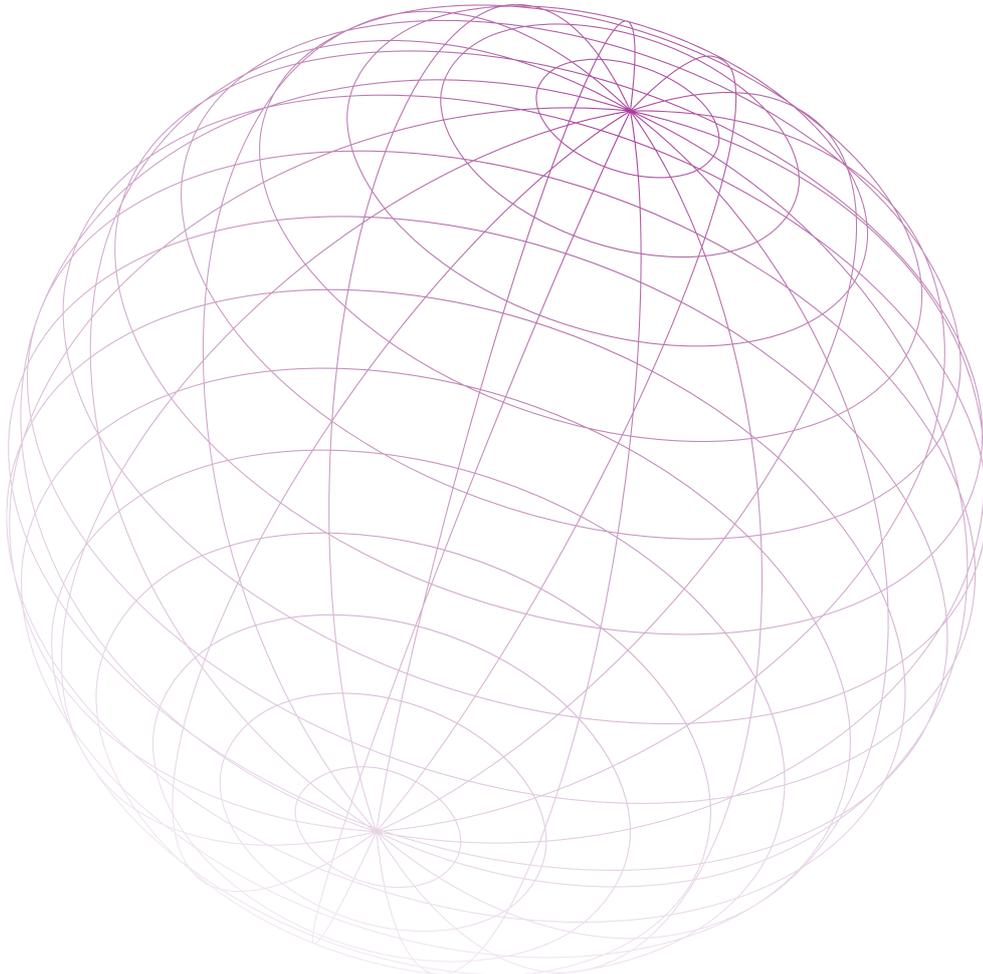




V. Fair Business Practices

The Dentsu Group Code of Conduct sets out fair business practices as one of the key areas for Dentsu's CSR activities. Dentsu considers fair, equitable, and ethical actions and legal compliance to be the foundation for social responsibilities that corporations must fulfill.

Dentsu and Dentsu Group companies strive to be companies trusted by society through fair business practices.





Promotion of Compliance

Dentsu aims to promote thorough awareness of compliance issues in employees. That is achieved through the development of regulations and manuals by departments responsible for compliance, the implementation of various training programs, and other measures.

The Compliance Line was established as the designated contact point to receive reports on legal violations within the Company. The Compliance Line has an in-house contact point as well as an external contact point where calls are handled by a law office. Operational and information management structures are in place to ensure that those seeking consultation or reporting violations are not penalized in any way. In fiscal 2014, a total of 10 reports and proposals (fiscal 2013: 13 cases, fiscal 2012: 21 cases, fiscal 2011: 27 cases) were made by Dentsu and Dentsu Group company employees and dealt with by the Company.

In order to prevent illicit behavior, the Dentsu Head Office held a Compliance Caravan and newly produced and showed an educational video to raise employees' awareness. Additionally, we set up a compliance website on the Company intranet and distributed the Compliance Digest booklet to all Group companies to promote understanding of the importance of compliance issues. The Company also holds compliance training every year for new and mid-career hires at Dentsu and Dentsu Group companies to foster compliance awareness.

* In fiscal 2012, Dentsu centralized contact points for harassment-related issues at the Harassment Counseling Section. For information on the Harassment Counseling Section, please refer to Page 32.



Compliance Digest booklet

Basic Policy on the Rejection of Antisocial Forces

Dentsu and all Dentsu Group companies established the 'Basic Policy on the Rejection of Organized Crime Groups and Other Antisocial Forces' articulating the determination of Dentsu and Dentsu Group companies to take a firm stand against antisocial forces. The Company also calls on business partners to take the same action.

Basic Policy on the Rejection of Organized Crime Groups and Other Antisocial Forces

Dentsu and all Dentsu Group companies see it as the social responsibility of corporations to take a firm stand to sever relationships with and reject organized crime groups and other antisocial forces that threaten social order and safety. To this end, Dentsu has formulated and complies with the following 'Basic Policy on the Rejection of Organized Crime Groups and Other Antisocial Forces'.

- 1, We will sever any relationship with organized crime groups and other antisocial forces.
- 2, We will resolutely oppose unwarranted demands from organized crime groups and other antisocial forces.
- 3, We will not conduct transactions such as the provision of funds or favors to organized crime groups and other antisocial forces.
- 4, We will take systematic and appropriate response to organized crime groups and other antisocial forces through the establishment of internal structures as well as through cooperation with police, the National Center for the Elimination of Organized Crime Groups, attorneys and others.



Dentsu's CSR Procurement Activities

For Dentsu, social responsibility includes ensuring that ample consideration is given in dealings with its business partners (contractors) in regard to human rights, legal and regulatory compliance, environmental protection, and respect for intellectual property rights throughout the production and provision of services. Dentsu partially revised the 'Dentsu Basic Procurement Policy' and 'Dentsu Procurement Guidelines' in March 2014. In addition to changes to the contents in accordance with the establishment of the 'Dentsu Group Code of Conduct' in 2013, with new content committing to compliance with international anti-corruption regulations (US Foreign Corrupt Practices Act and UK Bribery Act) and regulation on conflict minerals (Section 1502 of the US Dodd–Frank Wall Street Reform and Consumer Protection Act), we aim for the realization of CSR Procurement activities that give due consideration to ethics and human rights in our operations. We also request that business partners comply with the above revisions by concluding a 'Basic Agreement for Outsourcing'.

Dentsu also set up a Partner Hotline to enable business partners to report any legal violations by Dentsu directors or employees that had come to light in the course of business so as to identify and deal with legal and regulatory compliance violations. (No report was received during fiscal 2014.)

Dentsu Basic Procurement Policy

In line with the 'Dentsu Group Code of Conduct' and desire for fair business dealings with its suppliers and business partners, the Company established the 'Dentsu Basic Procurement Policy'.

1. Fair business dealings

We shall conduct fair business dealings.

- (1) Our business dealings shall comply with laws and regulations.
- (2) When selecting suppliers and business partners, we shall not only take into account economic factors, but also give due consideration to compliance and environmental issues.

2. Cooperation with Dentsu's management system

When our suppliers and business partners collaborate with us, we request understanding of, and cooperation with, Dentsu's management system, including the 'Dentsu Group Code of Conduct', the 'Dentsu Procurement Guidelines' and other Dentsu Group rules.



Dentsu Procurement Guidelines

In line with the 'Dentsu Basic Procurement Policy', the Company has established the 'Dentsu Procurement Guidelines', and requests that our direct and indirect suppliers adhere to the following.

1. When hiring and dealing with employees, efforts should be made to respect human rights, labor regulations, and diversity, and ensure legal and regulatory compliance. Additionally, we request that discriminatory expressions not be used in advertising production work and other processes. We request that internationally declared human rights protection be accorded respect and transactions such as direct or indirect funding to those who violate human rights not be conducted.
2. In business dealings with Dentsu and other parties, an effort should be made to ensure legal and regulatory compliance. In particular, we request that dealings with antisocial individuals and organizations and the giving and receiving of monetary or non-monetary benefits to any stakeholder for the purpose of obtaining or maintaining improper profits or preferential treatment be banned.
3. Please make every effort to realize a workplace that gives due consideration to health and safety to prevent work-related accidents and injuries.
4. Please make active efforts to reduce the environmental impact of your business activities and to realize a sustainable society.
5. When presenting plans and proposals, we request that intellectual property rights be accorded respect, and that third-party rights and interests not be infringed.
6. We request the establishment of information security management systems that cover organizational, individual, technical and physical aspects of information security, to ensure that confidential information and personal information obtained or learned during the course of business dealings are not disclosed, leaked, or used fraudulently.
7. We request that appropriate operational processes be used to ensure that high-quality products and services are delivered within the predetermined schedule at a market-competitive cost.
8. We request that appropriate information-sharing to consumers takes place and consideration paid to safety through business activities and that efforts be made to resolve consumers' issues.
9. We request that efforts be made through business activities to contribute to the resolution of issues of high societal demand and the development of local society and communities.



Respect for Laws and Regulations and Various Rights in Business Activities

In order to maintain fair business practices in communications activities, compliance with various laws and regulations is expected and Dentsu aims to take the lead to be the cornerstone of legal norms in order to maintain its stakeholders' and society's trust. To this end, efforts are taken to ensure compliance with various laws such as the Act against Unjustifiable Premiums and Misleading Representations for the appropriate offering of premiums and advertising, Act on the Protection of Personal Information for the adequate protection of personal information of consumers who participate in campaigns and questionnaires, the Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors to conduct fair and appropriate dealings with subcontractors, and the Financial Instruments and Exchange Act to conduct appropriate stock trading.

As part of such efforts, for intellectual property rights in the realm of creative expression for advertising works, such as trademarks, design rights, copyrights, and publicity rights, Dentsu works to (1) improve the knowledge and awareness of employees through continuous educational and training programs, (2) disseminate information through easy-to-understand legal handbooks and manuals and the Company intranet, and (3) establish a designated department for consulting on legal and creative affairs. Going forward, Dentsu will continue to protect intellectual property rights and develop an environment for legal compliance in order to be a cornerstone for legal norms.

Handbooks for Laws and Regulations



What's a Trademark?



What's a Copyright?



What are Publicity Rights?



Development of an Information Security Management System

Dentsu established the 'Dentsu Group Basic Policy for Information Security' and established a very strict information security management system to protect important data held by the Dentsu Group as well as personal and other information received from clients.

The Dentsu Head Office in Tokyo received BS 7799-Part 2:2002 certification for information management security, the predecessor of ISO/IEC 27001:2005, in March 2003. This was expanded to the entire Company when the Kansai and Chubu offices received the same certification in April 2005. In 2015, Dentsu went on to implement ISO/IEC27001:2013 and JIS Q 27001:2014, the international standards for information security management system (ISMS).

As of March 31, 2015, Dentsu Inc. and 50 Dentsu Group companies in Japan have this certification.

Dentsu strives to implement stringent information security management through such measures for the entire Dentsu Group to flexibly respond to the ever-changing and increasingly sophisticated environment of information and communication technology.

Dentsu Group Basic Policy for Information Security

All of the companies in the Dentsu Group will address information security management as a unified group. In all of our business areas, the Dentsu Group will address information security management in order to protect important information held by our group.

1. Compliance with Laws

Based on requests from our stakeholders, including clients and other business partners, we will properly address information security management to ensure compliance with the relevant laws and regulations. In particular, personal information will be managed in a strict manner.

2. Strict Information Management

We will manage information strictly to prevent any leakage, loss, damage or misuse of information such as confidential client information and personal information. We will share such business information only among employees and group companies with the appropriate clearances. In selecting our subcontractors, we will fully consider how they are addressing information security.

3. Maintaining & Improving Achievement Level

We will maintain the current security level which we have already achieved and improve it through our PDCA cycle activities. We will also enlighten and educate all of our employees, from executives downward, about information security so that they can acquire the appropriate knowledge and judgment.

4. Adaptation to Environmental Changes

We will flexibly adapt to the environmental changes in our group's business areas, information assets handled by our group, and the information and communication technology (ICT) field, and will update our information security management system and rules accordingly.