

Sustainability Initiatives

Helping create an economy that works for all

Climate change, biodiversity loss and inequality are global megatrends reshaping our world. In 2019 we saw a significant increase in both awareness and activity across all stakeholder groups, with employees, investors, clients, and consumers all calling for change. Business and brands have no choice but to respond. Our industry is no exception. We are committed to decarbonizing our business operations and supply chain. And as an employer of 66,000 people, we invest in the health and wellbeing of our people and are passionate about creating a diverse and inclusive

environment in which everyone can thrive. But we have a powerful role to play that goes beyond our own operations and physical impacts. Every day, all over the world, our work influences the way that people think, feel and act. Our aim is to use our ideas and data to highlight opportunities, inequalities, innovations, and solutions to society's greatest challenges. As a Japanese company, we plan for the long term, which means creating regenerative solutions that deliver positive impact for our business, society and the environment.

Our priorities

In December 2019 we established a new board committee for the Dentsu Group focused on CSR and sustainability. This committee is chaired by Shun Sakurai and is made up of senior executives from across the Group, including Dentsu Japan Network, Dentsu Aegis Network, Dentsu Inc., ISiD, and Carta Holdings, Inc. The committee meets quarterly in 2020 with the primary objective of setting a long-term, integrated sustainability strategy for the Dentsu

Group. An assessment of our material risks and opportunities has highlighted key strategic focus areas where we can make the biggest impact. The results include climate change, sustainable consumption and production, diversity and inclusion, and human and digital rights, including ethics, data privacy, and security. We believe COVID-19 will accelerate interest in these areas as stakeholders look to rewire the economy.

CSR Promotion Structure



Climate Change

In 2019 we achieved our strongest environmental performance, reducing our overall Scope 1 and 2 carbon emissions by 46.3% since 2014, putting us on track to deliver our 2030 science-based target. This was driven primarily by switching 89% of our international operations to renewable electricity, reinforcing our commitment to RE100 and helping to drive market demand for renewable energy. Our goal is to switch all the Dentsu Group to renewable electricity by 2030. Office consolidation and the introduction of new collaboration technology also contributed, while we delivered a significant decrease in the use of paper, water, and waste. Business travel however has increased across the Group. In response, DAN has included a target to reduce air travel, measured in CO₂

equivalent, as a KPI on all executive scorecards directly impacting their remuneration. To further decarbonize our value chain, we joined forces with Bristol University, Sky, and the BBC to launch DIMPACT—a ground-breaking collaboration to map the carbon impacts of digital value chains. In 2020 we will be building on this work to better understand and reduce our emissions across our value chain. Overall, we cut the total Scope 1 and 2 emissions 23.0% this year to 33,962 tons of CO₂ while the Scope 3 results were 87,194 tons.

For more detailed environment performance data, please refer to the ESG Data Summary (p. 56).

Environment Performance Indices FY2019



CO₂ emissions / FTE
(Scopes 1 and 2)

0.53t-CO₂e



CO₂ emissions
Compared with FY2014 Scopes 1 and 2

46.3% less



Ratio of renewable electricity
in international operations

89%

Sustainable consumption and production

We recognize the role that we play in driving consumption. In 2019 we collaborated with Sustainable Brands and some of our biggest clients to launch #BrandsForGood, a new global movement to transform the role of marketing and advertising and make sustainable living more aspirational for consumers.

Through #BrandsForGood we aim to unite marketers and brands to encourage consumers to adopt nine sustainable behaviors. These behaviors combine both societal and planetary needs with consumer research that indicates which messages members of the public are most likely to respond to positively, ultimately making them

change their behavior. This is fundamentally reimagining the way brands create value and engage with customers around sustainable living.

**BRANDS
FOR
GOOD+**

Promoting diversity and empowering women

True creativity and innovation happen when teams of diverse individuals come together. We champion individuality, and the unique perspectives and remarkable talent that come with it. In 2019 we saw an increase in females in senior leadership positions across our global markets. This includes the appointment of Anna Moulton, Global HR Director, to the role of Executive Officer, Dentsu Group Inc. We also promoted Jacki Kelley to the role of CEO, Americas, and Jean Lin to the role of CEO, Creative Line of Business. One third of our most senior roles in our International business are held by women. We are committed to extending this gender balance to our Japan operations but recognize there is more to do. Today, 14.5% of senior leaders across the Dentsu Group are women. Our focus on diversity extends beyond our organization. In 2019 we launched Female Foundry, our global mentorship program for female-founded start-ups, in India, South Africa, Mexico, and Chile, creating powerful programs built on insights generated through iProspect’s Hear Her Voice

research. And in collaboration with the Association of National Advertisers, we helped found #SeeHer, the goal of which is to increase the percentage of accurate portrayals of women and girls in US advertising. The values of respect, equality, inclusion, and diversity necessary for healthy and peaceful communities are the same values we cultivate among our employees in 145 countries. We will be prioritizing this area of our strategy moving forward.



Respect for Human and Digital Rights

Data privacy and protection, along with responsible media, continue to remain a top priority for our business and our clients. In 2019 we became a strategic partner to the Global Alliance for Responsible Media (GARM) a global collaboration of agencies, media platforms and industry associations to rapidly improve digital safety and drive accountability across the industry. We are also a founder of the Conscious Advertising Network whose mission is to stop advertising abuse by highlighting the conscious choices advertisers can make to ensure good practices.



Partners in the Global Alliance for Responsible Media

Common Ground

In 2016 we helped launch Common Ground to drive delivery of the United Nations' Sustainable Development Goals (SDGs). Today we have reached over 1.67 billion people through related campaigns. This includes our partnership with Malaria No More, with whom in 2019 we helped raise an additional \$14 billion for malaria research, as well as campaigns for our clients that align to the SDGs, in particular in areas relating to health and wellbeing, inequality, and empowering women. In 2019, we launched Isobar Good, an initiative that uses Isobar's skills, expertise, and methodologies to drive measurable social impact and

to achieve the SDGs. We continue to drive awareness through our research, by team SDGs across Dentsu Japan Network, into consumer trends and attitudes to the SDGs, including our recently published survey of the Japanese market.



Key findings of SDGs survey (January 2020)



Recognition rate of lifestyle behaviors related to realizing the SDGs



<https://www.dentsu.co.jp/en/news/release/2020/0427-010046.html>

Message Comment on the results of the SDGs survey

These are very encouraging survey results. The fact that more than 40% of students are aware of the Sustainable Development Goals speaks to the excellent work done integrating the SDGs in the school curricula in Japan. Young people are a crucial target audience, and it would be great to see more schools around the world follow Japan's example and teach students about the SDGs.

It is also promising to see that a majority of respondents are ready to put the SDGs into practice, through changes in their daily

habits—moving away from plastics, using reusable eco-bags and doing more teleworking—which all contribute to reducing the pressure on the environment. At the same time, the social components of the SDGs—like gender equality or supporting marginalized communities such as immigrants—deserve equal attention and urgency. We have ten years left to achieve the SDGs by the 2030 target date. Everyone everywhere can do their part to help build a fairer, more sustainable world.



Martina Donlon
Acting Chief, Sustainable Development Section
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United Nations

External Evaluation

For the fourth consecutive year since 2016, we have been selected for inclusion in the Dow Jones Sustainability Asia Pacific Index. We have also been highly evaluated by CDP (scored A- in 2019) and EcoVadis, as well as being included in indexes such as FTSE4Good.

