

Dentsu Group CSR

Code of Conduct Philosophy

The Dentsu Group Code of Conduct, the Group's CSR philosophy, is based on Dentsu's seven key areas of CSR activity: 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. The code states what all Group managers and employees must do to fulfill their respective responsibilities to society.

The short publication, "Guidance on the Dentsu Group Code of Conduct," provides specific and detailed actions that management and employees can take to gain a deeper understanding of the seven key areas and voluntarily abide by the requirements.

The Group has stated that it shall comply with the laws and regulations of each market in which it does business, while respecting social norms that reflect a region's diversity. The publication serves as the Group-wide code of conduct.

Dentsu Group Code of Conduct

All the following points regarding the code and governance may be found at <http://www.dentsu.com/csr/overview/codeofconduct.html>.

- The Dentsu Group of companies, its officers, and employees ('we' or 'us') are committed to protecting the interests of our stakeholders by conducting business to the highest ethical standards. To achieve this commitment, we have established the "Dentsu Group Code of Conduct" ('Code of Conduct') to serve as our basic principles for conducting business in a socially responsible manner.
- We will comply with the Code of Conduct in all respects. Outside of the Dentsu Group, we will encourage compliance with the Code of Conduct by our business partners.
- We will comply with all national, local, and international laws and regulations in all markets in which we conduct business.
- We will respect diversity and will not discriminate on any basis. We will also respect the diverse social and cultural standards of each region in which we conduct business.

1. Corporate governance

We respect the interests of our stakeholders and will refrain from engaging in inappropriate activities or taking inappropriate risks that might harm these interests. Our officers will take responsibility for developing and maintaining appropriate corporate governance systems.

2. Respect for human rights

We comply with internationally-recognized principles of human rights. We respect the human rights of all people connected with our business activities and will not discriminate on any basis.

3. Ensuring a safe and civilized working environment

We will ensure that our workplaces are safe and create a civilized working environment.

4. Environmental protection

We aim to minimize the impact of our business on the environment and contribute to making society sustainable.

5. Fair business practices

In carrying out our business, we will compete fairly in all markets in which we operate. We will avoid or appropriately manage any conflicting interests. We will not knowingly take part in any form of corrupt business practice, including bribery and money laundering.

6. Addressing consumer issues

We will strive to address consumer issues in all markets in which we operate, including by providing appropriate information to consumers and giving due attention to safety and security in all of our activities.

7. Contributing to the community

We are committed to contributing to the development of all local and global communities in which we operate and to the resolution of social issues in each community.

Dentsu Group Code of Conduct and Associated Guidance ⇒ http://www.dentsu.com/csr/pdf/dentsu_group_code_of_conduct_E1603.pdf

Promotion of CSR

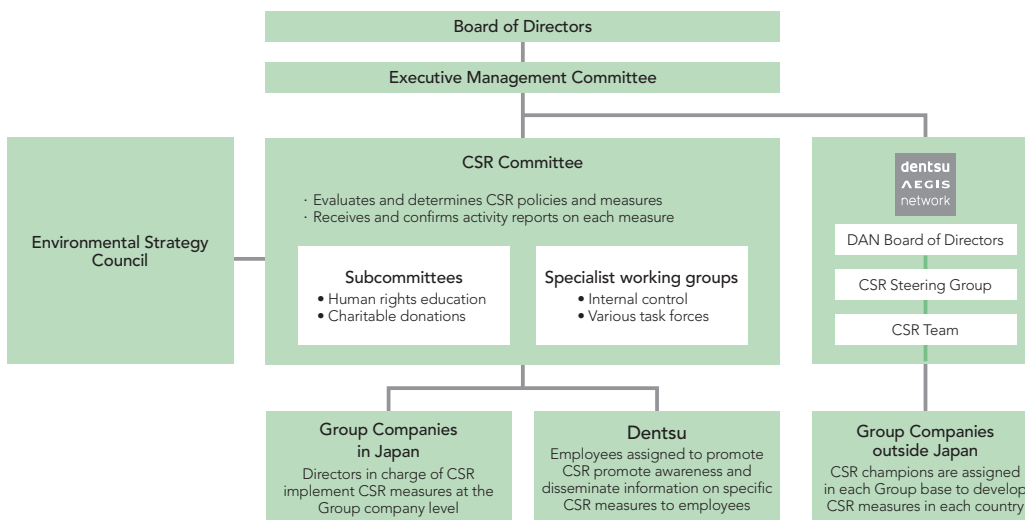
Dentsu has established three principal committees under its Executive Management Committee and Business Supervision Committee, which are responsible for all major management decisions. One of the committees established under the Executive Management Committee is the CSR Committee, comprising five board members and chaired by a director and executive officer. The committee, which met eight times (April to December) in fiscal 2015, makes decisions on all major CSR-related measures in accordance with the Dentsu Group Code of Conduct, which also serves as the Group's CSR philosophy.

Under the CSR Committee, Dentsu has established subcommittees for human rights education and charitable donations, as well as specialist working groups to deliberate on issues in various fields. On the key theme of the environment, the CSR Committee works closely with the Environmental Strategy Council, Dentsu's in-house body tasked with promoting environment-related programs to ensure greater Company-wide awareness concerning the environment.

For Group companies outside of Japan, a CSR action plan was developed at the DAN Board of Directors meeting. The progress of the plan is reported to and shared with the Executive Management and the CSR Committees.

We have also designated CSR promotion committee members in all Company departments to promote awareness, disseminate information on specific CSR measures, and ensure company-wide efforts. At Group companies outside of Japan, we have appointed CSR Champions, who promote CSR activities. Through such efforts, we are advancing CSR activities on a Group-wide level. Dentsu aims to ensure that its CSR measures are consistent across the Group, ensuring that member companies are able to express its characteristics.

Dentsu Group CSR Promotion System



DAN CSR Promotion System

The Board sets the Network's CSR strategy and establishes the CSR Steering Group to oversee its implementation. The members for the CSR Steering Group are, in turn, appointed by the Executive. They regularly report on the progress and performance of the CSR Strategy to the Board. Also, the CSR Steering Group oversees the implementation of the CSR Strategy by the global CSR team and monitors its progress. The CSR Steering Group met five times last year.

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.



Network Japan
WE SUPPORT

CSR ASIA

Contributing to Sustainable Development Goals (SDGs)

At the United Nations Sustainable Development Summit held in September 2015, SDGs—consisting of an action plan comprising 17 goals and 169 targets—were announced for humanity, the Earth and prosperity. The entire world is working to achieve the SDGs and corporations are expected to make a proactive contribution. The Dentsu Group, which provides a diverse array of value in the communications field and always has the foresight to look to the future, will contribute to resolving global social issues.

SUSTAINABLE DEVELOPMENT GOALS 17 GOALS TO TRANSFORM OUR WORLD



Common Ground

The Dentsu Group, along with the world's five largest advertising agencies (Havas, IPG, Omnicom, Publicis and WPP) is a participant in the groundbreaking global initiative, Common Ground.

It is an effort to cooperate to achieve specific themes in response to calls from the United Nations secretary-general regarding SDGs adopted at the September 2016 United Nations General Assembly.

The Dentsu Group is featuring Goal 3: Health, working with NGOs on malaria, tuberculosis and other infectious disease countermeasures.

Common Ground ⇒ <http://www.dentsu.co.jp/csr/commonground.html>

COMMON
GROUND

Zero
Malaria
2030

malaria
NO MORE
japan

Stop TB Partnership
JAPAN

Dentsu Group Involvement with the SDGs

The Dentsu Group is focused on medium- to long-term megatrends, and is engaged in a variety of activities aimed at resolving global issues facing humanity. We will contribute to the achievement of SDGs through our core businesses in the fields of marketing and communications.

Megatrend	Redistribution of wealth	Contributing to SDGs		Expanding business activities to develop communities on a global scale
Global issue	Wealth disparity/rising income polarization			

The Dentsu Group develops business in more than 140 countries and regions. In addition to conducting business, the Group recognizes that contributing to the development of communities around the world is one of its responsibilities. We engage in a variety of projects concerning poverty, income disparity, and numerous other issues at the regional level with aspiration and a strong aptitude for action. We deliver messages throughout the world pertaining to the eradication of problems including poverty and hunger, using advertisements that display creativity and contribute to the development of communities through local activities led by our more than 50,000 employees.

Megatrend	Demographic changes	Contributing to SDGs		Changes in consumer behavior patterns, diversification of consumer needs
Global issue	Minorities/super aging societies			

Globally, populations are continuing to increase and changes are being seen in their composition. Diversity is coming to many countries as the ratio of minorities there increases. It is becoming important to create societies that accept immigrants, LGBT individuals, as well as a diverse array of cultures. In line with changes in consumer behavior patterns and the diversification of consumer needs, the Dentsu Group will leverage its marketing and communications capabilities focused on advertising, to raise consumer awareness and inspire action, significantly contributing to the creation of societies where everyone can live comfortably.

Megatrend	Digitization	Contributing to SDGs		Digital shift within client marketing activities
Global issue	Digital dependence			

The advance of digital technologies has caused a remarkable change in the behavior of consumers. The Dentsu Group leverages its significant capabilities to provide optimal solutions for client marketing activities combining various ideas and technologies, including AI, big data analysis, and e-commerce support.

At the same time, dependence on social media and other digital content, mainly among young people, has become a prominent social issue. In response, the Dentsu Group, which plays a role in the promotion of digitization, is also working on resolving this problem through the framework of the responsible marketing and sustainable consumption target in our Medium-term CSR Strategy.

Dentsu Group Medium-Term CSR Strategy 2020

Dentsu has formulated a five-year Dentsu Group Medium-Term CSR Strategy 2020, setting targets to be achieved by 2020. According to the Dentsu Group Code of Conduct, based on the medium-term CSR strategy—stipulating the four key areas and common goal—the Group will continue contributing to the realization of a sustainable society by steadily promoting CSR activities worldwide.

CSR Planning: Realizing a Sustainable Society

Nations around the world face a number of social issues, including those that are environment-related, such as global warming, as well as human rights violations that are found in some countries and regions. Many of the issues are the result of corporate activities, since the increased social expectations and demands are causing companies to focus on a variety of activities to fulfill their responsibilities. The advertising industry being no exception, we have persevered in our effort to manage the impact on the environment and society.

However, the role that should be played by the advertising industry is far greater than we had anticipated. That said, we have a significant impact on consumer behavior as it relates to the buying of such goods as daily consumer items, and extends to once-in-a-lifetime major purchases. While being aware of the magnitude of the impact that advertising has on consumption, we also should remain aware of our responsibilities in terms of the fairness of the content and of goods and services that consumers purchase. When it comes to environmental and social impact, we believe advertising companies should bear in mind both direct and indirect impact.

Based on the above considerations, we developed a plan that defines the common goal of the Dentsu Group. The plan—involving the collection of data regarding the Group's resources and knowledge in Japan and overseas—will be steadily executed with a view to realizing a sustainable society, and through the promotion of sustainable business activities.

Four Key Areas



Environment

To tackle climate change through reducing our environmental footprint across our operations



Community

To build a more effective civil society through a wide variety of community activities



Supply Chain

To develop a more resilient supply chain through developing sustainable procurement practices



Responsible Marketing and Sustainable Consumption

To promote a sustainable society through implementing responsible marketing practices as well as encouraging sustainable behavior

Quantitative Targets in Japan and Overseas Offices of the Group

dentsu

Dentsu Group companies in Japan

dentsu
LEGIS
network

Overseas companies

	Environment	Reduce our carbon footprint per person by 30%	Reduce our carbon footprint per person by 40%
	Community	Have 90% of the employees participate in Dentsu's CSR program and contribute to community development	Enable 500 charities to build communications capabilities
	Supply Chain	Cooperate with 90% of our main suppliers to promote sustainable business activities	Achieve 100% compliance with our supply chain charter principles
	Responsible Marketing and Sustainable Consumption	Provide 90% of our employees with training in the responsible execution of their duties and use their skills and expertise to give something back to society	Engage 1,000,000 people with sustainable consumption campaigns