

Materiality

Overview and Purpose of Materiality Analysis

The Sony Group develops diverse businesses globally. Sony recognizes that stakeholders expect it to maintain a well-defined stance and take action to address the issues facing society and the global environment, in addition to delivering emotional experiences through its business.

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

The Materiality Assessment Process

Step 1: Identify and classify material topics

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

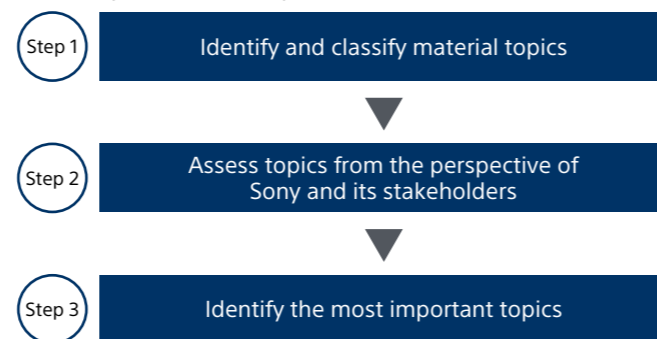
Step 2: Assess the topics from the perspective of Sony and its stakeholders

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

Step 3: Identify the most important topics

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

Materiality Assessment Steps

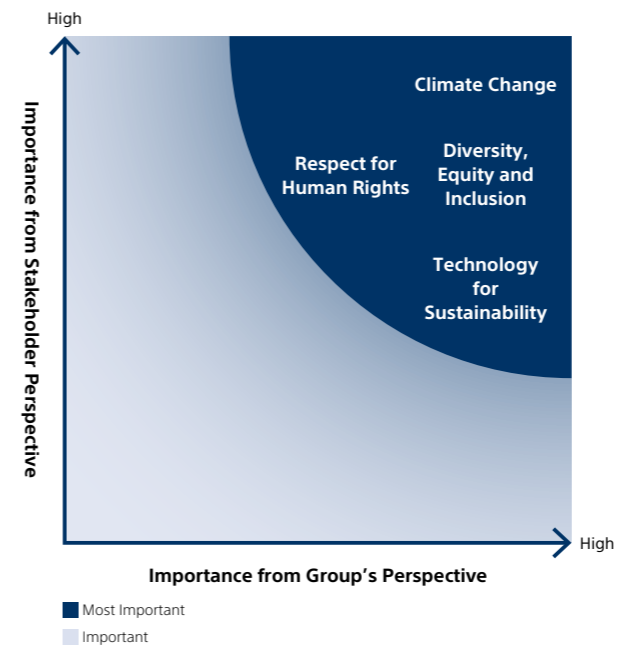


Analysis Results and Sony Group Material Topics

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

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

Sony Group Material Topics



- Sony’s Purpose & Values
- The Sony Group Code of Conduct
- Sony’s Basic Policy for Sustainability Initiatives
- Sony’s Sustainability Vision
- At a Glance 2023
- Editorial Policy / Business Overview
- Sony’s Sustainability
- Materiality**
- Employees
- Occupational Health & Safety
- Respect for Human Rights
- Responsible AI
- Accessibility
- Quality and Customer Service
- Responsible Supply Chain
- Community Engagement
- Environment
- Technology
- Ethics and Compliance
- Corporate Governance
- Sustainability Information

Background for selecting the Most Important Topics

Climate Change

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

DE&I

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

Respect for Human Rights

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

Technology for Sustainability

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

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

Climate Change

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

*1 Sony’s net-zero target follows the SBTi Corporate Net-zero Standard below:
 (a) reducing Scope 1, 2 and 3 emissions to zero or a residual level consistent with reaching net-zero emissions at the global or sector level in eligible 1.5°C scenarios or sector pathways; and
 (b) neutralizing any residual emissions at the net-zero target date – and any GHG emissions released into the atmosphere thereafter.

*2 Science Based Targets initiative (SBTi) is a global initiative that encourages companies to set science-based targets to reduce their GHG emissions towards the goal of limiting the increase in global average temperature due to climate change to 1.5°C above pre-industrial levels.

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

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

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

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

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

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

*3 Process by which carbon from the atmosphere is converted into organic compounds.

*4 Synecoculture is a trademark of Sony Group Corporation.

→ [Environment](#)

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DE&I

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

Sony maintains operations in countries and regions around the world, hiring employees with high potential who best meet local needs. Approximately half of all Sony Group employees are engaged in business activities outside Japan, and more than 90% of these employees are locally hired. Sony aims to globally promote greater opportunities for women as part of our efforts to ensure an inclusive work environment in which diverse employees can play an active role. As of March 31, 2024, the percentage of women to men in the workforce was 34.0% and the percentage of women to men in management positions was 30.7% at the whole Sony Group.

Additionally, Sony focuses on increasing gender diversity in Japan, where few women major in science or engineering, by cooperating with educational institutions and providing scholarships.

Sony also hires and provides workplace support for people with disabilities. Beyond complying with the laws, rules, and regulations of each nation and region in which it operates, Sony is devoted to creating inclusive workplaces where all employees, regardless of disability, can build careers.

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

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

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

→ [Employees](#)

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

Respect for Human Rights

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

Under this policy, Sony established and implemented Group policies for specific areas regarding human rights, such as the “Sony Supply Chain Code of Conduct” which sets forth the code of conduct for Sony’s own manufacturing sites and suppliers, and aims to work towards a responsible supply chain, and the “Sony Group AI Ethics Guidelines,” which guide all Sony officers and employees to utilize artificial intelligence (“AI”) and/or conduct AI-related R&D in a manner that conforms with our values and emerging social norms. Sony conducts human rights risk impact assessments in line with the frameworks regarding human rights due diligence set out in the United Nations Guiding Principles on Business and Human Rights (UNGP) issued by the United Nations Human Rights Council and the OECD Guidelines for Multinational Enterprises. After identifying potential human rights risks by considering the characteristics of each business operation and the value chains important to each business, the assessments further identified three areas as priority areas for enhancing initiatives throughout the Sony Group:

responsible supply chains, respect for diversity and responsible development and use of technologies. For issues where significant adverse human rights impacts are identified or are of concern in these priority areas, Sony promotes initiatives to prevent or mitigate those impacts for each of these areas. In the fiscal year ended March 31, 2024, Sony again conducted a human rights risk impact assessment, confirmed that the three areas of potential human rights risk which were previously identified as most relevant to Sony’s business activities remained the same, and promoted individual initiatives in each business. Sony has also established the “Sony Group Human Rights Policy,” with the aim of expressing its commitment to respecting human rights both internally and externally and promoting more systematic human rights due diligence across the Sony Group.

→ [Respect for Human Rights](#)

Technology for Sustainability

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

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

→ [Technology](#)

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