

Third-party Comment

The direction of our global civilization was significantly changed in 2015 by the adoption of “The 2030 Agenda for Sustainable Development (SDGs) “of the United Nations in September and “the Paris Agreement” at COP21 on addressing climate change in December.

This marks a paradigm shift in the direction of the modern age from progress and growth in the context of infinite resources to sustainable development premised on limited resources and the reduction of CO₂ emissions. The depletion of mineral resources also has made the pursuit of unlimited material wealth impossible. In other words, this new direction is characterized by the pursuit of wealth of the spirit in a limited and saturated world.

In this sense, your management philosophy, which states that “by providing entertainment filled with dreams and excitement, we will strive to enrich our society and culture,” is consistent with this new direction. Sooner or later, developing countries will catch up with us, leading to new business opportunities. I have heard that the structural reform initiated last year toward 2020 has started to function. Now I would encourage you to look into how to generate business opportunities from the 2030 Agenda.

The Government Pension Investment Fund of Japan shifted to ESG investment by signing the UN’s Principles for Responsible Investment in September 2015, and there is a need for ESG efforts and dialogue for med- to long-term growth. Since ESG information in the annual report is limited, I think it is necessary to establish a solid, complementary relationship with the CSR report.

I commend the Group for its CSR management efforts, including the system and training. However, the diversification and expansion of the Group increases the risk of failing to prevent misconduct at the margins. While the data confirms you are firmly addressing environmental issues, I recommend that you consider adopting ISO 14001:2015 (environmental management systems) as a tool for reinforcing your oversight, because the system is highly compatible with CSR and also applicable to supply chain management.

The report also mentions gaming addiction. I expect continued efforts by the entire industry to address this issue.

Your diverse range of your social contribution activities are wonderful, especially the participation of your employees. That said, I think you should consider identifying objectives and strategies, such as encouraging creativity, given the further advance of globalization.

Measures focused on human resources are naturally important for an entertainment business that directly serves customers, and I appreciate the variety of initiatives cited in the report. However, the promotion of women’s participation in the workforce will require eliminating long working hours for men, changing the mindset of middle-level executives, and more. I would like to see this kind of information as well.

The report has reached a significantly high level referring to international guidelines and other sources; nevertheless, I would like to suggest one possible improvement. It appears that in the interest of incorporating a large quantity of information, the report uses a smaller typeface that can be difficult to read. For a group of this size, it may be helpful to move a large part of the detailed data to the web as the overall data archive and provide a link to the PDF version of the report.

The digest version for employees is excellent in that we can gain some insight into employees. I value this as an aspect of horizontally connecting the Group’s versatile business activities.



Toshihiko Goto
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Response to Third-party Comment

To ensure compliance with the Corporate Governance Code introduced last year, we have further strengthened management by setting up an independent advisory committee, introducing a system with three outside directors, and clarifying management indices and goals, for example. Also, we promoted CSR initiatives in our supply chain, which includes the prohibition of child labor and forced labor in overseas procurement and the investigation of conflict minerals. Moreover, we expanded the scope of companies subject to information disclosure.

As Mr. Goto mentioned, we are reading some positive signs one year after the structural reform as a result of faster response to the dramatic changes in the entertainment industry. To serve society in response to the 2016 Kumamoto Earthquake, our employees engaged in volunteer activities, including events using our arcade game machines, preparing meals outdoors, and removing debris in affected areas. We are also continuing to support recovery from the Great East Japan Earthquake, which includes a Group project for our employees and local people to discuss reconstruction.

Recognizing the importance of reducing long working hours for the promotion of active participation by women, the Group is addressing the issue by, for example, implementing training for executives. We are also promoting employment of the disabled in response to public requirements by establishing a special subsidiary company for this purpose.

In regard to the digest version of our CSR report for employees, which was positively reviewed, we did put effort into aligning it with CSR training Group-wide (a total of 1,500 participants) so that we all share the same goals. Through these activities, we will work to become a corporate group that employees can have pride in and that society trusts and expects to grow.



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