

A modern office interior with large windows, green plants, and people working at computers. The scene is bright and airy, with natural light streaming in from the windows. In the foreground, there are several large green plants, some in hanging pots. In the middle ground, a man is sitting at a desk with multiple computer monitors, smiling. To his left, a woman is also smiling. The background shows more office desks and windows overlooking a lush green landscape. The overall atmosphere is professional and sustainable.

06 Sustainability

CSO MESSAGE



Yuko Kitakaze

Chief Sustainability Officer,
dentsu Japan

Anna Lungley

Chief Sustainability Officer,
International markets, dentsu

We create a sustainable future

We aim to inject positivity into the world, and we look to a sustainable future, brought about through people-centered transformations co-created by human creativity and technology.

Value added in such ways is founded in Diversity, Equity & Inclusion, and through these we bring about diverse perspectives, equal opportunity and empowerment, which create our competitive edge. One of our key priorities, going forward, is to grow a sound corporate culture that shines with integrity.

We will also contribute to the promotion of sustainable consumption by leveraging our long-cultivated insights on “people.” Most people know that humanity will not survive without the global environment, but they are not ready to change their consumption behavior. Life, the cliché goes, is too short, and our very presence in the here and now should be considered a gift. A gift that, in order to be passed down to future generations, requires us to adopt an altruistic mode of thinking—to detach ourselves from the lavishes of *me* and *now* and imagine a future for others.

In our daily operations too, if we could take on more work not for ourselves but for the benefit of others, this is something people can relate to and support—this is sustainable. To that end, we will form in-house and external teams, united by the same ethos, and work as one toward a vibrant society where people enjoy a fulfilling life.

Reimagining the role of marketing to place people at the heart of the net zero transition

In 2021, we launched the 2030 Sustainability Strategy for dentsu, recognizing the role we play in society and our ability to influence human and societal behavior. In the context of the polycrisis, including growing awareness of the role of human environmental damage, geopolitical unrest and rising inequality, this responsibility has never been more apparent.

Our priority focus areas—climate action, sustainable consumption, diversity and inclusion, data privacy and security—continue to resonate. We can help our clients to navigate disruption and build a more sustainable and inclusive society, designed around people. To do that we need to prioritize our talent, and this is reflected in the increased importance of human capital development to our stakeholders.

Dentsu has placed this opportunity and our sustainability strategy at the heart of our Value Creation Model. In 2022, we were proud to see our 72,000 creatives and innovators rise to this challenge, driving positive social impact across the world. Together we hope to realize our vision of creating people-centered transformation that shapes society.



Progress of sustainability

Integrating business growth and sustainability

Dentsu's evolution to become a B2B2S (Business to Business to Society) company requires the integration of sustainability with business growth. Dentsu is promoting initiatives to achieve the action plans and targets of the 2030 Social Impact Targets and the Medium-term Management Plan by ensuring the commitment of management and strong governance.

Sustainable Business Board (from August 2021 to December 2022)

In August 2021, dentsu established a new eight-member Sustainable Business Board. It met four times a year and monitored progress against the goals set out in our 2030 Sustainability Strategy to assess material risks and opportunities, as well as to ensure that social and environmental considerations are integrated into all aspects of our decision-making.

Sustainable Business Board's main agenda items in 2022

- Review of 2030 Sustainability Strategy Map and KPI progress assessment
- Analysis of One Day for Change initiatives
- Review of action plan and case study for Dentsu Good — a Sustainability Accelerator —
- Group Donation Program launch
- Sports and sustainability
- Support of Business for Marriage Equality (BME)
- Summation of World Business Council for Sustainable Development (WBCSD) recommendations
- Priority items for 2023

Group Sustainability Committee set up to boost sustainability strategy

(from January 2023)

With the Group's transition to a global management structure led by the Group Management Team in January 2023, we established a Group Sustainability Committee directly under the Group Management Board. Arinobu Soga, Representative Executive Officer, Executive Vice President & Chief Governance Officer, Dentsu Group Inc., is the committee chair (details of our governance structure are on p. 64).

The committee comprises 12 members with diverse expertise and regional backgrounds, and meets four times a year to monitor from various perspectives the progress against our goals to promote our sustainability strategy. Since 2022, ESG performance indicators have been included in the Group's executive compensation structure.

Group Sustainability Committee's main agenda items in 2023

- Updating of the Group's materiality and Value Creation Model
- Methodology to assess net zero progress and acceleration of efforts
- Review of new gender-related goals
- Human rights education programs and human rights due diligence initiatives under a one-management framework
- Status of evaluations by third-party bodies; steps for improvement

Members of the Group Sustainability Committee



Arinobu Soga

Chair

EVP & Chief Governance Officer,
Dentsu Group Inc.



Yuko Kitakaze

Chief Sustainability Officer,
dentsu Japan



Anna Lungley

Chief Sustainability Officer,
International markets,
dentsu



Yoshiaki Ishihara

Chief of Staff,
Dentsu Group Inc.



Jeff Greenspoon

President, Global Solutions
Executive Director,
Clients & Solutions Unit,
Dentsu Group Inc.



Kate Stewart

Executive Director,
IR office, Dentsu Group Inc.



Miho Tanimoto

Chief HR Officer,
Dentsu Group Inc.



Hitoshi Hamaguchi

Executive Director,
Clients & Solutions Unit,
Dentsu Group Inc.



Keiichi Higuchi

Executive Officer,
Dentsu Inc. / dentsu Japan



Jeremy Miller

Chief Communications Officer,
Dentsu Group Inc.



Jean Lin

Chief Culture Officer,
Dentsu Group Inc.



Fiona Lloyd

Global Client & Brand President,
Carat

Sustainable world

Climate change

Climate change is the defining challenge of our generation. At dentsu we are committed to ambitious climate action and are proud to be one of the first companies in the world to have a net zero target approved by the Science Based Targets initiative (SBTi).

In 2022, we made strong progress in our decarbonization efforts, reducing our Scope 1 and 2 emissions by 52.8% against our 2019 baseline, and by 33.5% compared to 2021. In 2022, our market-based Scope 1 and 2 emissions were 16,039 tons of CO₂ equivalent (tCO₂e), compared to 24,104 tCO₂e in 2021 and 26,955 tCO₂e in 2020. This far exceeds the 12.6% reduction target we had planned to meet in 2022.

These reductions can be largely attributed to our ongoing commitment to power our operations outside of Japan with 100% renewable electricity, including continued efforts to switch to local renewable tariffs and to procure in-country renewable electricity certificates where it is possible to do so. Today, 37.7% of dentsu's operations is powered by renewable electricity and we are committed to achieve 100% by 2030. Our continued focus on real estate rationalization in response to changing working patterns post COVID-19 also helped to reduce energy consumption in 2022. This included the sale and partial leaseback of the headquarters building in Tokyo which enabled us to significantly reduce our operational emissions in Japan.

Greenhouse gas emissions (tCO₂e; market-based)

	2030 target (consolidated)	2019 (baseline)			2022			2022 (vs. baseline)
		Japan ¹	Inter-national ²	Consolidated	Japan ¹	Inter-national ²	Consolidated	Consolidated
Scope 1+2	46% decrease vs. baseline	24,546	9,416	33,962	11,592	4,447	16,039	-52.8%
Scope 3	46% decrease vs. baseline	66,152	308,732	374,884	49,972	327,485	377,456	+0.7%
Scope 1+2+3	46% decrease vs. baseline	90,698	318,148	408,846	61,564	331,932	393,495	-3.8%

*1: Japan uses a financial control approach. For owned buildings, all equity usage is recorded, including tenant usage. Dentsu will agree a consistent organizational boundary approach during 2023, as part of the integration program.

*2: International refers to Americas, EMEA and APAC (ex. Japan)

*3: The numbers are noted according to the RE100 definition.

*4: For markets accounting for 5.5% of International's electricity use markets, factors beyond the business' control have prevented adherence to RE100's guidelines to source renewables within the countries' borders. For these countries, we have purchased renewable electricity certificates from adjacent countries, which is supported by RE100.

In September 2022, we went further, compensating for our remaining emissions in the business excluding Japan by investing in nature-based solutions, including forest conservation initiatives in Zimbabwe and local renewable energy projects in India and Brazil. In doing so, we were proud to be independently verified as carbon neutral in the business, excluding Japan.

Our Scope 3 emissions remained broadly flat, with a decrease in purchased goods and services offset by an increase in business travel. With more meetings taking place face-to-face, we have seen an increase in Scope 3 emissions associated with business travel and employee commuting compared to 2021. However, business travel emissions are down 55% vs. the 2019 baseline. To improve data accuracy of our reporting we successfully implemented Salesforce Net Zero Cloud across our international markets, a data-monitoring system to give us real-time data on our carbon footprint, further increasing transparency and informing our decarbonization plans.

We continue to advocate for ambitious climate action. In October, our CEO Hiroshi Igarashi signed the 'Business Ambition for 1.5°C' commitment letter, committing dentsu to expand the SBTi approved net zero target to be Groupwide, including business in Japan. In October, Igarashi joined the World Business Council for Sustainable Development (WBCSD) Council Meeting in Tokyo, demonstrating dentsu's commitment to sustainable development, demonstrating dentsu's groupwide commitment. Igarashi also signed an

Renewable electricity consumption (kWh)

2030 target (consolidated)	Region	2022		
		Renewable electricity consumption ^{3,4}	Total electricity consumption	% of total electricity consumption that is renewable
100%	Japan ¹	210,441	52,333,195	0.4%
	International ²	29,481,346	31,328,158	100%

open letter to world leaders at COP27 alongside 100 of the world’s most influential CEOs, all members of the World Economic Forum’s Alliance of CEO Climate Leaders. The letter calls for governments and businesses to take specific actions to move toward a path that limits global warming to 1.5°C, including setting science-based targets, collaborating within and across sectors, and contributing to the development of internationally harmonized reporting standards. Ahead of the UN Biodiversity Conference in December 2022, we joined over 330 companies to call for mandatory assessment and disclosure on nature to be included in the COP15 biodiversity framework.

In recognition of our impact in driving consumption and the opportunity we have to influence the way that people think, feel and act, we reached more than 59 million people with campaigns that promote sustainable behaviors, including combating food waste and incorporating circular design principles. This integral part of our Social Impact Target was reinforced in April 2022, with the publication of the IPCC report, which included, for the first time, a chapter on demand-side mitigation. The report cited the opportunity to reduce global carbon emissions by up to 70% by creating consumer demand for climate-friendly products and services, including electric vehicles and plant-based food. To build capacity and engage our people with this challenge, we were proud to hold our first global One Day for Change in



May 2022, bringing our people back together post COVID-19 and inviting all employees to unite in a common goal of zero waste. Over 6,400 dentsu employees joined the event, clearing and repurposing 32 tons of waste and materials and embedding understanding of sustainable behaviors. Our employee volunteering rate for the event increased from 7% in 2021 to 20% in 2022, and One Day for Change sparked a passion for volunteering among dentsu people, with 99% of participants saying they would like to volunteer again.



Disclosure based on the TCFD recommendations

We recognize the importance of effectively managing climate-related risks and opportunities and have embedded climate change into our existing governance processes and decision making. Performance is disclosed annually via the dentsu Integrated Report and our annual CDP Climate Change questionnaire submission. We will continue to explore ways to build and improve our climate risk related disclosures, looking for ways to drive wider strategic business value, as well as meeting any new regulatory requirements that emerge.

The following statement, which is consistent with the TCFD Recommendations and Recommended Disclosures, details the key risks and opportunities arising from climate change, the potential impact on our business and the actions we are taking to respond.

Risk/Opportunity		Business Impact	Exposure (by Time Horizon)*			Resilience Measures
			Short	Med	Long	
Transition Risk/ Opportunity	Policy and legal	Destabilizing regulations New regulations associated with the transition to a low-carbon economy may destabilize client business models, increasing costs and/or requiring consumer behavior change. There is a clear opportunity for dentsu to help clients and society adapt.	Med	High	High	Dentsu recognizes that corporate sustainability and sustainable consumption need to become organizing principles behind marketing. We are exploring ways to operationalize this and believe we are well-positioned for more robust regulation.
		Greenwashing regulations Advertising and marketing claims are central to accusations of greenwashing, creating risk if we fail to protect clients from emerging greenwashing regulations or seize the opportunity to build greenwashing-proof services.	Low	Med	Med	We believe we are well-positioned for greater oversight of 'unsubstantiated sustainability claims' given our record of marketing clients' climate credentials honestly and effectively. We seek earlier, more strategic engagement with clients to produce more credible messaging and to influence product design, and have partnerships with the Cambridge Institute for Sustainability Leadership (CISL) to strengthen these skills.
		Disclosure requirements Climate-related disclosure requirements may increase. For the advertising sector, this could increase emphasis on 'advertised emissions.'	Low	Med	Med	We are investing in our ESG reporting capabilities and expanding the scope of our climate risk disclosures. We approach climate risk assessment and reporting as a strategic and dynamic exercise. In addition, we are developing a Nature Strategy. Our intent is to build a client base of companies with sustainable products and business models, and to support clients with their low-carbon transition. By doing so, we will develop resilience to increased scrutiny of advertised emissions. We will help clients understand advertised emissions; help consumers to embrace less carbon-intensive lifestyles; and support brands to develop strategies and campaigns that target a more climate-conscious consumer.
		Carbon pricing The introduction of carbon taxes in markets where we have a significant presence could impact our clients. Until our emissions reach zero, we also have some direct exposure.	Low	Low	Low	By implementing carbon reduction programs across our operations, we will be less exposed to carbon prices. We recognize that carbon pricing could have a significant impact on high-emitting clients. Our ambition to build a client base with sustainable products and business models will mitigate against this risk.
		A changing energy landscape / energy costs The pace, scale and cost of energy transition will not only impact energy bills but will determine whether society meets its climate targets.	Low	Low	Low	Dentsu is investing in energy-saving processes and behavior change through environmental accreditation such as ISO14001 and programs enacted by our Social Impact Champions network, made up of employees within individual markets who work to drive change. By working toward procuring 100% of our electricity from renewable sources, we mitigate against the risk of energy from high-carbon sources becoming more expensive over time, while simultaneously sending demand signals to policymakers and the wider electricity market. We remain exposed to price volatility in renewable energy and renewable energy certificates (e.g., EACs/RECs).
	Market	Global GDP change / economic disruption If climate change drives reductions in GDP, the corresponding reduction in purchasing power would impact the advertising and marketing budgets of our clients.	Low	Low	Med	Our B2B2S strategy aims to build sustainable business models and future-proofed products together with our clients. This will help dentsu build resilience against the possibility that GDP is negatively impacted. The potential social and economic disruption from crossing 2°C could be devastating. We will contribute to the decarbonization of the economy by delivering our net zero strategy and encouraging clients and suppliers to follow suit.

* Short-term: 0 – 1 years, Medium-term: >1 – 3 years, Long-term: >3 – 15 years
 The magnitude of impact (Low/Medium/High) describes the extent to which the impact might affect our business.

Risk/Opportunity		Business Impact	Exposure (by Time Horizon)*			Resilience Measures
			Short	Med	Long	
Transition Risk/ Opportunity	Market	Changing consumer behavior/consumption patterns Environmental concerns are becoming central to consumers' purchasing decisions, posing risks to laggard clients and opportunities for leaders and disruptive innovators, as well as for new marketing strategies.	Med	High	High	We recognize the role we play in driving consumption and are embedding sustainable behavior into our strategy and planning process. Our internal guidelines educate client-facing staff on changing dynamics regarding climate and sustainability-related issues in the markets in which we operate. This enhances our ability to support clients in an economy with changing consumption patterns.
		Sector exposure Our exposure to fossil fuel intensive sectors means revenue could be at risk in the event of a rapid decarbonization of infrastructure and disrupted supply chains.	Low	Med	High	Our internal guidelines and thought leadership educate client-facing staff on the changing dynamics of the markets in which we operate regarding climate and sustainability-related issues. We will support clients' decarbonization, while targeting increased exposure to companies with sustainable products and business models.
		Emerging sectors There is an opportunity to win new business and grow revenue by working with companies that thrive as society decarbonizes and adapts to climate change.	Low	Med	High	We will monitor the development of new industries and business models and proactively target those with significant long-term economic growth potential.
	Reputation	Contentious clients Dentsu may face declining revenues and/or reputational risk if we serve clients that fail to transition or become controversial or are disrupted by new entrants.	Low	Med	High	Our policy on working with potentially contentious industries requires decisions to be made by our executive leadership team in each market. By creating sustainable products and business models with clients, we minimize the risk.
Reputational damage Dentsu's own climate performance and reputation is increasingly a matter of revenue protection. Our ability to attract and retain clients, business partners, employees and other stakeholders will depend on maintaining a reputation as a climate leader.		Med	High	High	Dentsu has set an ambitious strategy to achieve net zero emissions by 2040 and is expanding its existing Science Based Target to include Japan. We have implemented carbon reduction programs across our operations and supply chain, and publicly disclose year-on-year performance against targets. To accelerate the decarbonization of media planning and distribution we have built a bespoke and verifiable calculator to quantify emissions. And we continue to innovate to bring low carbon solutions to our clients.	
Physical Risk	Acute	Increased severity and frequency of extreme weather events The physical risks of climate change— especially extreme weather—could pose significant financial, operational, and social costs for dentsu's clients, our own operations and supply chain. For example, heatwaves or flooding could impact employees' ability to travel to dentsu offices, be productive and deliver services to clients.	Low	Med	Med	We have undertaken a high-level risk assessment to understand the potential physical climate risks to our key sites. This informs our Resilience Management System and development of local resilience policies. We also partner with Everbridge, which provides targeted real-time alerts to monitor and assess threats to our people, property, technology, or suppliers. Online connectivity is critical to delivery of client services, so the resilience of our cloud-service providers is a priority. We ensure this through strong personal relationships with cloud-service providers, allowing us to switch between data servers in the event of localized disruptions. We provide laptops to all employees globally to enable them to work from any location with internet access.
	Chronic	Earlier and/or more severe climate Earlier and/or more severe than projected climate impacts could potentially bring about (or contribute significantly to) major economic disruption.	Low	Med	High	By delivering our net zero emissions strategy, encouraging clients and suppliers to follow suit, and actively promoting new consumption patterns, we contribute to efforts to try to ensure warming is limited to 1.5°C.

* Short-term: 0 – 1 years, Medium-term: >1 – 3 years, Long-term: >3 – 15 years
 The magnitude of impact (Low/Medium/High) describes the extent to which the impact might affect our business.

Fair and open society

Diversity, equity & inclusion remains a Board-level priority for dentsu. We continue to champion a society free from inequalities and discrimination. In 2022, we achieved 13.8% female representation in our senior management team in Japan. In other markets 37% of our leaders are now female, with 43% female representation in leadership in the Americas. Recognizing the importance of progressing representation beyond gender, in the US, we achieved 31% BIPOC representation among our employees in 2022, outperforming our goal of 30% BIPOC representation by 2025.

At the World Economic Forum annual meeting in Davos in January 2023, we joined the call with the Valuable 500 for inclusive reporting to drive the accountability and action needed to build a more inclusive workforce and society. In 2022, we were delighted to be listed again in the Human Rights Campaign Foundation Corporate Equality Index. In the UK, we were again recognized as a Top 100 Employer for Stonewall a LGBT+ inclusion efforts, and for the fourth consecutive we were listed as a top family-friendly employer by Working Families. In North America, we also won AdWeek's Best in Diversity, Equity and Inclusion Podcast for 'More Than That with Gia Peppers.' (p. 38)

We understand the opportunity we have to scale our impact through our client and partner ecosystem. Our goal is to reach one billion people with campaigns that challenge perceptions and stereotypes by 2030, and in 2022 we made great progress, reaching over 511 million people. In June 2022 at the Cannes Lions Festival, we were proud to win three Grand Prix awards for 'The Unfiltered History Tour' (p. 39) from Dentsu Creative in India and VICE World News, an interactive tour of the British Museum telling the story of ten looted artifacts currently on display at the museum. At the same time, we continued our work to address the underlying issues exacerbating inequality including health and wellbeing, an issue which remains in the global spotlight.

We continued our support for the Zero Malaria campaign with Malaria No More. The campaign has reached almost one billion people to date and put malaria back on the

political agenda. At the Commonwealth Heads of Government Meeting in Rwanda in June 2022, we renewed our commitment to this important cause with a pledge to contribute an additional 5 million USD in media resources and pro bono marketing support. We were proud that this work to drive policy change across the continent has been recognized by The Global Media Awards and The Drum Awards, with dentsu proud to take home the Grand Prix at both ceremonies. In Japan, dentsu received the Good Design Award for Haptic Field, a sports viewing device developed by dentsu for the visually impaired. The system was designed to work with Blind Soccer® but can be applied to additional sports and has been well received in the J1 League (Japan Professional Football League) matches.

We continue to work together to support the people in the dentsu Ukraine affiliate who are living with the realities of war every day. The crisis team in our Central Eastern Europe cluster has been relentless in its efforts to ensure humanitarian aid reaches Ukraine and continues to run the 4U Hub for refugees. In 2022, we supported the Dentsu Refugee Alliance, donated our creative and design skills to launch the Nadiya App for Ukrainian orphans, and created the award-winning Be Brave Like Ukraine campaign. We have identified remote working opportunities across the business for dentsu employees who continue to work from Ukraine. Today, there are 63 Ukrainians working closely with teams across the UK, Germany, Poland, Hungary, Czech Republic, and the US. We have helped 28 Ukrainians to relocate to new countries and find permanent employment opportunities with dentsu.

Digital for good

As a business driven by data and technology, we have a vital role to play in protecting human rights in a digital world. From misinformation about COVID-19 through to elections, ‘healthy’ use of digital and technology is the lifeblood of democracy, citizenship and of course, consumer activity. At dentsu, we are committed to working exclusively with partners whose data and AI ethics and practices meet our own standards, and we continue to collaborate across industry with organizations such as the Global Alliance for Responsible Media, the Conscious Advertising Network and the Responsible Media Forum, to make the digital world a safer place for users. Ahead of COP27 in November 2022, we supported an open letter led by the Conscious Advertising Network, asking that COP delegates adopt common definitions for climate disinformation and misinformation, and then work to prevent it. We recognize that we can’t fight the climate emergency without tackling this. The letter was signed by 550 groups and individuals, including diplomats of the 2015 Paris Agreement and a former UN Climate Chief.

We also believe that everyone, especially youth from disadvantaged communities, should be given the skills to be active and informed digital citizens, and continue to invest in community partnerships including The Code*. In 2022, The Code launched in five new

markets—Croatia, South Africa, New Zealand, Taiwan and Sri Lanka—bringing our total footprint to 17 countries since 2017. We were also delighted to offer early career opportunities to The Code alumni. In the UK, The Code alumni have formed the VIZ: Very Important Gen-Z group, advising dentsu on how to improve the Gen-Z workplace experience and providing valuable focus groups for our clients on engaging with the

Gen-Z demographic.

In addition to The Code, we partnered with local schools, universities and NGOs in over seven countries to help students from underrepresented communities develop digital literacy and skills and gain exposure to our industry. In the US, we partner with Howard University, a truly comprehensive, predominantly black university, to contribute to the development of leading-edge database technology and consumer marketing curricula. In Canada, we educated young people aged 16 to 20 about data analytics and marketing as part of the Leadership by Design ‘Summer Up’ education programming. We are proud to collaborate with educational platforms too, such as Digital University in Poland, an organization that provides conferences, training, workshops and lectures to educate people on digital technologies.

Our Polish team filmed an episodic series called DigiWorld, targeting young people aged 13 to 16 to equip them with the knowledge and tools to navigate a complex and changing digital world. The series launched online and through schools in 2022, with each episode themed around an important digital issue, including stress, fake news, and artificial intelligence. In 2023 the project will be embedded into school lessons to deepen the understanding of these topics among students. We recognize the value in helping young people apply learnings outside of the classroom, which is why we partnered with Girls Who Code on their 2022 Summer Immersion Program. With a shared commitment to close the gender pay gap in tech, we ran coding sessions for 50 girls from around the world, giving them access to real-world experience and the opportunity to learn from the inspiring women in tech at dentsu. These initiatives meant that in 2022, we supported 5,800 young people to become empowered digital citizens, bringing our total reach to over 35,000 since 2017, toward our 2030 target of 100,000.



*<http://www.thecode-dentsu.com>

Sustainability initiatives

The global scale of the media industry is not to be underestimated. How we produce and disseminate our campaigns and work with our clients, partners and suppliers has an impact, and will play a critical role in the journey to net zero for the industry. At dentsu we aim to collaborate with our clients and partners so that we can go further, faster together.

Media Carbon Calculator Decarbonizing media since 2019



Today’s carbon calculators use spend-based methodologies. In line with the Greenhouse Gas (GHG) Protocol, to approximate the emissions associated with media. We used this approach at dentsu to establish a baseline for our media emissions in 2019. While effective for reporting emissions, spend-based methodologies have limitations, including the inability to identify emissions hotspots. With radical decarbonization as our goal, we realized early in our journey that this approach was limited. In 2021 we collaborated with Axionable, a specialist in sustainable and responsible artificial intelligence consulting, to develop and test country-specific calculations that cover a full range of media. These tools are now available for clients to calculate the end-to-end emissions associated with TV, digital, cinema, print and display media in countries including Denmark, France and the UK, and will launch in Canada and the US in 2023. In the same year, we will integrate carbon data into our planning systems and attention economy tools, enabling our clients to optimize media plans for both attention and carbon.



Metaverse Production New methods to reduce the impact of making videos



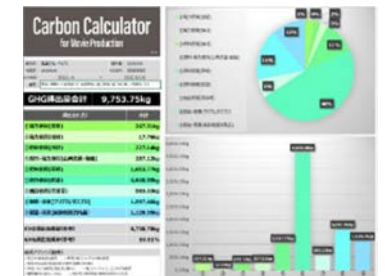
In Japan, Metaverse Production and the dentsu-Japan-wide project group “dentsu carbon neutral solutions” will work together to reduce video production-related greenhouse gas emissions, a hitherto uncharted area of Japan’s video production industry.

Metaverse Production is a project team comprising dentsu, Tohokushinsha Film Corporation, Hibino, and Omnibus Japan. The project group offers services to help clients achieve carbon neutrality. As a first step, the collaborators developed a film production carbon calculator.

When numerical values have been entered into inventories that cover each of the production phases—planning, production prepping and shooting, post-production, and finalization—the calculator shows the amount of GHG emitted in the production of video content.

Steps to reduce the carbon footprint at each phase of production are also suggested by our calculator. For example, it indicates the effectiveness of such Metaverse Production goals as breaking away from mass-consumption production and the achieving of efficiency through technology.

Starting this year, we aim to represent the industry standard in Japan for the shift to virtual production.



The reduction of CO₂ emissions is not the only area in which we can make an impact on society, and below we introduce two further initiatives to help achieve a sustainable society.

Inclusive event guidelines Enjoyment for all

Dentsu has teamed up with UD Japan, a specialist in research, analysis, and solutions designed to develop organizational frameworks that promote Diversity, Equity, & Inclusion (DEI). Together, we have formulated a set of guidelines for the production of events that no one left behind.

The guidelines provide insights designed for the planning and running of international and large-scale events, such as those in which dentsu has been involved to date, to ensure that a diverse range of people are welcomed to participate — people are to be chosen regardless of nationality, age, gender, or disability.

The guidelines, which incorporate the principles of universal design (UD), enable us to anticipate all kinds of potential obstacles based on participants' experiences, and then systematically organize and compile corresponding solutions.

In the months and years ahead, dentsu will follow the guidelines to expand the number of universally enjoyable events in which it is involved. In addition, by making the guidelines open to the public, we will be helping achieve an inclusive society by promoting UD-compatible events, as well as providing consultation and implementation support for businesses' DEI initiatives.



FLEX KITCHEN

Smart plant-based products spiced up with laughs

Kraft Heinz in the UK wanted to promote its new plant-based product range to a younger audience. Dentsu partnered with 4Studios to create Flex Kitchen, a five-part digital comedy cooking series. Each episode takes a comedian and sets them up for a cooking challenge using ingredients from the new plant-based product range.

The series presented a clear message: Kraft Heinz can reduce meat consumption without compromising on taste or enjoyment. The campaign's popularity among younger audiences demonstrates the power of delivering an important message on sustainable consumption through a light, comedic approach. Flex Kitchen was the most watched piece of branded content on Channel 4 in the UK in 2022, delivering 23 million views. Viewers loved the series, with 69% saying they enjoyed the content and want to see more of this type of activity from brands. We saw consumers' perceptions and behavior change with a 91% of those surveyed agreed that 'Heinz were making it easy to eat more plant-based meals' and 74% more likely to buy Heinz products as a result of the campaign.

