

What We Believe:

For the Sustainable Environment

Environment: Sony acknowledges that our businesses have an impact on the environment; we aim to provide more environmentally friendly products and services to our customers by using our superior technology and innovation to reduce harmful effects on the environment.

SONY

A long, low-profile building with a light-colored stone or brick facade. The word "SONY" is mounted on the wall in large, blue, three-dimensional letters. The building is set against a clear, bright blue sky. In the foreground, there is a green lawn. To the right, a large, leafy tree stands in front of a smaller building, with mountains visible in the background.

To Help Maintain a Sustainable Environment for the Next Generation, Sony Continues to Minimize our Environmental Impact

The environment is one of the most critical aspects of corporate social responsibility. Climate change, in particular, has received a great deal of attention in recent years. Sony recognizes that addressing this issue is a task of paramount importance to ensure the sustainability of society as well as of Sony's business. In order to minimize our own impact on the environment, Sony acts responsibly in all areas and strives to resolve environmental issues together with our peers and business partners while taking full advantage of Sony's unique capabilities. Helping to preserve the natural environment for future generations is one of Sony's core beliefs. We also recognize that we may face reinforcement of laws and regulations that could have an impact on our business, while the market and consumer preferences are also changing and that if we do not take the appropriate measures or environmental actions, it would become a potential risk for our businesses.

Global Environmental Management System Introduced to Realize the Sony Group Environmental Vision

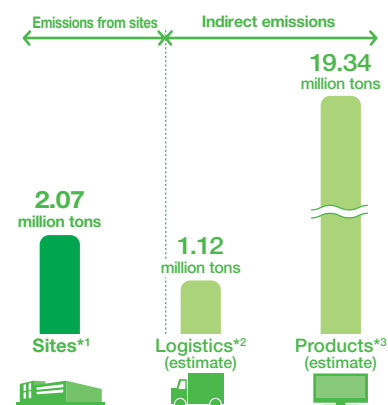
Having long recognized the importance of environmental issues in our corporate activities, Sony has been active in this area for many years. In 1990, Sony announced its policy on environmental conservation and established the Sony Environmental Conservation Committee. Then three years later in 1993, Sony enacted the Sony Environmental Policy and the Environmental Action Plan. These led to the formulation of the Sony Group Environmental Vision in 2000. The Vision states that "Sony recognizes the importance of preserving the natural environment that sustains life on earth for future generations and helps

humanity to attain the dream of a healthy and happy life. Sony is committed to achieving this goal by seeking to combine ongoing innovation in environmental technology with environmentally sound business practices."

To realize the above Vision, Sony introduced five-year mid-term environmental targets in 2001 and in 2006. The latter, Green Management 2010, sets both environmental indicators and individual targets as a means of addressing diverse and complex environmental issues such as global warming, resource conservation, and the management of chemical substances.

We are implementing and continuously improving our globally integrated environmental management system with the aim of realizing these targets. Since the beginning of the 1990s, Sony sites throughout the world have sought certification under ISO 14001, an environmental management system. Today, we have acquired integrated certification for Sony Group headquarters, regional

Sony's Greenhouse Gas Emissions
(Calculated in Terms of CO₂)



*1 The amount of direct greenhouse gas emissions produced at manufacturing and non-manufacturing sites and the amount of indirect gas emissions from purchased electricity and heat. These emissions fall under Scope 1 and Scope 2 of the Greenhouse Gas Protocol. (<http://www.ghgprotocol.org/>)

*2 The total amount of CO₂ emissions produced through our international and Japan-inland products transportation handled by Sony Supply Chain Solutions, and transportation by major Group companies in Japan. These emissions fall under Scope 3 of the Greenhouse Gas Protocol.

*3 The amount of electricity used in the lifetime of a product sold in fiscal 2007 converted to CO₂. This falls under Scope 3 of the Greenhouse Gas Protocol. The formula is: Number of units sold x (Electricity consumed when operating x Annual operating hours + Electricity consumed when in standby mode x Annual standby mode hours) x Years used x CO₂ conversion coefficient.

Hours and years are based on data from various surveys. For example, it is assumed that televisions and personal computers have lifetimes of 10 and seven years, respectively.

environmental offices, business units and sites.

Each business unit and site formulates its own annual business plan incorporating relevant environmental considerations and the targets of Green Management 2010. The implementation of these plans is reviewed regularly and is included as part of performance evaluations. In addition to regular meetings held on a regional basis, Sony's Annual Environment Summit,

attended by managers from around the world and Sony top management, provides an opportunity to share information on progress, problems and targets associated with environmental policies and measures. We provide a broad environmental education program tailored to specific objectives and types of work to enable each employee to promote effective environmental activities in his or her workplace.

Climate Change: Promoting Global Activities Throughout the Product Life Cycle

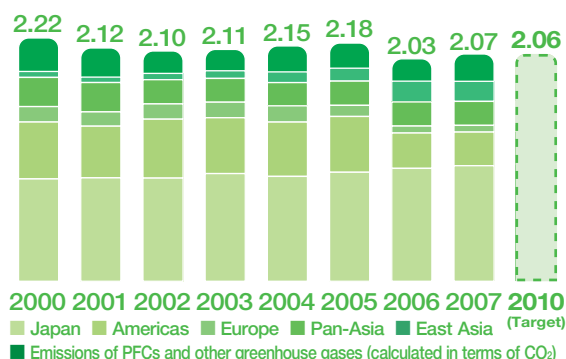
Sony business activities generate three categories of greenhouse gas emissions. There are "site" emissions at the time of manufacture at production sites as well as at offices, "logistics" emissions from product transportation, and "product in use" emissions whenever a consumer uses a Sony product. While Sony is taking initiatives to cut all three, we are in a position to directly control "site" emissions and are working on cutting absolute greenhouse emissions from our sites.

In 2006, Sony joined the Climate Savers Programme, organized by the world-renowned environmental NGO the World Wide Fund for Nature (WWF), and set a target of achieving an absolute reduction in greenhouse gas emissions from all sites of 7% by 2010 compared with the 2000 level. In fiscal 2007, Sony's greenhouse gas emissions totaled approximately 2,070,000 tons, which represented an increase of around 38,000 tons compared to the previous fiscal year, but still a 6.6% reduction compared to 2000. The main reason for the increase in emissions in fiscal 2007 was the 39,000-ton increase in emissions by PFCs accompanying changes to processes compared with fiscal 2006, despite a 1,000-ton decrease in CO₂ emissions produced through energy use.

The contents of the agreement between Sony and WWF

- 1 The Sony Group will cut absolute greenhouse gas emissions, calculated in terms of CO₂, 7% from the 2000 level by 2010;
- 2 Sony will reduce CO₂ emissions from product use by lowering the annual energy consumption of major Sony products;
- 3 Sony will cooperate with the WWF to raise consumer awareness of global warming prevention; and
- 4 Sony will support the view that the average global temperature rise must remain below 2°C above pre-industrial times.

Greenhouse Gas Emissions from Sites (millions of tons-CO₂)



Improving Energy Efficiency at Sites and Rolling Out Best Practices to Other Regions

Improving site energy efficiency is critical to achieving the targets mentioned above. The Sony Group is constantly introducing and optimizing energy-saving systems and considering fuel shifts.

For example, Sony Semiconductor Kyushu Corporation's Kumamoto Technology Center which, as a producer of semiconductors, consumes the highest level of energy of all Sony sites, has introduced a high-efficiency cooling

What We Believe: For the Sustainable Environment

and heating system developed by Sony in collaboration with an equipment manufacturer. At the same time, joint development with a specialist manufacturer of a control system that maximizes energy efficiency of cooling and heating conversion systems throughout the year contributed to an 83% reduction in CO₂ emissions compared with a conventional fuel-powered heating system.

Our new headquarters, completed in October 2006, also uses a highly efficient cooling and heating system. In addition to measures to reduce CO₂ emissions that we implemented during the construction period, we utilized unused energy, and achieved a 48% reduction in CO₂ emissions for the first year compared with standard

buildings. The building has surpassed our original reduction target of 40% (according to research by Sony).

In the same way that we shared manufacturing know-how from our successful sites in Japan to overseas sites in the 1980s, Sony is rolling out cutting-edge energy-saving activities, implemented in Japan, to overseas sites on the environmental front. For example, our manufacturing site in China, Sony Electronics (Wuxi) Co., Ltd., installed two cutting-edge energy-saving chillers from Japan. By introducing this new type of chiller, the manufacturing site expects to save approximately 5 million kilowatt hours of power annually. This equates to a reduction of approximately 3,750 tons of CO₂ and represents a 6% reduction in the site's total emissions.

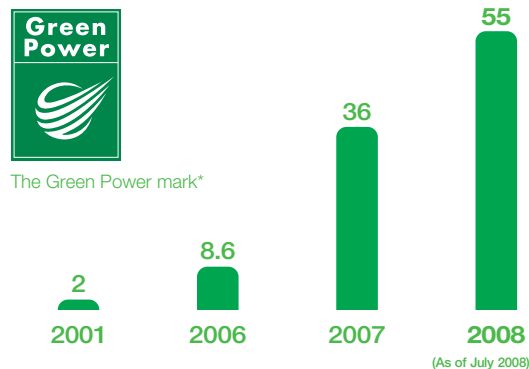
Reducing Greenhouse Gas Emissions through Proactive Introduction of Renewable Energy

In addition to the energy efficiency measures described above, promotion of renewable energy sources plays a key role in our efforts to reduce greenhouse gas emissions. In Japan, Sony began by considering the introduction of wind power, a particularly practical form of natural energy. In 2000, Sony and the Tokyo Electric Power Co., Inc. together developed the Green Power Certification System to enable sites to purchase electrical power generated using renewable energy even if the site is not located near a wind power plant. Renewable energy can be traded via verified certification. Sony has been promoting the use of

the Green Power Certification System since our first purchase in December 2001. In October 2007, Sony signed Japan's largest Green Power Certification contract to purchase 16 million kilowatt hours of electricity generated by wood biomass (in Akita Prefecture), and in July 2008, 18 million kilowatt hours of electricity generated by the Biomass Energy Center (in Hokkaido). As of July 2008, the Sony Group in Japan purchases a total of 55.45 million kilowatt hours of electricity annually under the Green Power Certification System. This accounts for about 2.5% of the total amount of electricity consumed by Sony in Japan. We continue to expand the use of renewable energy derived from a variety of sources. For example, to promote forest conservation activities under the Green Power Certification System, Sony proposed and implemented a program in Akita Prefecture to use timber produced in the tree trimming process to ensure a stable supply of fuel for the wood biomass electric power plant in Noshiro City.

In Europe, Sony began using renewable energy in 2003. Following the introduction of renewable energy by Sony DADC Austria in November 2007, there are now nine sites in Europe that operate with only renewable energy sources. This is equivalent to around 43% of total power consumption by Sony's European sites in fiscal 2007.

Annual Contracted Amount of Certified Green Power in Japan (Million kWh)



* The Green Power mark indicates the use of renewable energy sources and signifies certification of the Green Power Certification System of Japan Natural Energy Company Limited.

Since April 2008, four of Sony's sites in the United States have signed Green Power Certification System contracts for the purchase of approximately 50 million kilowatt hours of green power. They are the Sony DADC Pitman and Terre Haute plants, Sony Corporation of America, and Sony Electronics Inc. Such initiatives are not confined to the field of electronics. For example, Sony Pictures Entertainment (SPE) has introduced rooftop solar panels to power its studios.



Energy Saving Design: Reducing “Product in Use” CO₂ Emissions

Sony's products, albeit indirectly, emit CO₂ through electricity when customers use them. In the course of a product's life cycle—manufacturing, transportation, and usage—the largest amount of CO₂ is emitted from product use, and the total is estimated to be 19.34 million tons for fiscal 2007. While it is impossible to accurately predict or completely control the above amount since consumption is affected by the circumstances under which the product is used, under the agreement Sony signed with WWF, we have committed to “reducing CO₂ emissions from product use by lowering the annual energy consumption of major Sony products.” In order to reduce the environmental impact of our products, Sony employs our technical capabilities and know-how in the design of energy-efficient products.

consumption*² to 86 kilowatt hours, which is equivalent to a reduction of 232%*¹ under the energy reduction standards achievement rate. By raising the light-emitting efficiency of Sony's proprietary backlight system and the light transmissivity of optical film, Sony succeeded in achieving a substantial reduction of the annual energy consumption from the 194 kilowatt hours of KDL-32S1000, which was introduced in 2005.

*¹ This percentage represents power reduction when applied to the fiscal 2008 standards set out under the Law Concerning the Rational Use of Energy.

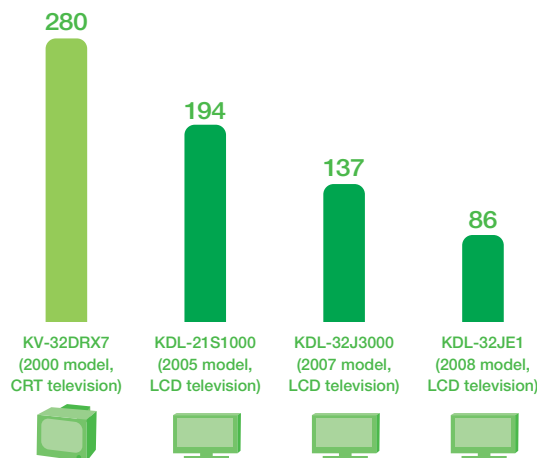
*² The annual energy consumption is calculated under Japan's Law Concerning Rational Use of Energy according to the size and type of display with average viewing hours of a general household (4.5 hours per day).

Reducing Power Consumption of Products

While further improvements are required across the broad spectrum of electronic products, television, with larger size and multifunction in demand, is the top priority product category. In spring 2008 in Japan, Sony released 11 models in our BRAVIA™ series of LCD televisions. For the model with the greatest energy efficiency, the energy reduction standard achievement rate is 179%*¹ under Japan's Law Concerning the Rational Use of Energy, and 10 models earned a five-star rating under this energy reduction achievement rating system.

With the BRAVIA™ KDL-32JE1 released in July 2008 in Japan, Sony has succeeded in cutting the annual energy

Annual Energy Consumption of a 32-inch Television (kWh per year)



What We Believe: For the Sustainable Environment

Personal computers are expected to continue to be popular. Sony introduced a low-power consumption white LED for the backlight and a specially developed low-voltage circuit in the LCD panel of the VAIO® TZ Series, a model produced to commemorate the 10th anniversary of Sony's launch of the VAIO® PC. Power consumption has been minimized through scrupulous attention to power-saving design, including a function that automatically turns off unused functions while the computer is in use. Flash memory also conserves power consumption, allowing a maximum battery life of 18 hours.*³ VAIO® TZ Series complies with the standards of the International Energy Star Program ver. 4.0, a power saving initiative implemented by seven countries and regions around the world.

*³ 18-hour battery life is for the VAIO® "Owner Made" model with the maximum capacity lithium-ion battery pack, Core 2 Duo processor, 1GB memory, flash memory and DVD super-multi-drive.

Reducing Greenhouse Gas Emissions from Transportation of Parts and Products

We also are working to reduce CO₂ emissions from our logistics.

For fiscal 2007, CO₂ emissions from our logistics are estimated to be approximately 1,120,000 tons arising from our international and Japan inland products transportation handled by Sony Supply Chain Solutions, Inc. (SSCS), which outsources our electronics logistics to third party transporters, as well as from the logistics of major Sony Group companies in Japan.

SSCS has optimized transport and loading energy efficiency by switching to the use of transportation methods with reduced environmental impact. These

emission reduction efforts have been applied to the inland and international transportation of parts from suppliers, Sony-manufactured parts, finished products from suppliers, and Sony-made finished products.

Specifically SSCS is promoting a modal shift to the use of rail and sea transports, which emit fewer CO₂ emissions compared with road transportation by truck, and is also using exclusive containers and sharing railway logistics with other companies.

In the United States, Sony joined the "SmartWay Transport Partnership" program, promoted by the Environmental Protection Agency, in 2007. As a member of the program, Sony will continue our efforts to reduce fuel consumption and lower the environmental impact of our transportation activities.

Innovation is Key to Efforts to Reduce Global Warming

It is widely believed that a shift to a low-carbon society is required in order to address the problem of climate change. Sony believes that our innovative technologies will enable us to make our own valuable contribution.

Renewable energy sources, such as solar power, have an important role to play. Sony is engaged in research on a dye-sensitized solar cell that uses an electrochemical mechanism and photosensitive organic dyes to convert solar energy to electrical energy.

Unlike conventional silicon-based solar cells, a dye-sensitized solar cell does not require a large vacuum process machine in fabrication. Also, because it can be fabricated using coating and printing processes, the cell

"Not a business as usual conference," is how Sony Chairman and CEO Sir Howard Stringer described Climate Savers Tokyo Summit 2008

WWF was pleased to hear such a description. With the world facing catastrophe as a consequence of climate change caused by production and consumption activities that do not account for the health of the environment, business as usual is no longer an option. Greenhouse gas emissions have to commence a drastic decline in the next 15 years. The business community has to be visionary and innovative, proactively providing the initiative and leadership to create an economy for a safe and healthy planet.

WWF looks forward to working with Sony on this mission.



Dr. Chris Hails
Director, International
Relations
WWF International

allows low-cost production. Furthermore, the cell manufacturing process has less impact on the environment due to the need for fewer materials and less energy. It has the additional advantages of providing excellent power generation performance even indoors with poor lighting, and of generating stable power that is not reliant on the weather. As the energy conversion efficiency of test cells has registered an industry leading 10% efficiency level, we will accelerate our research.

Sony is also engaged in research on a bio battery that uses sugar, another renewable source of energy.



Communication: As a Global Leader, Sony Actively Promotes Partnerships to Help Realize a Low-Carbon Society

There is a limit to the effect of individual efforts aimed at addressing the global issue of climate change. We believe we have a greater chance for success in our efforts by also working in partnership with others.

In February 2008, Sony and WWF co-hosted the "Climate Savers Tokyo Summit 2008" to raise awareness of the importance of fighting climate change. We invited industry, government and media representatives for the first time to join WWF and members of Climate Savers at the annual conference. Member companies shared their successful initiatives, experts joined a panel discussion to forecast future trends, and James Leape, Director General

of WWF International, gave a keynote speech.

Sony Chairman and CEO Howard Stringer presented the Tokyo Declaration, signed by 12 companies. The signatories declared that we will "try to widen the scope of emission reduction activities in partnering with business partners," and that we will "promote a low-carbon lifestyle to consumers and customers." As stated in the Declaration, member companies, including Sony, will continue communicating with consumers about conservation and specific energy-saving steps they can take in using our products, as these goals cannot be achieved by businesses on our own.

Sony's Resource Conservation Initiatives for Effective Use of Limited Resources

Sony continues to reduce the amount of energy resources we require to carry out our business activities, and also to recycle resources so that they can be reused. Preventing pollution and ensuring the recovery of rare metals are also important issues. In our business activities, Sony uses an estimated 1,460,000 tons of resources and produces approximately 1,270,000 tons of products. At the same time, we produce approximately 190,000 tons of waste. Under Green Management 2010, Sony aims to increase

our reuse/recycle ratio at our sites and for our products. The product reuse/recycling ratio is the ratio of resource recovery from end-of-life products to total weight of products, accessories, instruction manuals and packaging materials shipped that year. We also aim to promote the use of recycled materials in our own products.

Sony respects the principle of extended producer responsibility*¹ and recognizes the importance of recycling end-of-life products and extracting resources for reuse.

What We Believe: For the Sustainable Environment

Sony collects and recycles end-of-life products in accordance with recycling laws and regulations around the world, including the Home Appliance Recycling Law in Japan, the EU Directive on Waste Electrical and Electronic Equipment (the WEEE Directive) in Europe, and the Electronic Waste Recycling Act in the state of California, as well as other U.S. state-enacted recycling laws. At the same time, Sony develops and designs products bearing in mind the ease with which recovered end-of-life products can be recycled.

As a manufacturer of televisions, Sony is required to recycle CRT televisions (including AIWA brand) when they are discarded under Japan's Home Appliance Recycling Law, which came into effect in April 2001. Sony-manufactured televisions are recycled at 15 facilities across the country that belong to a nationwide cooperative recycling network established by Sony and five other manufacturers. Sony is the principal shareholder in one of these plants, Green Cycle Corp., in Aichi Prefecture. In fiscal 2007, approximately 890,000 units of Sony-made televisions were recycled, achieving a recycling rate of 87%, which is substantially higher than the recycling rate of 55% stipulated by the Home Appliance Recycling Law.

In Europe, Sony, together with three manufacturers having largely a different product portfolio, founded the European Recycling Platform (ERP) in December 2002 to meet the requirements of the WEEE Directive. As of May 2008, ERP is operating collection and recycling systems in Germany, Austria, Spain, Portugal, Ireland, France, Poland, Great Britain, Italy and Denmark. In all other European countries with WEEE legislation, Sony participates in the established national collection and

recycling systems.

*1 The principle of extended producer responsibility refers to the belief that producers have a responsibility, both financially and physically, for the disposal or recycling of the products they sell.

Taking Action ahead of Legislation

At the same time, Sony takes action in the area wherever we consider it necessary, irrespective of whether it is legally required to do so.

In the United States, for example, Sony Electronics Inc. (SEL) has launched the "Sony Take Back Recycling Program" nationwide as part of our effort to expand our voluntary initiatives to significantly increase the recycling of end-of-life electronic devices. This program was developed in collaboration with Waste Management Inc., the largest waste management company in the United States. Under this program consumers may drop off Sony products at designated collection centers free of charge and also may recycle products made by other manufacturers for a small fee.

SEL has also introduced the "TV Trade Up Program," which gives customers who recycle their old televisions a coupon that can be redeemed when purchasing a new television at any Sony Style store. Such initiatives provide incentives for customers to recycle their products. The long-term goal is to recycle one pound of old consumer electronics equipment for every pound of new Sony product sold.

In Canada, Sony has launched a similar collection program together with other manufacturers and retail stores. With the introduction of take-back and recycling programs in Japan, North America, and Europe, Sony product recycling is now available in regions that account for about 70% of Sony product sales.



In South America and Asia/Oceania regions, Sony provides support for recycling programs in countries including Brazil, Australia and New Zealand. Sony is an active participant in government-level discussions on the

design of systems in China and other countries where recycling legislation is scheduled for implementation. Sony's ultimate goal is to establish take-back and recycling programs in every region where our products are sold.

Launched a Group-wide Project to Accelerate the Reuse/Recycling of Materials

In March 2007, Sony launched the "Earth Project," a Group-wide initiative for the effective utilization of reusable/recyclable materials.*1 The aim of the project is to establish recovery routes and apply recycling technologies for waste product parts and packaging generated by Sony Group companies, as well as waste materials produced externally.

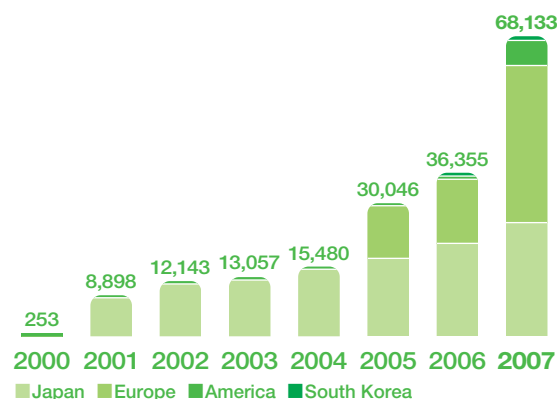
It is generally considered to be difficult to secure the requisite quantity and quality of reused/recycled materials, such as recycled paper and plastics, compared with virgin materials. However, the Resources Recycling Office, which was established under the Project, is aiming to establish a framework for ensuring a steady supply of high-quality yet competitively priced reused/recycled materials, while maintaining strict control of quality standards. Sony's use of recycled plastics in fiscal 2006 was an industry-high 16,000 tons and we target to double the number by fiscal 2010 (relative to fiscal 2006).

As of the end of fiscal 2005, Sony completed the global elimination of chemical substances from our products as specified under various laws and directives, such as the European Union's Restriction of the Use of Certain

Hazardous Substances in Electrical and Electronic Equipment (RoHS). (Please refer to page 29 for specific programs for the control of chemical substances contained in products.) This action on Sony's part has huge benefits for the recycling of products because the concerns about certain pollutants will have been addressed, making recycling of these materials viable.

*1 Reusable/recyclable materials: Vegetable-based plastics, reusable material, and recyclable materials (such as recycled paper and recycled plastics)

Amount of Collected End-of-Life Products (t)

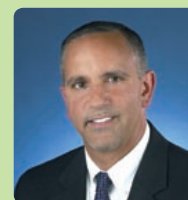


Partnership Between Sony and Waste Management is Key in the U.S.

2007 was an exciting year for us as we formed a partnership with Sony to expand take-back of Sony and other consumer electronics products directly from users. With Sony's brand recognition and Waste Management's nationwide infrastructure combined, we have developed a very successful take-back and recycle system, enabling consumers to return the end-of-life products at convenient locations.

Now the program covers locations from coast to coast and we firmly believe that this is a giant step forward in our efforts to build a more sustainable America by stimulating consumer behavior for the environment.

I look forward to continuing to work with Sony and to realize the program's sustainability goal to make recycling as convenient as a purchase.



Matthew F. Coz
Vice President,
Growth, Commodity
Sales and Marketing,
WM Recycle America

From WEGA to BRAVIA: Sony Recycling Initiatives

The fruits of these activities are to be seen in Sony products made with recycled materials. Sony not only saves energy but also reduces the amount of new materials used at time of manufacture, which is another form of resource conservation.

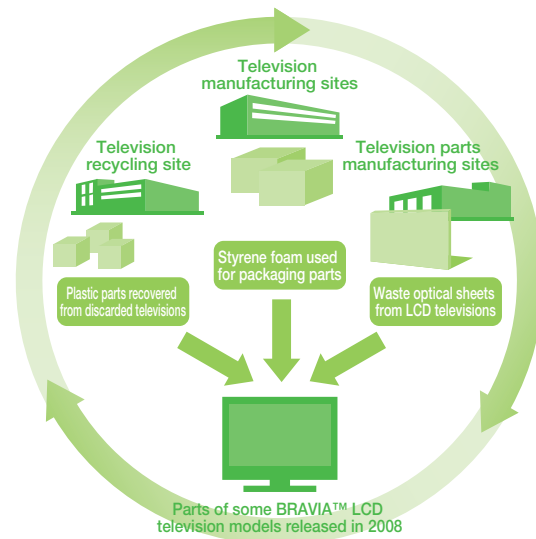
The Sony Group is committed to the internal conservation of resources through the effective utilization of technologies and resources. Sony was the first in the industry to establish a closed-loop system to recycle flame-retardant plastic material for televisions. The nine models in the three series (F1, V1 and J1) of BRAVIA™ LCD televisions released by Sony in spring 2008 in Japan are the first to incorporate some components made from recycled plastic parts of the WEGA (an earlier Trinitron color television) and polystyrene waste generated in the television manufacturing process. Sony has also begun recycling waste materials generated when manufacturing optical film used in LCD televisions. In this way, Sony is increasing the use of recycled materials by using recycled plastic materials produced both within and outside the Group.

Since March 2006, recycled plastic made from waste CDs produced by optical disc manufacturer Sony Music Manufacturing in Japan has been used to make casings and parts for Sony products. This is done by applying a proprietary fully automated system that removes the surface coating by crushing, washing and drying the discarded CDs to produce a recycled polycarbonate plastic. A resin manufacturer working with Sony then blends the recycled polycarbonate with additives to produce a recycled plastic for use in Sony products.

Sony aims to create high added value and environmentally efficient operations through the effective use of limited resources and energy sources, while complying with applicable environmental laws and regulations and preventing pollution. Sony's goal is to achieve even better results and initiate a wider range of programs as we strive to find solutions for complex environmental issues. We aim to do this by deepening our knowledge in cooperation with a wide range of stakeholders, utilizing our strengths in innovation to bring about change, and working in partnership with others.

For more broad and detailed information, please visit the following website: <http://www.sony.net/csr/>

Flow of Recycling Materials



Non-Electronics Businesses Introduce Unique Initiatives

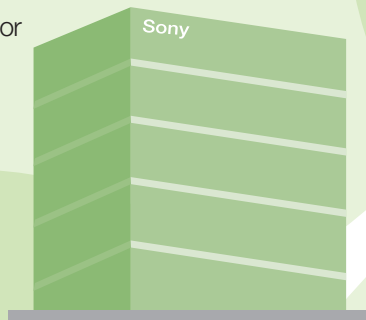
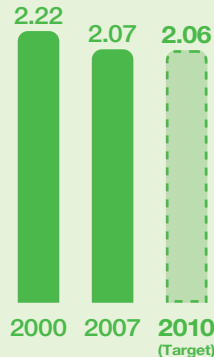
Resource conservation measures adopted by SPE include the reuse of sets used for filming movies and television programs. After filming, sets that may be reusable in future productions are listed by SPE in an online rental catalogue. To date, a total of 13,000 sets have been made available in this way. SPE also is the top contributor of used set material to Habitat for Humanity in Los Angeles, which builds homes for families in need.

Key initiatives at sites

Reducing Greenhouse Gas Emissions

- Introduction of the high-efficiency cooling and heating system and optimization of energy consumption using a control system developed by Sony
- Introduction of solar power generation systems
- Use of the Green Power Certification system
- Reduction of the greenhouse gas emissions by improving processes in semiconductor and LCD manufacturing sites

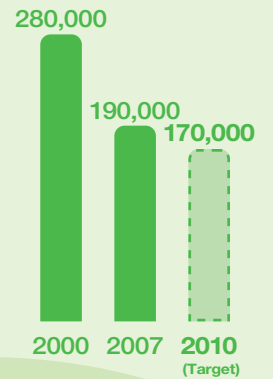
Greenhouse Gas Emissions from Sites (Calculated in Terms of CO₂) (Million t-CO₂)



Reducing Waste

- Change in method of recycling styrene foam used for packaging LCD panels so that the foam can be reused for plastic parts used in LCD televisions
- Recovery of copper and nickel using a new method for treating sludge
- Recovery of waste polycarbonate generated in the plastic molding process for reuse in the same process

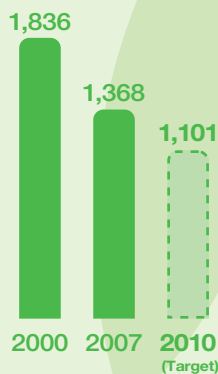
Waste from Sites (t)



Managing Chemical Substances

- Reduction in volatile organic compound (VOC) emissions achieved by improving processes and introducing systems that remove pollutants
- Management of chemical substances and prevention of environmental accidents based on the Sony Group Global Standards for Site Environmental Risk Management
- Response to soil and groundwater contamination

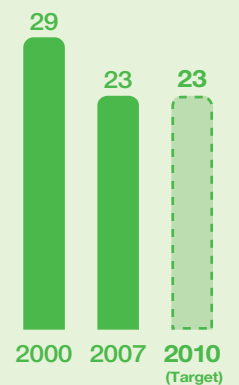
Release of Volatile Organic Compound into the Air (t)



Reducing Water Used and Water Conservation

- Recycling of water used in manufacturing processes
- Cultivating groundwater in cooperation with local NPOs and agricultural cooperatives

Water Used by Sites (Million m³)



Key initiatives in products

Energy Saving

- Use of highly efficient panel modules and circuit integration (LCD televisions)
- Introduction of energy-saving functions, including an automatic power off mode and brightness sensors (LCD televisions and others)
- Introduction of digital amps (audio devices)
- Achievement of power savings by hardware design and software control (PCs and others)

Main Environmental Labels Acquired by Sony Products *1



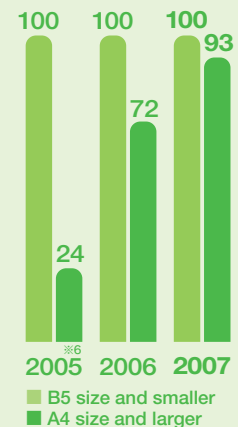
Management of Chemical Substances

- Adoption of mercury-free white LED backlight (PCs)
- Introduction of Mercury-free silver oxide button battery
- Reduction of PVC and brominated flame retardants (mobile devices)*2
- Total elimination of specified chemical substances from nearly all products shipped globally owing to implementation of the Green Partner Program *3

J-Moss Green Mark*4



Percentage of Notebook PCs in which no Brominated Flame Retardants were Used*5



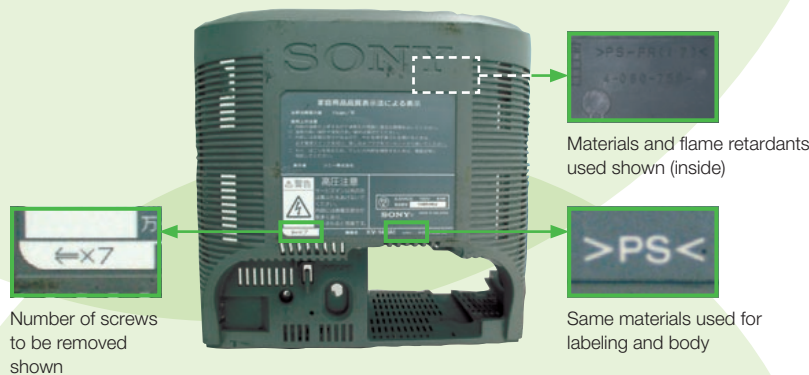
*5 Percentage of models sold in the relevant years in which no brominated flame retardants were used in casings or main printed wiring boards.

*6 Fiscal 2005 data comprises reference values for main models.

Resource Conservation and Recycling

- Use of recycled polycarbonate from waste CDs (PSP®, Cyber-shot and others)
- Use of plastic recycled from styrene foam for plastic parts (LCD television and Home Theater System)
- Use of plastic parts from recovered CRT televisions in LCD television parts (LCD television)
- Use of Vegetable-based Plastics (digital SLR camera, contactless IC card and others)
- Introduction of the design-for-recycle based on Sony standards (LCD television and others)
- Introduction of the design-for-environment to conserve resources to reduce product weight (Blu-ray disc recorder, digital camera and others)

Examples of Recycling-Conscious Design



Packaging Materials/Others

- Introduction of more compact packaging by providing CD-ROM versions of manuals for digital still cameras and others
- Use of three-piece cartons to reduce the amount of packaging used and improve transportation efficiency (LCD televisions)
- Use of recyclable corrugated cardboard cushions
- Use of VOC-free ink for packaging and user manuals



Three-piece cartons are easy to open and reduce the amount of packaging materials used.

Efficient placement of products and accessories reduces the size of packaging.

*1 Environmental Labels

These are labels affixed to products acknowledged by third parties. They are (from left) the energy-saving rating label indicating the amount of energy saving achieved under Japan's Law Concerning the Rational Use of Energy for televisions and other products (LCD televisions); the Eco Leaf Environmental label (digital SLR cameras) indicating that the quantitative environmental impact of the product is disclosed and the Energy Star mark indicating products that have met the International Energy Star Program's energy saving specifications (PCs).

*2 Reducing Use of PVC and Brominated Flame Retardants

Sony plans to substitute polyvinyl chloride (PVC) in all new models of Mobile products (excluding accessories) and brominated flame retardants in casings and main printed wiring boards of new Mobile products by the end of fiscal 2010, provided that the substitute meets all product quality and technical requirements.

While PVC currently is not regulated by any laws that apply to chemical substances used in electronics products, there is a concern that PVC might generate various other chemical substances if disposed of improperly, including plasticizers and stabilizers, which could pose risks to the environment and human health.

Brominated flame retardants may also generate harmful substances if disposed of improperly.

*3 Elimination of Specified Chemical Substances

Sony observes laws that prohibit the use of specified chemical substances in products, such as the European Union's RoHS Directive. Sony has also established our own global standards for management of chemical substances taking into account the opinions of various stakeholders. At the same time, Sony has implemented the Green Partner Environmental Quality Approval Program (see p.29). As a result of these initiatives, by the end of fiscal 2005 Sony had completely eliminated specified chemical substances from nearly all our products shipped, not only to regions where such laws are applicable, but worldwide. Sony is also taking steps to comply with the European Union's Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) regulation.

*4 J-Moss Green Mark

The J-Moss Green Mark can be placed voluntarily on products that contain less than the allowable levels of certain specified chemical substances, or when applicable to "matters exempted from content marking." Sony manufactures two products covered by J-Moss (televisions and PCs), both of which met the J-Moss Green Mark standard.