



# CSR Highlights

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# Corporate Governance

Sony has long been committed to strong corporate governance, as one of its most important management initiatives. As a part of this effort, Sony adopted the “Company with Committees” corporate governance system under the Companies Act of Japan. In addition to complying with the requirements of applicable corporate governance laws and regulations, Sony 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 and advancing the proper functioning of the statutory committees. Under Sony’s system, the Board of Directors defines the respective areas for which each of the Corporate Executive Officers is responsible and delegates to them decision-making authority to manage the business, thereby promoting the prompt and efficient management of the Sony Group.

## Governance Structure

Sony Corporation is governed by its Board of Directors, which is appointed by resolution at the annual shareholders’ meeting. The Board has three committees (the Nominating Committee, Audit Committee and Compensation Committee), each consisting of Directors named by the Board of Directors. Corporate Executive Officers are appointed by resolution of the Board of Directors. In addition to these statutory bodies and positions, Sony has Corporate Executives who carry out business operations within designated areas.

## Sony Initiatives

To strengthen its governance structure beyond legal requirements, Sony Corporation includes several provisions in its Charter of the Board of Directors to help ensure the separation of the Board of Directors from the execution of business, and to advance the proper

functioning of the statutory committees. The main provisions include the following:

- separating the roles of the Board chairperson/vice chairperson and Representative Corporate Executive Officers;
- limiting the number of terms of outside Directors;
- appointing chairs of statutory committees from the ranks of outside Directors;
- setting forth qualifications for Directors for the purpose of eliminating conflicts of interest and ensuring independence; and
- prohibiting the CEO or COO of Sony Group (or persons in any equivalent position) from serving on the Compensation Committee.

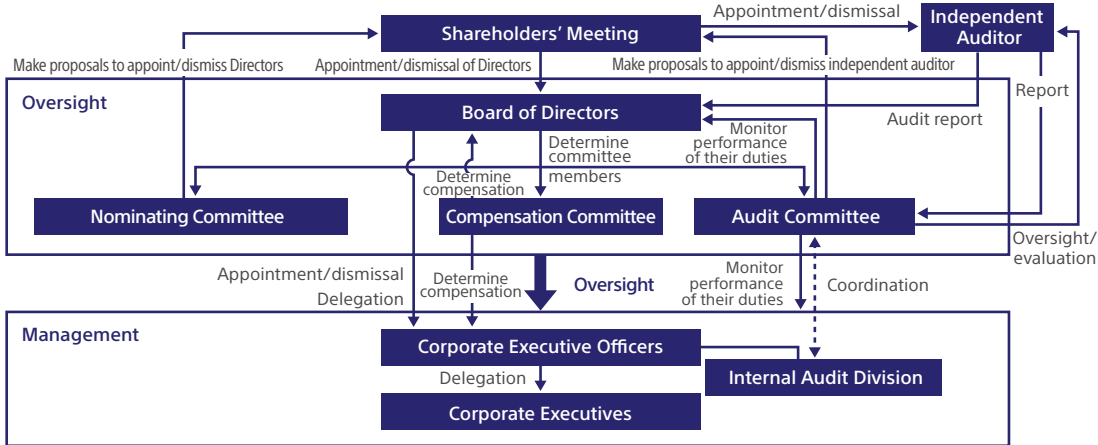
## Risk Management System

Each Sony Group business unit, subsidiary or affiliated company, and corporate division is expected to review and assess business risks on a regular basis, and to detect, communicate, evaluate and respond to risk in their particular business areas. In addition, Sony Corporation’s Corporate Executive Officers have the authority and responsibility to establish and maintain systems for identifying and controlling risks that have the potential to cause losses or reputational damage to the Sony Group in the areas for which they are responsible.

The Corporate Executive Officer in charge of Compliance is tasked with promoting and managing the establishment and maintenance of such risk management systems through the coordinated activities of the Group Risk Office, Compliance Division, Internal Audit Department and other relevant groups.

The Sony Corporation Group Risk Office is responsible for promoting risk management initiatives, such as business continuity planning, across the organization.

Corporate Governance Structure



## Supervision Board of Directors

- Determines the fundamental management policies of the Sony Group.
- Oversees the performance of the duties of Directors and Corporate Executive Officers.
- Appoints and dismisses the statutory committee members.
- Appoints and dismisses Corporate Executive Officers and Representative Corporate Executive Officers.

<b>Chairman of the Board: Osamu Nagayama*</b>	Representative Director, Chairman and Chief Executive Officer, Chugai Pharmaceutical Co., Ltd.	<b>Mitsuaki Yahagi*</b>	Special Advisor, The Japan Research Institute, Ltd.
<b>Kazuo Hirai</b>	Representative Corporate Executive Officer, President and CEO, Sony Corporation	<b>Kanemitsu Anraku*</b>	Director, Mizuho Financial Group, Inc.
<b>Masaru Kato</b>	Representative Corporate Executive Officer, EVP and CFO, Sony Corporation	<b>Yorihiko Kojima*</b>	Chairman of the Board, Mitsubishi Corporation
<b>Peter Bonfield*</b>	Chairman of the Board, NXP Semiconductors N.V.	<b>Takaaki Nimura*</b>	Certified Public Accountant
<b>Ryuji Yasuda*</b>	Professor, Graduate School of International Corporate Strategy, Hitotsubashi University	<b>Eikoh Harada*</b>	Chairman, President and CEO, Representative Director, McDonald's Holdings Company (Japan), Ltd., McDonald's Company (Japan), Ltd.
<b>Yukako Uchinaga*</b>	Board Chair, Japan Women's Innovative Network	<b>Joichi Ito*</b>	Director, Massachusetts Institute of Technology (MIT) Media Lab
		<b>Tim Schaaff</b>	Retired President, Sony Network Entertainment International LLC

### Nominating Committee

- Determines the content of proposals regarding the appointment/dismissal of Directors.

<b>Peter Bonfield* (Chair)</b>	<b>Tim Schaaff</b>
<b>Osamu Nagayama*</b>	<b>Kazuo Hirai</b>
<b>Yukako Uchinaga*</b>	<b>Masaru Kato</b>
<b>Yorihiko Kojima*</b>	
<b>Joichi Ito*</b>	

### Audit Committee

- Monitors the performance of the duties of Corporate Executive Officers and Directors.
- Oversees and evaluates the work of the independent auditor.
- Reviews the financial statements and business report to be submitted to shareholders.

<b>Takaaki Nimura* (Chair)</b>
<b>Mitsuaki Yahagi*</b>
<b>Kanemitsu Anraku*</b>

### Compensation Committee

- Sets policy on the contents of individual compensation for Directors, Corporate Executive Officers, Corporate Executives and Group Executives and determines the amount and content of individual compensation of Directors and Corporate Executive Officers in accordance with the policy.

<b>Ryuji Yasuda* (Chair)</b>
<b>Eikoh Harada*</b>
<b>Masaru Kato</b>

\* An Outside Director who satisfies the requirements under Item 15, Article 2 of the Companies Act of Japan

## Management Corporate Executive Officers

- Make decisions regarding the management of Sony Group business activities within the scope of the authority delegated to them by the Board of Directors.

<b>Kazuo Hirai**</b>	Representative Corporate Executive Officer, President and Chief Executive Officer	<b>Tomoyuki Suzuki</b>	Executive Vice President, Officer in charge of Device Solutions Business, R&D Platform and Common Software Design
<b>Masaru Kato**</b>	Representative Corporate Executive Officer, Executive Vice President and Chief Financial Officer	<b>Kunimasa Suzuki</b>	Executive Vice President, Officer in charge of PC Business, Mobile Business and UX, Product Strategy and Creative Platform
<b>Nicole Seligman</b>	Executive Vice President, General Counsel	<b>Kunitaka Fujita</b>	Executive Vice President, Officer in charge of Human Resources and General Affairs
<b>Tadashi Saito</b>	Executive Vice President, Chief Strategy Officer, Officer in charge of Medical Business		
<b>Shoji Nemoto</b>	Executive Vice President, Officer in charge of Professional Solutions Business, Digital Imaging Business and Disk Manufacturing Business		

\*\* Representative Corporate Executive Officer concurrently serving as Director

### Corporate Executives

- Carry out business operations within designated areas, including business units, headquarters functions, and/or research and development, in accordance with the fundamental policies determined by the Board of Directors and the Corporate Executive Officers.

(Names and positions of Directors and Corporate Executive Officers as of June 27, 2013)



Board of Directors, Sony Corporation

# Compliance

**Ethical business conduct and compliance with applicable laws and regulations are fundamental aspects of Sony's corporate culture. To this end, Sony has established a Global Compliance Network comprised of the Compliance Division at the corporate headquarters, a global compliance leadership team and regional compliance officers around the world. Additionally, it has adopted and implemented the Sony Group Code of Conduct and set up Compliance Hotline systems through its Global Compliance Network. Sony has taken these actions in order to reinforce the Company's worldwide commitment to integrity and help assure resources are available for employees to raise concerns or seek guidance about legal and ethical matters.**

## Strengthening the Compliance System

In July 2001, Sony Corporation established the Compliance Division, charged with exercising overall control over compliance activities across the Sony Group, to emphasize the importance of business ethics and compliance with applicable laws, regulations and internal policies. The Compliance Division establishes compliance policies and structures for the Sony Group.

In July 2003, Sony established a regional compliance network, comprised of regional compliance officers in each region worldwide, who are charged with exercising regional control over compliance activities to strengthen the compliance system throughout the Sony Group.

## Sony Group Code of Conduct and Internal Hotline System

In May 2003, Sony adopted the Sony Group Code of Conduct, which sets the basic internal standards to be observed by all directors, officers and employees of the Sony Group, in order to emphasize and further strengthen corporate governance, business ethics and compliance systems throughout the Sony Group. In addition to legal and compliance standards, the Code of Conduct sets out the Sony Group's basic policies concerning ethical business practices and activities on such topics as respect for human rights, safety of products and services, environmental conservation and information disclosure. The Code of Conduct has been adopted and implemented by each Sony Group company globally and is the subject of frequent "tone from the top" messaging and other training.

### Sony Group Code of Conduct

Established May 2003

[Scope of Application: Companies]

Standards applicable to Sony Corporation, as well as any company more than 50% of whose outstanding stocks or interests with voting rights is owned directly or indirectly by Sony Corporation, and such other companies as determined by the Board of Directors of Sony Corporation

[Scope of Application: Personnel]

Standards applicable to all Sony Group directors, officers and employees

[Headings]

#### 1. General Standards

- 1-1 Compliance with Laws as well as Internal Rules and Policies; Honest and Ethical Business Conduct
- 1-2 Relationship with Stakeholders
- 1-3 Appreciating Diversity
- 1-4 Avoiding Structural Conflicts of Interest
- 1-5 Communication of Concerns and Alleged Violations

#### 2. Respect for Human Rights

- 2-1 Equal Employment Opportunity
- 2-2 No Forced Labor/Child Labor
- 2-3 Sound Labor and Employment Practices
- 2-4 Work Environment

#### 3. Conducting Business with Integrity and Fairness

- 3-1 Product and Service Safety
- 3-2 Environmental Conservation
- 3-3 Fair Competition
- 3-4 Advertising
- 3-5 Public Disclosure
- 3-6 Personal Information
- 3-7 Intellectual Property
- 3-8 Confidential and Proprietary Information
- 3-9 Fair Procurement
- 3-10 Gifts and Entertainment
- 3-11 Recording and Reporting of Information

#### 4. Ethical Personal Conduct

- 4-1 Insider Trading
- 4-2 Personal Conflicts of Interest
- 4-3 Corporate Assets
- 4-4 Media Relations and Public Statements

Following the adoption of the Sony Group Code of Conduct, Sony also established a Sony Group Compliance Hotline system as a resource for employees to report concerns or seek guidance about possible violations of laws or internal policies, and to allow the Sony Group to respond swiftly to potential risks of such possible violations.

The Sony Group Compliance Hotline system is available worldwide. It is directly linked to the Corporate Executive Officer in charge of Compliance. It is operated independently from the ordinary line of command, and callers who report issues in good faith are protected from any possibility of retaliation for the report. Summaries of hotline calls, results of investigations and updates on the operation of the system are reported to senior management and the Audit Committee.

### **Compliance Monitoring Program**

A compliance monitoring program helps to ensure thorough global adherence to the Company's Code of Conduct, internal policies, and training and other protocols. The program relies on self-assessments, compliance audits and internal audits, along with monitoring of hotline and other reporting.

### **Sony Group Anti-Bribery Program**

As one example of its compliance-related initiatives, Sony has adopted the Sony Group Anti-Bribery Policy, which builds on the anti-bribery and accurate record-keeping requirements in the Sony Group Code of Conduct to help ensure that Sony Group personnel do not violate, or appear to violate, any applicable anti-corruption laws or regulations. This Policy reflects Sony's strong commitment to business integrity and, in particular, establishes practices and procedures that must be followed to help ensure integrity in Sony's dealings with government officials, as well as training requirements.

### **Information Security and Personal Information Management**

Sony has established an Information Security and Privacy organization headed by a Chief Information Security Officer (CISO) reporting directly to a Sony Corporation Corporate Executive Officer. Sony also has established global information security policies and standards, and global privacy policies, which set forth Sony's commitment to information security and privacy and define practices and procedures to be followed by all Sony personnel. The CISO and his organization are charged with developing and implementing these policies and standards globally to ensure network security and the protection of privacy. This organization coordinates with individuals responsible for information security and privacy at Sony Group companies globally to create a Group-wide information security and personal information management system. Under the supervision of the CISO, Sony continuously reinforces internal rules and business processes to further strengthen the information security management framework of the Sony Group and contribute to the protection of personal information. Recognizing that employee awareness of information security and privacy is vital, Sony requires training programs for its employees to increase their understanding and improve the overall level of information security and protection for individuals' privacy.

## Human Resources

Given the rapid globalization of markets, evidenced in part by the ascendance of emerging economies, sustainable growth is increasingly dependent on a company's ability to secure and foster talented personnel with the ability to thrive on a global stage. Recognizing that its efforts to offer innovative products, services and content that enhance consumers' lives depend on its ability to attract and retain employees with varied skills and perspectives, Sony actively pursues diversity in recruitment and has created a global framework that enables talented employees to bring their capabilities into full play.

### Sony Group Diversity Policy

As part of its corporate strategy, Sony has recently reaffirmed its commitment to diversity and issued a new Diversity Statement.

#### Sony Group Diversity Statement

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

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

### Diversity in Recruitment

Sony is promoting the localization of its sales, manufacturing and R&D operations by working to secure local human resources that best respond to national, regional and location-specific needs. In addition, Sony works to secure talented human resources crucial to growing its global business by recruiting university graduates overseas to work in Japan. A Global Internship Program also welcomes university students from Europe, North America, China and India, among others, to Tokyo. To further enhance its ability to recruit top-notch personnel from around the world, Sony conducts recruitment sessions at universities, graduate schools and research facilities worldwide, as well as for overseas students in Japan.

### Training & Development

Sony offers on-the-job learning, as well as a variety of programs designed to enhance individual abilities and develop specialized skills that are tailored to local needs. These programs:

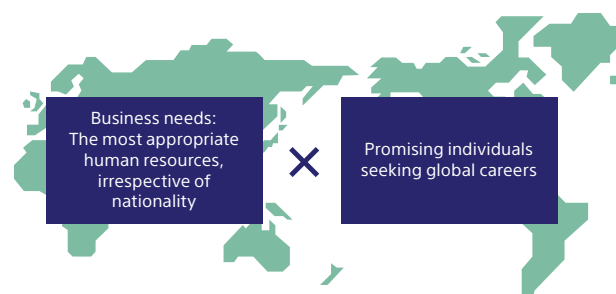
- foster global business leaders and engineers;
- nurture management skills, in line with the belief that leadership abilities are essential for employee growth; and
- support individual career-building efforts.

### Fostering Global Business Leaders

In 2000, Sony established Sony University to provide education and training to Sony Group executives from around the world, as well as junior employees and mid-tier managers from Japan. In 2012, a branch of Sony University was established in Singapore for junior employees and mid-tier managers from around the world, thereby creating a global configuration that enables Sony to provide education and training aimed at fostering global business leaders to employees at various levels. It also has a variety of educational programs in collaboration with some of the world's leading academic institutions, with the goal of providing employees skills that enable them to lead effectively in emerging economies and around the world.

Since 2008, Sony has appointed global talent directors from among its regional human resource managers. Global talent directors are charged with identifying promising individuals and key positions that can be filled by such talents in all businesses and regions twice a year with the aim of fostering such individuals as future business leaders through global job rotations.

### Basic Philosophy behind Rotation Project





As a part of this program, approximately 100 Sony employees, primarily management-level and mid-tier executives, have rotated through a series of job assignments designed to match talent with need, regardless of nationality.

In 2010, Sony introduced a Global Job Posting program that enables Sony Group employees around the world to apply for open positions in the Company in different countries. Through initiatives like this, Sony aims to facilitate the optimal placement of talent globally and, at the same time, to provide diverse opportunities for its employees to take challenging international assignments. These activities also establish a pool of individuals with the breadth of experience and network required of global business leaders.

In 2012, Sony solicited members for a special “Challenge Team” established to propose original solutions to issues associated with Sony’s transformation efforts from among Sony Group employees. Members of this team, which reports directly to management, are currently engaged in a variety of initiatives toward that end.

### **Global Employee Survey and Dialogue with Employees**

Since 2010, Sony has been integrating various formerly independent Group surveys into a global employee survey. From the start, the response rate for this annual survey has remained around 90%. The survey is divided into such categories as Innovation, Customer Focus, Corporate Climate and Talent Management, and it enables Sony to access and analyze the views of employees across the Sony Group in a consistent manner. Of particular note, 80% of employees routinely respond that they understand and identify with Sony’s values and objectives, indicating a level of awareness that is a key Sony strength. Findings are fed back to senior

management, as well as used in internal workshops designed to address issues identified through the survey and assist in the drafting of personnel strategies.

To facilitate open communication between senior management, including the CEO, and employees, Sony holds periodic town-hall meetings. These meetings enable senior management to convey policies and thinking on strategies and structural reforms directly to employees, as well as to gain an understanding of employees’ opinions and concerns regarding issues they face in their day-to-day jobs.

### **Supporting Diversity in the Workplace**

Sony engages in a variety of efforts aimed at maximizing the capabilities of all employees, irrespective of race, religion, color, nationality, age, gender or physical limitations.

Sony is also pursuing a variety of initiatives aimed at promoting greater opportunities for women, including mentoring programs and other training, and facilitation of women’s networking initiatives, as well as awareness training for employees in managerial positions. Sony also seeks to accommodate the needs of employees striving to balance their careers with their family obligations to care for children or nurse family members by enhancing work environments and expanding family-friendly systems.

To help increase employment opportunities for individuals with disabilities, Sony shares the expertise and experience of its three special-purpose subsidiaries—Sony Taiyo Corporation, Sony Hikari Corporation and Sony Kibo Corporation, which specialize in promoting employment for individuals with disabilities—in modifying facilities and promoting understanding in the workplace of Sony Group companies worldwide.

## Responsible Sourcing

**Sony is committed to conducting its operations in a socially and environmentally responsible manner and to sourcing from suppliers that share its values. Accordingly, in order to enable positive change in its supply chain, Sony works closely with its suppliers and subcontractors to address human rights, labor, health and safety, and environmental protection issues related to the procurement of raw materials and components.**

**As part of its overall efforts to promote these responsible sourcing initiatives, Sony engages in active, ongoing dialogue with a range of nongovernment organizations (NGOs). Sony is also a participating member of industry organizations such as the Electronic Industry Citizenship Coalition (EICC) and the Global e-Sustainability Initiative (GeSI), which focus on improving electronics industry supply chains from social and environmental perspectives.**

### Our Approach to Conflict Minerals

The Democratic Republic of the Congo and the adjacent countries are currently 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—coltan (tantalum), cassiterite (tin), gold and wolframite (tungsten)—to finance their activities. To the extent these minerals are found to be financing armed rebel activities, these four minerals are commonly referred to as “conflict minerals.” To address the “conflict minerals” situation, the United States enacted Section 1502 of the Dodd-Frank Wall Street

Reform and Consumer Protection Act, which, beginning in 2014 for the calendar year 2013, requires companies covered under the Act, including Sony, to publicly disclose certain information regarding any use of conflict minerals in their products.

It is Sony’s policy to refrain from knowingly purchasing any products, components or materials that contain conflict minerals so that it can avoid contributing to conflict through its sourcing practices. To help ensure compliance with this policy, Sony has exercised due diligence since August 2011 for selected product categories, and in 2013, overall across the Sony Group to determine the country of origin and chain of custody for each of the four designated minerals in its supply chain in accordance with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. It is also Sony’s policy to require its suppliers to source these minerals from smelters determined to be compliant with EICC/GeSI Conflict-Free Smelter (CFS) Program\* protocols or determined to be conflict-free under other trusted traceability projects.

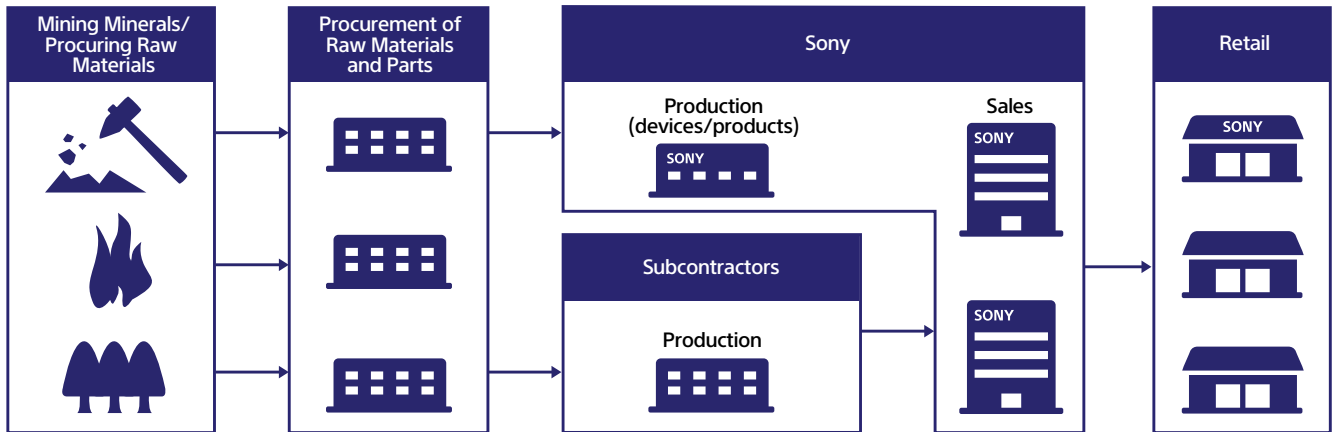
Sony also actively cooperates with and provides support for the EICC and other industry organizations and alliances whose activities are focused on preventing and reducing the impact of conflict minerals mining, and participates in the Public-Private Alliance for Responsible Minerals Trade (PPA), a joint effort of government, industry and NGOs led by the U.S. government to support responsible mineral trade from the Great Lakes region of Central Africa.

\* CFS Program: A voluntary program in which an independent third party evaluates a smelter’s procurement activities and determines if the smelter has demonstrated that all the materials it processed originated from conflict-free sources





## Basic Structure of the Supply Chain



### Initiatives Related to Paper Procurement

Sony recognizes that paper resources are limited and strives to reduce the amount of office paper used at sites and limit the number of pages in its product manuals. Sony also recognizes the impact of illegal logging on biodiversity and considers responsible procurement of lumber and paper products. Sony takes environmental conservation into consideration when purchasing paper materials through its Sony Group Paper/Printed Material Purchasing Policy. Sony sources paper from forests certified as responsibly managed and works not only to ensure that the paper it purchases has been produced from forests that are managed in accordance with legal requirements but also to promote the use of paper products certified by the Forest Stewardship Council (FSC). The FSC audits forests based on a range of criteria, including sustainability and Sony uses FSC-certified paper in its corporate printed materials, including its annual report, calendars and business cards.

### Sony Supplier Code of Conduct

Supply chains in the electronics industry tend to overlap considerably, with multiple manufacturers of finished products sharing the same subcontractors and parts suppliers. Recognizing the importance of cooperation within the industry, in 2004 Sony participated in the establishment of the EICC, with the aim of improving social, economic and environmental conditions in the global electronic supply chain through the use of a standardized code of conduct.

In 2005, Sony adopted the Sony Supplier Code of Conduct, based on industry best practices as highlighted in the EICC code of conduct, with which all Sony suppliers must comply. Sony also supports the corporate social responsibility initiatives of its suppliers through a system of assessment and monitoring to verify compliance with the Sony Supplier Code of Conduct. Sony's efforts include risk assessments, follow-up meetings with suppliers to discuss assessment results and third-party audits.



### Managing Chemical Substances in Procurement

Sony has its own global standards for management of certain chemical substances contained in products or parts, collectively called "Management Regulations for Environment-related Substances to be Controlled which are Included in Parts and Materials (SS-00259)." These standards reflect applicable laws and regulations and the views of stakeholders.

To implement this standard, Sony has established the Green Partner Environmental Quality Approval Program, which it uses to certify suppliers that comply with Sony's standard for management of chemical substances as "Green Partners." By procuring parts and products only from certified suppliers, Sony realizes consistent chemical substance management globally.

# Quality and Services

Since its founding, Sony's mission has been to provide high-quality customer-oriented products and services. To ensure that the quality of its products and services exceeds the expectations of its customers in the many countries and regions in which it does business, Sony works assiduously to enhance product quality and reinforce its quality management system, and remains committed to bolstering customer satisfaction. Advances in, and the increasing prevalence of, digital and network technologies are driving the development of products that are increasingly multifunctional and complex. Sony views usability and accessibility as essential aspects of product quality and is continuously taking steps to make its products and services easier for more people to use.

## Quality Management System

Sony continually strives to reinforce its quality management by enhancing the system's framework and incorporating quality improvement measures into its electronics processes, from development through to sales and customer service.

- Quality Strategy Meetings, which are attended by top management, are held regularly to discuss and set key measures for improving quality, and function as the ultimate decision-making forum for related matters.
- Quality Officers Meetings, which are attended by Quality Officers appointed within each business group,

are also held regularly to share information pertaining to quality issues and discuss initiatives and responses to common challenges.

- Quality Officers and Customer Service Officers from around the world meet to promote quality-related measures and global-level initiatives.

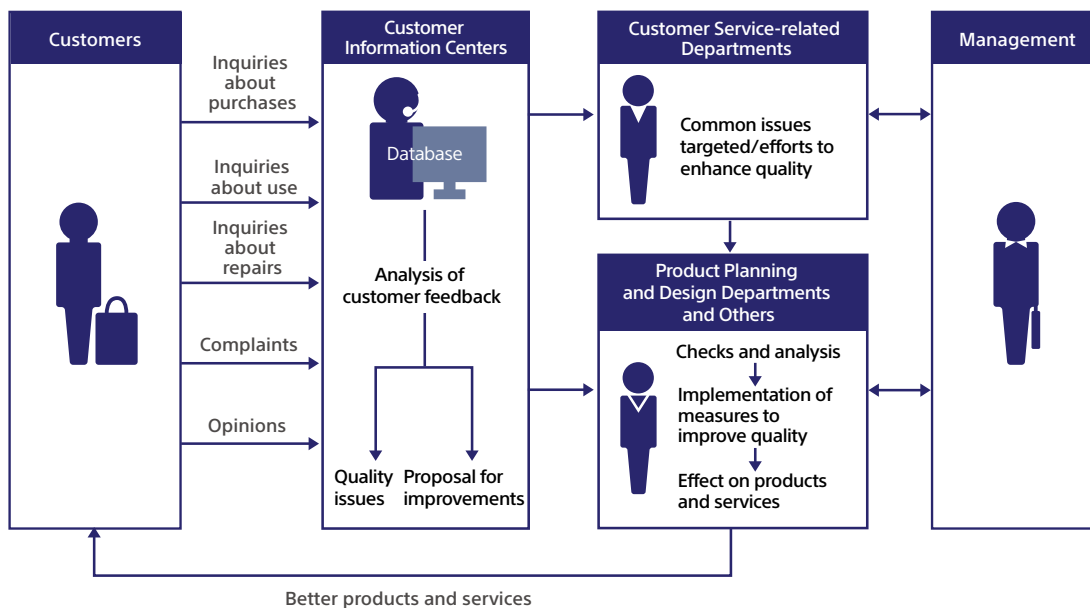
## Efforts to Improve Quality

To identify quality issues as they arise and to accelerate its response, Sony has established a team at its Tokyo headquarters that is charged with swiftly gathering information from a wide range of sources, both in Japan and overseas, in the event of a product quality issue in the market. The team meets weekly with headquarters' quality management and technology experts to report on quality issues and share information. Sony has also formulated quality standards applicable to all electronics products and related services in such areas as product safety and performance, labeling, and customer service. These standards are updated continuously to reflect technological advances, changes in applicable legal and regulatory requirements and evolving social imperatives.

Sony also addresses product safety from a medical perspective and formulates internal standards for product planning and development.

In addition, specialists at Sony's Quality Reliability Lab are tasked exclusively with improving technologies essential to product reliability.

## Utilizing Customer Feedback





### Responsiveness and Customer Service

Sony continually strives to take customer viewpoints into consideration to help improve customer satisfaction around the world. Its first Customer Information Centers were established in 1963 in Japan, and thereafter expanded their function worldwide to respond to customer inquiries. For Sony employees and staff of service partners involved in customer service, Sony provides ongoing training to ensure that issues are addressed swiftly and effectively. Sony also uses the Internet and various emerging social media platforms to communicate frequently and directly with customers. To ensure timely access to easy-to-understand product and customer service information, Sony works to enhance the content of its websites, enabling the download of manuals and software updates and providing frequently asked questions (FAQs) and other information about ways to use and enjoy Sony products and services. To further bolster customer satisfaction, Sony is responding to the increasingly diverse needs of its customers by, among other initiatives, providing live chat capabilities on its websites.

Customer feedback helps Sony improve its products and services. To this end, opinions about products and reports of malfunctions received from customers by Sony Customer Information Centers are shared with related departments, ensuring that prompt improvements in product quality can be made. Internally, a Quality Hotline and a dedicated quality website serve as important mechanisms through which employees can submit comments about product and customer service quality.

Currently, there are more than 5,300 Sony customer service locations, including Sony service stations and authorized repair agents worldwide, allowing Sony to respond promptly to customer requests. Sony is working to shorten repair times and reviewing repair fees and repair service reception procedures in different regions with the ongoing goal of enhancing overall customer satisfaction.

### Enhancing Usability and Accessibility

Sony products are used by a diverse range of customers not only in Japan, Europe and North America, but also in other parts of the world, including emerging economies. Sony thus recognizes that it must accommodate definitions of “usability” that vary in different cultures and lifestyles. To this end, Sony conducts user tests on an ongoing basis in Japan and a variety of other markets, including India, China and Brazil, as part of the product development process. These tests are aimed at improving such attributes as viewability, comprehensibility and responsiveness.

Sony’s commitment to usability also extends to including features that make its products accessible to as many people as possible, including the elderly and individuals with disabilities. One recent example of advances in accessibility is the Reader™ eBook reader. This device features an e-paper display, which replicates the appearance of ink on paper and enables users to read comfortably for long periods with minimal eyestrain, and allows users to adjust text size as needed.

# Environment

Sony's business activities are only possible if the earth, which sustains all life, is healthy. Accordingly, the Company is committed to helping to address environmental issues such as climate change, resource conservation and the need for effective management of chemical substances.

Recognizing this, Sony strives to conduct its business in a sustainable manner and to provide environmentally conscious products and services. By developing advanced technologies and innovations in this area and by working with various stakeholders, Sony aims to contribute to the realization of a sustainable society.

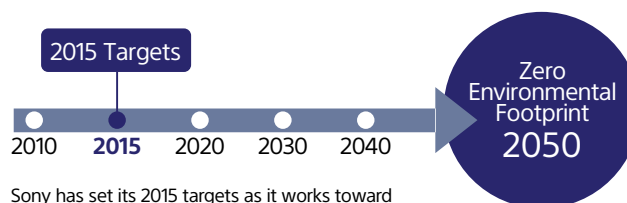
## Road to Zero: Sony's Global Environmental Plan Striving to achieve a zero environmental footprint

Since the early 1990s, Sony has pursued environmental initiatives in accordance with fundamental environmental principles and action plans. In April 2010, Sony announced the formulation of "Road to Zero," a new global environmental plan.

By backcasting, Sony has devised Green Management 2015, a set of specific mid-term targets that the Sony Group must meet by fiscal year 2015 if it is to achieve its ultimate "Road to Zero" goal of reducing its environmental footprint to zero by 2050. These targets are based on four environmental perspectives—climate change, resource conservation, management of chemical substances and

biodiversity—across all product life cycle stages.

To achieve these targets, Sony will leverage its comprehensive global environmental management system, which integrates the Company's corporate headquarters with its business divisions and sites worldwide. In addition, the Group has obtained integrated certification under ISO 14001, the international standard for environmental management systems, and is continuously working to improve its environmental performance.



Sony has set its 2015 targets as it works toward achieving a zero environmental footprint.

## Mid-Term Environmental Targets

### Green Management 2015 environmental targets

The following chart outlines the principal targets of Green Management 2015, which runs from fiscal year 2011 through fiscal year 2015, as well as Sony's achievements in each area as of the end of fiscal year 2012. Sony continues to make positive progress toward these targets and is currently considering further initiatives to achieve targets on the increased use of recycled plastics in its products and the enhancement of chemical substance management at Sony Group sites.

### Progress on Principal Quantitative Targets of Green Management 2015

	Target	Progress as of End of Fiscal Year 2012
Climate Change	<b>Products and Services</b> <ul style="list-style-type: none"> <li>Reduce annual per-product energy consumption by 30% from the fiscal year 2008 level</li> </ul>	Down 34%
	<b>Operations</b> <ul style="list-style-type: none"> <li>Reduce greenhouse gas emissions from sites by an absolute value of 30% from the fiscal year 2000 level</li> </ul>	Down 43%
	<b>Logistics</b> <ul style="list-style-type: none"> <li>Reduce CO<sub>2</sub> emissions from logistics by 14% from the fiscal year 2008 level</li> </ul>	Down 37%
Resource Conservation	<b>Products and Services</b> <ul style="list-style-type: none"> <li>Reduce utilization ratio of virgin oil-based plastics in products by 5% from the fiscal year 2008 level</li> <li>Reduce mass per product by 10% from the fiscal year 2008 level</li> </ul>	Down 1.9% Down 20%
	<b>Operations</b> <ul style="list-style-type: none"> <li>Achieve an absolute reduction in waste from sites of 50% from the fiscal year 2000 level</li> <li>Increase the waste recycling rate group-wide to more than 99%</li> <li>Achieve an absolute reduction in the total volume of water used of 30% from the fiscal year 2000 level</li> </ul>	Down 69% 94% Down 56%
	<b>Logistics</b> <ul style="list-style-type: none"> <li>Reduce waste from packaging for incoming parts by 16% from the fiscal year 2008 level</li> </ul>	Down 67%
Chemical Substance Management	<b>Operations</b> <ul style="list-style-type: none"> <li>Reduce amounts of designated substances, including volatile organic compounds (VOCs) released into water and transferred as waste or into sewers by 14% from the fiscal year 2008 level</li> <li>Reduce emissions of VOCs into the atmosphere by 50% from the fiscal year 2000 level</li> </ul>	Down 17% Down 51%

For more information, such as the scope of data collection, please visit our website.

## Environmental Activities Focusing on the Product Life Cycle

### Research and Development

Focusing on electrical outlets, a crucial component of the infrastructure through which electricity is supplied and consumed, Sony is promoting the development of “authentication outlets” that make use of its contactless IC card technology. When the device is plugged in, the outlet “authenticates” the device and its owner and transmits the



Authentication outlet

correct amount of electricity. In addition to facilitating the calculation of per-user electricity consumption and monitoring the electricity use of individual devices, these outlets are expected to find new applications in the construction of new electricity services, among other areas.

### Product Planning and Design

In February 2011, Sony developed SoRPlas (Sony Recycled Plastic), a flame-retardant plastic which uses more than 99% recycled materials, giving it the highest recycled materials rate among plastics in the world.<sup>1</sup> SoRPlas is made from the recycled polycarbonate waste plastic collected from within and outside the Sony Group and blended with a new flame retardant containing sulfur, which Sony developed internally. Sony expects SoRPlas to achieve an estimated 80% reduction in CO<sub>2</sub> emissions in the plastic manufacturing process (including transportation) compared with conventional plastic. Beginning with three models of BRAVIA™ LCD televisions launched in spring 2011, Sony has expanded the product categories using SoRPlas. In fiscal year 2012, products featuring SoRPlas included digital recording binoculars and Cyber-shot™ compact digital cameras.

\* Based on Sony research as of February 2011. Conventional flame retardant recycled plastics used in electronics products have a recycled content ratio of less than 60%.

### Procurement<sup>\*1</sup>

With regard to Sony’s designated chemical substances contained in products and parts, Sony has formulated its own set of standards for managing chemical substances, which reflect global legal mandates such as EU REACH<sup>2</sup> regulations and the RoHS Directive<sup>3</sup> and the views of its stakeholders. Sony also operates its own Green Partner Environmental Quality Approval Program and other systems that reinforce its ability to ensure the appropriate management of chemical substances in use. Moreover, Sony keeps a close watch on environmental impact throughout its value chain, including the monitoring of the performance of its principal manufacturing outsourcing

partners. In fiscal year 2012, this enabled Sony to estimate greenhouse gas emissions for its entire electronics-related value chain as well as portions of its entertainment-related value chain.<sup>4</sup>

\*1 Please refer to pages 44–45 for more details.

\*2 REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals): Regulations introduced in the EU for managing chemical substances

\*3 RoHS: Directive on the restriction of the use of certain hazardous substances in electrical and electronic equipment

\*4 The Greenhouse Gas Protocol’s Scope 3 Standard and guidelines issued by Japan’s Ministry of the Environment were referred in the calculation.

### Operations

Sony sets a variety of environmental targets including absolute targets on greenhouse gas emissions and waste reduction on a unified global basis and takes a proactive approach to reducing the environmental footprint of its factories and offices worldwide. It also pursues activities that suit the environmental needs of the surrounding local community.

In fiscal year 2011, Sony began implementing the Green Star Program, its own environmental performance assessment program. This program provides a comprehensive evaluation of the environmental initiatives of each Sony Group site based on common standards, with a view toward helping to improve the effectiveness of such undertakings.

### Logistics

Sony is decreasing gross transportation weight by reducing the weight of finished products. At the same time, Sony is striving to reduce the volume of packaging materials and CO<sub>2</sub> emissions resulting from its logistics operations by optimizing transportation efficiency (i.e., size reduction and modularization of product packaging to optimize load efficiency) and shifting to alternative modes of transportation that create less environmental impact.

### Take-back and Recycling

Sony recognizes its social responsibility as a manufacturer and adheres to the recycling laws and regulations of the countries and regions in which it operates by promoting the take-back and recycling of end-of-life products. At the same time, Sony also actively operates voluntary take-back initiatives, even in regions and countries—such as some countries in South America—that have not yet introduced recycling laws or regulations.

## Environmental Activities within Sony's Operations

### Curbing Climate Change

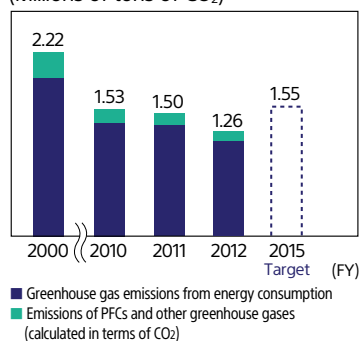
#### Reducing greenhouse gas emissions at sites

In fiscal year 2012, greenhouse gas emissions at Sony Group sites were approximately 1.26 million tons, down approximately 43% from fiscal year 2000. To reduce greenhouse gas emissions, Sony has prioritized the efficient use of energy at its sites. Of particular note, in recent years Sony has expanded its focus beyond the upgrading of buildings and equipment for better efficiency to also include operational and manufacturing processes aimed at achieving improvements from the bottom up. Best practices are swiftly implemented at Sony Group sites worldwide.

Sony is also aggressively pursuing the use of renewable energy. In fiscal year 2012, Sony succeeded in offsetting global greenhouse gas emissions by 65,000 tons through the use of renewable electricity certificates and other initiatives. Electricity acquired from renewable sources accounted for approximately 7% of Sony's total electricity usage worldwide. Further, with regard to perfluorocarbons (PFCs) and other greenhouse gases emitted in the production of semiconductors, Sony is working to reduce emissions through the introduction of treatment equipment that traps such gases.

#### Greenhouse Gas Emissions from Sites

(Millions of tons of CO<sub>2</sub>)



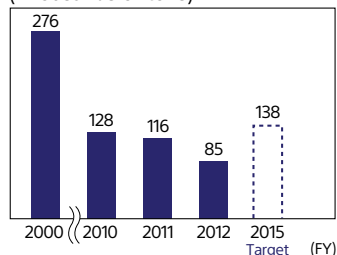
### Conserving Resources

#### Reducing waste at sites

In fiscal year 2012, total waste generated by Sony Group sites amounted to approximately 85 thousand tons, a reduction of approximately 70% from fiscal year 2000. The Sony Group's total recycling rate was 94%. Sony continues to promote the reuse and recycling of site waste in its products and packaging materials on a global basis.

#### Waste at Sites

(Thousands of tons)



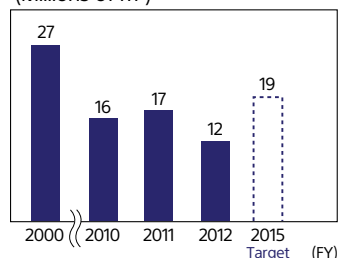
### Conserving Resources

#### Reducing water consumption at sites

In fiscal year 2012, Sony Group sites used approximately 12 million m<sup>3</sup> of water during its operations, comprising water purchased or drawn from groundwater. This was a reduction of approximately 55% compared with fiscal year 2000. Sony is taking steps to reduce water used by its sites around the world.

#### Water Consumption at Sites

(Millions of m<sup>3</sup>)



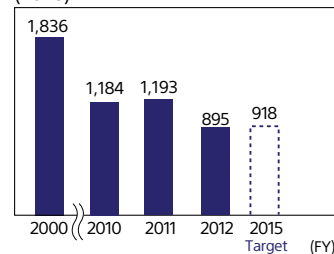
### Managing Use of Chemical Substances

#### Management of chemical substances at sites

Sony has developed Group-wide standards with respect to the management of chemical substances used at sites and has implemented measures aimed at reducing the amounts of such substances transferred and released into the air and water as emissions, discharge or waste. In

#### Release of VOCs into the Atmosphere

(Tons)



fiscal year 2012, emissions of volatile organic compounds (VOCs) released into the atmosphere amounted to approximately 875 tons, a 52% reduction from the fiscal year 2000 level. Sony has also established internal standards for the prevention of environmental accidents, as well as for emergency responses, as part of its efforts to ensure the proper management of chemical substances.

### Conserving Biodiversity

#### Measures to conserve biodiversity

Under policies and guidelines related to biodiversity, Sony is promoting ongoing activities to incorporate more green spaces at its various facilities and to preserve and restore the natural environment in the local communities. For example, as part of a program implemented by Sony Group companies in Singapore in line with the United Nations' "Water for Life" Decade, employees of Sony Electronics Asia Pacific Pte Ltd. together with a local school built 10 floating wetlands for installation at a local reservoir with the aim to improve water quality and biodiversity in the area. In the United States, Sony Pictures Entertainment Inc. launched a website inspired by the 2013 movie *After Earth*. The website provides cutting-edge scientific information and materials for educators pertaining to biodiversity and other environmental issues.

## Developing Environmentally Conscious Products

With the aim of developing life-enhancing products that are not only superior in functionality, performance and quality, but also create less impact on the environment, Sony has formulated its own guidelines for environmentally conscious products, which it applies to all of its products. Guided by these principles, Sony is working to develop industry-leading environmentally conscious products equipped with world-first features and technologies.

### BRAVIA™ LCD Televisions (KLV-32EX330/40EX430)

These models were redesigned from the ground up, enabling Sony to achieve a weight reduction of approximately 50% compared with previous models\*, in its pursuit of minimizing resources used.

\* Calculated by comparing KLV-32EX330 with KDL-32EX420 and KLV-40EX430 with KDL-40EX520



### Digital Recording Binoculars (DEV-50V/30)

This model employs a body made with Sony's innovative SoRPlas post-consumer plastic and also achieves a weight reduction of 30% compared with previous models\*. Additionally, Full HD recording enables users to capture nature in all its beauty, thus contributing to greater awareness of wildlife ecology, which in turn encourages support for efforts to conserve biodiversity.

\* Comparison with DEV-3



### Blu-ray 3D™ Home Theater System (BDV-N790W)\*<sup>1</sup>

This system employs speakers that use magnetic fluids. Discovered by NASA, magnetic fluids are liquids that can be attracted by a magnetic field. Sony succeeded in developing Magnetic Fluid Speakers that use magnetic fluids for suspension, which has enabled them to achieve overwhelmingly superior efficiency, reducing power consumption by approximately 35%<sup>2</sup> compared with conventional speakers.

In Japan, these magnetic fluid speakers are employed in the CMT-V70B Micro Hi-Fi Music System with WALKMAN® Dock and the X9200A series of BRAVIA™ 4K LCD televisions.

\*<sup>1</sup> Available in selected countries

\*<sup>2</sup> Energy consumption of magnetic fluid speakers alone, compared to that of conventional speakers at equivalent volume



### VAIO® Duo 13 Personal Computer

Scheduled for release in summer 2013, the VAIO® Duo 13 is equipped with a management technology that delivers both an extended battery life and a sleep mode that preserves network connections. This technology not only lengthens the operating time obtained with a single battery charge, facilitating stress-free use, but also contributes to reducing energy consumption.



### VPL-CW255 Series Data Projectors

In addition to realizing outstanding brightness (4500 lumens<sup>1</sup>), the lamp of these data projectors consumes approximately 20% less lamp power per luminance than previous models<sup>2</sup>. For these projectors, Sony also developed a lamp that lasts up to 5,000 hours<sup>3</sup> before requiring replacement, thereby realizing a reduction in resource use.

\*<sup>1</sup> In High mode

\*<sup>2</sup> Comparison with VPL-CW125

\*<sup>3</sup> In Low mode



### Xperia™ P Smartphone

This model features WhiteMagic™, a screen technology that adjusts backlight brightness to suit lighting conditions, thereby minimizing unnecessary power consumption, and is made with recycled plastic and a waterborne paint. It also comes with optimized packaging without an extended paper manual or CD. The Xperia™ P received the European Green Smart Phone 2012–2013 award, given as part of the EISA Green Awards<sup>4</sup>.

\* Sponsored by the European Imaging and Sound Association (EISA)



# Community

**Sony is committed to pursuing sustainable business practices while working to realize a better future for society. Sony also undertakes community engagement activities in fields where it is best able to do so to help address the needs of communities.**

## For a Sustainable Society

In Sony's Founding Prospectus, co-founder Masaru Ibuka set "the promotion of education in science among the general public" as a primary goal, as he sought to build a company that would add value to society. Believing that children's science education is particularly important, Sony began providing support to elementary schools in pursuit of science education excellence in 1959. Following in Ibuka's footsteps, and guided by its "For the Next Generation" CSR philosophy, Sony continues to support education. Sony also undertakes community engagement activities around the world in pursuit of solutions to global issues, including environmental conservation, realization of the Millennium Development Goals (MDGs) and the provision of assistance to those in need in the aftermath of major disasters.

In support of these activities, Sony leverages its innovative products and technologies, as well as the capabilities of Sony Group employees, individually and in partnership with its stakeholders. As a means of informing as many people as possible about these issues, Sony also undertakes educational campaigns linked to its marketing initiatives and incorporates its CSR goals into its internal

human resource development. Hence, Sony not only seeks to contribute to the resolution of social and environmental issues but also to integrate community engagement into its business operations as a way of enhancing those operations.

In fiscal year 2012, the Sony Group spent approximately 3.3 billion yen<sup>\*1</sup> on community engagement initiatives, and a total of 90,000 Sony Group employees<sup>\*2</sup> participated in volunteer initiatives. Below are just a few examples of the Company's community engagement activities.

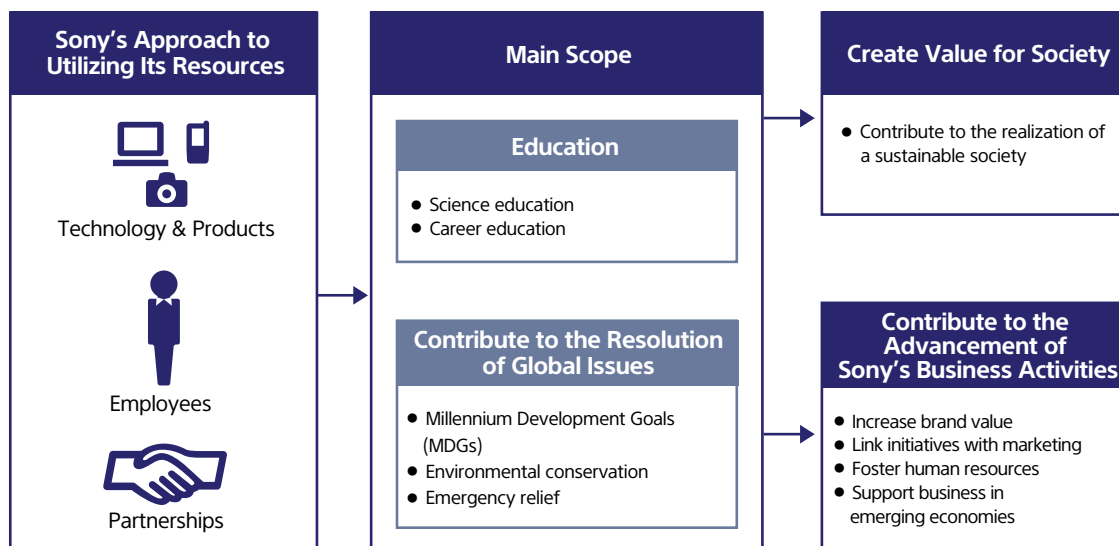
<sup>\*1</sup> Cumulative figure. In addition to donations, sponsorships and independent program expenses (including facility operation expenses), this amount includes the market prices of products donated.

<sup>\*2</sup> Cumulative participants in fundraising initiatives, blood drives and other activities

## Next-Generation Education Support

For more than half a century, the Sony Science Program\* has helped children learn about science while cultivating curiosity, creativity and critical thinking skills. Sony believes that fostering such qualities in children will contribute to the future resolution of environmental issues, poverty and other global challenges. Sony employees serve as instructors for Sony Science Program workshops, which are designed to teach children about the principles of science and technology using Sony products and services through experiments and hands-on experiences. In fiscal year 2012, approximately 6,600 children participated in these workshops.

### Sony's Community Engagement







In addition, Sony operates interactive science, technology and entertainment museums in Tokyo and Beijing (Sony ExploraScience) and in New York (Sony Wonder Technology Lab), which attract a combined total of 510,000 visitors annually. Sony also offers a variety of career-oriented classes focused on professions that harness the power of technology and entertainment to benefit society. Through these and other programs, Sony aims to educate and cultivate the next generation of leaders.

\* The name "Sony Science Program" has been used since 2009.

### **Contributing to the Resolution of Global Issues**

Sony has supported "EYE SEE" UNICEF Child Photography Workshop in 12 countries since 2006. Using Sony compact digital cameras, EYE SEE workshop helps children develop the ability to express their feelings and spread their messages to the world. Through a variety of photo exhibitions and publications such as photo books and online content for advocacy, the program aims to create greater awareness of the problems these children are facing in their communities.

In April 2013, special permission was granted for an EYE SEE workshop to be held in an indigenous community in Australia. The photographs taken by the 15 local children who participated allowed the children to express to the Australian public and the world what life is like in town communities through their eyes.

Sony is also the headline sponsor of the Sony World Photography Awards and has collaborated with the awards' organizer, the World Photography Organisation (WPO), on the Youth on Assignment (YoA) program since 2012. Through this program, photography students and lecturers are selected to visit sites at which Sony is carrying out community engagement activities, such as the recent EYE SEE workshop in Australia. Together with the local participants, the students are given the opportunity to photograph and observe global issues, first-hand.

In Southern Africa, the Malawi Folktales Project was launched in 2012. The project uses Sony equipment to record folktales that have been passed down orally for generations. Folktales play an integral role in the lives of Malawians as a means of educating young children and imparting social mores. However, the aging of community members able to perform story-telling has made it increasingly difficult to pass on these traditions. To safeguard this important cultural heritage in response to a request from the Malawi National Commission for UNESCO and the Global Future Charitable Trust (GFCT), Sony is providing audio-visual recording equipment and technical training for local engineers involved in this project. The project will be carried out in 27 regions over a three-year period with the goal of recording 240 stories.

## Emergency Relief

In the event of a major catastrophe or crisis situation, Sony supports humanitarian relief efforts in a manner that takes into consideration the nature of the event and its impact on the region in which it occurred.

### Continuing Activities to Support Recovery from the Great East Japan Earthquake



In fiscal year 2011, Sony extended emergency assistance in the aftermath of the Great East Japan Earthquake and, in fiscal year 2012, undertook initiatives to support medium- to long-term recovery.

These initiatives included support for children's activities in disaster-affected areas made possible by the RESTART JAPAN Fund established by Sony and Save the Children Japan in June 2011. In collaboration with other supporting companies, Sony is undertaking a wide variety of support initiatives focusing on support for the next generation.

For example, in April 2012, Sony launched the "Achieve Your Dreams Project," which provides grants to organizations involved in restarting school- and community-based sports and cultural programs that were disrupted by the earthquake or starting new programs. The goal of the project is to help children regain a sense of enjoyment in their daily lives and hope for the future. To date, over two grant periods, the RESTART JAPAN Fund has provided grants to 215 organizations, with assistance planned for approximately 14,000 school students in Iwate, Miyagi and Fukushima prefectures. In fiscal year 2013, the Fund will conduct its third call for grant applications.

In the second grant period of the Achieve Your Dreams Project, Sony commenced the "Child Reporter Project," in which children served as reporters, photographing and recording their surroundings and sharing their resulting news articles with people nationwide through the RESTART JAPAN website. The cameras used in this project were provided by the "Camera Reuse Project," which delivers Cyber-shot™ compact digital cameras that are no longer used by their original owners to people in disaster-affected areas. This new type of recovery assistance program allows customers to donate, through Sony, their used cameras to help people in affected areas record their activities.

Sony has continued to support volunteer activities by its employees since immediately after the disaster. As of March 31, 2013, a cumulative total of more than 1,800



employees had participated in volunteer programs in disaster-affected areas. Sony Group employees have been organizing and conducting their own volunteer program. A total of approximately 380 employees participated in the program over a total of nine trips. Sony Life Insurance Co., Ltd. also is undertaking a wide range of volunteer activities centered on its branch offices in disaster-affected areas. A total of 1,200 people have participated in these programs.

### Response to Hurricane Sandy in the U.S.

When Hurricane Sandy struck the Eastern Coast of the United States last fall, Sony provided immediate disaster relief contributions to Save the Children and the American Red Cross and conducted a special employee matching gift campaign across the U.S. Sony companies that raised more than \$160,000 in additional funding for these worthwhile organizations, which continue to assist local families and help rebuild their communities.

Since that time, Sony has also provided additional grants to local non-profit organizations specifically committed to long-term recovery in the region, long after the agencies focused on immediate disaster relief are gone.