

Message

Message from the Chairperson of the CSR Committee

Engaging with Society to Create New Added Value

Nobuyuki Tohya

Representative Director
Executive Vice President



With the rapid development of the digital economy and the increasing severity of social issues, such as global environmental problems, the societal environment surrounding the Group continues to undergo drastic changes. These changes have a significant impact on consumers.

In June 2019, the G20 Ministerial Meeting on Energy Transitions and Global Environment for Sustainable Growth presented an action plan addressing climate change, the loss of biodiversity, resource efficiency, as well as sustainable consumption and production.

If these social issues are not resolved on a global level, companies will be unable to achieve sustainable growth. Thus, it is necessary for companies to seek new relationships with society.

Amid these conditions, the Dentsu Group is undertaking structural reforms to enable rapid decision-making from a medium- to long-term perspective. Having made the decision to transition to a pure holding company structure in 2020, one of the steps toward this objective involves flexibly responding to changes in the business environment as a unified Group.

I believe the marketing and communications areas in which the Dentsu Group conducts business involve a greater social mission, since they link companies and consumers. With an awareness of the magnitude of

the social impact of the unfolding societal changes, we established priority CSR areas with themes such as respect for human rights and environmental protection. At the same time, the Group is proactively engaged in achieving the Sustainable Development Goals (SDGs) as set by the United Nations in 2015.

Voluntary activities related to the SDGs are on the rise, including employees taking the initiative to start up Group-wide project teams, holding seminars to raise awareness among individual employees, and conducting SDGs penetration surveys in Japan.

According to our survey conducted in February 2019, a general awareness of the SDGs in Japan is still only 16%, but I am sure that the promotion of initiatives related to various stakeholders will gradually increase this ratio. Through the steady promotion of the SDGs-related activities, I believe that every employee will have an opportunity to create new added value by considering their own social value and how they can work for the benefit of society.

The ideas and concepts created by Dentsu Group employees are our core competence. This has remained unchanged over time. We will respond flexibly to changes and continue taking on new challenges so that we can create new added value and make society richer and more fulfilling through our relationship with it.

Dentsu Group CSR

● Code of Conduct

The Dentsu Group Code of Conduct, basic to our CSR activities, is based on seven key areas of Dentsu CSR activities: corporate governance, respect for human rights, ensuring a safe and civilized working environment, environmental protection, fair business practices, addressing consumer issues, and contributing to the community.

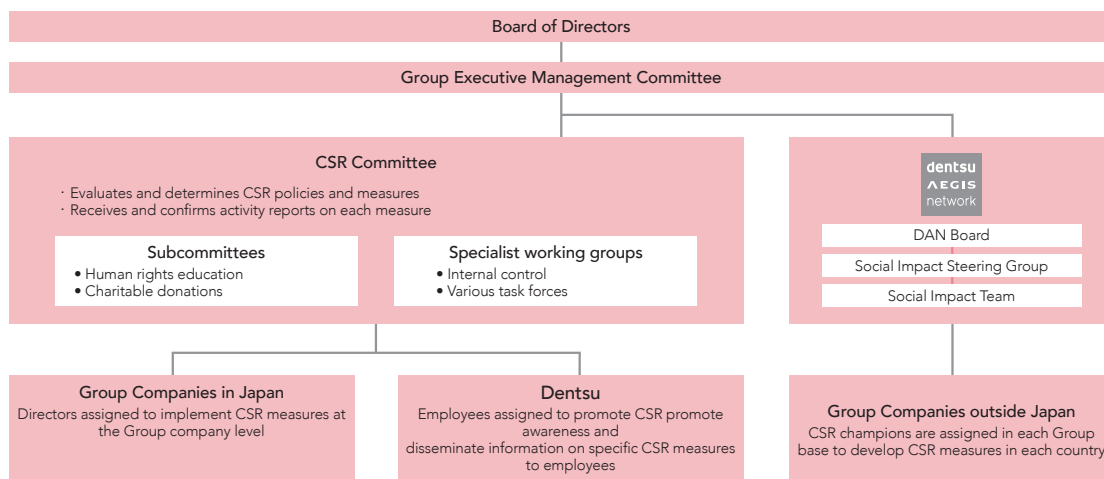
While strictly observing the laws, regulations, and social norms of each country, the code outlines the conduct that all managers and employees in the Dentsu Group must comply with to fulfill their social responsibilities.

● Dentsu Group CSR Promotion System

The Dentsu Group's CSR Committee—comprising five officers and chaired by an executive officer—serves as an advisory body to the Group Management Committee, which is tasked with making management decisions. In FY2018, the CSR Committee met nine times.

Subordinate advisory committees are set up under the CSR Committee to examine specific facets of the Company. CSR activities for our overseas businesses are formulated by Dentsu Aegis Network Board of Directors, before being reported to the Management Committee and CSR Committee. CSR promotion committee members have been designated in all Dentsu Head Office divisions, in an effort to promote awareness of specific CSR policies among all employees. At the same time, executive officers in charge of CSR have been appointed in Group companies in Japan, while in Group companies abroad, CSR Champions have been appointed. These efforts are designed to advance CSR activities on a Group-wide basis.

Dentsu Group CSR Promotion System



● Participation in International Initiatives

Dentsu participates in international initiatives in order to contribute to global social development, and strives to address activities with a focus on environmental, social and governance (ESG) issues and to promote information sharing. The Company joined the United Nations Global Compact in December 2009 and upholds its 10 principles on human rights, labor, the environment, and anti-corruption. It submits a CSR report every year to the UN Global Compact, and compiles an annual stand-alone activities report (Communication on Progress: COP) aimed at the realization of the 10 principles. Dentsu also has become a member of CSR Asia, the largest CSR-related think tank in the Asia-Pacific region, which focuses on deliberation of ESG issues in Asia and the strengthening of alliances with companies in Asia.



Dentsu Group SDGs-related Actions

In the belief that the SDGs concern the entire Dentsu Group, it is taking part in the groundbreaking initiative Common Ground, along with five other top global advertising and marketing services groups: Havas, IPG, Omnicom, Publicis, and WPP.

The initiative, promoted by the global advertising communications industry, is aimed at helping to realize the SDGs. The Dentsu Group is currently working to raise awareness regarding Goal 3, which is Health. It is working with NGOs to prevent global infectious diseases, such as malaria and tuberculosis.

At the same time, the Dentsu Team SDGs project members, who promote the SDGs from a business perspective, are offering their services in the areas of SDG communication-related consulting and business co-creation, based on concepts and connections that the Dentsu Group is uniquely positioned to realize.



CASE

Dentsu Team SDGs

Dentsu Team SDGs is a project promoting activities in collaboration with the Dentsu Group in order to support stakeholder SDG initiatives. To promote awareness of the status of the SDGs in Japan, the team publishes lifestyle surveys.

To further an understanding of the SDGs and encourage initiatives within Dentsu, the team arranges seminars and workshops, engages in advertising communications consulting, and is responsible for business co-creation.



Major Activities

1. SDGs Communication Guide

The guidebook, with an emphasis on the SDGs, is designed for Company management and those employees involved in advertising.

2. SDGs-related Movie

It presents the Dentsu Group's aims for the SDGs and its role therein.

3. Second SDGs Penetration Survey

A survey was conducted in April 2019 targeting a total of 6,576 men and women between the ages of 10 and 70 from across Japan aimed at understanding the current status of the SDGs in Japan. The survey focused on "concrete behavior" in addition to "recognition and understanding," and also investigated the current status of, and changes in, "expectations for local governments and companies," "actual conditions of, and barriers to, SDGs in practice," and "the methods by which information is acquired."

A Call for Global Citizens to End Ma-laria

"In 2018 I worked closely with Malaria No More on their public awareness campaign. The aim was to convince world leaders to commit the resources needed to end Malaria. The campaign was a huge success, involving six Dentsu Aegis Network agencies. We secured \$4.1bn of incremental funding from government and the private sector.

But even more importantly, the heads of the Commonwealth nations committed to halve Malaria by 2023. The real work starts now as we design our campaign for The Commonwealth Summit in Rwanda in 2020. Creating a public mandate is essential to ensuring Malaria remains high on the political agenda. Our ability to both reach and influence the public is unparalleled so we have a critical role to play.



Alexandra Lima

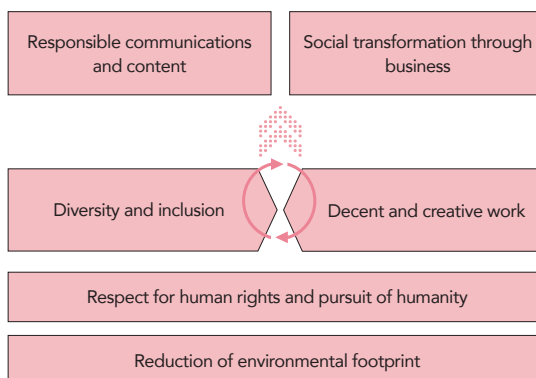
Global Social Impact Manager – Dentsu Aegis Network

VOICE

● CSR Medium-term Strategy Material Themes

The Dentsu Group promotes activities based on its Medium-term CSR Strategy 2020, which establishes four key areas and common goals in Japan and overseas aimed at the realization of a sustainable society.

As global social issues become increasingly complex, and in light of its social responsibilities and the demands of stakeholders, the Group has formulated six material themes to help it contribute to the realization of a sustainable society.



Respect for human rights and pursuit of humanity

Initiatives for respecting human rights and pursuing human potential, and to realize a better future and higher ideals.

● Main Actions

- Formulate a Group Human Rights Policy and disseminate internally.
- Create a system for supplementing and enhancing human rights due diligence.
- Use e-learning for human rights training in Japan.

Decent and creative work

Mechanisms and initiatives for realizing workstyles enabling a diverse array of human resources to maximize employees' performance.

● Main Actions

- Occupational safety and health: Improved and comprehensive labor management, level and efficient operations, employee health maintenance and care.
- Creative work: Diverse workstyle options, vitality design and self-development.
- Support organizational and individual growth: Growth support program, organization revitalization measures.

Reduction of environmental footprint

Initiatives for minimizing the environmental impact on the Earth through Dentsu Group business aiming for a sustainable environment.

● Main Actions

- Reduce GHG emissions and transition to renewable energy. Reduce GHG emissions 24% by 2030 under Scope 1 and 2 (Groupwide compared to 2014). Reduce business trip-related emissions per employee 25% by 2050 under Scope 3 (Groupwide compared to 2014).
- Launch effort to stop use of plastic straws and food packaging at business offices in Japan to address the marine plastic problem. 100% elimination of plastic straws and food packaging at business offices in Japan by 2022.

Responsible communications and content

Initiatives for attaining sincere and highly ethical standards within services provided to Dentsu Group stakeholders.

● Main Actions

- Responsible communications: Awareness based on creative principles and checklists.
- Trustworthy media content: Contribute to the creation of a structure and mechanism that creates a healthy industry.
- Cyber security and privacy: Create a system for preventing risk events and deploy measures.
- Sustainable supply chain: Create and manage a supply chain management structure.

Diversity and inclusion

Initiatives related to the creation of an organization and mechanisms including those related to decision-making to enable the active participation of a diverse array of human resources and maximize value creation.

● Main Actions

- Initiatives aimed at increasing the ratio of female managers.
- Aim to increase the ratio of female managers to 10% by 2020.
- LGBT initiatives
Maintain Work with Pride "PRIDE Index" Gold Medal.
Initiatives for people with disabilities.

Social transformation through business

Initiatives for promoting social transformation conducted with the aim of realizing a sustainable society.

● Main Actions

- Develop mechanisms to create and promote internal systems.