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# Sony ESG/Technology Briefing FY2020

Today, Sony Corporation (hereafter “Sony” or “the Company”) held its ESG/Technology Briefing for the fiscal year ending March 31, 2021 (FY2020).

Sony defines its purpose as to “fill the world with emotion through the power of creativity and technology,” and its management direction as “getting closer to people.” The Company explained the long-term perspective of its contribution to society and the global environment centered on “people,” as well as various initiatives in technology that will bring these to fruition.

Highlights from the presentation are available below. For further details, please refer to the [related material\[SM1\]](#) from the event, which will be made available on Sony’s corporate website.

## **1. Technology-related Strategy and Initiatives**

- “Technology” is one of the most important material topics that support Sony’s long-term value creation, along with “Employees”.
- Under the management direction of “getting closer to people,” Sony is working on technology that “gets closer to motivation of people,” that is, the motivation of creators and users.
- By further strengthening the collaboration between each business

and corporate R&D, and deploying technology throughout Sony Group, an environment has been established in which true synergies can be created between businesses. Sony will further expand R&D themes in the fields of entertainment and finance so that technology can contribute to Sony's diverse businesses.

- About 10% of R&D's annual expenses of approximately 500 billion yen are used for corporate R&D, and this ratio is kept relatively constant every year from the perspective of financial discipline. Up to 5% of corporate R&D expenses are allocated to long-term basic research themes in order to flexibly respond to changes in trends in the medium to long term.
- Sony is actively carrying out personnel rotations in Japan and overseas. Sony promotes building a system with awareness of diversity and globalization, such as through establishing new overseas R&D bases in India and Shenzhen, China.
- Sony is contributing to entertainment and the safety and assurance of people amidst a "new normal" with its "3R technology," which adds "Remote" to Sony's strengths of "Reality" and "Real-time". Specifically, Sony will strive to provide values with "3R technology" in a variety of fields, including virtual production, AI, imaging & sensing, and life sciences.
- Sony is contributing to the realization of a sustainable society through technology. In addition to the joint development of a satellite incorporating Sony's camera system with the University of Tokyo and Japan Aerospace Exploration Agency (JAXA), with the aim of creating new entertainment in space, Sony is also working on projects to monitor (sense) the global environment with high-performance and low-power consumption systems on chips (SoCs), AI tools, and low-power wide-area network (LPWA) technology to realize not only the coexistence of "people and people," but the coexistence of "people and the environment that surrounds them

## **2.Environmental Initiatives**

- Under its "Road to Zero" long-term environmental plan, Sony aims to achieve a zero environmental footprint by 2050.
- As of fiscal year-end 2019, Sony has reduced annual energy consumption of products, reduced greenhouse gas emissions at business sites, and expanded use of renewable energy under the medium-term targets "Green Management 2020," which were set to be achieved by fiscal year-end 2020.
- Sony has formulated "Green Management 2025," the medium-term environmental targets for the next five years. At the same time, the Company set climate change targets to be achieved by fiscal year-end 2035, which has been approved as a 1.5°C target of "Science Based Targets".
- The newly established corporate venture capital fund "Sony Innovation Fund: Environment" will nurture ventures specializing in

environmental technology. The Sony Innovation Fund: Environment will continue to search, both internally and externally, for technologies that help solve environmental issues and ventures that hold those technologies, and will provide support for commercialization.

- Sony contributes to the global environment from a long-term perspective through various businesses and technologies that utilize decentralized sensing, such as mobility, intelligent vision sensors, and REON POCKET.
- \*For further details of Green Management 2025 and the Sony Innovation Fund: Environment, please refer to the separate press release issued today.

### **3. Social initiatives**

- Sony established "Sony Global Relief Fund for COVID-19", a 100 million US dollar fund to support those around the world affected by the expansion of COVID-19. Mainly in the fields of medical, education, and creative communities, Sony made donations and various support activities through business and technology.
- \*For details of the Sony Global Relief Fund for COVID-19, please refer [here.](#)<sup>[SC(2)]</sup>
- Sony established the "Global Social Justice Fund", a 100 million US dollar fund to support the growing anti-racism and social justice movements worldwide. Sony continues to support donations to organizations working to protect human rights while promoting awareness among communities both inside and outside of the Company.
- Under the "Sony Supply Chain Code of Conduct", Sony will continue to address further issues such as human rights and the working environment in the electronics supply chain.

### **4. Governance Initiatives**

- As part of ongoing efforts to strengthen the group's global management and corporate governance, Sony has further diversified the experience, expertise, gender and internationality of the members of its Board of Directors. Additionally, Sony provides further information regarding the experience and expertise of each Outside and Non-executive Director in its Corporate Report and Sustainability Report for the fiscal year 2020.

### **Cautionary Statement**

Statements made in this release with respect to Sony's current plans, estimates, strategies and beliefs and other statements that are not historical

facts are forward-looking statements about the future performance of Sony. Forward-looking statements include, but are not limited to, those statements using words such as “believe,” “expect,” “plans,” “strategy,” “prospects,” “forecast,” “estimate,” “project,” “anticipate,” “aim,” “intend,” “seek,” “may,” “might,” “could” or “should,” and words of similar meaning in connection with a discussion of future operations, financial performance, events or conditions. From time to time, oral or written forward-looking statements may also be included in other materials released to the public. These statements are based on management’s assumptions, judgments and beliefs in light of the information currently available to it. Sony cautions investors that a number of important risks and uncertainties could cause actual results to differ materially from those discussed in the forward-looking statements, and therefore investors should not place undue reliance on them. Investors also should not rely on any obligation of Sony to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Sony disclaims any such obligation. Risks and uncertainties that might affect Sony include, but are not limited to:

(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.

[SM1][https://www.sony.net/SonyInfo/IR/library/presen/esg\\_technology/](https://www.sony.net/SonyInfo/IR/library/presen/esg_technology/)

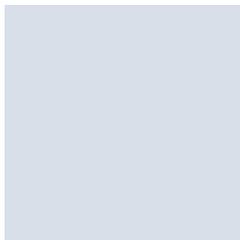
[SC(2)][https://www.sony.co.jp/SonyInfo/csr/community/covid19\\_fund/](https://www.sony.co.jp/SonyInfo/csr/community/covid19_fund/)

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## About Sony Corporation

Sony Corporation is a creative entertainment company with a solid foundation of technology. From game and network services to music, pictures, electronics, semiconductors and financial services - Sony's purpose is to fill the world with emotion through the power of creativity and technology. For more information, visit: <http://www.sony.net/>

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