching. For mid-level management, SSS carries out surveys of all section managers with the aim of raising standards across the group. It has also introduced three of its own measures for advancing mid-level management and provided training courses to more than 200 section managers. SSS is also expanding training opportunities for leaders and young employees. During this fiscal year, it introduced the Women’s Leadership Program for female employees selected for displaying leadership as a way to support the systematic development and appointment of female managers and implemented its own career training for employees in their third and sixth years with the company.

Financial Services
The Sony Financial Group (SFG) human resource development committee aims to enhance the visibility and recognition of key personnel and implement measures to support their development, and efforts to make further advancements in this area are continuing. In fiscal year 2022, an expert in human capital management held special training sessions for officers and general managers from SFG companies across the group. During the last of the nine sessions, proposals regarding management issues to be faced by SFG based on backcasting from 2030 and measures of focus for the next three years were put forward.
Employee Engagement

Initiatives to Enhance Employee Engagement

Sony believes that employee engagement is the culmination of wide-ranging measures to support employees’ growth. Sony implements diverse structural, environmental, and cultural initiatives so that each unique employee can constantly challenge themselves to create value.

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 diversity, equity and inclusion, Sony has an important responsibility to create inclusive workplaces with attractive working conditions, and to encourage ways of working that enable employees to make the most of their talents while balancing their work 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 in Japan has introduced a flexible work system, which enables employees to have versatile work options. Sony’s workstyle reform project was launched at group companies in Japan in 2017. It endeavors to further raise awareness of existing initiatives, such as no-overtime workdays, and ensuring employees take advantage of such schemes, as well as encouraging employees to take their annual paid leave. In addition, as telework has become more established during the 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 25.1 hours in fiscal 2022, a second consecutive decrease. Last year, Sony Group Corporation employees used an average of 54.2 days of paid leave, and employees of the Sony Group in Japan used an average of 13.3 days, which is higher than the general average.

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 measure to prevent the spread of COVID-19, 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 flexible work 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 and allowing use of paid annual leave on an hourly basis for childcare or nursing care. 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.
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
- 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)
- 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 to provide care
- 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 careers. Sony conducts seminars for employees who will be taking childcare leave. At these seminars, employees gain knowledge and information that will be useful during their leave, review their career so far, and start career planning for their return. Follow-up seminars are offered to those employees after returning to work. Both seminars are also attended by the employee’s managers. Sony also conducts seminars to encourage men in the workforce to take childcare leave and other forms of parental leave by providing them with information on the various provisions available to them as part of the company’s goal to foster environments that make it easier to balance work and childcare. The seminar enables participants to hear about the experiences of other men who have taken parental leave. As of the end of fiscal year 2022, the ratio of male employees taking childcare leave at Sony Group Corporation was 56%, 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 tie-up 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. The tie-up enables the use of corporate-led daycare facilities* throughout Japan. 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 both caregivers themselves, but also their colleagues and managers. 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.

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

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

- **Japan**
  Sony builds a corporate culture in which employees can continue to build their career throughout the various events in their lives. This is supported by initiatives such as the Symphony Plan (a system to support the work-life balance of employees), childcare seminars, a tie-up with a daycare provider, and training regarding nursing care. Managers also receive regular training to promote consideration and understanding of the work-life balance of colleagues and team members, including with regards to childcare, nursing care and medical treatment.

- **United States**
  Sony Corporation of America has further enhanced its system of short-term disability benefits for employees on medical leave, while Sony Interactive Entertainment offers online therapy sessions, fitness classes and free telemedicine services. New hybrid offices and
remote working policies have also been established, and work-life balance is promoted through measures such as mutual engagement between management and employees to balance face-to-face communication with the flexibility of remote work in order to achieve individualized working styles tailored to each person’s situation.

Organizational Culture and 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 in order to create value.

Communication Between Top Management and Employees

Sony treats communication between top management, including the CEO, and employees as a priority. 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 maintains 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 Survey

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 survey gathers and analyzes information on key factors for continuously improving employee engagement, such as employees’ trust in the company and attitudes about value creation, work efficiency and effectiveness, the work environment, careers, growth, employee wellbeing indices, and diverse perspectives. The survey results are used to identify areas for further improvement and effective action.

The number of people who felt they had opportunities for personal development while working in the Sony Group increased, and the engagement index remained favorable for the second year running. The survey 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.

The survey results are immediately disclosed to managers at each organization to facilitate discussions with employees on improvements that can be made with regard to issues for each organization based on the results and comments from staff who provided them. Sony makes the most of these employee surveys to shed light on employee engagement and promptly incorporates results into ongoing discussion and action across its organizations.

Results of Employee Engagement Survey

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Survey Response Rate</td>
<td>91%</td>
<td>91%</td>
<td>93%</td>
</tr>
<tr>
<td>Employee Engagement Index*</td>
<td>88%</td>
<td>89%</td>
<td>89%</td>
</tr>
</tbody>
</table>

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

Communication Among Employees

Sony is exploring new avenues for fostering even more active communication. Sony Group companies in the picture business and the 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 9% of the overall workforce (at consolidated sites) is unionized.

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 transcend 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.
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.

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.

Creating Comfortable Working Environments
Following the increased establishment of working from home following measures taken during the 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.

Encouraging Employees to Take on New Challenges
Sony endeavors to create spaces that encourage employees to take on new challenges, guided by its vision of creativity and spirit of taking on challenges. The Creative Lounge at the Sony City headquarters building, BRIDGE TERMINAL at Sony City Osaki, and Comi-chika at the Atsugi Technology Center serve as creative collaboration spaces for open communication and idea generation, supporting employees as they take on new challenges. Sony operates the Sony Startup Acceleration Program, which is an in-house startup to support the process from idea conception to business validation and commercialization by utilizing these creative spaces.

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

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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 2021 to fiscal year 2023.

Sony Group Global OHS Medium-Term Plan (Fiscal Years 2021 to 2023)

<table>
<thead>
<tr>
<th>Focal Points</th>
<th>Targets</th>
<th>Subjected Sites</th>
</tr>
</thead>
<tbody>
<tr>
<td>ISO45001</td>
<td>Complete external certification acquisition and maintain the certification</td>
<td>Subjected Sites for ISO 45001 certification</td>
</tr>
<tr>
<td></td>
<td>Evolve the OHS Management System based on ISO 45001</td>
<td>All sites</td>
</tr>
<tr>
<td>Reduction of accidents</td>
<td>Reduce accidents caused by slips, trips, falls and collisions</td>
<td>All sites</td>
</tr>
<tr>
<td></td>
<td>Strengthen management of chemical substances (including the 9 RBA-listed process chemical substances)</td>
<td>Manufacturing logistics and R&amp;D sites</td>
</tr>
<tr>
<td></td>
<td>Reduce accidents caused by machinery</td>
<td>Manufacturing logistics and R&amp;D sites</td>
</tr>
<tr>
<td></td>
<td>Strengthen the evaluation of effectiveness of corrective actions toward incidents that have occurred and their horizontal deployment across the company</td>
<td>All sites</td>
</tr>
<tr>
<td>Response to new risks</td>
<td>Implement health risk measures based on changes in Working Styles and Working Environment</td>
<td>All sites</td>
</tr>
<tr>
<td></td>
<td>Strengthen “Management of Change”</td>
<td>All sites</td>
</tr>
</tbody>
</table>

Further Improvement of OHS Management System Based on ISO 45001
Sony operates an OHS management system based on the ISO 45001 international standard, covering 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, 50 (1 site in the HQ OHS Office, 27 sites in Japan/East Asia, 11 sites in China, 7 sites in Pan Asia, 3 sites in Europe, and 1 site in Asia, 11 sites in China, 7 sites in Pan Asia, 3 sites in Europe, and 1 site in Picture Segment) have already obtained integrated certification, an increase of 23 between fiscal year 2021 and 2022. (As of June 2023)

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 especially high number of such incidents. Accordingly, action to further reduce the number of slips, trips, falls and collisions is being promoted globally in the OHS Medium-Term Plan for fiscal years 2021 to 2023.

Enhancing Measures to Tackle New Risks
New ways of working have been established as a result of the transformation of work styles and workplace environments that started as a response to COVID-19. Sony implements measures to promote good health with the aim of enabling employees to maintain their vitality and enthusiasm for their work and professional growth while working in this more adaptable way. It implements measures that are consistent with the actual situation and characteristics of each business site; these include promoting ergonomics in order to reduce fatigue and stress when working from home.

Improving Management of Chemical Substances / Reducing Accidents Caused by Machinery
Sony’s R&D facilities and manufacturing sites use a wide variety of chemical substances and machinery, and reducing the risks associated with that use is an important determinant of the level of
safety and health. Sony is establishing a risk assessment system that will not just identify hazards relating to chemical substances, machinery, and work modes, but will also check that legal requirements are met. This system will be deployed globally. Sony also carries out internal site audits and corporate audits by Headquarters and Regional Safety Offices to ascertain the state of chemical substance management at its manufacturing sites. In order to strengthen management of chemical substances, which is one of the objectives of the OHS Medium-Term Plan, substances identified as hazardous process chemicals in the Industry Focus Process Chemical List* have been included in the list of 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 eight Safety Offices (in Japan/East Asia, China, Pan Asia, Latin America, North America, Europe, and in the Music and Pictures 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.

HQ OHS Office

- Carries out Sony Group’s OHS-related headquarters functions (governance functions)
- Ensures 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.

Activities of the Sony HQ OHS Office Monitoring

To achieve the Zero Vision 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 officer 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; and the level of achievement of activity goals. Management comments set out in management reviews are reflected in the OHS Medium-Term Plan, and are fed back to each Regional Safety Office and to sites within each region.
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 2022 OHS Training

<table>
<thead>
<tr>
<th>Region</th>
<th>Training program</th>
<th>Target group</th>
<th>No. of Trainees</th>
</tr>
</thead>
<tbody>
<tr>
<td>HQ</td>
<td>Global Auditors Training</td>
<td>Regional safety officers and managers</td>
<td>25</td>
</tr>
<tr>
<td></td>
<td>OHS Managers Basic Training</td>
<td>Newly appointed site OHS managers</td>
<td>36</td>
</tr>
<tr>
<td></td>
<td>Laser Safety Management Training</td>
<td>Site employees responsible for handling equipment</td>
<td>84</td>
</tr>
<tr>
<td></td>
<td>Handling Chemical Substances, and Risk Assessment Training</td>
<td>Site chemical substance managers</td>
<td>41</td>
</tr>
<tr>
<td></td>
<td>Handling Machinery/ Equipment, and Risk Assessment Training</td>
<td>Site employees responsible for handling equipment</td>
<td>49</td>
</tr>
<tr>
<td></td>
<td>Internal Auditors Training</td>
<td>Site OHS managers</td>
<td>17</td>
</tr>
<tr>
<td>North America</td>
<td>Bimannual Virtual Employee Preparedness Events</td>
<td>All employees in North America</td>
<td>&gt;200</td>
</tr>
<tr>
<td></td>
<td>Laser Safety Training</td>
<td>Site employees working with laser or exposed to laser</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td>Electrical Arc Flash Safety</td>
<td>Site employees working with high voltage</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>CPR and AED Training</td>
<td>Emergency response team members</td>
<td>36</td>
</tr>
<tr>
<td></td>
<td>Respiratory Protection Administrator</td>
<td>OHS managers</td>
<td>1</td>
</tr>
<tr>
<td>China</td>
<td>Risk Assessment Training</td>
<td>Manufacturing site OHS managers and supervisors</td>
<td>30</td>
</tr>
</tbody>
</table>

Occupational Health and Safety Initiatives by Region/Business

Occupational Health and Safety Initiatives in Japan/East Asia
In fiscal year 2022, 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, Sony promotes understanding and awareness of the relevant content through monthly newsletters covering relevant changes related to health and safety. As part of emergency preparedness, Sony has also taken measures to account for the transition in working from home as part of its new work styles, including carrying out online emergency drills and storing manuals inside helmets to enable everyone to respond appropriately in the event of an emergency.

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 to include non-manufacturing sites in fiscal year 2021. Under the leadership of the China Regional Safety Office, OHS management for the entire China region has been achieved, covering both manufacturing and non-manufacturing sites. Various ongoing regional safety initiatives have been implemented since fiscal year 2015 with the aim of eliminating occupational accidents. These include raising awareness of near-miss accidents, 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.

E-learning on Road Safety
Sony provided e-learning materials covering safety risks relating to automobiles, electric motorcycles, being a pedestrian, and traveling during business trips. This facilitated access to the material, and a total of 70,000 employees in the region have now taken this training. Sony has also implemented safety activities aiming to reduce the number of accidents at manufacturing sites, including horizontal deployment of best practices with manufacturing bases in the Pan-Asia region. These efforts have led to a 60% reduction in accidents in the China region compared to fiscal year 2021.

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, safety campaign to raise awareness of safety issues among employees.

Awareness of Near-miss Accidents
Sony has integrated activities relating to near-miss accidents into employee safety training, ensuring that all employees participate and promoting efforts designed to eliminate accidents.

E-learning on Road Safety
Sony provided e-learning materials covering safety risks relating to automobiles, electric motorcycles, being a pedestrian, and traveling during business trips. This facilitated access to the material, and a total of 70,000 employees in the region have now taken this training. Sony has also implemented safety activities aiming to reduce the number of accidents at manufacturing sites, including horizontal deployment of best practices with manufacturing bases in the Pan-Asia region. These efforts have led to a 60% reduction in accidents in the China region compared to fiscal year 2021.
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. As a manufacturing and warehouse facility, Sony DADC Terre Haute is preparing for external ISO 45001 certification.

**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.

**Emergency Preparedness**

The Sony Electronics Inc. (SEL) Security Team has revamped its SharePoint site promoting emergency preparedness and highlighting additional training and resources. The site provides government and third-party resources to increase home readiness and preparedness in the office. The SEL Security team continues to host virtual emergency preparedness events for participants in the US and Canada. In addition, SEL Security delivers safety and security newsletters twice a year. In November 2022, the event featured best practices for fire safety in the office and at home.

**DADC Terre Haute Safety Slogan Contest**

To reinforce the Safety Policy, DADC Terre Haute designed badge cards with the policy displayed on one side. The other side of the card prompts employees to define the policy in their own words, as it relates to their specific job at Sony DADC. These cards have been incorporated into the employees’ badge holders and have been distributed to all current employees. They are also distributed to new hires during orientation sessions.

In December 2022, DADC Terre Haute also gave away T-shirts that featured the Safety Policy. These projects were completed in an effort to reinforce the Safety Policy leading up to the ISO 45001 external certification audit.

**Occupational Health and Safety Initiatives in Latin America**

In Latin America, Sony has worked to establish OHS campaigns, internal audits focused on health, safety and has held Health Care events. Each Sony location has an emergency preparedness plan in place, tailored to meet the potential emergencies that may occur at that site.

**Emergency Drills**

First aid and fire extinguisher training is held for security brigades.

**Health Care**

An annual health week with activities such as medical exams, visual revision, wellness coach, paddle tournament and exercise afternoon is held at Sony Inter-American (Panama).

**Occupational Health and Safety Initiatives in Europe**

In Europe, Sony has identified occupational health and safety (OHS) management as a top priority and has implemented an OHS risk reduction program. The program aims to lower OHS risk by reducing occupational accidents and strengthening the health and well-being of employees. A 26% reduction in lost days was achieved Europe-wide after the program’s implementation.
Sony Network Communications Europe (Sweden)
Every Wednesday morning, a 15 minute mediation session is held both on site in Malmö and digitally via Teams.
Research shows that meditation has good effects on the body and mind, and boosts creativity and reduces stress. This activity has increased the sense of wellbeing of those take part in it, with 10-20 participants consistently joining every week.

UK Technology Centre
UK TEC has created a comprehensive Health & Safety online library called SafetyHub, in which employees can find Training and general information.
With a wide range of topics covered, from fire prevention and chemical safety, to ergonomics and overall well-being, the library provides a comprehensive and easy-to-use platform (with a variety of formats available, including videos, webinars, and interactive modules) for learning about critical health and safety topics. With up-to-date information and expert guidance, the SafetyHub helps the UK TEC team promote a culture of safety, reduce accidents and injuries, and protect their employees’ health and well-being.

Occupational Health and Safety Initiatives in Pan Asia
In the Pan Asia Region, all manufacturing sites have ISO45001 certification and all sites are continually improving the OHS management system. 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
All four manufacturing sites in Thailand and Malaysia were certified Sony Global ISO 45001 Certification in FY2022. In the Pan Asia Region, we are aiming to expand this global certification coverage to the India site soon.
Injury reduction and prevention activities were maintained at all sites and focused on reducing injuries from slips, trips, falls, machines, and chemicals, including the frequency and severity of these injury cases, through additional site top management safety patrols to ensure site safety operations and a Safety Week campaign to raise general safety awareness among employees. In addition, OHS training programs were provided to all employees and workers (OHS management system training, OHS legal requirements in each country, emergency preparedness, equipment or machines, forklifts or hand lifts, ergonomics, etc.). All training programs emphasize employee safety awareness and recognize their ability to avoid and prevent the risks that may occur to them. Safety orientation programs at some sites were also adapted to include the safety risk simulation session and let new employees observe real risks for themselves. (Safety Dojo training)

| Site Top Management Safety Patrol (STT, Thailand) |
| Safety Dojo Training (STT, Thailand) |

External Recognition for OHS Initiatives (Fiscal Year 2022)

<table>
<thead>
<tr>
<th>Site</th>
<th>Name of Award</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shanghai Suoquang Visual Products Co., Ltd.</td>
<td>Rated A for improved OHS functions by the city of Shanghai</td>
</tr>
<tr>
<td>Sony Device Technology (Thailand)</td>
<td>1. National “Platinum Level” for excellent practices establishment on occupational safety and health (2022, 13th consecutive year) 2. Zero Accident Award 2022 (Gold level)</td>
</tr>
<tr>
<td>Sony Technology (Thailand) Co., Ltd., Chonburi</td>
<td>Zero Accident Award 2022 (Gold Award, 4th consecutive year)</td>
</tr>
<tr>
<td>Sony Technology (Thailand) Co., Ltd., Bangkadi</td>
<td>Zero Accident Award 2022 (Silver Award, 2nd consecutive year)</td>
</tr>
</tbody>
</table>

Site: Top Management Safety Patrol (STT, Thailand)

The National Occupational Safety and Health Award 2022 (Platinum Award)
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*3

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of lost-work injuries (external contractors)</th>
<th>Number of lost workdays (external contractors)</th>
<th>Frequency Rate</th>
<th>Severity Rate</th>
<th>Number of deaths</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>105 (30)</td>
<td>2,010 (300)</td>
<td>0.45</td>
<td>0.0070</td>
<td>0</td>
</tr>
<tr>
<td>2019</td>
<td>74 (11)</td>
<td>1,526 (137)</td>
<td>0.34</td>
<td>0.0058</td>
<td>0</td>
</tr>
<tr>
<td>2020</td>
<td>71 (17)</td>
<td>1,233 (147)</td>
<td>0.32</td>
<td>0.0044</td>
<td>0</td>
</tr>
<tr>
<td>2021</td>
<td>75 (6)</td>
<td>1,210 (138)</td>
<td>0.39</td>
<td>0.0052</td>
<td>0</td>
</tr>
<tr>
<td>2022</td>
<td>57 (10)</td>
<td>1,301 (148)</td>
<td>0.26</td>
<td>0.0060</td>
<td>0</td>
</tr>
</tbody>
</table>

Scope of data for fiscal year 2022: 181 sites (manufacturing and logistics sites, non-manufacturing sites including sales & marketing companies)

Frequency rate: Number of accidents causing one or more lost workdays ÷ total number of man-hours worked × 1,000,000

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

*3 Totals include non-Sony employees. Figures in parenthesis indicate accident data for non-Sony employees.

Sony Global Trends in the Number of Injuries

Major Causes of Injuries in Fiscal Year 2022

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 2022, 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.
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 from 39 group companies showed that employees with fewer stress responses such as fatigue and anxiety tend to display higher levels of engagement. To bolster the ability of the individual to manage stress, which is a key to a vibrant organization, Sony holds mindfulness workshops for employees. 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 even if they frequently work from home. Sony also holds informal gatherings where employees and managements can meet with clinical psychologists and is making efforts to improve literacy with regards to changes to working styles. The stress check response rate is 92%, 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.

Support for individual employees is also important. Sony has established health-counseling services, offering access to counseling with clinical psychologists, industrial physicians and occupational health nurses via in-person or online sessions. 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 (SAP). 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. Managements, the Human Resources Department, and the Occupational 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 managements 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 occupational health nurses. The number of employees requiring this counseling has decreased for two 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 year 2020, Sony introduced the Symphony Plan, a program to help employees attain this particular balance. Sony 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 occupational physicians and occupational nurses who are qualified as work-life support coordinators. Sony is also focusing on raising awareness about cancer and supporting early detection. In addition to introducing cervical cancer screenings for female employees under 35, Sony has also strengthened its stance on recommending follow-up examinations for employees who have abnormal findings during medical examinations and physical check-ups. Sony has also been working to raise awareness of cancer prevention, early detection, and early treatment through seminars and e-learning resources since fiscal year 2021.
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.

Preventing Lifestyle-related 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 occupational 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. Sony provides various opportunities for employees and their families, including holding seminars and online walking events aimed at forming exercise habits, and aims to create communities to maintain exercise habits.

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 occupational 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 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.

COVID-19 Measures and Accommodating New Work Styles

Sony was committed to maintaining a safe working environment that ensures sufficient physical distance between employees at business sites. In consideration of governmental guidance in each country and the specific work style of each of its diverse businesses, Sony limited the number of employees allowed to report for in-person work based on attendance plans at each company and unit. With many employees working from home, Sony recognizes the importance of mental health care. Sony provides tips for self-care and employee care, and is enhancing autonomy and activating workplace communication to reduce the anxiety and sense of isolation of employees working from home.

Sony has also set up a counseling desk where medical professionals provide timely advice on topics such as reducing stress and improving working conditions and lifestyle habits while working from home.

Main Initiatives in Japan
(Primarily for areas under restrictions during a state of emergency or quasi-state of emergency)

- Prohibiting international and domestic business travel
- Expanding provisions for working from home
- Eliminating core hours in the monthly flextime system
- Adding special leave due to temporary school closures and special measures for the COVID-19 vaccine
- Relating restrictions on commuting to include private cars and bicycles
- Paying allowances for working from home and to support COVID-19 infection prevention
- Ordering employees to refrain from business meals
- Opening satellite offices to support diverse work styles
- Implementing corporate COVID-19 vaccination drive
- Adding special leave for the COVID-19 vaccination
- Conducting harassment prevention training related to vaccination
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 managements. Sony offers employees stationed overseas the same stress checks that employees in Japan receive, and is working to improve the work environments and support mental health at the place of assignment. In addition, Sony works to prevent disease and mitigate risk, with industrial physicians tracking the situation at sites and medical facilities overseas to 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 arranging for employees to receive necessary vaccinations if they work in or travel on business to countries at risk, 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, if there is an outbreak of a new strain of coronavirus, influenza, tuberculosis, rubella, measles, or another illness, Sony cooperates with the government and other entities as necessary in order to respond flexibly while staying ready to implement business continuity plans. Sony provides male employees from age groups that were not vaccinated through public rubella vaccination programs with access to rubella antibody tests when they receive their regular health checkups.
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 of all Sony directors, executives, and employees.

Structure

The Sustainability Section at Sony Group Corporation is supervised by the Senior Executive in charge of Sustainability. It assesses human rights impact throughout Sony Group’s business activities and value chains. In 2021, the Sustainability, Legal, and Compliance sections at Headquarters launched a working group to implement human rights due diligence measures for the entire Sony Group’s business activities and its value chain, based on Sony’s human rights impact evaluation results and regulatory trends. The working group strives to prevent and/or mitigate any potential negative impact on human rights in collaboration with personnel at Sony businesses, including personnel in the human resources and procurement departments, 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 continue to carry out human rights due diligence and further enhance initiatives to prevent or mitigate potential negative impact on human rights.

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 Committee
2012: Human Rights Impact Assessments
2018: Sony Group Code of Conduct revised
2019: Sony Group AI Ethics Committee established
2020: Human rights impact assessment updated
2021: Working group to implement human rights due diligence established

Sony Group Code of Conduct (PDF: 2.78 MB)
Sony Group AI Ethics Guidelines (PDF: 103 KB)
Statement on Modern Slavery Act
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. Sony 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 (UNGPs) 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 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 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 most relevant to Sony’s business activities.

Identifying Priority Areas

The human rights risk impact assessment carried out in 2020 identified the following as potential human rights risk areas:

- 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 AI
- Potential risks that customers with whom Sony has direct or indirect business relationships may engage in human rights abuses

Based on the above assessment, Sony Group has prioritized action in the following Priority Areas: (1) 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.

- An alliance dedicated to supply chain responsibility encompassing human rights, labor conditions, health and safety, and the environment

⇒ Responsible Supply Chain

Respect for Diversity, Equity and Inclusion

Sony is committed to creating a workplace that respects human rights and provides equal employment opportunities that allow all individuals to make the most of their capabilities. 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

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.

⇒ Quality and Customer Service (Accessibility)

⇒ Sony Group Web Portal: 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 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.

⇒ Responsible Supply Chain

Sony's Sustainability

Human Rights due Due Diligence

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Quality and Customer Service

Community Engagement

Ethics and Compliance

Corporate Governance

Data Section

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* BSR is an independent, global, non-profit organization devoted to building a just and sustainable world.
Sony Pictures Entertainment (SPE) also implements various DE&I initiatives that impact every area of its business, including its content. For example, SPE collaborates with global nonprofit organizations, including the Geena Davis Institute on Gender in Media, the American Black Film Festival, and the Gay & Lesbian Alliance Against Defamation to identify ways to increase positive and diverse gender images onscreen and among creators involved in production.

**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.

**Grievance Mechanisms (Hotlines)**

Sony has established the following hotlines for employees and stakeholders to report misconduct by a Sony Group company executive or employee that violates laws, regulations, the Sony Group Code of Conduct, or the company’s agreements with suppliers. Sony maintains local and international dialogue with investors and stakeholders to report misconduct by a Sony Group company executive or employee that violates the Sony Group Policy for Responsible Supply Chain of Minerals. Sony has established a supplier hotline as a mechanism for suppliers to report potential violations of laws or internal policies, including violations of the Sony Group Code of Conduct.

**Sony’s Ethics and Compliance Program**

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

**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 Policy for Responsible Supply Chain of Minerals Hotline**

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

**EEO (Equal Employee Opportunity) Hotlines**

Sony Group companies in Japan have established a hotline 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.

**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 the protection of human rights is provided to all employees of Sony Group Corporation as well as many Sony Group companies. In fiscal year 2022, 54% of eligible employees took the e-learning course.

**Raising Employee Awareness of Human Rights**

Sony Group companies in Japan have formed their diversity promotion committees, which conduct workshops on human rights, diversity, and related matters. Based on the information obtained from these initiatives, they 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. Each 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.
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 environmental protection. 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 Sony director, executive, and employee complies with the Sony Group Code of Conduct and conducts ethical business practices. Based on this approach, Sony focuses on supply chain management and responsible procurement of minerals and works with suppliers and subcontractors to establish a responsible supply chain that ensures compliance with the Sony Supply Chain Code of Conduct and the Sony Group Policy for Responsible Supply Chain of Minerals. These efforts are undertaken in collaboration with relevant industry organizations and other stakeholders.

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

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

Milestones
- 2004: Sony joins the Electronic Industry Citizenship Coalition (EICC, now the Responsible Business Alliance) as a founding member
- 2005: Sony Supplier Code of Conduct established
- 2006: EICC self-assessment started at electronics manufacturing sites
- 2012: Sony Supplier Code of Conduct revised to create second edition
- 2014: Sony Group Conflict Minerals Policy established and a survey on use of conflict minerals started
- 2016: Sony Supply Chain Code of Conduct established and cobalt supply chain assessment started
- 2017: Sony Group Policy for Responsible Supply Chain of Minerals established
- 2021: Sony Pictures Entertainment Supplier Code of Conduct established
- 2022: Sony Music Entertainment Supplier Code of Conduct established
- 2023: Sony Supply Chain Code of Conduct revised to create 3.2 edition

Sony Supply Chain Code of Conduct (PDF:568KB)
Sony Group Policy for Responsible Supply Chain of Minerals (PDF:282KB)
Sony Group Policy for Responsible Supply Chain of Minerals Hotline

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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 2023, we will 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 2022, 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 (57.8%), Japan (11.7%), Asia-Pacific (19.9%), Europe (4.7%), and other areas (5.9%).

Electronics manufacturing sites at Sony (as of August 2023)

<table>
<thead>
<tr>
<th>Location</th>
<th>Name of manufacturing site</th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>Sony Global Manufacturing &amp; Operations Corporation, Sony Semiconductor Manufacturing Corporation, Sony Storage Media Manufacturing Corporation, Sony / Taiyo Corporation</td>
</tr>
<tr>
<td>South Korea</td>
<td>Sony Electronics of Korea Corp.</td>
</tr>
<tr>
<td>Thailand</td>
<td>Sony Technology (Thailand) Co., Ltd., Sony Device Technology (Thailand) Co., Ltd.</td>
</tr>
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<td>Sony EMCS (Malaysia) Sdn. Bhd.</td>
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<tr>
<td>UK</td>
<td>Sony Europe B.V. UK Technology Centre</td>
</tr>
</tbody>
</table>

Raw Materials/Parts and OEM/ODM supplier ratio by geographic area (transaction value basis in FY2022)

- Mainland China and Hong Kong Region: 57.8%
- Japan: 11.7%
- Asia-Pacific: 19.9%
- Europe: 4.7%
- Other Areas: 5.9%

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.
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, contract manufacturers and suppliers. The RBA Code of Conduct has been translated into 26 languages including English, Chinese, Japanese, Thai, and Malay.

Compliance with the Sony Supply Chain Code of Conduct is included in contracts signed when Sony begins doing business. As a part of the customer requirements under this Code of Conduct, 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 worldwide.

Sony Supply Chain Code of Conduct Items

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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, contract manufacturers and suppliers. The RBA Code of Conduct has been translated into 26 languages including English, Chinese, Japanese, Thai, and Malay.

Compliance with the Sony Supply Chain Code of Conduct is included in contracts signed when Sony begins doing business. As a part of the customer requirements under this Code of Conduct, 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 worldwide.

Sony Supply Chain Code of Conduct Items

<table>
<thead>
<tr>
<th>A. Labor</th>
<th>B. Health and Safety</th>
<th>C. Environmental</th>
<th>D. Ethics</th>
<th>E. Management Systems</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Freely Chosen Employment</td>
<td>1</td>
<td>Occupational Safety</td>
<td>1</td>
</tr>
<tr>
<td>2</td>
<td>Working Hours</td>
<td>2</td>
<td>Emergency Preparedness</td>
<td>2</td>
</tr>
<tr>
<td>3</td>
<td>Young Workers</td>
<td>3</td>
<td>Occupational Injury and Illness</td>
<td>3</td>
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<tr>
<td>4</td>
<td>Young Workers</td>
<td>4</td>
<td>Industrial Hygiene</td>
<td>4</td>
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<tr>
<td>5</td>
<td>Factory Management</td>
<td>5</td>
<td>Physically Demanding Work</td>
<td>5</td>
</tr>
<tr>
<td>6</td>
<td>Non-Discrimination/Non-Harassment</td>
<td>6</td>
<td>Machine Safeguarding</td>
<td>6</td>
</tr>
<tr>
<td>7</td>
<td>Freedom of Association</td>
<td>7</td>
<td>Sanitation, Food, and Housing</td>
<td>7</td>
</tr>
<tr>
<td>8</td>
<td>Health and Safety Communication</td>
<td>8</td>
<td>Energy Consumption and Greenhouse Gas Emissions</td>
<td>8</td>
</tr>
</tbody>
</table>
Organizational Structure

At Sony, the Sustainability Section and compliance groups at the head office take the lead in promoting efforts toward a responsible supply chain in cooperation with other related procurement divisions and management departments at manufacturing sites. Under the supervision of the Senior Executive in charge of Sustainability, the Sustainability Section at the head office assesses external trends and communicates with stakeholders, drawing on both to formulate basic company-wide supply chain management policy. The Senior Executive in charge of Sustainability appoints the management responsible in each relevant business unit. They are then responsible for overall operational compliance for the area in their charge, including compliance with the Sony Supply Chain Code of Conduct, as well as risk assessment, regular monitoring and remedial measures. Administrative office are responsible for overall implementation for raw materials and parts suppliers. In cases where assessments or external sources indicate any possibility of violations of the Sony Supply Chain Code of Conduct or a material legal violation, or in cases where the supplier does not provide adequate cooperation with assessments and audits, the managers responsible for implementing the rules work together with the Sustainability Section and compliance groups at the head office to determine the facts and take action deemed necessary, and the situation is reported to the Senior Executive in charge of Sustainability.

Initiatives at Sony Electronics Manufacturing Sites

Conducting Regular Assessments

As part of its efforts to ascertain Sony manufacturing sites’ compliance with the Sony Supply Chain Code of Conduct, Sony uses standard tools provided by the 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 2022, 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. Since fiscal year 2017, Sony has been conducting surveys of actual work conditions and risk assessments to monitor the employment status and labor conditions of foreign workers at Sony manufacturing sites in Japan. The assessments check whether the site has any foreign workers or not (in either direct or indirect employment) and confirm the hiring processes and labor conditions. The surveys of actual conditions are conducted for selected manufacturing sites. Since 2020, Sony has continued to conduct document assessments of on-site subcontractors at a number of manufacturing sites to verify their hiring processes for technical intern trainees in Japan and the countries in which they were hired, as well as the labor conditions of trainees. The results showed that steps are continually being taken to ensure compliance with the labor standards set out in the Sony Supply Chain Code of Conduct. This includes establishment of new policy on freely chosen employment and employment fees for on-site subcontractors.
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 its 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, an on-site assessment is conducted and employees and managers are interviewed in person to verify the actual management situation, based on the identified potential risk. 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 life-threatening accident to a worker, significant environmental pollution issues) of the Sony Supply Chain Code of Conduct is confirmed or if the supplier fails to cooperate fully in an investigation or audit.

Scope of 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 questionnaires from the RBA. In assessment, questionnaires evaluate compliance with the Sony Supply Chain Code of Conduct specifically in items related to forced labor among foreign, migrant and immigrant workers, which has become a serious issue worldwide. Questionnaires returned by suppliers are analyzed to identify potential risks for individual manufacturing plants.

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 labor issues-specific questionnaire is conducted for applicable existing suppliers, and supplier response is analyzed to identify potential risks for individual manufacturing plants.
Assessment Results for Fiscal Year 2022

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

New Suppliers
Assessment using questionnaires were conducted for 79 plants. We provided written instructions for improvement to 12 supplier plants deemed to be in minor violation. We conducted on-site assessments at 1 supplier plant 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 327 plants. We provided written instructions for improvement to 63 supplier plants deemed to be in minor violation. We conducted remote or on-site assessments at 44 supplier plants suspected to be in violation, pointing out issues and issuing instructions for improvement. In either case, suppliers are asked to make a plan for improvement, manage progress and show evidence-based results.

In addition, remote or on-site assessments and interviews were conducted regarding labor, health and safety, environment and ethics at 19 supplier plants in Japan. We interviewed technical intern trainees to check both working and living conditions, as well as for the payment of brokerage fees to agencies in their home countries.

Assessment Results for New and Existing Suppliers
(Numbers indicate the number of plants)

<table>
<thead>
<tr>
<th>Content</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assessment using questionnaire</td>
<td>472</td>
<td>796</td>
<td>406</td>
</tr>
<tr>
<td>Written improvement instructions</td>
<td>86</td>
<td>94</td>
<td>75</td>
</tr>
<tr>
<td>Remote assessment / on-site assessment</td>
<td>6</td>
<td>39</td>
<td>64</td>
</tr>
</tbody>
</table>

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

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

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

- **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

- **Installation of appropriate fire protection and firefighting equipment**
  Observation: Fire alarms are not installed as legally required
  Improvement instructions: Requested to make an appropriate fire alarm installation plan. Continuously monitored until installation is complete

Assessment Flow at Start of New Transactions with Suppliers

1. Request compliance with the Sony Supply Chain Code of Conduct
2. Categorize suppliers by risk level
3. Conduct document assessment of suppliers with risks
4. Analyze collected document assessment results, identify risks
5. Implement on-site assessment
6. Request improvements to issues identified in the on-site assessment
7. Conduct detailed investigation of improvement results in accordance with Code of Conduct
8. Provide instruction for improvement
9. Final decision by the officer responsible for procurement
10. Final decision by the officer responsible for procurement

Able to verify compliance with Code of Conduct
Unable to verify compliance with Code of Conduct
Risk of serious violation of Code of Conduct
Minor violation
No violation

Do not do business with supplier
Begin doing business with supplier
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

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

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. Moving forward, we are working to appropriately select suppliers in consideration of their results. 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 impact on 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

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.

Capacity Building for Procurement Personnel

Training and Raising Awareness in Internal Procurement Personnel

We implement training for internal personnel who are involved in parts procurement for socially responsible procurement and the Sony Supply Chain Code of Conduct. 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 are further working 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.

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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 2023, the RBA consisted of more than 200 participating companies from Europe, the Americas and Asia, and members included manufacturers and OEM companies. The RBA has membership categories for different levels of engagement and has granted Full Member status to Sony, its highest membership category. 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 addresses issues with minerals procurement, the Responsible Labor Initiative (RLI), which addresses human rights issues such as forced labor, and other programs.

Supplier Code of Conduct in Entertainment Business

Sony is committed to enhancing Sony Group’s responsible supply chain activities in the entertainment industry in order to strengthen its supplier programs related to standards for human rights, ethical business practices, safety and environment. In March 2021, Sony Pictures Entertainment Inc. 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.

Code of Conduct for Suppliers to Sony Pictures Entertainment Inc
Sony Music Supplier Code of Conduct

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

Responsible Business Alliance
RBA Board of Directors
**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 periodic risk assessments (based on applicable legal requirements, the significance to its business operations, the corporate social responsibility viewpoints such as stakeholders' expectations and social or environmental impacts) to identify the High-Risk Minerals and review the High-Risk Minerals based on the result of such risk assessment. In 2022, 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.

**Addressing the Issue of Conflict Minerals**

**Addressing US Law on Conflict Minerals**

The Democratic Republic of the Congo (DRC) and adjacent countries have been mired in conflict with armed groups perpetuating human rights abuses in that region. These armed groups have been trading in certain minerals commonly found in that region to finance their activities. These minerals, tantalum, tin, gold and tungsten ("the four minerals") are commonly found in many products, ranging from jewelry to electronics to airplane components. Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act in the United States, which first became effective in January 2013, defines the four minerals as "conflict minerals." This law seeks to ensure transparency and reporting related to conflict minerals and requires companies whose stock is listed on a US stock exchange, as Sony’s is, to conduct an inquiry into the origin of the four minerals in their supply chains. We have made annual disclosure mandatory since 2014. On May 26, 2023, Sony submitted its 2022 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.

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 2023, while the results of Sony’s due diligence for the 2022 report to the SEC was not able to confirm the country of origin for all of the four minerals in Sony’s electronics products, the country of origin of these minerals was not identified as being from the DRC or adjacent countries, except for those sourced through RMAP-conformant SOI.

In the 2022 survey, Sony identified a total of 337 smelters and refiners as potential sources of the four minerals and, of those, 246 smelters and refiners were compliant with RMAP or were certified by the London Bullion Market Association (LBMA). Of these, 141 smelters and refiners were identified as sourcing from the DRC.

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 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 2022, 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 non-compliant smelters were not in fact in their supply chains, while we continue to request improvement from the remaining 47 suppliers.

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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 third-party RMAP audits of cobalt refiners.

In fiscal year 2021, Sony conducted Cobalt Reporting Template (CRT) based surveys of 8 lithium-ion battery suppliers. Within these, we identified 23 cobalt refiners in the supply chain, and confirmed that all were either RMAP-compliant or currently conducting third-party RMAP-based audits.

In fiscal year 2022, Sony conducted EMRT based surveys of 9 lithium-ion battery suppliers. Within these, we identified 22 cobalt refiners 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 (as of March 2023).
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 these industry groups and alliances as part of its efforts to ensure responsible sourcing of raw materials. RMI holds workshops for discussions with NGOs, socially responsible investors, local government representatives and other stakeholders, in which Sony participates.

Donations

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

- The Initial Audit Fund (RMAP Audit Program):
  A fund that helps cover the costs for cobalt refineries to undergo third-party RMAP audits (donated fiscal year 2016-2019, 2021)

- RMI-Pact partnership for supporting Alternative Livelihoods through a Vocational training program:
  A program in cooperation with Pact, an NGO that provides vocational support to 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)

Japan Electronics and Information Technology Industries Association (JEITA)


Responsible Minerals Initiative

Japan Electronics and Information Technology Industries Association (JEITA)


Responsible Minerals Trade Working Group (in Japanese)
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. The Sony Group Code of Conduct mandates that Sony continuously strive to comply with or exceed legally mandated standards in all business activities to ensure the safety of its products and services. Sony has established the Sony Pledge of Quality, which lays out its basic policy on product and customer service quality. This is aimed at reinforcing awareness of Sony’s commitment to ensuring that the quality of its products and customer services exceeds the expectations of its customers around the world.

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 AI ethics requirements incorporated into the electronics business commercialization process
- 2021: HCD expert certification system launched

Quality and Customer Service
Product Quality and Quality Management

The Sony Pledge of Quality declares that "Sony employees will always respect our customers’ viewpoints in striving to deliver product quality and customer service that exceed their expectations." To this end, Sony makes continuous, decisive efforts to enhance product quality and to reinforce its quality management system.

Sony's Quality Management System Framework

Sony has configured its quality management system by defining quality management mechanisms across all processes, from product planning, development, design and manufacturing to sales and customer service. This has included defining the roles, responsibilities and authority of those responsible for product and customer service quality and establishing guidelines.

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.

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 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 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 product and customer service. This has included defining the roles, responsibilities and authority of those responsible for product and customer service quality and establishing guidelines.

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.

Framework of Sony’s Quality Management System

Sony

Senior Executive in charge of Quality

Senior Vice President in charge of Quality

Head of Quality Department at Headquarters

Business Unit

Regional HQ

Head

Quality officer

Head

CS officer

Manufacturing Sites

Sales Company

Senior Vice President in Charge of Quality

The Senior Vice President in charge of Quality 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 when Sony receives information about an incident involving a Sony product that affects customer safety or has the potential to do so. Based on the reports received, the Senior Vice President in charge of Quality provides the necessary follow-up and instructs the relevant divisions to investigate the incidents and respond appropriately to the customer. Under a similar system, Sony has also been addressing software security issues found in products and managing potential security issues.

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 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 quality of pertinent products in each market. At Sony headquarters, information related to quality issues arising in the marketplace is gathered in a timely manner from a broad range of sources in Japan and overseas and reported weekly to headquarters quality management and technical specialists. Based on the reported information, Sony ascertains whether or not issues in the marketplace have been addressed appropriately. In addition to ensuring that such issues are thoroughly addressed, Sony is accelerating its quality improvement performance by promoting measures to prevent recurrence and proactive measures in relation to quality issues.

Responses to Quality Issues

Sony recognizes that ensuring its customers’ satisfaction, confidence and trust is one of its most important management tasks and strives to prevent quality-related problems through the systems and efforts described 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 the information collected, Sony then works to determine the correct response by identifying the cause of the issue, implementing countermeasures and promptly verifying the effectiveness thereof, and reviewing the issue from the customer’s perspective. Sony also cooperates with CS officers at sites in each region to ensure the same level of service is provided to customers the world over.

With regard to methods and media for issuing public announcements of product quality-related issues, Sony examines the effectiveness of the various means at its disposal, including websites, e-mail, notification via app, and other media.
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 that 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.

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. When developing products employing 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, falsification or destruction of data, product hacking 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, 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.
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. Those measures and rules are in place for all Sony products and network services. 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 software development focused on boosting the security quality of products and network services)

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

To provide better explanations on how to use its products, Sony is bolstering its online support and providing online instruction manuals for improved searchability and greater convenience so that users are able to quickly find what they are looking for. The Sony website has a support section that offers not only information on the products themselves but also additional support such as troubleshooting guides. Sony currently offers services through its website in 40 languages. When it comes to printed product manuals, Sony provides brief “startup guides” that focus on the information needed to begin using a product, such as how to connect and set up, and how to use the basic functions.

For some products sold globally, Sony has developed instruction manuals with minimal text and more extensive visuals, making it possible to include multiple languages in a single manual, which is expected to contribute to environmental protection by reducing paper consumption.

Repair and Service Network

Today, there are 3,362 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 2022)

<table>
<thead>
<tr>
<th>Region</th>
<th>Repair Service Locations</th>
</tr>
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<tbody>
<tr>
<td>Japan</td>
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<tr>
<td>Europe</td>
<td>728</td>
</tr>
<tr>
<td>Mainland China and Hong Kong Region</td>
<td>555</td>
</tr>
<tr>
<td>Asia Pacific*1</td>
<td>531</td>
</tr>
<tr>
<td>Other Areas*2</td>
<td>476</td>
</tr>
</tbody>
</table>

*1 Southeast Asia, Oceania, India, South Korea and Taiwan Region
*2 Middle East, Latin America and Africa

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Sustainability Report 2023
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 corporate executive officer in charge of product quality. 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. The product packaging not only protects the product itself from external shocks, but also provides the customer with foolproof guidance on how to start using the product with the greatest of ease. As customers unpack the product, they are intuitively given the information they need to complete necessary operations. While this customer experience was actually achieved with the previous WF-1000XM3 model, Sony enlisted our HCD experts, planners, designers, and design staff to work together on conducting operational log analysis, prototyping, and usability testing to ensure that the WF-1000XM4’s smaller packaging design did not compromise this in any way.

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. Through steps such as the introduction of online systems, it has ensured that the necessary user research and testing can be carried out in spite of physical constraints such as those imposed during the COVID-19 pandemic. There is also an internal monitor program through which employees and their families participate in questionnaire surveys, interviews, and usability tests. These systems and programs enable Sony to deliver a superior user experience and keep creating products that are easy to use.

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. 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.

Documenting containing the relevant guidelines and expertise 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.

Human Resource Development and Awareness-raising Activities on HCD

In order to further deepen employee understanding of HCD, Sony also holds lectures open to all employees featuring internal and external experts.
external experts and provides an e-learning course for all employees covering HCD.

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. Five HCD experts were certified in 2022, and Sony is working to ensure that HCD becomes further entrenched in development departments.
Enjoy Sony Products and Services

For information on accessible initiatives group-wide so that as many customers as possible can enjoy Sony products and services, please visit the Accessibility page of the Sony Group Portal website.

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 50,000 employees had taken the course as of the end of fiscal year 2022. More than 1,000* employees also took part in Sony’s inclusive design workshops, which were mainly targeted towards managers working in ET&S. 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)*3, Sony Group companies hold lectures and events to enhance employee understanding of accessibility. For example, Sony Pictures Entertainment (SPE) once again held a lecture for its employees to coincide with this year’s GAAD. SPE is also a sponsor of the Easterseals Disability Film Challenge, which gives creators with disabilities the opportunity to showcase their talent in a variety of ways. This year, we will host the 10th anniversary awards ceremony at the Sony Pictures studio lot in Culver City. Some of the winners from 2022 received the opportunity to work on SPT’s Lucky Hank and Sony Pictures Animation’s Spider-Man: Across the Spider-verse.

Employee Education

Inclusive Design

To enhance accessibility and enable more people, including people with disabilities, to enjoy its products and services, Sony employs inclusive design. Sony incorporates feedback gained through interviews with people with disabilities, usability tests, and the participation of employees with disabilities in the planning and development process. For example, in developing televisions, Sony asks users with visual and hearing impairments to try products for a designated period of time, participate in hands-on experiences and provide feedback on how to improve product design. Sony also interviews employees and users with disabilities during the development of its digital cameras so that their perspectives can be incorporated into the final products. In terms of games and network services, the PlayStation®5 game God of War Ragnarök featured more than 70 accessibility features when it was released in 2022. They were developed by employees with disabilities alongside external accessibility consultants and other employees with diverse backgrounds.

Collaboration with Partners

Sony is also accelerating collaborations with other companies to enhance accessibility and inclusion. Sony also participates in the “With My Eyes” project to bring “the difficult to see” into “clearer sight” for people with low vision. QD Laser, Inc.’s laser retinal projection technology can be attached to Sony cameras, enabling even more people to enjoy shooting video and still images. 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 people with hearing impairment and people who have hearing problems to enjoy more enriching conversations and experiences.

Pictures Segment Initiatives

Sony Pictures Entertainment (SPE) is developing a process for creating audio descriptions and captions*4 for use when movies are screened in cinemas or released on DVD or Blu-ray. The audio description system is primarily intended for people with visual impairments and uses audio to convey information, such as people’s movements, the content of movie scenes, captions, and on-screen messages. Captions are primarily for people with hearing disabilities. They show the names of the people speaking and their lines as well as onscreen information relating to meaningful audio, such as music, sound effects, and ambient noises. Audio description and captions enable more people to enjoy movies and videos.

*4 Movies for which these features are supported vary by country and region.

Organizational Structure

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 the business units. 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.

Ensuring That More Customers Can Enjoy Sony Products and Services

In December 2019, Sony 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. From amongst the 500 signatories, Sony was selected as one of the Iconic Companies that will play a leading role in their country, region and industry. 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. For information on accessible products and services, please visit the Accessibility page of the Sony Group Portal website.

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*4 Movies for which these features are supported vary by country and region.
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 the ABBLE@PlayStation Inclusive Language Guide. 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 also held Accessibility Empathy Lab experience events at various workplaces. Through the use of simulation tools, participants’ mobility or vision were artificially reduced to allow a deeper understanding of the challenges faced, with demonstrations to show how technology can support people living with disabilities.

Making the Most of Diverse Customer Feedback

Sony exhibits at accessibility-related events in order to gather consumer feedback and use it to continuously improve products and services. At the TechShare Pro conference gathering for accessibility experts held in November 2022, Sony once again participated as a Silver Sponsor and featured its products online. In March 2023, it was a bronze sponsor of the CSUN Assistive Technology Conference, the world’s largest international showcase for accessibility. Sony exhibits at accessibility-related events in order to gather consumer feedback and use it to continuously improve products and services.

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 electronics 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 62044 Digital Television Accessibility; IEC TC 100/TA 16 Active Assisted Living (AAL); accessibility and user interfaces

Creating an Environment for Carefree Internet Use

Sony Interactive Entertainment (SIE) will continue to develop the PlayStation business for users in all age groups. Console game industry organizations have responded to the proliferation of new game genres by introducing rating systems for customers in Japan, the United States and Europe (CERO, ESRB and PEGI, respectively), based on games’ target age groups. Sony has applied the U.S. system for more than 20 years, offering parents and guardians suggested age categories and descriptions that detail the contents of a game. PEGI is endorsed by the European Commission as a paradigm of self-regulation in the entertainment industry. In Japan, measures are being promoted to make the system more effective, including, with the cooperation of retailers, the voluntary refusal to sell software rated Z (for ages 18 and above) by CERO to underage customers.

SIE has enhanced its parental controls features on its game consoles, including PlayStations. This enables parents to navigate the play experience of their family in a way that works best for their needs. For example, the family manager can control the settings so their children can only use the console to enjoy games that are suitable for their age group, offering added safety and peace of mind. The feature also allows a parent to limit screen time and block the ability to chat with other remote users.

Sony offers various services to facilitate inquiries from a diverse range of customers. Sony Life Insurance Co., Ltd. and Sony Assurance Inc. provide sign language and written communication services to facilitate inquiries from customers with hearing or speech disabilities. Working through videophones, sign language and conversation-in-writing service operators are available to facilitate communication by customers. Sony Europe has partnered with Be My Eyes. Their app enables customers with visual impairments to communicate their inquiry to an operator who can give sighted assistance via video call. Currently, seven European languages are supported.

Sony exhibits at accessibility-related events in order to gather consumer feedback and use it to continuously improve products and services.
Processing inquiries using sign language and written communications.
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. It is Sony’s responsibility as a global company to recognize various social issues and contribute to the creation of a sustainable society via community engagement activities. Doing so helps Sony to build relationships of trust with communities. Under the slogan “For the Next Generation,” Sony engages in various ways with communities everywhere it does business by making the most of Sony Group products, content, technologies, stakeholder partnerships, and the strengths of its employees.

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.

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 community engagement activities.

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 play an active role in their communities by participating in activities such as volunteer programs and fundraising.

Milestones

1959: Founded Sony Fund for the Promotion of Science Education in Elementary and Junior High Schools
1972: Established Sony Foundation for Education [now Sony Education Foundation]
1984: Established Sony Music Foundation
2018: Launched KANDO Experience Program
2020: Established the Sony Global Relief Fund for COVID-19
Launched CurioStep with Sony
Established the Sony 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

Social Contribution Initiative
History of Sony’s Social Contribution Activities

GRI Standards Content Index
Focus Areas and Results

Areas of Focus

Under the slogan “For the Next Generation,” Sony engages with communities everywhere it does business, with particular focus on four key areas, bringing to bear all of its resources, including products, content, technologies, stakeholder partnerships, and the strength of its employees.

Inheriting the vision of its founders, Sony leverages its strengths to roll out initiatives in support of education in the STEAM* fields. Through the companies of the Sony Group, Sony’s charitable foundations, and partnerships with external organizations, we offer learning opportunities for children to empower their curiosity, support their dreams and help them gain the power to change the world. 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.

* STEAM stands for science, technology, engineering, art and mathematics.

Results of Community Engagement Initiatives

In fiscal year 2022, Sony Group contributed approximately 5.1 billion yen* to community engagement initiatives. By category, more than 40% of the expenditure went to supporting education. Significant amounts also went to arts/culture. By business segment, 35% of the total expenditure was contributed by HQ/others, followed by pictures (23%) and entertainment, technology, and services (18%).

* 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.
Since fiscal year 2020, Sony has been working with a third-party organization to evaluate and report the program’s social impact so as to make the program more effective and to enhance discussions with the wider community on rectifying educational disparities. A third-party assessment in fiscal year 2022, following the result of fiscal year 2021, found that a long-term educational program offering multiple programs over a half-year period at each facility, improves children’s non-cognitive competency indicators such as creativity and curiosity, which is the aim of the program.

### 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 problem-solving skills and acceptance of diversity. The program is being rolled out globally. Sony holds an annual toy-making competition, the Sony Creative Science Award (SCSA), in Singapore and Taiwan, which celebrated their respective 25th and 10th anniversaries in fiscal year 2022. A total of 110,000 students have participated in the competition since the inaugural SCSA in 1998. Following the previous event held in 2021, Sony held the CurioStep Summer Challenge 2022 in Japan to coincide with the school holidays. To enable children to choose what they enjoy, eight categories of events were offered, mainly online, and roughly 3,600 children participated. The events included programming and science craft workshops, environment- and game-themed talk events, and a computational thinking contest.

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 evaluate and report the program’s social impact so as to make the program more effective and to enhance discussions with the wider community on rectifying educational disparities. A third-party assessment in fiscal year 2022, following the result of fiscal year 2021, found that a long-term educational program offering multiple programs over a half-year period at each facility, improves children’s non-cognitive competency indicators such as creativity and curiosity, which is the aim of the program.

### Restarting STEM Educational Programmes in Europe

With COVID-19 restrictions easing considerably across Europe during 2022, Sony restarted its face-to-face educational programmes for school children and young adults across the region to inspire the next generation.

These include those run at Sony’s UK Technology Centre manufacturing facility which has been educating and excelling over 23,000 young children in creative and STEM subjects through its onsite and online workshops since 2012. These include “Learn 2 Code”, a one-day workshop during which children code the world-famous Raspberry Pi credit-card sized computer manufactured under contract on site by Sony. In another, the “Film in a Day” workshop, children are taught how to use Sony professional cameras and green screens to direct and create their very own short films. Additionally, through the “Kids in Focus” photography workshops and to inspire children in the art of photography and NGOs to engage them in caring for the planet and its people. In September 2022, for example, children from a number of schools in Sylt, Germany were shown how to capture expert photographs using Sony’s Alpha cameras based on the theme of “Plastic in the Environment” at a local beach. The workshops were run in collaboration with Ocean. Now!, an ocean conservation organization, and Bye Bye Plastik, which aims to increase awareness of the importance of reducing plastic usage. The cameras used during the workshops are donated to the schools to further enhance the expertise of the current children and those that follow them.
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 2022, Sony Group provided donations and other assistance to areas and victims affected by the following natural disasters and humanitarian crises.

Humanitarian Relief for the Ukraine Emergency

Sony Group provided monetary contributions and product donations to support humanitarian aid efforts for affected populations in Ukraine and the neighboring countries in fiscal year 2021. In fiscal year 2022, Sony Corporation of America (SCA) donated 1 million U.S. dollars (approx. 132 million yen*) to support UNICEF’s Learning Passport in these areas. The funds are being used to provide children and families in Ukraine and surrounding countries with continued access to quality learning opportunities and critical resources.

Overall, Sony has contributed approximately 6.6 million U.S. dollars (893 million yen*) in total to these activities.

* Yearly average exchange rate for 2022 (1 USD ≈ 135.40 JPY)

The Türkiye-Syria Earthquake

As of the end of March 2023, Sony Group has donated about 79 million yen in total toward humanitarian aid for people affected by the February 2023 earthquake that hit southeastern Türkiye and northern Syria. This figure includes 31 million yen in donations to international aid organizations such as Save the Children, the United Nations Children’s Fund (UNICEF), the United Nations High Commissioner for Refugees (UNHCR), and Médecins Sans Frontières (MSF). The figure also includes contributions by Sony Group employees, which were matched by Sony Group companies in Japan.

The Türkiye–Syria Earthquake

<table>
<thead>
<tr>
<th>Date of incident</th>
<th>Incident</th>
<th>Recipient</th>
<th>Amount donated (approx.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mar. 2023</td>
<td>Flood in Rohingya refugee camp, southeast Bangladesh</td>
<td>Save the Children</td>
<td>10,000 USD</td>
</tr>
<tr>
<td>Feb. 2023</td>
<td>Earthquake in Türkiye and Syria</td>
<td>Save the Children, United Nations Children’s Fund, United Nations High Commissioner for Refugees, Médecins Sans Frontières</td>
<td>79 million JPY</td>
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<td>Dec. 2022</td>
<td>Earthquake in Indonesia</td>
<td>Save the Children, Red Cross Indonesia</td>
<td>21,500 USD</td>
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<tr>
<td>Oct. 2022</td>
<td>Floods in the Philippines</td>
<td>Save the Children</td>
<td>10,000 USD</td>
</tr>
<tr>
<td>Sep. 2022</td>
<td>Floods in Pakistan</td>
<td>Save the Children</td>
<td>10,000 USD</td>
</tr>
</tbody>
</table>

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, 2023, the Emergency Disaster and Recovery Fund for Children has disbursed around 160 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. As part of the Safe Schools program, disaster preparedness educational programs have been provided since June 2021 at elementary and junior high schools in India to help students and teachers enhance their disaster responsiveness and also establish task forces to strengthen the safety management mechanisms at schools and create safe learning environments for students. Partnerships and collaboration with the government and local communities are also being strengthened. Save the Children and Sony will provide insights gained through the Safe Schools program in India to further strengthen and expand its initiatives globally, aiming to replicate them in other countries. Sony will donate a total of 45 million yen to Save the Children over the period up to fiscal year 2023 in order to promote these initiatives, and is considering dispatching employees on-site as part of its effort to solve social issues with Sony technologies and personnel.

Emergency Disaster and Recovery Fund for Children

*Image: Türkiye–Syria Earthquake: Emergency response activities at “Child Friendly Space” of Save the Children*
Sony Global Relief Fund for COVID-19

The fund provides ongoing support in the medical and educational fields, and for the creative community. In the three years since the fund was established, it has given a total of 7.7 billion yen in support to over 5,600 organizations. The creative community received the greatest support, followed by the medical and then the educational field. One example of this support is the Sony Music Foundation’s COVID-19 Special Support Project. This project has collected, produced, and published educational videos about classical music to support young musicians and children who respectively lost opportunities to perform and listen to good music due to the pandemic. These Sony Music Foundation’s classical music videos for children feature themes such as musicians who become game characters and perform music with an original twist in a woodwind trio while on a quest, and collaborations with notable musicians or comedians. These videos are produced and published to help children learn about famous classical composers.

COVID-19 Special Support Project (in Japanese)


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 around the world. Sony offers support to organizations working in the areas of civic and community engagement, criminal justice reform, education, and diversity through impact, and the fund has invested in more than 500 organizations, with activities spread across 9 regions and over 70 countries.

To mark the fund’s second anniversary in 2022, a Global Social Justice Fund Impact Report detailing support efforts made by Sony Music Group (SMG), Sony Interactive Entertainment (SIE), Sony Pictures Entertainment (SPE), SCA, and Sony Electronics was published.

One of the fund’s initiatives is the funding of vocational training for young people who may otherwise turn to crime due to extreme poverty. SMG provided opportunities to create songs with Sony artists to young people with histories of arrest to help them along their path to rehabilitation. All profits from the music are returned to the support organization to be used as funds for new activities, creating a positive cycle. SPE also works to promote DE&I by sponsoring film festivals that screen films about communities of color tackling social and economic challenges. SIE is working on building a scholarship system that provides internships and career paths in the technology and gaming industries.

Global Social Justice Fund Impact Report

The “Search for the Secrets of Composers!” series presents famous composers in a lighthearted format for children


Sony’s Two Global Funds

In April 2020, Sony Group established the Sony Global Relief Fund for COVID-19, a 100-million-U.S. dollar fund to support people around the world affected by COVID-19. The fund donates to external organizations in the medical and educational fields, and to the creative community, and engages in initiatives that leverage Sony Group businesses and technologies. In June 2020, Sony also established the Global Social Justice Fund, a 100-million-U.S. dollar 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.

Sony Global Relief Fund for COVID-19

100 million USD

Approximately 80% of the 100 million U.S. dollar fund has been earmarked* (Total expenditure of 7.7 billion yen as of fiscal year 2022)

Global Social Justice Fund

100 million USD

Approximately 94% of the 100 million U.S. dollar fund has been earmarked* (Total expenditure of 7.8 billion yen as of fiscal year 2022)

* As of the end of March 2023
Sony India

Since 2016, Sony India has been collaborating with NIIT Foundation, a locally established NGO with the mission of making a positive difference in the lives of the underprivileged people through educational initiatives and skill development programs, to conduct the "Hole-in-the-Wall" project in the field of education as part of Sony India's CSR contribution. The main objective of this project is to bridge the "Digital Divide" by offering effective education and learning experiences which positively impact the outcomes of elementary education.

In this project, learning kiosks with original educational contents for various subjects—such as English, mathematics, computer skills, etc.—have been provided for children aged 6-14 who live in slum or rural areas in Delhi and Rajasthan. Each kiosk features a Sony BRAVIA™ TV powered by a solar battery developed by Sony Group. Facilitators trained by the NIIT Foundation provide assistance. The kiosks enable children with limited access to digital equipment to learn enjoyable while interacting with computers and technology under the facilitators' guidance.

Sony India has recently expanded its efforts beyond kiosks; supporting initiatives to offer children various activities in connection with India's seasonal festivals and cultural events. The activities help children to improve their social aptitude, creativity, intellectual ability, communication skills, confidence, teamwork skills, and other abilities. It is expected that the "Hole-in-the-Wall" project will enable underprivileged children to have better learning experiences and gain more opportunities for higher education.

Sony Education Foundation

Sony Education Foundation follows in the spirit of Sony's founder Masaru Ibuka, who began to provide school subsidies in 1959 out of a desire to see children foster a "scientific mindset". In fiscal year 2022, Sony Education Foundation received about 300 educational programs and papers on practical education from elementary and junior high schools as well as papers on practical childcare from kindergartens and nurseries, and provided educational subsidies and Sony products. The foundation is working to grow its network of childcare providers and teachers involved in education to better support the next generation. Support is also provided for holding the Sony Monozukuri [Craftmanship] workshops for children, at which Sony Group employees serve as teachers in order to strengthen interest in science.

Sony Music Foundation

Sony Music Foundation 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 2022, the foundation held the Music Festival for Children and Young People, one of the world’s largest classical music concerts for children. Roughly 30,000 people attended, and about 100,000 watched the free live broadcast. Since the beginning of the COVID-19 pandemic, the foundation has also provided children with opportunities to experience classical music by producing videos for children, offering free smartphone apps, and providing content online.

Sony Foundation Australia

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 FY2022, SFA opened the fifth and largest age-appropriate cancer centre of excellence in Australia for 15-25 year olds (donation of US$1,013,610), and provided 6,300+ nights of free accommodation for regional youth cancer patients who must travel to the city for life-saving treatment (donation of US$963,928+). SFA also donated US$219,000+ to the SFA Children's Holiday Camp Program, providing a holiday of a lifetime to children with disability and access to free overnight respite care for their parents/carers. Uniquely, the care is provided by 1,400+ high school and university student volunteers fostering a platform for social inclusion.

Support for Special Olympics Nippon Foundation

Sony Life has run the Sony Life Volunteer Club since 1995 to encourage employees to work to solve problems in their local community on their own initiative. The club’s activities range from providing aid after earthquakes to supporting youth development. For over 20 years, the club has supported the Special Olympics Nippon Foundation to help people with intellectual disabilities.

The Special Olympics Nippon Foundation holds sports competitions and provides training for people with intellectual disabilities to "bring about a society where diverse people can succeed." Sony Life has supported the Special Olympics as a national partner since 1996. At the national games that are held in summer and winter every four years, Sony Life employees also participate as volunteers on a scale unmatched by any other supporting company. At the Special Olympics Nippon National Summer Games HIROSHIMA in November 2022, a cumulative total of roughly 450 Sony Life employees participated as volunteers. The volunteers shared their impressions and experiences upon their return, inspiring interest in their colleagues.

Support for Special Olympics Nippon (in Japanese)

Fund Initiatives

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Support for Special Olympics Nippon (in Japanese)
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: raise awareness of social issues, volunteer, and leverage job skills. There are programs for each approach. E-learning, sustainability forums and in-house newsletters are provided to raise awareness of social issues. Opportunities to participate in volunteer work and donations (funds, goods, books) include donations for emergency humanitarian assistance, volunteer work in areas affected by natural disasters, and participation in community cleanups and greening programs. For those who wish to leverage their job skills, opportunities are provided to serve as educational program lecturers or staff, or as career-oriented class instructors.

Three-Step Approach

1. Raise awareness of social issues
   - Educational programs
   - E-learning
   - Sustainability forums
   - In-house newsletters

2. Volunteer
   - Volunteer work in areas affected by natural disasters
   - Community cleanups and greening programs
   - Donations for emergency humanitarian assistance

3. Leverage job skills and specialized expertise
   - Educational programs (instructors/staff)
   - Career-oriented classes (instructors)

Employee Initiatives for Addressing Social Issues

Sony has various initiatives to enable employees to address social issues. SPE runs the Sony Pictures Giving Portal, an online platform providing information for employees who wish to participate in social contribution activities or its matching gift program. SIE drives community partnerships, financial or in-kind donations, and employee volunteerism focused on social issues via PlayStation Cares, its corporate giving platform available to employees in the US, Canada, Europe, Australia, New Zealand, and Brazil.

Charitable Donation Systems for Employees

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 2022, Sony Group donated 4.8 million yen in employee donations and matching gifts toward humanitarian aid for people affected by the February 2023 earthquake that hit southeastern Türkiye and northern Syria. In fiscal year 2022, as one of its fund-raising methods, Sony introduced an employee ID card donation initiative. Some Sony Group employee ID cards have a function that allows electronic money payments. When employee ID cards need to be reissued for organizational changes, employees have a choice to donate the amount that is left in the old ID card when returning them to the company. In fiscal year 2022, roughly 570,000 yen was donated.
Overview

Basic Approach

Alignment of our Purpose & Values through ethical and responsible conduct earns trust for the Sony brand and 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 based on both best practices and global regulatory expectations.

Sony has also adopted in-depth group-wide policies, procedures and controls for key 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

- 2001: Established the Compliance Division in Sony Corporation (Current “Compliance & Privacy Department, Sony Group Corporation”)
- 2003: Adopted the Sony Group Code of Conduct
- 2003: Refresher training on the Sony Group Code of Conduct
- 2003: Establishment of the Compliance Hotline (Current “Sony Ethics & Compliance Hotline”) was delivered to all employees.
- 2008: Established the Compliance Monitoring Function
- 2009: Established the Compliance Leadership Team
- 2018: Revision of Sony Group Code of Conduct

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Global Ethics & Compliance Network

Overview

Sony’s global ethics & 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 & compliance program throughout Sony Group. The Global Network (i) establishes a centralized risk management framework in line with best practices; (ii) provides necessary support and guidance to compliance personnel embedded in the business; and (iii) monitors compliance with the risk management framework to provide effective oversight, address gaps between the ethics & 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.

The Sony Group Corporation Compliance & Privacy Department:
Designs and oversees the Global Network and Sony’s group-wide ethics & compliance program with support of the Compliance Leadership Team. It also works with the Compliance Leadership Team members, local business unit leaders, and compliance members 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:
Assists in identifying, developing, and implementing best practices in compliance strategies and compliance-related measures. The team is comprised of the Senior Executive in charge of Compliance, all Regional Compliance Officers, the Ethics & Compliance Strategy Leaders and the Head of Compliance Monitoring.

The Compliance Monitoring Function:
Helps to measure the effectiveness and maturity of Sony’s global ethics & compliance program by conducting periodic and global-based assessments on program implementation and by undertaking risk-based compliance audits and validations of internal controls.

Regional Compliance Officers:
Are appointed by the Senior Vice President in charge of Compliance and are responsible for implementing and overseeing the ethics & compliance program at all Sony Group companies in their region to promote ethical and responsible business conduct and prevent and detect violations of laws, regulations, and/or company policies. Each Regional Compliance Officer must also ensure that each Sony Group company in their region has designated appropriate personnel and resources to ensure effective implementation of Sony’s global ethics & compliance program.

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 & 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 & compliance program.
The Sony Group
Code of Conduct

Sony’s Code for Ethical and
Responsible Business 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 shows how we should earn trust for the Sony brand through ethical and responsible conduct, in line with Sony’s Purpose & Values, specifically the Value of Integrity and Sincerity. The Code provides a set of guiding principles to conduct our business activities on a principled path. Staying true to the Code helps ensure Sony’s long-term success, which in turn is based on the trust of stakeholders.

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 / Approach to Sustainability

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:

- Accurate recordkeeping
- Anti-corruption / bribery
- Antitrust / fair competition
- Avoiding conflicts of interest
- Diversity / anti-discrimination / equal employment opportunity / fair labor and employment practice / Workplace health and safety
- Fair dealing (fair business practices)
- Privacy (e.g., data privacy of employees, customers, consumers) and cyber security
- Respect for human rights
- Financial integrity and anti-fraud
- Speaking up / no retaliation
- Tax compliance
- 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 22 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: 2.63MB]
Sony’s Ethics and Compliance Program

The Basics

Sony’s ethics & 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 & 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 & compliance programs have found to be effective.

The following chart shows the key elements of our compliance program, based on regulatory guidance and leading practices.

Risk Assessment Areas under Ethics & 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 Regional Compliance Officer for each region evaluates relevant compliance risks for each Sony Group company in the region in conjunction with each such company’s management and compliance personnel.

Key legal and compliance risk areas assessed include:

- Antitrust
- 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.

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 a 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 & compliance program and internal controls properly address these evolving risks.

Sony’s Anti-Bribery and Corruption Program

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 Sony’s behalf.

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 Sony’s behalf.
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 sub-agents) 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 policies, 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 financial department, accounting department, or the legal department 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.\(^6\)

\(^6\) Sony’s material legal and regulatory proceedings in FY2022 are disclosed in our Form 20-F. "Item 8. Financial Information A. Consolidated Statements and Other Financial Information. Legal Proceedings," p. 87.

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.
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.

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 Regional Compliance Office (the “Office”). The Office reviews the information and determines what initial actions are appropriate. The Office investigates the allegation (or ask appropriate department to investigate the allegation) under the oversight of the Regional Compliance Officer, collect more information, or take other actions as appropriate. The Office also works with legal and/or other subject matter experts to determine how best to investigate and resolve the allegations.

Management will take corrective action to improve business operating systems or take disciplinary action against employees who have violated the law or company policy, when the facts warrant doing so. Each Regional Compliance Officer reviews all reports and responses in their region, as an added check to help assure matters are fully and fairly addressed. The status of raised concerns is also reported monthly to the Sony Group Corporation Compliance & Privacy Department, which, in turn provides a report to the Sony Group Corporation Audit Committee.

In FY2022, the Hotline received 451 concerns. The pie chart below shows the total number of concerns received in FY2022 by category. 70% of raised concerns was related to employees, diversity, and workplace. 12% was related to business integrity.

Notes: The figures in percentages are rounded to the nearest whole number wherefore the total does not sum up to one hundred percent.

In FY2022, 53 concerns were substantiated and remediated as appropriate. The remainder includes cases which were unsubstantiated, and cases under investigation, among others.
The following is a brief summary of Sony’s Ethics and Compliance Program:

**Monitoring / Audit**

Sony has multiple mechanisms to measure the effectiveness and maturity of Sony’s global ethics & 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 Compliance 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 is a collaborative, educational, automated, and real-time process designed to confirm the status of program implementation at Sony Group companies in coordination with each of the 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 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 compliance program effectiveness. Each Regional Compliance Officer works with Sony group companies in their region to analyze survey results and to take appropriate actions to improve ethical culture and compliance program effectiveness. The results of the FY2022 survey showed improvement in key areas of focus based on the prior survey results.

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**FY2022 Hotline Cases**

<table>
<thead>
<tr>
<th>Issue(s) Raised</th>
<th>Guidance</th>
<th>Action(s) Taken</th>
</tr>
</thead>
<tbody>
<tr>
<td>An employee helped the employee’s friend purchase a Sony product at a discounted price without authorization.</td>
<td>The Sony Group Code of Conduct requires that Sony’s assets are to be used only for legitimate business purposes and we must not pursue personal benefits using Sony’s assets.</td>
<td>The employee admitted the allegations during the investigation. The company required the employee to reimburse the company for the loss. The employee reimbursed and is no longer employed by Sony. The company reminded its team members about the requirements of internal control processes and policies, and strengthened control and management to the operation.</td>
</tr>
<tr>
<td>A supervisor instructed a subordinate to change the way they dress, referring to their clothing in a demeaning way.</td>
<td>Sony will not tolerate any form of discrimination, or harassment including, bullying or other behaviors that create a hostile work environment under the Sony Group Code of Conduct.</td>
<td>An investigation confirmed the concern. The supervisor was given a written warning. The supervisor was also provided support to help them better express themselves to employees as part of the remediation.</td>
</tr>
<tr>
<td>Employees were conducting their own personal business during overtime hours.</td>
<td>Sony Group Code of Conduct requires that employees must always act in Sony’s best interests.</td>
<td>The investigation confirmed that some of the time and attendance records were found to be inadequate. The employees were subjected to disciplinary action.</td>
</tr>
</tbody>
</table>

**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.
Sony believes it is important to protect the personal information of Sony’s customers, employees and other stakeholders and thus ensures trust.

Sony has entered a new digital age, where the global privacy landscape and advancements in information and communication technology are changing at a faster pace than ever before. New global privacy laws continue to emerge, raising the bar for privacy compliance across the world. Rapidly evolving cloud-based solutions, social media platforms, Big Data and transformative technologies such as AI, means 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 & Privacy, Sony has a governance structure of privacy and personal information management that covers the entire Sony Group. Sony’s privacy management is governed by a set of global policies and standards, which are based on applicable laws, principles and best practices. These policies set forth Sony’s group-wide commitment to privacy and define practices and procedures to be followed by Sony executives and employees to ensure appropriate handling and protection of the personal information that Sony collects, stores and/or processes.

Sony routinely reviews and revises these policies and standards to address changes in the risk landscape, and the regulatory environment. For example, Sony recently 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 & Privacy monitors the global implementation of and compliance with those policies. 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 & 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 and ensure effective implementation of policies and standards. Sony has established a Privacy Leadership Team consisting of privacy leaders from across Sony. This team is responsible for advising on and supporting Sony Group Corporation’s Senior Vice President responsible for Legal, Compliance & Privacy, in setting privacy strategy and direction. Strong executive support for, and governance of privacy are essential. Accordingly, executives at Sony headquarters and each Sony Group company take responsibility for playing an active role in managing privacy risks within their organizations and installing 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. To maintain the stakeholders’ trust, Sony continuously looks for ways to improve practices, implement stronger controls, and provide more robust security to protect personal information and other information entrusted to its care.

Employee Training

Sony believes every employee has a role to play in safeguarding privacy. To increase the education and awareness of our workforce, Sony requires all employees to receive information security and privacy training. In addition, Sony provides privacy specialist personnel with bi-annual training and awareness on new privacy requirements and hot topics, as well as occasional training and awareness through privacy working groups and group-wide projects.
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.
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 Committees; 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 discussion; and advancing the proper functioning of the statutory committees.

Milestones

- 1961: Issued American Depositary Receipts (ADRs); Started US-GAAP accounting
- 1970: Listed on the New York Stock Exchange and disclosing quarterly earnings release
- 1971: Started appointing independent directors
- 1997: Introduced a new corporate executive officer system
- 2003: Adopted a company with three committees system
- 2005: Majority of the board became independent
- 2015: Split out business units as subsidiaries
- 2021: Launched Sony Group Corporation
The Board sets and determines the fundamental management policy, including the mid-term plan and annual business plan pursuant to the Charter of the Board by fully examining various the thinking of management led by the CEO, from multiple perspectives. Please refer to the pages below for Sony’s Purpose & Values, the Mid-Term Corporate Strategy for Sony, the business strategy for each business segment, and the vision of Sony’s founder:

- **About Sony**
- **Corporate Strategy**
- **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:
- **Approach to Sustainability**
- **Environment**
- **Respect for Human Rights**
- **Diversity, Equity and Inclusion**

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 Executive Deputy President, Senior Executive Vice President, Executive Vice President and Senior Vice President, to management team members in accordance with their respective roles and responsibilities.

### Corporate Governance Structure

**Shereholders’ meeting**
- Make proposals to appoint/dismiss Directors
- Appointment/dismissal

**Independent auditor**
- Make proposals to appoint/dismiss Independent auditor
- Appointment/dismissal

**Board of Directors**
- Monitor performance of their duties
- Audit Report
- Oversight/evaluation
- Coordination
- Determine etc. for compensation
- Delegation

**Nominating Committee**
- Determine Committee members
- Appointment/dismissal etc.
- Delegation

**Compensation Committee**
- Determine etc. for compensation

**Audit Committee**
- Monitor performance of their duties
- Delegation

**Senior Executives* including CEO, Corporate Executive Officers**
- Delegation

**Other Officers, such as Senior Vice President**
- Internal Audit Div.

* Senior Executives: Corporate Executive Officers and certain other senior officers that assume important roles for management of Sony

### Corporate Governance

- **Overview**
- **Corporate Strategy, Business Strategy and Other Policies**
- **Governance Framework**
- **Internal Control and Governance Framework**
- **Relationship with Shareholders and Other Stakeholders**

### Data Section

- **GRI Standards Content Index**
The Board of Directors

Members: 10 Directors including 8 outside Directors (as of June 20, 2023)

<table>
<thead>
<tr>
<th>Name</th>
<th>Position / Principal Activities Outside Sony</th>
<th>Years as Director</th>
<th>Experience and Expertise</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kenichiro Yoshida</td>
<td>Representative Corporate Executive Officer, Chairman, and CEO</td>
<td>9</td>
<td></td>
</tr>
<tr>
<td>Hiroki Totoki</td>
<td>Representative Corporate Executive Officer, President, CEO and CFO</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>Yoshihiko Hatanaka*1 (Chairman of the Board)</td>
<td>Outside Director, Shiseido Company, Limited. Former Representative Director, Chairman of the Board, Astellas Pharma Inc.</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>Toshiko Oka*1</td>
<td>Professor, Professional Graduate School, Graduate School of Global Business, Meiji University</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>Sakie Akiyama*2</td>
<td>Founder, Saki Corporation</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>Wendy Becker*1</td>
<td>Chair of the Board, Logitech International S.A. Non-Executive Board member, Oxford Nanopore Technologies plc</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>Kiko Kishigami*2</td>
<td>Certified Public Accountant in Japan Board Member, WWF Japan</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Joseph A. Kraft Jr.*1</td>
<td>CEO, Fonschach Advisory Inc.</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Neil Hunt*2</td>
<td>Board member, Roku, Inc. Former Chief Product Officer, Netflix, Inc.</td>
<td>Newly appointed</td>
<td></td>
</tr>
<tr>
<td>William Morrow*1</td>
<td>CEO, DIRECTV Entertainment Holdings LLC</td>
<td>Newly appointed</td>
<td></td>
</tr>
</tbody>
</table>

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.

*1 An outside Director who satisfies the requirements under Item 15, Article 2 of the Companies Act of Japan.
*2 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 20, 2023, 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).

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 20, 2023, the Board has 10 Directors, eight of whom are outside Directors. The Chairman of the Board is an outside Director; 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.
Nominating Committee

Members: 3 outside Directors (as of June 20, 2023)

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yoshihiko Hatanaka</td>
<td>Chair of the Nominating Committee (Outside Director)</td>
</tr>
<tr>
<td>Toshiko Oka</td>
<td>Nominating Committee Member (Outside Director)</td>
</tr>
<tr>
<td>Wendy Becker</td>
<td>Nominating Committee Member (Outside Director)</td>
</tr>
</tbody>
</table>

Purpose/Authority

To determine the content of proposals to be submitted for approval at the General Meeting of Shareholders regarding the appointment and dismissal of Directors.

To evaluate management succession plans, which the CEO develops, for the CEO and other executives designated by the Nominating Committee.

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

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 20, 2023, 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.

Strengthening the Sony Group’s Management Structure

In July 2022, considering the business environment is changing dramatically on a global scale, the management team proposed to Mr. Suni, Chairman of the Board and Chair of the Nominating Committee, a recommendation to newly appoint Hiroki Totoki, Executive Deputy President and CFO as President and COO to further strengthen the Sony Group’s management structure. After multifaceted analysis at Nominating Committee, including assessment of the need of COO and Totoki’s suitability for the role of President and COO, and individual interviews between members of Nominating Committee and Totoki, it was also discussed at and unanimously approved by the Board at the Board meeting in February 2023. Finally, on April 1, 2023, Totoki became the President, COO and CFO, as the management partner of Yoshida, who became Chairman and CEO, and this made clearer the new structure that these two persons mainly lead Sony.

Audit Committee

Members: 3 outside Directors (as of June 20, 2023)

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Toshiko Oka</td>
<td>Chair of the Audit Committee (Outside Director)</td>
</tr>
<tr>
<td>Keiko Kishigami</td>
<td>Audit Committee Member (Outside Director)</td>
</tr>
<tr>
<td>Joseph A. Kraft Jr.</td>
<td>Audit Committee Member (Outside Director)</td>
</tr>
</tbody>
</table>

Purpose/Authority

To monitor the performance of duties by Directors and Corporate Executive Officers.

To oversee and evaluate the independent auditor.

The Board of Directors
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.

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 20, 2023, the Audit Committee is comprised of three outside Directors, two of whom (Toshiko Oka and Keiko Kishigami) are “audit committee financial experts” 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 (as of June 20, 2023)

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wendy Becker</td>
<td>Chair of the Compensation Committee (Outside Director)</td>
</tr>
<tr>
<td>Sakie Akiyama</td>
<td>Compensation Committee Member (Outside Director)</td>
</tr>
<tr>
<td>William Morrow</td>
<td>Compensation Committee Member (Outside Director)</td>
</tr>
</tbody>
</table>

Purpose/Authority
• To set policy on the content of individual compensation for Directors, Senior Executives and other officers
• To determine the amount and content of individual compensation of Directors and 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 20, 2023, 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 oversee management’s operation of Sony, which is a global company, the following two elements have been established as the basic policy for the determination of remuneration of Directors in order to improve that oversight function. No Director remuneration is paid to those Directors who concurrently serve as Corporate Executive Officers.

- Securing a talent pool of Directors possessing requisite abilities from a global perspective; 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.

<table>
<thead>
<tr>
<th>Type of remuneration</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed remuneration</td>
<td>- Set at an appropriate level determined based on research conducted by a third party regarding remuneration of directors of both Japanese and non-Japanese companies with a view to the level of responsibility of the Director and maintaining competitiveness for securing talent.</td>
</tr>
</tbody>
</table>
| Stock-based compensation (restricted stock or restricted stock units) | - Restricted stock or restricted stock units ("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.  
- 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.  
- In principle, RSUs held by Directors will be vested when he/she resigns, and the Common Stock of the company will then be delivered to the Directors. |
Basic Policy Regarding Senior Executive Remuneration

Senior Executives are key members of management responsible for executing the operations of Sony as a whole, or of their respective businesses. In order to further improve the business results of Sony, the following two elements have been established as the basic policy for determining the remuneration of Senior Executives.

- Securing a talent pool possessing requisite abilities from a global perspective;
- 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 the total amount of remuneration shall be 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.

<table>
<thead>
<tr>
<th>Type of remuneration</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed remuneration</td>
<td>Set at an appropriate level determined based on research conducted by a third party regarding remuneration of management of both Japanese and non-Japanese companies with a view to the level of responsibility of the Senior Executive and maintaining competitiveness for securing talent.</td>
</tr>
<tr>
<td>Remuneration linked to business results</td>
<td>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.</td>
</tr>
<tr>
<td>Stock-based compensation (Stock acquisition rights, and restricted stock or restricted stock units)</td>
<td>Stock acquisition rights, and restricted stock or RSUs are granted to incentivize Senior Executives to increase mid- to long-term shareholder value.</td>
</tr>
<tr>
<td>Phantom restricted stock plan</td>
<td>Points determined by the Compensation Committee shall be granted to Directors every year during their term in office. Then, when they resign, the remuneration amount shall be calculated by multiplying the closing price of common stock by the individual’s accumulated points.</td>
</tr>
</tbody>
</table>

The Group Sustainability Evaluation includes efforts by executives to enhance the mid- to long-term corporate value and sustainable growth of the Sony Group as a whole, not limited to their businesses and organizations, including management succession and investment in human capital, sustainability initiatives related to social value creation and ESG (environment, social and governance), value creation through collaborations among businesses of Sony and engagement indicators based on employee surveys. The standard payment amount shall be determined so that it is a percentage of the Senior Executive’s total cash compensation (fixed remuneration plus remuneration linked to business results) that is directly linked to the corporate value. (Please see “Reference: Executive Compensation Package Design to Focus on Long-Term Management” below.)

As a general policy, remuneration for a Senior Executive who has greater management responsibility and influence over Sony as a whole has a higher proportion of stock-based compensation, which is 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 the consolidated or individual business results of Sony during the fiscal year, such as Adjusted EBITDA and Adjusted EPS (net income attributable to Sony Group Corporation’s stockholders per share), which are selected based on the areas for which each Senior Executive is responsible.

(2) Achievement of the Group Sustainability Evaluation.

Providing effective incentives to improve business results on a short-, medium- and long-term basis.

Securing a talent pool possessing requisite abilities from a global perspective; and

Providing effective incentives to improve business results on a short-, medium- and long-term basis.

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.
The bar chart below shows the components of remuneration for Corporate Executive Officers for the fiscal year ended March 31, 2023. The standard payment amount is used to depict remuneration linked to business results and Stock-based Compensation is calculated based on the fair value of stock acquisition rights and the issue price of restricted stock as of the date granted in the fiscal year ended March 31, 2023. Accordingly, the proportion of each component based on the amount actually paid will differ from the chart below.

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 is 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. Thereafter, at the meeting of the Compensation Committee held after the corresponding fiscal year end, the final amount of compensation of each Director is determined. As for the Senior Executives, each year at the meeting of the Compensation Committee held at the end of the previous fiscal year, in principle, the amount of basic remuneration and the content of compensation for the corresponding fiscal year are determined or supervised. The financial performance KPIs and the weighting of such financial performance KPIs primarily used for Corporate Executive Officers in the fiscal year ended March 31, 2023 were as follows:

Corporate Executive Officer Remuneration Linked to Business Results for the Fiscal Year Ended March 31, 2023

For the fiscal year ended March 31, 2023, the standard payment amount for remuneration linked to business results for Corporate Executive Officers was determined to be between 60% and 100% of the amount of their fixed remuneration depending on their level of responsibility. The financial performance KPIs and the weighting of such financial performance KPIs was calculated in accordance with the policy set forth in section above.
The financial performance KPIs and the weighting of such financial performance KPIs used for Corporate Executive Officers in the fiscal year ended March 31, 2023 were as follows:

<table>
<thead>
<tr>
<th>KPI Description</th>
<th>Weight</th>
<th>Target to be achieved for the fiscal year ended March 31, 2023</th>
<th>Result for the fiscal year ended March 31, 2023 (Consolidated)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adjusted EBITDA</td>
<td>50%</td>
<td>Amount determined in order to achieve the Adjusted EBITDA (defined below) target of 4.3 trillion yen for the three-year period from the fiscal year ended March 31, 2022</td>
<td>1,703.4 billion yen**</td>
</tr>
<tr>
<td>Adjusted EPS</td>
<td>50%</td>
<td>659.3 yen</td>
<td>737.06 yen**</td>
</tr>
</tbody>
</table>

Adjusted EBITDA, which is the most important performance KPI under the fourth mid-range plan, was selected as a Financial Performance KPI to enhance the growth potential of the entire Sony Group under the fourth mid-range plan. Adjusted EPS was selected to incentivize awareness of shareholder value and capital efficiency. For the target to be achieved for Adjusted EBITDA for the fiscal year ended March 31, 2023, an amount that the Compensation Committee determined as appropriate was set in order to achieve the Adjusted EBITDA target under Sony’s fourth mid-range plan of 4.3 trillion yen for the three-year period from the fiscal year ended March 31, 2022. The target for Adjusted EPS for the fiscal year ended March 31, 2023 was 659.3 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, 2023, which was disclosed in May, 2022 (830 billion yen) by the number of diluted shares outstanding at the beginning of the fiscal year. The results for the Financial Performance KPIs for the fiscal year ended March 31, 2023 were as follows: Adjusted EBITDA: 1,703.4 billion yen (while net income attributable to Sony Group Corporation’s stockholders for the fiscal year ended March 31, 2022 was 937.1 billion yen)** and Adjusted EPS: 737.06 yen**, each exceeding the targeted amount.

As outlined above under “Basic Policy Regarding Director and Senior Executive remuneration,” remuneration linked to business results for Senior Executives for the fiscal year ended March 31, 2023 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 individual performance of such areas of responsibility. 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, 2023 varied from 155.2% to 178.5% 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 + depreciation and amortization expense excluding amortization for film costs, broadcasting rights and internally developed game content and master recordings included in content assets, as well as for deferred insurance acquisition costs – the profit and loss amount that Sony deems non-recurring.
*2 EPS (Earnings 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, 2023.
*4 Adjusted EPS result for the fiscal year ended March 31, 2023 is calculated by dividing adjusted net income attributable to Sony Group Corporation’s stockholders for the fiscal year ended March 31, 2023 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 to Adjusted EPS for the fiscal year ended March 31, 2023.

<table>
<thead>
<tr>
<th>Fiscal year ended March 31, 2023 (Yen in billions)</th>
<th>Net income attributable to Sony Group Corporation’s stockholders</th>
<th>Net income attributable to noncontrolling interests</th>
<th>Income taxes</th>
<th>Gain on revaluation of equity instruments, net, recorded in financial income and financial expense</th>
<th>Depreciation and amortization expense excluding amortization for film costs, broadcasting rights and internally developed game content and master recordings included in Content assets, as well as for deferred insurance acquisition costs</th>
<th>Profit and loss amount that Sony deems to be non-recurring</th>
<th>Adjusted EBITDA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fiscal year ended March 31, 2023 (Yen in billions)</td>
<td>937.1</td>
<td>6.5</td>
<td>236.7</td>
<td>4.0</td>
<td>4.6</td>
<td>542.2</td>
<td>1,703.4</td>
</tr>
</tbody>
</table>

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 Chairman 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 Chairman 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 2022, the Directors visited the Kumamoto Technology Centre of Sony Semiconductor Solutions Corporation located in Kumamoto Prefecture, Japan, where they observed manufacturing lines of image sensor products and discussed with the image sensor business’s management the current challenges and future strategies of the business. At a workshop held over two days in December 2022, through direct dialogue with executives in charge of Sony’s main business segments, the Directors intensively discussed a variety of matters, including the business environment and challenges surrounding each of Sony’s businesses and corresponding strategies, as well as Sony’s internal and external conditions related to sustainability and geopolitical risks, which are becoming increasingly important, in addition to Sony’s business portfolio.

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.
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 April 2023, under the leadership of the Chairman and the Vice Chairman of the Board, the Board conducted the Evaluation mainly in respect of Board and Committee activities in the fiscal year ended March 31, 2023 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, 2023. 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 all the Directors including through the Peer Review*; and
• Researched other global companies’ practices in Japan, the United States and Europe, and compared them with the company’s practices.

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

Summary of the Results of 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 many Directors rate the effectiveness of the Board highly overall.
• Outward factors such as the composition of the Board are comparable with global companies in Europe and North America as well as Japan.
• In addition, the Peer Review was conducted in the fiscal year ended on March 31, 2023, and the involvement of the Board in the process of appointment of the new president was appropriate.
• The Board also received a favorable assessment on its response to the suggestions made by the Outside Counsel in the previous Evaluation and on its overall operations. 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 April 2023. The Outside Counsel also suggested several possible options for the Board and Committees to further improve their own effectiveness.
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: 15 (including 6 Corporate Executive Officers) (as of June 20, 2023)

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 (as of June 20, 2023)

Purpose/Authority

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

Details of Actions Taken by the Board and Committees

During the fiscal year ended on March 31, 2023, the Board convened 9 times. The attendance records of respective Directors are as follows.

Name | Meeting Records | Attendance Records
---|---|---
Kenichiro Yoshida | 9 times | 9 times (100%) 
Hiroki Totoki | 9 times | 9 times (100%) 
Shuzo Suri | 9 times | 9 times (100%) 
Yasuhiko Hatanaka | 9 times | 9 times (100%) 
Tim Schaeff** | 9 times | 9 times (100%) 
Toshiko Oka | 9 times | 9 times (100%) 
Sake Akiyama | 9 times | 9 times (100%) 
Wendy Becker | 9 times | 9 times (100%) 
Keiko Kishigami | 9 times | 9 times (100%) 
Joseph A. Kraft Jr. | 9 times | 9 times (100%) 

* The numbers of the Meeting Records and the Attendance Records are those applicable to the fiscal year ended on March 31, 2023.

** Shuzo Suri and Tim Schaeff, who were Directors during the fiscal year ended on March 31, 2023, retired as Directors at the conclusion of the Ordinary General Meeting of Shareholders on June 20, 2023. Accordingly, Neil Hunt and William Morrow were newly appointed as Directors at the Ordinary General Meeting of Shareholders on June 20, 2023.

For reference, after the previous Evaluation conducted from February through May 2022, Sony Group Corporation took the following actions, among others, to help improve the effectiveness of the Board:

- Continuously made periodic reports to the Board on sustainability related matters (environmental and social)
- Risk management—enhanced Board’s supervision over risks regarding geopolitics and information security;
- Conducted deeper discussions about Sony’s strategies on growth areas and new businesses (gaming, metaverse and mobility); and
- Promoted and enhanced engagement with investors.

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 May 2022, Sony Group Corporation took the following actions, among others, to help improve the effectiveness of the Board:

- Continuously made periodic reports to the Board on sustainability related matters (environmental and social)
- Risk management—enhanced Board’s supervision over risks regarding geopolitics and information security;
- Conducted deeper discussions about Sony’s strategies on growth areas and new businesses (gaming, metaverse and mobility); and
- Promoted and enhanced engagement with investors.
**Details of Actions Taken by the Nomination Committee**

During the fiscal year ended on March 31, 2023, the Nomination Committee convened 5 times. The attendance records of respective Directors are as follows.

<table>
<thead>
<tr>
<th>Name</th>
<th>Meeting Records</th>
<th>Attendance Records</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shuzo Sumi*2</td>
<td>5 times</td>
<td>5 times (100%)</td>
</tr>
<tr>
<td>Yoshihiko Hatanaka</td>
<td>5 times</td>
<td>5 times (100%)</td>
</tr>
<tr>
<td>Wendy Becker</td>
<td>5 times</td>
<td>5 times (100%)</td>
</tr>
</tbody>
</table>

*1 The numbers of the Meeting Records and the Attendance Records are those applicable to the fiscal year ended on March 31, 2023.
* The numbers of the Meeting Records and the Attendance Records are those applicable to the fiscal year ended on March 31, 2023.

During the fiscal year ended on March 31, 2023, 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 major global companies, backgrounds in technology and/or knowledge of the entertainment industry, and the Nomination Committee held discussions based on such policy. As a result, two new outside Director candidates were appointed based on this policy. Regarding the appointment of Senior Executives other than the Nominating Committee members and confirmed.

**Details of Actions Taken by the Audit Committee**

During the fiscal year ended on March 31, 2023, 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, 2023, 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 on March 31, 2023, the Compensation Committee convened 5 times. The attendance records of respective Directors are as follows.

<table>
<thead>
<tr>
<th>Name</th>
<th>Meeting Records</th>
<th>Attendance Records</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wendy Becker</td>
<td>5 times</td>
<td>5 times (100%)</td>
</tr>
<tr>
<td>Yoshihiko Hatanaka*1</td>
<td>5 times</td>
<td>5 times (100%)</td>
</tr>
<tr>
<td>Sakie Akiyama</td>
<td>5 times</td>
<td>5 times (100%)</td>
</tr>
</tbody>
</table>

*1 The numbers of the Meeting Records and the Attendance Records are those applicable to the fiscal year ended on March 31, 2023.
*2 Yoshihiko Hatanaka, who was a member of the Compensation Committee during the fiscal year ended on March 31, 2023, retired as a member of the Compensation Committee. 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.

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, employees of the Corporation, Directors and other officers of the Corporation’s subsidiaries, and other stock-based compensation utilizing shares of the Corporation’s stock.

In the fiscal year ended March 31, 2023, the Corporation newly introduced RSUs for the purpose of giving the recipients an incentive to contribute towards the improvement of the business performance of the Sony Group, and the Committee confirmed and discussed the scope of and plans for the recipients and the decision-making authority for the grant of RSUs.

For the fiscal year ending March 31, 2024 and beyond, the Committee conducted a comprehensive review and discussion on the ideal KPIs for remuneration linked to business results and the ideal governance of executive compensation, with consideration of other companies’ trends and regulatory developments in Japan and other countries.
Annual Activity Cycle of the Board and Committees (Fiscal Year ended on March 31, 2023)

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- Board of Directors/committee meeting held
- Document-based reporting
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 April 28, 2023, 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 April 28, 2023, please refer to the page below.

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.

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, 2023.
Crisis Management System Framework

One aspect of risk management is the proper handling of crises if and when they arise, and the proper preparation for such crises. Sony’s crisis management and business continuity activities predominately occur at the business and operational level closest to the events Sony Group may encounter. Since some events can have a significant impact on the entire 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 struggled to cope with the impact of the Great East Japan Earthquake and severe flooding in Thailand in 2011, and with the impact of 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 at the Kumamoto earthquakes was shared with 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 and 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 department in charge of 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.

Case Example for 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 will be completed in stages from 2021 onwards. 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 U.S.-based organization that develops standards for fire prevention.
Sony Semiconductor Manufacturing Corporation evaluates disaster in number, and their attack methods are becoming more advanced. To address this situation and ensure that Sony continues to earn customers’ trust, Sony maintains and enhances a robust information security program. Led by the Chief Information Security Officer (CISO) under supervision by the Senior Executive in charge of information security, Sony’s information security program is grounded in a company-wide governance structure. Sony manages potential risks effectively, incorporates security controls into systems and products to safeguard information, trains officers, employees and business partners to understand their actions can introduce information security risk, and deploys 24/7 monitoring and response capabilities to swiftly address attacks.

Information Security Governance

Sony’s information security program is governed by a set of global policies and standards based on internationally accepted industry best practices. These policies set forth Sony’s commitment to information security and define practices and procedures to be followed by Sony executives and employees to help protect information resources and information systems from unauthorized access, leakage, falsification, loss, destruction, and other security risks. Sony routinely reviews and revises these policies and standards to address changes in the risk landscape, threats, and the regulatory environment. The CISO monitors the global implementation of and compliance with those policies. The CISO’s office coordinates with the Executive Information Security Officers (EISOs) responsible for information security at Sony’s major business units to create a group-wide information security management system. These officers ensure effective implementation of policies and standards.

Senior Executive in charge of information security of Sony Group Corporation and senior managements of respective group companies also review security activities regularly and play an active role in managing risks within their respective organizations and work to instill a culture of security awareness in all employees. Sony group companies have set up information security management committees to fulfill this responsibility.

Employee Training as a Key Component of Information Security

Every employee has a critical role to play in protecting Sony’s most sensitive information. To increase Sony employees’ awareness of information security threats, Sony requires all personnel to receive annual information security training, where they learn how to report incidents and 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.

Monitoring and Response Measures

Sony has a 24/7 global security operations center equipped with advanced technical capabilities to prevent and manage information security incidents. Sony’s incident response team defends the company’s information infrastructure by using threat intelligence and analysis, monitoring and detection of malicious activity, rapid response and containment, and sophisticated forensics capabilities.
Strengthening Measures Against New Threats
Sony is committed to safeguarding the trust of customers, employees, and the public against threats regarding information security and business partners. Sony continuously looks for ways to improve practices, implement stronger controls, and provide more robust security against new threats, all in order to protect the personal data information entrusted to its care. To do this, Sony employs and invests in a workforce of information security professionals and subject matter experts.

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, 2023), 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).

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 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 Audit Committee was informed about the latest trends in Japan and overseas regarding the disclosure of non-financial information such as climate change disclosure and risk management such as information security, and confirmed the status of internal responses.

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.

Overview
Corporate Strategy, Business Strategy and Other Policies
Governance Framework
Internal Control and Governance Framework
Relationship with Shareholders and Other Stakeholders
Data Section
GRI Standards Content Index

*The numbers of the Meeting Records and the Attendance Records are those applicable to the fiscal year ended on March 31, 2023.

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<th>Name</th>
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<tr>
<td>Toshiko Oka</td>
<td>6 times</td>
<td>6 times (100%)</td>
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<tr>
<td>Keiko Kishigami</td>
<td>6 times</td>
<td>6 times (100%)</td>
</tr>
<tr>
<td>Joseph A. Kraft Jr.</td>
<td>6 times</td>
<td>6 times (100%)</td>
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Accounting Audit Status
Sony's accounting audit has been conducted by PricewaterhouseCoopers Aarata LLC under an agreement since 2007. The certified public accountants who conducted the accounting audit of Sony for the fiscal year ended March 31, 2023, are as follows: Takeaki Ishibashi,* Yuko Harada,* Kenichi Shishido,* and Masafumi Mitsuhiro.* The team at PricewaterhouseCoopers Aarata LLC that conducted Sony's accounting audit is composed of 39 certified public accountants and 91 other staff members.

* The number of years of continuous audit-related work is not stated because it is within 7 years.

Policy and Governance Framework on Tax Strategy

Tax Policy
Sony conducts its business, including managing its tax obligations, honestly, ethically and with integrity. Sony Group Code of Conduct defines that it is Sony's policy to comply with all applicable tax laws and regulations of each country and region where Sony conducts business as well as the common rules and guidance regarding international taxation. Sony understands and complies with both the spirit and letter of the laws and regulations that apply to their 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 as Sony Group Corporation's Senior Vice President is in charge of Global Tax in Sony Group Corporation.

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

Dealsings 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 by country report in accordance with Japanese law and prepares and files a transfer pricing master file in accordance with the laws of the countries where Sony does businesses.
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’s 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, 2023, 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, CFO, CTO, other corporate executives, and the head of each business segment, conducted dialogues for investors, including Corporate Strategy Meeting, Business Segment Meeting, Sustainability Briefings, and R&D Strategy Briefing, etc., as well as 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 and the image sensor businesses, initiatives in new areas such as metaverse and mobility, policy regarding the business portfolio, progress of the Mid-Range Plan and capital allocation, 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 IR SVP, 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
→ 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.
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.

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 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.

- Approach to Sustainability
- 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.
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 20, 2023, 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) for reasons other than for the sole purpose of investment as of March 31, 2023. 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 exercise of its voting rights. Accordingly, Sony aims to exercise its voting rights with the intention of increasing each company’s mid- to long-term corporate value, after 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 act 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 is 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 prudent 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 compiled 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.

Corporate Governance
Overview
Corporate Strategy, Business Strategy and Other Policies
Governance Framework
Internal Control and Governance Framework
Relationship with Shareholders and Other Stakeholders
Data Section
GRI Standards Content Index
### Environment

<table>
<thead>
<tr>
<th>Item</th>
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<th>2022</th>
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<tr>
<td><strong>Annual energy consumption reduction rate</strong></td>
<td>per product (compared to fiscal year 2018)</td>
<td><strong>Electronics</strong></td>
<td>-</td>
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<td>Increased</td>
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<td><strong>Greenhouse gas emissions: Scope 1</strong> (direct emissions)</td>
<td>Group-wide ISO 14001 certified sites</td>
<td>Thousand mt-CO₂</td>
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<td><strong>Greenhouse gas emissions: Scope 2</strong> (indirect emissions)</td>
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<td><strong>Greenhouse gas emissions: Scope 3</strong> (Other emissions)</td>
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<td>Thousand mt-CO₂</td>
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<td>17,399</td>
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<td><strong>Purchased goods and services</strong></td>
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<td>Thousand mt-CO₂</td>
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<td>6,208</td>
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<td><strong>Capital goods</strong></td>
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<td>Thousand mt-CO₂</td>
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<td>1,016</td>
<td>1,807</td>
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<td><strong>Fuel- and energy-related activities</strong> (not included in scope 1 or scope 2)</td>
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<td>Thousand mt-CO₂</td>
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<td>208</td>
<td>170</td>
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<td><strong>Business travel</strong></td>
<td>Sony Group</td>
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<td>49</td>
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<td><strong>7 Employee commuting</strong></td>
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<td><strong>8 Upstream leased assets</strong></td>
<td>Sony Group</td>
<td>Thousand mt-CO₂</td>
<td>(N/A)</td>
<td>(N/A)</td>
<td>(N/A)</td>
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<td><strong>9 Downstream transportation and distribution</strong></td>
<td>Sony Group</td>
<td>Thousand mt-CO₂</td>
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<td>6</td>
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<td><strong>10 Processing of sold products</strong></td>
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<td>Thousand mt-CO₂</td>
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<td>5</td>
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<td><strong>11 Use of sold products</strong></td>
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<td>11,795</td>
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<td><strong>12 End of life treatment of sold products</strong></td>
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<td>Thousand mt-CO₂</td>
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<td><strong>13 Downstream leased assets</strong></td>
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<td>(N/A)</td>
<td>(N/A)</td>
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<tr>
<td><strong>14 Franchises</strong></td>
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<td>Thousand mt-CO₂</td>
<td>(N/A)</td>
<td>(N/A)</td>
<td>(N/A)</td>
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<td><strong>15 Investments</strong></td>
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<td>Thousand mt-CO₂</td>
<td>160</td>
<td>160</td>
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### Greenhouse gas emissions from sites

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<th>Unit</th>
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<th>2021</th>
<th>2022</th>
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<tr>
<td><strong>Energy consumption by sites</strong></td>
<td>Group-wide ISO 14001 certified sites</td>
<td>Thousand mt-CO₂</td>
<td>1,013</td>
<td>1,195</td>
<td><strong>965</strong></td>
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<tr>
<td><strong>Generation of renewable energy</strong></td>
<td>Group-wide ISO 14001 certified sites</td>
<td>Thousand mt-CO₂ / million yen**</td>
<td>0.129</td>
<td>0.120</td>
<td>0.084</td>
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<tr>
<td><strong>CO₂ emissions from product transport</strong></td>
<td>Sony Group</td>
<td>Thousand mt-CO₂</td>
<td>234</td>
<td>191</td>
<td>162</td>
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<tr>
<td><strong>Total volume of resources used in products</strong></td>
<td>Electronics products</td>
<td>Metric tons</td>
<td>448,950</td>
<td>435,599</td>
<td>459,206</td>
</tr>
<tr>
<td><strong>Reduction in use of virgin oil-based plastic per product</strong></td>
<td>Electronics products</td>
<td>%</td>
<td>-</td>
<td>51</td>
<td>3.4</td>
</tr>
<tr>
<td><strong>Reduction in use of plastic packaging per product</strong></td>
<td>Electronics products</td>
<td>%</td>
<td>-</td>
<td>15.2</td>
<td>22.2</td>
</tr>
<tr>
<td><strong>Amount of recycled plastic used in products</strong></td>
<td>Electronics products</td>
<td>Metric tons</td>
<td>6,094</td>
<td>7,319</td>
<td>8,477</td>
</tr>
<tr>
<td><strong>Amount of waste generated at sites</strong></td>
<td>Sony Group</td>
<td>Metric tons</td>
<td>51,362</td>
<td>51,615</td>
<td>54,944</td>
</tr>
<tr>
<td><strong>Of which, amount of plastic waste generated</strong></td>
<td>Group-wide ISO 14001 certified sites</td>
<td>Metric tons</td>
<td>5,362</td>
<td>5,615</td>
<td>5,444</td>
</tr>
<tr>
<td><strong>Waste improvement per unit at sites</strong></td>
<td>Group-wide ISO 14001 certified sites</td>
<td>%</td>
<td>-</td>
<td>7.6%</td>
<td>31.6%</td>
</tr>
<tr>
<td><strong>Amount of waste recycled at sites</strong></td>
<td>Group-wide ISO 14001 certified sites</td>
<td>Metric tons</td>
<td>50,359</td>
<td>50,558</td>
<td>53,149</td>
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<tr>
<td><strong>Amount of waste landfilled at sites</strong></td>
<td>Group-wide ISO 14001 certified sites</td>
<td>Metric tons</td>
<td>0.5</td>
<td>0.5</td>
<td>2.5</td>
</tr>
<tr>
<td><strong>Take-back of end-of-life products record</strong></td>
<td>Group-wide ISO 14001 certified sites</td>
<td>Metric tons</td>
<td>64,287</td>
<td>75,017</td>
<td>50,343</td>
</tr>
<tr>
<td><strong>Water consumption at sites</strong></td>
<td>Group-wide ISO 14001 certified sites</td>
<td>Million m³</td>
<td>18.70</td>
<td>19.55</td>
<td><strong>19.09</strong></td>
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<tr>
<td><strong>Water consumption improvement per unit at sites</strong></td>
<td>Group-wide ISO 14001 certified sites</td>
<td>%</td>
<td>-</td>
<td>1.7%</td>
<td>11.7%</td>
</tr>
<tr>
<td><strong>Amount of wastewater from sites</strong></td>
<td>Group-wide ISO 14001 certified sites</td>
<td>Million m³</td>
<td>15.84</td>
<td>16.85</td>
<td><strong>16.87</strong></td>
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### Employees

<table>
<thead>
<tr>
<th>Item</th>
<th>Scope</th>
<th>Unit</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount of BOD in wastewater from sites<strong>1</strong></td>
<td>Group-wide ISO 14001 certified sites</td>
<td>Metric tons</td>
<td>401</td>
<td>363</td>
<td>405</td>
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<tr>
<td>Amount of COD in wastewater from sites<strong>1</strong></td>
<td>Group-wide ISO 14001 certified sites</td>
<td>Metric tons</td>
<td>79</td>
<td>127</td>
<td>91</td>
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<tr>
<td>NOx emissions from sites</td>
<td>Group-wide ISO 14001 certified sites</td>
<td>Metric tons</td>
<td>80</td>
<td>79</td>
<td>85</td>
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<td>SOx emissions from sites</td>
<td>Group-wide ISO 14001 certified sites</td>
<td>Metric tons</td>
<td>4</td>
<td>3</td>
<td>3</td>
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<tr>
<td>Number of environmental accidents at sites</td>
<td>Sony Group</td>
<td></td>
<td>0</td>
<td>0</td>
<td>0</td>
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<tr>
<td>Sites with ISO14001 certification</td>
<td>Sony Group</td>
<td>Sites</td>
<td>94</td>
<td>91</td>
<td>91</td>
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</tbody>
</table>

**1** The figure for fiscal year 2020 and 2021 were corrected from that of previous year reports

**2** Metric tons per unit of consolidated sales

**3** Excludes amount unavoidably landfilled due to the laws and administrative guidance of individual regions

**4** The figure for fiscal year 2022 is as of July 2023. The figure for fiscal year 2021 was corrected from that of previous year’s report

**5** The figures have been changed to only those of sites that are legally regulated since FY2022 (Until FY2021, the figures were calculated by adding the figures of sites with voluntary measurement in addition to those regulated by law)
### Sony Group Corporation

#### Employee ratio by age group

<table>
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<tr>
<th>Item</th>
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<th>2021</th>
<th>2022</th>
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<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Men</td>
<td>%</td>
<td>74.9</td>
<td>75.4</td>
<td>72.4</td>
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<tr>
<td>Women</td>
<td>%</td>
<td>25.1</td>
<td>24.6</td>
<td>27.6</td>
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<tr>
<td><strong>Under 30</strong></td>
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<td></td>
</tr>
<tr>
<td>Men</td>
<td>%</td>
<td>10.0</td>
<td>9.9</td>
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<tr>
<td>Women</td>
<td>%</td>
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<td>3.8</td>
<td>4.2</td>
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<tr>
<td><strong>30 - 39</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Men</td>
<td>%</td>
<td>19.0</td>
<td>18.6</td>
<td>18.7</td>
<td></td>
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<tr>
<td>Women</td>
<td>%</td>
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<td>7.9</td>
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<tr>
<td><strong>40 - 49</strong></td>
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</tr>
<tr>
<td>Men</td>
<td>%</td>
<td>25.1</td>
<td>25.5</td>
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<tr>
<td>Women</td>
<td>%</td>
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<td>6.9</td>
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<td><strong>50 - 59</strong></td>
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<tr>
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<td>%</td>
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<td>19.2</td>
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<tr>
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<td>%</td>
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<td>6.9</td>
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<tr>
<td><strong>65 and over</strong></td>
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<tr>
<td>Men</td>
<td>%</td>
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<tr>
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<td><strong>Japan</strong></td>
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<td>%</td>
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<td>9.2</td>
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<td>4.6</td>
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<td><strong>30 - 39</strong></td>
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<td>%</td>
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<td>16.4</td>
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<tr>
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<td><strong>40 - 49</strong></td>
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<td>%</td>
<td>24.3</td>
<td>23.4</td>
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<tr>
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<td>%</td>
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<td>7.7</td>
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<td><strong>50 - 59</strong></td>
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<tr>
<td>Men</td>
<td>%</td>
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<td><strong>65 and over</strong></td>
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<tr>
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<td>%</td>
<td>3.4</td>
<td>3.9</td>
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<tr>
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### Management Positions

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<tr>
<th>Item</th>
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<tr>
<td><strong>Total</strong></td>
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<td></td>
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<td>Percentage of women</td>
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<tr>
<td><strong>Board of Directors</strong></td>
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<td>Total Persons</td>
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<td><strong>Men</strong></td>
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</tr>
<tr>
<td><strong>Women</strong></td>
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<td>4</td>
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<td></td>
</tr>
<tr>
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<td>50.0</td>
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<td></td>
</tr>
<tr>
<td><strong>In house directors</strong></td>
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<td>Total Persons</td>
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<td></td>
<td>3</td>
<td>3</td>
<td>3</td>
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</tr>
<tr>
<td><strong>Women</strong></td>
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<td>4</td>
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</tr>
<tr>
<td>Percentage of women</td>
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<td>50.0</td>
<td>50.0</td>
<td>50.0</td>
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</tr>
<tr>
<td><strong>Senior Vice Presidents or higher</strong></td>
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Note: *1 Unit: FY (Financial Year) *2 Unit: FY (Financial Year) *3 2021 data is preliminary. *4 2021 data is preliminary. *5 2021 data is preliminary. *6 Asia-Pacific includes Mainland China, Hong Kong, and Taiwan. *7 Other Areas includes the Middle East and Africa, South and Southeast Asia, and other regions. *8 Management positions held by women include board members, executives, managers, supervisors, and other positions. *9 Men and women include both full-time and part-time employees. *10 Total is the sum of Sony Group and Sony Group Corporation. *11 Turnover rate is calculated as the ratio of total number of employees who left the company in a financial year to the average number of employees during the financial year. *12 Women in the workforce is calculated as the ratio of female employees to the total number of employees. *13 Women in the workforce includes both full-time and part-time employees. *14 Number of newly hired employees is the total number of employees hired during the financial year. *15 Number of applicants per new graduate hire is calculated as the ratio of the number of applicants to the number of new graduates hired. *16 Management positions held by women include board members, executives, managers, supervisors, and other positions. *17 Average years of service is calculated as the average number of years of service for all employees. *18 Turnover rate is calculated as the ratio of total number of employees who left the company in a financial year to the average number of employees during the financial year.
<table>
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<tr>
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<th>Unit</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
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<tr>
<td>Per capita HR development investment*14</td>
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<td>204,000</td>
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<td>382,110</td>
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<td>Average days of annual paid leave taken by employees</td>
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<td>%</td>
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<td>62.6</td>
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<td>Sony Group Corporation</td>
<td>%</td>
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</tr>
<tr>
<td>Number of employees who returned to work after child care leave*18</td>
<td>Sony Group Corporation</td>
<td>%</td>
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<tr>
<td>Retention of employees after childcare leave</td>
<td>Sony Group Corporation</td>
<td>%</td>
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<tr>
<td>Employee engagement survey response rate</td>
<td>Sony Group</td>
<td>%</td>
<td>91</td>
<td>91</td>
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<tr>
<td>Employee engagement index*19</td>
<td>Sony Group</td>
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<td>%</td>
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<td>Number of sites with ISO 45001 certification*22</td>
<td>Manufacturing sites</td>
<td>%</td>
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Sony’s Purpose & Values
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Sony’s Sustainability
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Environment
Technology
Employees
Respect for Human Rights
Responsible Supply Chain
Quality and Customer Service
Community Engagement
Ethics and Compliance
Corporate Governance

Data Section

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Sony’s Sustainability
Business Overview
Editorial Policy
Environmental Data Collection Methods and Rationale
Independent Assurance Statement
GRI Standards Content Index
### Human Rights

#### Percentage of employees participating in human rights-related e-learning course

<table>
<thead>
<tr>
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<th>Scope</th>
<th>Unit</th>
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### Responsible Supply Chain

#### Number of CSR self-assessments at own electronics manufacturing sites

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#### Number of supplier CSR assessments of implemented Electronics products supply chain

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</table>

#### Addressing the issue of conflict minerals

<table>
<thead>
<tr>
<th>Item</th>
<th>Scope</th>
<th>Unit</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sony Group</td>
<td>Number of smelters and refiners identified</td>
<td>Site</td>
<td>305</td>
<td>339</td>
<td>337</td>
</tr>
</tbody>
</table>

#### Quality and Customer Service

#### Consumer AV product service locations (global)

<table>
<thead>
<tr>
<th>Item</th>
<th>Scope</th>
<th>Unit</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>Sites</td>
<td></td>
<td>3,862</td>
<td>3,458</td>
<td>3,362</td>
</tr>
<tr>
<td>Japan</td>
<td>Sites</td>
<td></td>
<td>464</td>
<td>454</td>
<td>421</td>
</tr>
<tr>
<td>United States/Canada</td>
<td>Sites</td>
<td></td>
<td>781</td>
<td>636</td>
<td>653</td>
</tr>
<tr>
<td>Europe</td>
<td>Sites</td>
<td></td>
<td>923</td>
<td>803</td>
<td>728</td>
</tr>
<tr>
<td>Mainland China and Hong Kong Region</td>
<td>Sites</td>
<td></td>
<td>556</td>
<td>555</td>
<td>553</td>
</tr>
<tr>
<td>Asia-Pacific*</td>
<td>Sites</td>
<td></td>
<td>580</td>
<td>533</td>
<td>531</td>
</tr>
<tr>
<td>Others**</td>
<td>Sites</td>
<td></td>
<td>598</td>
<td>479</td>
<td>476</td>
</tr>
</tbody>
</table>

---

*1: Southeast Asia, Oceania, India, South Korea and Taiwan Region
*2: Middle East, Latin America and Africa

---

<table>
<thead>
<tr>
<th>Item</th>
<th>Scope</th>
<th>Unit</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Human Rights</td>
<td>Percentage of employees participating in human rights-related e-learning course</td>
<td>Sony Group Corporation and Group companies in Japan</td>
<td>%</td>
<td>90</td>
<td>94</td>
</tr>
</tbody>
</table>

---

<table>
<thead>
<tr>
<th>Item</th>
<th>Scope</th>
<th>Unit</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Responsible Supply Chain</td>
<td>Number of CSR self-assessments at own electronics manufacturing sites</td>
<td>Own electronics manufacturing sites</td>
<td>Companies</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Assessment using questionnaire</td>
<td>Plants</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Written improvement instructions</td>
<td>Plants</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Remote assessment / on-site assessment</td>
<td>Plants</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Addressing the issue of conflict minerals</td>
<td>Sony Group</td>
<td>Number of smelters and refiners identified</td>
<td>Site</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Number of identified smelters and refiners RMAP-compliant or under assessment</td>
<td>Site</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

---

<table>
<thead>
<tr>
<th>Item</th>
<th>Scope</th>
<th>Unit</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quality and Customer Service</td>
<td>Consumer AV product service locations (global)</td>
<td>Electronics</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

---

* 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.
* Figures as of March, 2023
* Figures for fiscal year 2020 include employees hired by Sony Group Corporation and dispatched to Group companies after hire. Fiscal year 2021 and 2022 figures exclude employees dispatched to Group companies as of the date of hire.
* Only voluntary turnover of regular employees.
* Figures of Sony Group Corporation and fiscal 2022 Japan: Percentage of employees who used the programs during the current fiscal year among employees with newborns during the current fiscal year (Fiscal 2020 and 2021: Percentage of employees who used the programs during the previous and current fiscal year among employees with newborns during the previous year).
* Percentage of employees who returned to work, among employees who completed their leave of absence by the end of fiscal year 2022.
* Total sites subject to ISO 45001 certification: functional organizations at headquarters, manufacturing sites, logistics sites, and R&D sites, total of 60.
### Community Engagement

<table>
<thead>
<tr>
<th>Item</th>
<th>Scope</th>
<th>Unit</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community engagement</td>
<td>Sony Group</td>
<td>billion  yen</td>
<td>Approx. 2.0</td>
<td>Approx. 3.5</td>
<td>Approx. 5.1</td>
</tr>
<tr>
<td>Sony Global Relief Fund for COVID-19</td>
<td>Sony Group</td>
<td>billion  yen</td>
<td>Approx. 5.3</td>
<td>Approx. 1.6</td>
<td>Approx. 0.8</td>
</tr>
<tr>
<td>Global Social Justice Fund</td>
<td>Sony Group</td>
<td>billion  yen</td>
<td>Approx. 1.6</td>
<td>Approx. 2.7</td>
<td>Approx. 3.5</td>
</tr>
<tr>
<td>Education programs offered</td>
<td>Total no. of people</td>
<td>Sony Group</td>
<td>Persons</td>
<td>Approx. 6,100</td>
<td>Approx. 290,050*</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Approx. 360,000</td>
</tr>
</tbody>
</table>

* In addition to donations, sponsorships and independent program expenses (including facility operation expenses), this amount includes the market value of products donated.

*2 Number of participants from education programs implemented by the Sony Group globally since fiscal year 2021

### Ethics and Compliance

<table>
<thead>
<tr>
<th>Item</th>
<th>Scope</th>
<th>Unit</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of reports to Sony Ethics &amp; Compliance Hotline</td>
<td>Sony Group</td>
<td>Reports</td>
<td>Approx. 370</td>
<td>Approx. 407</td>
<td>Approx. 451</td>
</tr>
</tbody>
</table>

### Corporate Governance

<table>
<thead>
<tr>
<th>Item</th>
<th>Scope</th>
<th>Unit</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Composition of Sony Group Corporation's Board of Directors*1</td>
<td>Total Persons</td>
<td>11</td>
<td>10</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>Outside Director</td>
<td>Persons</td>
<td>8</td>
<td>7</td>
<td>8</td>
<td></td>
</tr>
<tr>
<td>Men</td>
<td>Persons</td>
<td>7</td>
<td>6</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td>Women</td>
<td>Persons</td>
<td>(36.4%)</td>
<td>(40.0%)</td>
<td>(40.0%)</td>
<td></td>
</tr>
<tr>
<td>Non-Japanese Nationals</td>
<td>Persons</td>
<td>(36.4%)</td>
<td>(30.0%)</td>
<td>(40.0%)</td>
<td></td>
</tr>
<tr>
<td>Composition of Sony Group Corporation executives*2</td>
<td>Total Persons</td>
<td>26 (2)*</td>
<td>26 (2)*</td>
<td>24 (2)*</td>
<td></td>
</tr>
<tr>
<td>Men</td>
<td>Persons</td>
<td>23 (2)*</td>
<td>23 (2)*</td>
<td>21 (2)*</td>
<td></td>
</tr>
<tr>
<td>Women</td>
<td>Persons</td>
<td>19 (1.5)%</td>
<td>19 (1.5)%</td>
<td>18 (2.5)%</td>
<td></td>
</tr>
<tr>
<td>Non-Japanese Nationals</td>
<td>Persons</td>
<td>(23.1%)</td>
<td>(23.1%)</td>
<td>(25.0%)</td>
<td></td>
</tr>
</tbody>
</table>

*1 As of end of August for each year.

*2 Chairman, Vice Chairman, President, Executive Deputy Presidents, Senior Executive Vice Presidents, Executive Vice Presidents, and Senior Vice Presidents.

*3 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: April 1, 2022 - March 31, 2023

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, 2023, 91 sites were 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 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.

■ CO₂ emissions from energy consumption (energy-related)
CO₂ emissions from energy consumption are calculated by multiplying the quantity of electrical power, heat and fuel (including fuel for motor vehicles, etc.) used at sites by the CO₂ conversion rate. For energy consumption using renewable energy including certificates, the CO₂ conversion rate is zero.

■ Emissions of PFCs and other greenhouse gases (non energy-related)
Emissions of PFCs and other greenhouse gases are converted to CO₂ by multiplying greenhouse gas emissions from each site by global warming potentials. Global warming potentials are based on the Sixth Assessment Report of the Intergovernmental Panel on Climate Change (IPCC).

■ CO₂ 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 and Heat]
Worldwide: Rates based on Japan’s Act on Promotion of Global Warming Countermeasures

Renewable Electricity Rate
Renewable energy includes using electrical power generated from renewable energy sources, purchasing electrical power produced from renewable energy sources, and purchasing renewable energy certificates and other carbon offset credits. Renewable electricity rates are calculated by the following equation.

Renewable electricity rate = renewable electricity consumption ÷ total consumption of sites × 100

CO₂ Emissions from Capital Goods
CO₂ 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, etc. 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. 3.3), (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).
CO₂ Emissions from Fuel- and Energy-related Activities (not included in Scope 1 or Scope 2)

CO₂ emissions are aggregated for upstream from the procurement of fuel used by 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. 3.3). (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.

CO₂ Emissions from Logistics

CO₂ 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 (weight of goods transported x distance traveled) by an emissions intensity. For international 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. In certain instances, CO₂ 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-CO₂ / ton-kilometer) used for calculation uses the following values for international transportation.

<table>
<thead>
<tr>
<th>Ship</th>
<th>&lt; 463km</th>
<th>463km ≤ 1108km</th>
<th>1108km ≤</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economy</td>
<td>0.01283</td>
<td>0.09245</td>
<td>0.622734</td>
</tr>
<tr>
<td>Premium Economy</td>
<td>0.16500</td>
<td>0.29245</td>
<td>0.313221</td>
</tr>
<tr>
<td>Business</td>
<td>0.17147</td>
<td>0.18867</td>
<td>0.23963</td>
</tr>
<tr>
<td>First</td>
<td>0.17147</td>
<td>0.18867</td>
<td>0.33052</td>
</tr>
</tbody>
</table>

Regional transport emissions are calculated by prioritizing the emissions intensity supplied by the applicable region or country. For Japanese domestic transport, Sony refers 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).

CO₂ Emissions from Employee Business Trips

CO₂ emissions are aggregated for frights traveled by Sony Group employee on business trip 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-CO₂ / person / km) for each class below.

<table>
<thead>
<tr>
<th>Ship</th>
<th>&lt; 463km</th>
<th>463km ≤ 1108km</th>
<th>1108km ≤</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economy</td>
<td>0.17147</td>
<td>0.09245</td>
<td>0.018263</td>
</tr>
<tr>
<td>Premium Economy</td>
<td>0.16500</td>
<td>0.29245</td>
<td>0.313221</td>
</tr>
<tr>
<td>Business</td>
<td>0.17147</td>
<td>0.18867</td>
<td>0.23963</td>
</tr>
<tr>
<td>First</td>
<td>0.17147</td>
<td>0.18867</td>
<td>0.33052</td>
</tr>
</tbody>
</table>

CO₂ Emissions from Waste Generated in Operations

CO₂ emissions are aggregated for those related to the disposal and treatment of waste (excluding valuable waste) not generated at ISO14001 certified Sony Group sites. These are calculated by multiplying amount of waste processed and recycled by type at sites by the emissions intensity from the Emissions Unit Values for Accounting of Greenhouse Gas Emissions, etc., by Organizations Throughout the Supply Chain (Ver. 3.3). (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.

CO₂ Emissions from End-of-Life Treatment of Sold Products

CO₂ 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 by an emissions intensity from the Emissions Unit Values for Accounting of Greenhouse Gas Emissions, etc., by Organizations Throughout the Supply Chain (Ver. 3.3). (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.
### Overview of Calculation for Scope 3 Emissions

<table>
<thead>
<tr>
<th>Category</th>
<th>Overview of Calculation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Category 1</td>
<td>Purchased goods and services</td>
</tr>
<tr>
<td></td>
<td>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.</td>
</tr>
<tr>
<td>Category 2</td>
<td>Capital goods</td>
</tr>
<tr>
<td></td>
<td>Emissions associated with the production of capital goods invested in by the Sony Group.</td>
</tr>
<tr>
<td>Category 3</td>
<td>Fuel- and energy-related activities (not included in scope 1 or scope 2)</td>
</tr>
<tr>
<td></td>
<td>Emissions associated with procurement of fuels and energy consumed by Sony Group sites.</td>
</tr>
<tr>
<td>Category 4</td>
<td>Upstream transportation and distribution</td>
</tr>
<tr>
<td></td>
<td>Emissions associated with the transportation and storage of electronics products sold by the Sony Group and purchased parts.</td>
</tr>
<tr>
<td>Category 5</td>
<td>Waste generated in operations</td>
</tr>
<tr>
<td></td>
<td>Emissions associated with the treatment and disposal of waste generated by Sony Group sites.</td>
</tr>
<tr>
<td>Category 6</td>
<td>Business travel</td>
</tr>
<tr>
<td></td>
<td>Emissions associated with travel (by air) for business purposes by Sony Group electronics group companies employees, mainly in Japan, Europe, and North America.</td>
</tr>
<tr>
<td>Category 7</td>
<td>Employee commuting</td>
</tr>
<tr>
<td></td>
<td>Emissions associated with employees’ commutes from their homes to their workplace.</td>
</tr>
<tr>
<td>Category 8</td>
<td>Upstream leased assets</td>
</tr>
<tr>
<td></td>
<td>Not applicable (accounted for in other categories)</td>
</tr>
<tr>
<td>Category 9</td>
<td>Downstream transportation and distribution</td>
</tr>
<tr>
<td></td>
<td>Emissions associated with the distribution of electronics products sold by the Sony Group from retailers to consumers.</td>
</tr>
<tr>
<td>Category 10</td>
<td>Processing of sold products</td>
</tr>
<tr>
<td></td>
<td>Emissions associated with the assumed post-sale third-party processing of electronics products sold by the Sony Group.</td>
</tr>
<tr>
<td>Category 11</td>
<td>Use of sold products</td>
</tr>
<tr>
<td></td>
<td>Emissions associated with the assumed post-sale third-party processing of electronics products sold by the Sony Group.</td>
</tr>
<tr>
<td>Category 12</td>
<td>End-of-life treatment of sold products</td>
</tr>
<tr>
<td></td>
<td>Emissions associated with the assumed end-of-life recycling or disposal of electronics products sold by the Sony Group.</td>
</tr>
<tr>
<td>Category 13</td>
<td>Downstream leased assets</td>
</tr>
<tr>
<td></td>
<td>Not applicable</td>
</tr>
<tr>
<td>Category 14</td>
<td>Franchises</td>
</tr>
<tr>
<td></td>
<td>Not applicable</td>
</tr>
<tr>
<td>Category 15</td>
<td>Investments</td>
</tr>
<tr>
<td></td>
<td>Emissions associated with the business activities of companies in which the Sony Group has invested.</td>
</tr>
</tbody>
</table>
Resource Related Data Collection Methods and Rationale

Volume 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 or rainwater.
- Volume of water intake
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.

Product Resource Input
Total volume of resources used in products, accessories, manuals and packaging materials. Total weight of products shipped is used as a substitute.

Take-back of End-of-Life Products Record
Take-back of end-of-life products 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 emitted x volume of water emitted. Sites that are requested by law and / or by other demands such as contracts are subjected to this data collection.

Emissions of Air Pollutants (NOx, SOx)
Volume calculated by multiplying emission volume by emission concentration. Sites that are requested by law and / or by other demands such as contracts are subjected to this data collection.
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 2022 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

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 2022 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.
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.

<table>
<thead>
<tr>
<th>Index No.</th>
<th>Index name</th>
<th>Related page</th>
</tr>
</thead>
<tbody>
<tr>
<td>GRI Universal Standards</td>
<td></td>
<td></td>
</tr>
<tr>
<td>GRI 1: Foundation 2021</td>
<td></td>
<td></td>
</tr>
<tr>
<td>GRI 2: General Disclosures 2021</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Organization and reporting practice</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2-1</td>
<td>Organizational details</td>
<td>Corporate Info, Form 20-F Item4, Supply Chain Management</td>
</tr>
<tr>
<td>2-2</td>
<td>Entities included in the organization’s sustainability reporting</td>
<td>Editorial Policy</td>
</tr>
<tr>
<td>2-3</td>
<td>Reporting period, frequency and contact point</td>
<td></td>
</tr>
<tr>
<td>2-4</td>
<td>Restatements of information</td>
<td>GRI Standards Content Index</td>
</tr>
<tr>
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The average annual compensation of our employees in FY2022 is approximately 11.02 million yen, the total amount of cash compensation*1 of the CEO is approximately 651 million yen, and the ratio of the average annual compensation of our employees to the total cash compensation of the CEO is 1:59. The ratio of total cash compensation plus the theoretical value of stock-based compensation*2 is 1:189.  
*1 Base salary and performance-linked compensation  
*2 Stock options and restricted stock. Stock options value is calculated using fair market value per share as of the grant date in FY2022, restricted stock value is calculated using FY2022 issue price. For details, see page 88 of the FY2022 SEC Filing Form 20-F.
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September 13, 2023 | S3 | Capacity of Sony Europe UK Technology Center | Correction