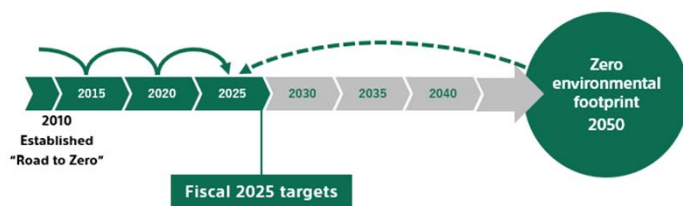


# Supplemental Materials for Environmental Initiatives

Sony Corporation

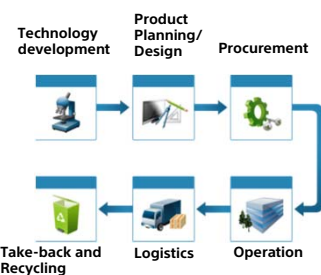
September 10<sup>th</sup>, 2020

## Sony's Environmental Plan "Road to Zero"



- This is Sony's plan to achieve a zero environmental footprint.
- Every five years we set medium-term environmental targets to serve as milestones.
- Our medium-term environmental targets include four perspectives for each of six life stages.
- Targets are determined by back casting (calculating backwards) from 2050, the year that our final targets are to be achieved.

### Life stages



### Four perspectives



## Definition of "Zero"

### Climate Change

Zero greenhouse gas emissions

### Resources

No use of key virgin materials

The state at which waste has been minimized and water is being used appropriately



### Biodiversity

The state at which biodiversity is conserved, and the ecosystem services can be used sustainably

### Chemical Substances

The state at which significant adverse consequences to human health and the global environment from chemical substances that we use have been minimized

## Green Management 2020 Progress Summary (FY2019)

	Targets	GM2020 Target Values	FY2019 Performance	Evaluation
<b>Product Planning and Design</b>	Annual energy consumption of products (AC powered devices)	30% reduction (vs. FY13)	52% reduction	● on track
	Virgin plastic usage amount per unit	10% reduction (vs. FY13)	10.3% increase	● behind
<b>Operation</b>	Greenhouse Gas (GHG) emissions amount (1,000t-CO2)	1,485 (5% reduction vs. FY15)	1,376 (12% reduction vs. FY15)	● on track
	Amount of waste generated (t)	57,111 (5% reduction vs. FY15)	48,186 (20% reduction vs. FY15)	● on track
	Landfilled waste rate	Under 1%	0.7%	● on track
	Water usage amount (1,000 m3)	14,020 (5% reduction vs. FY15)	17,760 (24% increase vs. FY15)	● behind
	Amount of VOCs* released to the air (t)	918 (50% reduction vs. FY00)	566 (69% reduction vs. FY00)	● on track
<b>Logistics</b>	Amount of CO2 emissions associated with product transportation	10% reduction (vs. FY13)	64% reduction	● on track

\*VOC: Volatile Organic Compounds

## Participation in RE100

Purpose: Acceleration of the Use of Renewable Electricity

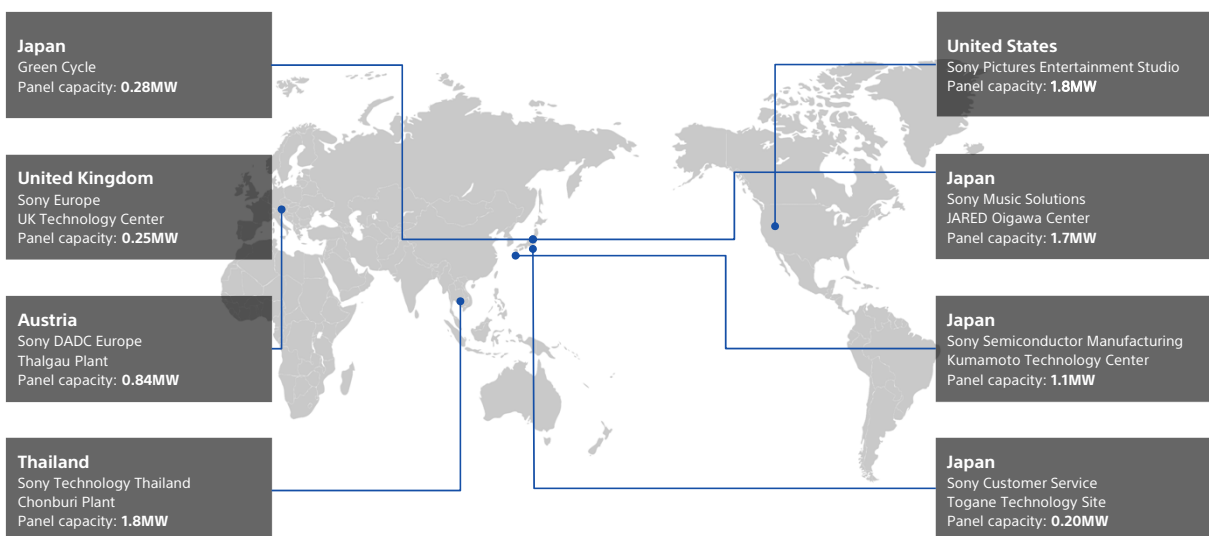


- Sony's targets on use of renewable electricity for all of its business sites: **100% by FY2040** (30% by FY2030)
- Sony will call for expanding the renewable electricity market in Japan together with other companies and organizations
- Of the electricity used at Sony sites worldwide, renewable electricity accounted for approximately 5% in fiscal 2019

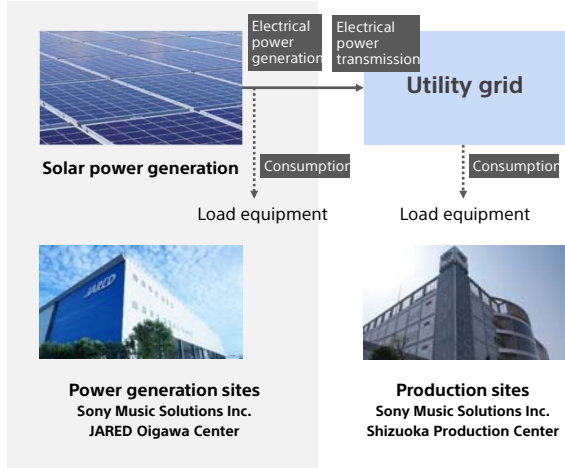
Note 1: RE100 : the global initiative of the companies aiming to operate with 100% renewable electricity

Note 2: Renewable energy is energy that comes from sustainable sources that include solar, wind, water, geothermal, and biomass

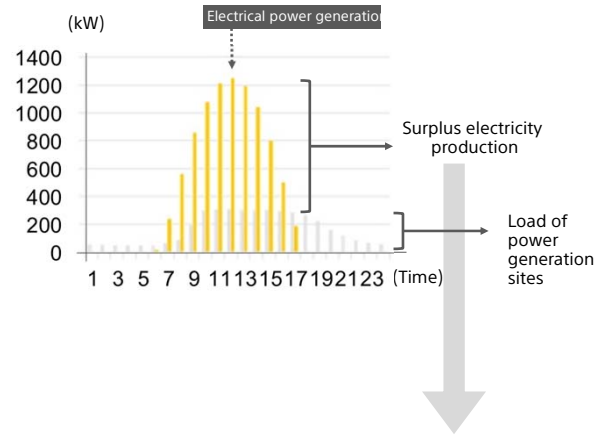
## Major Sites that Have Installed Solar Power Equipment



## Attempt to Introduce Renewable Energy by Intracompany Electricity Transfer Service (1)



At the JARED Oigawa Center of Sony Music Solutions Inc., Solar power provides **58%** of overall electrical power

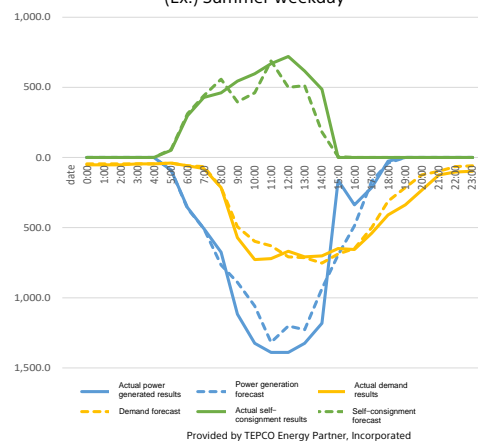
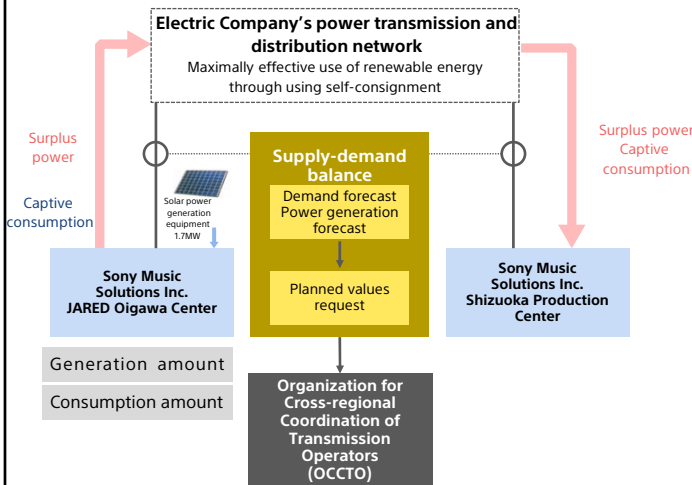


Transmission of electrical power to production sites

## Attempt to Introduce Renewable Energy by Intracompany Electricity Transfer Service (2) Supply-demand Balance Management

Amount of power transmitted in 30-minute increments (forecast generation amount - forecast consumption amount)  
Request necessary information such as above from OCCTO

Realize a highly accurate power generation and demand (=consumption) forecast  
(Ex.) Summer weekday



Power generation and demand forecast simulation

Provided by TEPCO Energy Partner, Incorporated

## Climate-related Disclosures according to TCFD Recommendations Overview(1)

### ■ Governance

- The Board of Directors regularly deliberates and decides on the mid-term management plan and the fiscal year's business plan, and deliberates and decides on various opportunities and risks, including climate change.
- Senior executives carry out strategies based on the business plan and management plan and execute operations.
- The senior executive elected by the Board of Directors to be responsible for environmental management establishes the company regulations that determine the basic framework of Sony Global Environment Management.
- Compliance with these regulations and operations, etc., are monitored through the environmental department.

### ■ Strategy | Creating and Expanding Business Opportunities

- With the adoption of the COP21 "Paris Agreement", people have been increasingly interested in the issue of climate change, and Sony is implementing the use of renewable energy with a wide array of products.
- We believe that in the midst of such a social trend, the demand for renewable energy products may further increase.

\* For further details, please see "Disclosure of Climate-related Information in Accordance with the TCFD Recommendations" on page 111 in the Sustainability Report 2020.

## Climate-related Disclosures according to TCFD Recommendations Overview(2)

### ■ Strategy / Scenario Analysis

1. Objective: To understand the risks and opportunities we will face in the case that external environmental temperature change occurs in association with climate change, focusing on imaging and sensing technologies, which generate the most greenhouse gas emissions of Sony Group
2. Scenarios Used: 2°C and 4°C scenario
3. Analysis Results and Response
  - In the 2°C scenario, a possible increase in rising costs of crude oil and power derived from fossil fuels due to introduction of carbon pricing and its effects was acknowledged. Sony joined "RE100" and is implementing the plan to achieve 100% renewable electricity for worldwide operations by 2040.
  - In both the 2°C and the 4°C scenario, the possibility that demand will decrease when, as temperatures rise, extreme weather events increase in severity and frequency, and that our plants and suppliers will suffer damage, causing the delivery supply chain to be disturbed, was acknowledged, and we are working on identifying, analyzing, and evaluating each kind of risk for business continuity throughout the whole supply chain, implementing crisis management, and establishing and strengthening the business continuity plan, for each business.

\* For further details, please see "Disclosure of Climate-related Information in Accordance with the TCFD Recommendations" on page 111 in the Sustainability Report 2020.

# New Climate Change Targets Approved as SBT\*1.5°C target

## SBT (Science Based Targets)

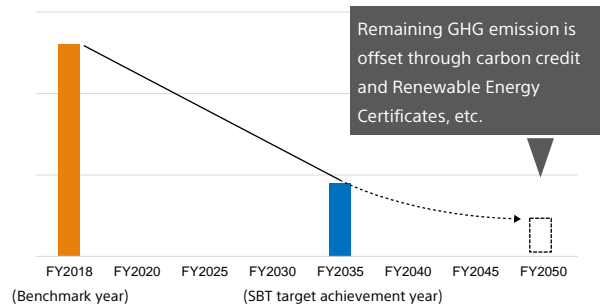
International initiative to encourage companies to set science-based greenhouse gas reduction targets in order to limit the increase in average global temperature due to climate change to 1.5°C above pre-industrial levels.



## Content certified as SBT 1.5°C target

Achievement Fiscal Year	Target Amount of Greenhouse Gas (GHG) Emissions
2035	Reduce 72% of GHG emissions at Sony sites globally (Compared to FY2018)
2035	Reduce 45% of GHG emissions during product use (Compared to FY2018)
2025	Have 10% of suppliers/OEMs by emissions covering supply chain GHG emissions <b>set SBT targets</b>

## SBT Targets and Milestones until Fiscal 2050



# History of Environmental Activities

- 1990 President's policy notice on environmental preservation, Established Global Environment Committee
- 1993 Sony Global Environment Policy and Environmental Action Program developed
- 2002 Finished acquiring ISO14001 certification at manufacturing sites around the world
- 2006 Acquired integration authentication for environmental management systems at sites around the world  
Began participating in WWF's Climate Savers Programme
- 2010 Created Environmental plan "Road to Zero"  
Created environmental medium-term targets "GM2015"
- 2015 Created environmental medium-term targets "GM2020"  
Climate change related targets approved as "Science Based Targets"
- 2018 Joined RE100
- 2020 Created environmental medium-term targets "GM2025"  
Fiscal 2035 climate change targets are approved as "Science Based Targets"



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- (i) Sony's ability to maintain product quality and customer satisfaction with its products and services;
- (ii) Sony's ability to continue to design and develop and win acceptance of, as well as achieve sufficient cost reductions for, its products and services, including image sensors, game and network platforms, smartphones and televisions, which are offered in highly competitive markets characterized by severe price competition and continual new product and service introductions, rapid development in technology and subjective and changing customer preferences;
- (iii) Sony's ability to implement successful hardware, software, and content integration strategies, and to develop and implement successful sales and distribution strategies in light of new technologies and distribution platforms;
- (iv) the effectiveness of Sony's strategies and their execution, including but not limited to the success of Sony's acquisitions, joint ventures, investments, capital expenditures, restructurings and other strategic initiatives;
- (v) changes in laws, regulations and government policies in the markets in which Sony and its third-party suppliers, service providers and business partners operate, including those related to taxation, as well as growing consumer focus on corporate social responsibility;
- (vi) Sony's continued ability to identify the products, services and market trends with significant growth potential, to devote sufficient resources to research and development, to prioritize investments and capital expenditures correctly and to recoup its investments and capital expenditures, including those required for technology development and product capacity;
- (vii) Sony's reliance on external business partners, including for the procurement of parts, components, software and network services for its products or services, the manufacturing, marketing and distribution of its products, and its other business operations;
- (viii) the global economic and political environment in which Sony operates and the economic and political conditions in Sony's markets, particularly levels of consumer spending;
- (ix) Sony's ability to meet operational and liquidity needs as a result of significant volatility and disruption in the global financial markets or a ratings downgrade;
- (x) Sony's ability to forecast demands, manage timely procurement and control inventories;
- (xi) foreign exchange rates, particularly between the yen and the U.S. dollar, the euro and other currencies in which Sony makes significant sales and incurs production costs, or in which Sony's assets, liabilities and operating results are denominated;
- (xii) Sony's ability to recruit, retain and maintain productive relations with highly skilled personnel;
- (xiii) Sony's ability to prevent unauthorized use or theft of intellectual property rights, to obtain or renew licenses relating to intellectual property rights and to defend itself against claims that its products or services infringe the intellectual property rights owned by others;
- (xiv) the impact of changes in interest rates and unfavorable conditions or developments (including market fluctuations or volatility) in the Japanese equity markets on the revenue and operating income of the Financial Services segment;
- (xv) shifts in customer demand for financial services such as life insurance and Sony's ability to conduct successful asset liability management in the Financial Services segment;
- (xvi) risks related to catastrophic disasters, pandemic disease or similar events;
- (xvii) the ability of Sony, its third-party service providers or business partners to anticipate and manage cybersecurity risk, including the risk of unauthorized access to Sony's business information and the personally identifiable information of its employees and customers, potential business disruptions or financial losses; and
- (xviii) the outcome of pending and/or future legal and/or regulatory proceedings.

Risks and uncertainties also include the impact of any future events with material adverse impact. The continued impact of COVID-19 could heighten many of the risks and uncertainties noted above. Important information regarding risks and uncertainties is also set forth in Sony's most recent Form 20-F, which is on file with the U.S. Securities and Exchange Commission.