

Carbon Disclosure Project (CDP) Greenhouse Gas Emissions Questionnaire

1. *General:* Do you believe climate change, the policy responses to climate change and/or adaptation to climate change represent commercial risks and/or opportunities for your company?

- If yes, specify the implications, detail the strategies adopted and actions taken to date.

Sun Microsystems has taken the stance that climate change offers numerous opportunities for Sun as a company to assist in the global environmental response but also business opportunities. These business opportunities are an ongoing effort by Sun to not only assist Sun but other companies by providing business strategies i.e. iWork <http://www.sun.com/aboutsun/media/features/iwork.html> or more energy efficient operations <http://www.sun.com/aboutsun/ehs/energy.html> i.e. grid computing, <http://www.sun.com/solutions/landing/infrastructure/grid.xml>, energy star <http://www.sun.com/aboutsun/ehs/energy.html> or strictly lowering it's own operational effects on the environment i.e. Recycling http://www.sun.com/aboutsun/ehs/ehs-recycling_waste.html, energy consumption <http://www.sun.com/aboutsun/ehs/ehs-design.html>. Also, Sun Microsystems is actively engaged in promoting the philosophy and it's own program under "Sustainable Computing" (<http://www.epa.gov/climateleaders/partners/index.html>) which envelops Sun's way of life cycle thinking of reduce, reuse, recover, recycle. A sample brochure is attached.

An overview of Sun's typical programs can be found at: http://www.sun.com/aboutsun/ehs/ehs_at_sun.html along with it's environmental policy statement: <http://www.sun.com/aboutsun/ehs/ehs-policy.html>

- If no, please indicate why.

2. *Responsibility:* Do you allocate specific responsibility to executive and independent directors for climate change related issues?

- If yes, what is the title of the person/department/board committee with this responsibility?

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Senior Vice President for Workplace Resources(WR), David M. Harris has responsibility for Sun's global portfolio and operations. As such, WR is positioned to architect, implement and drive efforts related to climate change in numerous areas. To name a few:

- Setting construction and infrastructure energy efficiency standards
- Portfolio planning and consolidation efforts
- New work environment initiatives
- Contracting with renewable energy sources
- Driving a shared lab services program
- Setting service provider expectations as to energy efficient devices
- Developing where appropriate ride share and commute alternative programs

Mr Harris is a member of Sun's Executive Management Group and reports on program status, goal attainment or new initiatives when appropriate.

3. *Innovation:* What are the relevant technologies and/or processes that can be employed in your company/sector to achieve emission reductions? Have you taken any steps to develop/implement these technologies and do you anticipate being able to profit from their commercialisation?

As described in questions (1) and (2), Sun has been and will continue to employ new technologies and strategies to actively manage it's own emission posture along with

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providing those same technologies and strategies to the marketplace for all companies to share. Several of these strategies are already on the market and driving business and environmental opportunities. We continually go to market with these innovations and drive climate change through this direct involvement.
<http://www.sun.com/aboutsun/ehs/SunRay.html>

4. *Emissions Trading*: Do you have a strategy regarding emerging greenhouse gas emissions regulation and trading initiatives such as the EU Emissions Trading Scheme and the Chicago Climate Exchange?

- If yes, specify the implications, detail the strategies adopted and actions taken to date.

To the two schemes noted, not directly. Sun is an active member of the U.S. EPA program "Climate Leaders" (<http://www.epa.gov/climateleaders/partners/index.html>) and just announced it's campaign on "Sharing" and the "Participation Age" which through education, awareness and training, Sun can drive future innovations and challenge others to do the same. For more information,
<http://www.sun.com/smi/Press/sunflash/2005-04/sunflash.20050418.3.html> ;
<http://www.sun.com/smi/Press/sunflash/2005-06/sunflash.20050606.3.html>
<http://www.computerworld.com/hardwaretopics/hardware/story/0,10801,101665,00.html>

5. *Operations*¹: What is the quantity in tonnes CO₂e of annual emissions of the six main GHGs² produced by your owned and controlled facilities in the following areas?

- Globally.
- Annex B countries of the Kyoto Protocol.
- EU Emissions Trading Directive.

Sun is in the process of completing it's baseline data and evaluation for it's participation in US EPA Climate Leaders program. These calculations should be completed by early July '06 and will be posted with the EPA. It is important to keep in mind that Sun's operations are mainly administrative office types world wide. Key buildings within this entire portfolio are prioritized for are energy program because of their use of electricity for R&D or data management or manufacturing in two sites. Of the two manufacturing sites, our site in Linlithgow, Scotland is certified 100% to be using only renewable energy. In addition, Sun maintains a robust transportation demand management program or SMART program (Sun Microsystems Alternative Resources for Transportation) which is chartered to assist our employees who desire "commute alternatives" and rides sharing programs. Also this program supports a Sun owned and operated shuttle service to key commute hubs to make sure it is easier to "get out of their car". More info on Sun's SMART program can be found at: <http://www.sun.com/aboutsun/ehs/ehs-commute.html>

6. *Products and services*: Do you estimate the emissions associated with:

- Use and disposal of your products and services³? Not as of yet but is being evaluated
- Your supply chain. Not as of yet but is being evaluated
- Other indirect emissions (e.g. business travel)
 - o If yes, for each of the above, please provide further information.
 - o If no, are you planning on doing so and if so when?

We are currently reviewing all aspects described above with our various strategies. As we broaden both in depth and breadth our programs and ultimately our "Corporate Social Responsibility" initiative and continue to lessen our environmental impacts. In

¹ Please specify the methodology and boundaries used for measuring emissions e.g. www.ghgprotocol.org. Explain if these data are audited and/or externally verified. If responding for the first time please supply data for the last three annual measurement cycles.

² Carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), Hydrofluorocarbons (HFCs), Perfluorocarbons (PFCs) and Sulphur Hexafluoride (SF₆).

³ For example, if you are a financial services company, do you take into account the emissions related risks and/or opportunities of the companies you invest in, lend to, or insure.

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addition, Sun will be seeking formal certification(ISO 14001) of it's strong environmental management system by early 2006 or sooner.

7. *Emissions reduction*: Do you have emission reduction programmes in place?

- If yes, when were they established and what are the targets? What have been the reductions achieved, the investment involved and the associated costs or savings? Please also detail any targets relating to Questions 6 and anticipated costs or savings.
- If no, are you planning on doing so, and if so when?

See response to Question (5).

8. *Emissions intensity*: Do you measure emissions intensity against production, sales or other output measures?

- If yes, what is your historical and current intensity data? What are your emissions intensity targets?
- If no, are you planning on doing so and if so when?

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9. *Energy costs*: What percentage of your total revenue is represented by the costs of fossil fuels and electric power?

A current estimate based on data to date would be: .005% (Gross calculations based on total energy costs /gross revenue)