

# Integrating environmental risks, opportunities, and resilience into our business strategy

## Our approach

At dentsu, we aim to achieve sustainable business growth by integrating environmental risks, opportunities, and resilience into our business strategy.

We have conducted scenario analyses on the impact of climate change on our business and published reports in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). In 2025, we carried out analysis and reporting based on the IFRS Sustainability Disclosure Standards issued by the International Sustainability Standards Board (ISSB), referring to the climate-related disclosure standard IFRS S2. This has enabled us to clarify how climate-related risks and opportunities affect the Group's financial position. For details, please see dentsu's [Climate-related Disclosures 2025](#).

## Overview of climate-related risks and opportunities across dentsu's business and value chain

Impact on business		Exposure under a net-zero scenario		
		Short term (2025–2029)	Medium term (2030–2039)	Long term (2040–2050)
<b>Transition risks</b>				
Revenue decline due to changes in the global economy	Net-zero transition			
	Delayed transition			
	Current policy trajectory			
Changes in demand for sustainability services due to regulatory shifts	Net-zero transition			
	Delayed transition			
	Current policy trajectory			
Risk that clients cannot respond to changing consumer behavior	Net-zero transition			
	Delayed transition			
	Current policy trajectory			
Costs related to carbon taxes and other climate regulations	Net-zero transition			
	Delayed transition			
	Current policy trajectory			
<b>Transition opportunities</b>				
Access to new markets, partners, and businesses	Net-zero transition			
	Delayed transition			
	Current policy trajectory			
Deployment of low-carbon technologies in own business and client services	Net-zero transition			
	Delayed transition			
	Current policy trajectory			
<b>Physical risks</b>				
Rising energy costs due to long-term climate change	Net-zero transition			
	Delayed transition			
Revenue decline due to reduced employee productivity caused by extreme weather	Net-zero transition			
	Delayed transition			
Supply chain disruptions caused by extreme weather events	Cannot be quantified			

## Classification of risks and opportunities

Risks	Opportunities	Category	Financial impact
		Extremely high	More than ¥18.1 billion
		High	¥9.1 billion – ¥18.1 billion
		Moderate	¥4.5 billion – ¥9.1 billion
		Low	¥1.8 billion – ¥4.5 billion
		Minimal	Less than ¥1.8 billion

## Indicators and targets

Based on the findings of the risk and opportunity analysis described here and informed by dentsu's previous TCFD climate risk disclosures and enhanced understanding of environmental and business impacts across its operations, we have set a target to achieve net-zero greenhouse gas (GHG) emissions across the value chain by 2040. In 2024, dentsu's near- and long-term targets were validated by the Science Based Targets initiative (SBTi) as conforming with the SBTi Corporate Net Zero Standard. The specific target values are as follows.

### ■ Near-term targets:

Reduce absolute Scope 1 & 2 GHG emissions by 46.2% by 2030 from a 2019 baseline. In addition, reduce absolute Scope 3 GHG emissions from purchased goods and services, business travel, and employee commuting by 46.2% by 2030 from a 2019 baseline.

### ■ Long-term targets:

Reduce absolute Scope 1 & 2 GHG emissions by 90% by 2040 from a 2019 baseline. In addition, reduce absolute Scope 3 GHG emissions by 90% by 2040 from a 2019 baseline.

### ■ 100% renewable energy\*

Achieve 100% renewable energy by 2030.

\*Renewable energy in the context of dentsu's value creation strategy and commitments refers to electricity generated from renewable sources. This definition aligns with RE100.

## 2024 performance

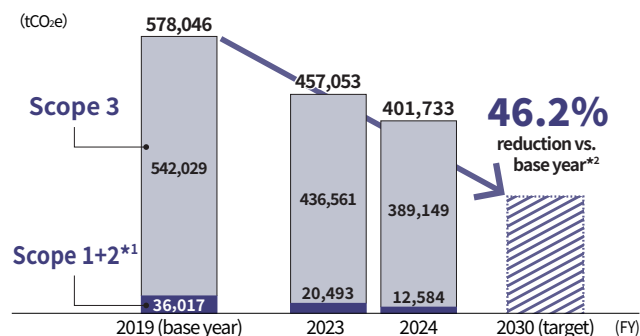
### Establishing a centralized environmental management system and making steady progress toward our targets

In 2024, we completed a long-standing initiative to establish a centralized system for managing environmental data across the Group, improving the efficiency of data aggregation.

We have made steady progress in reducing GHG emissions compared to our 2019 baseline: Scope 1 and 2 emissions decreased by 65.1%, Scope 3 emissions decreased by 28.2%, and total emissions across Scope 1–3 decreased by 30.5%. The reductions in Scope 1 and 2 were primarily driven by increased procurement of renewable energy at major facilities, while improvements in Scope 3 were largely due to reductions in Category 1 emissions (purchased goods and services) in our International business.

In addition, in October 2024, we signed a renewable energy supply contract for the Dentsu Soken Inc. head office in Shinagawa—the second-largest office for our Japan business in terms of power consumption. This contributed to a significant year-on-year increase in our renewable energy ratio, reaching 79.5% in 2024.

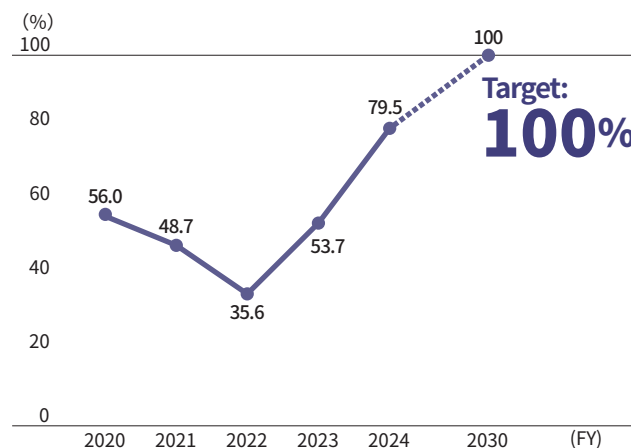
### GHG emissions (consolidated)



\*1 Scope 2 emissions are calculated using the market-based approach.

\*2 The Group's near-term targets for 2030 are to reduce Scope 1+2 GHG emissions by 46.2% compared to the base year and to reduce Scope 3 GHG emissions (Categories 1, 6, and 7) by 46.2% compared to the base year.

### Renewable energy ratio (consolidated)



Note: The renewable energy ratio complies with the RE100 definition. For data on the renewable energy ratio based on the amount of renewable energy purchased, please refer to the [Non-financial Databook](#).

## Net-zero Transition Plan

In 2025, we formulated our Net-zero Transition Plan based on the requirements of the SBTi, for which we obtained certification in 2024, to ensure the reliable achievement of our targets. The plan identifies key emission hotspots and details the strategies and timelines for reductions. For details, please see dentsu's [Climate-related Disclosures 2025](#).

## Our approach to nature-related issues

Our material theme of Environment covers nature-related factors. We have conducted a high-level assessment of our dependencies and impacts on natural capital for key business areas across our value chain based on the recommendations of the Taskforce on Nature-related Financial Disclosures (TNFD). Although the results of this assessment found relatively low dependencies and impacts on nature, we identified several areas in our upstream value chain where we could make positive impacts for nature. We also confirmed the potential to make an even greater contribution by providing solutions that support biodiversity conservation. Based on these findings, dentsu will contribute to nature through the following initiatives.

- Including considerations around GHG emissions, nature, and related stakeholders in our procurement policies
- Formulating business guidelines that consider nature and the global environment, and creating ecosystems to realize them
- Reducing water usage and waste in our operations
- Providing programs and opportunities for employees to better understand and appreciate the value of nature
- Developing and offering solutions that contribute to the preservation and conservation of biodiversity
- Conducting awareness-raising activities on the environment, including biodiversity
- Conducting awareness-raising activities on sustainable consumption, including nature positivity

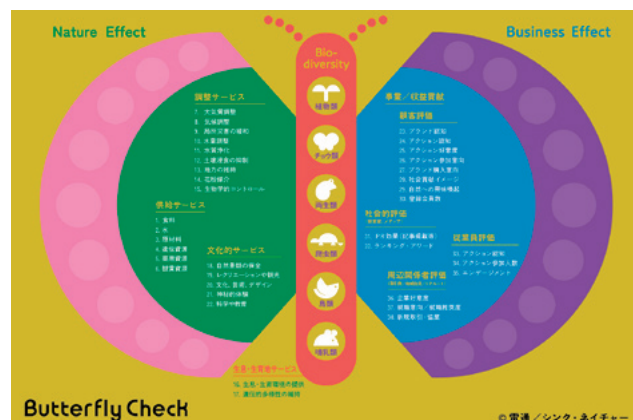
## Results of initiatives

In 2024, we developed the following new solutions that contribute to the preservation and conservation of biodiversity.

**Development and launch of Butterfly Check—a service to measure and visualize the impacts of nature-related corporate activities on biodiversity and business**

Jointly developed by Dentsu Inc. and Think Nature Inc., Butterfly Check is a service that enables companies to measure and visualize the impacts of their nature-related activities on biodiversity and their business.

The results are presented in the form of butterfly wings, providing an intuitive, bird's-eye view that supports the identification of areas for improvement and the discovery of new business opportunities. For details, please see [Dentsu Inc.'s news release](#). (Available in Japanese only)



An example of analytical results from Butterfly Check on nature-related corporate activities

**Providing integrated support for biodiversity conservation and urban/corporate growth through City Flora™**

As more urban and community development projects aim to contribute to biodiversity conservation, Dentsu Inc. has developed City Flora™—a service that supports value creation from the perspectives of people, biodiversity, and urban risks, covering everything from city analysis to future-oriented planning. The service offers integrated solutions that position biodiversity conservation as a driver of both urban and corporate growth.

By reframing greening efforts and biodiversity initiatives as investments in future growth, dentsu—leveraging our deep insights into consumers and the future—has partnered with Biome Inc., a company that fosters new relationships between people and nature, to support clients in addressing nature-related challenges. For details, please see [Dentsu Inc.'s news release](#). (Available in Japanese only)



The City Flora™ map overlays information on people, biodiversity, and other factors onto urban layers, enabling multi-perspective observation and fieldwork. It serves as a platform for discussions focused on creating unique value for cities and communities.

**Publication of the children's book series  
Minna de Shiritai Seibutsu Tayosei  
(Let's Learn About Biodiversity Together)**

Dentsu Diversity Lab, a cross-functional task force within dentsu Japan, planned and authored a five-volume educational series on biodiversity for elementary and junior high school students.

The books feature abundant research data, up-to-date case studies, manga, and worksheets, all designed to help children learn about, think about, and take action on nature-related issues.

This initiative was carried out in collaboration with Dentsu Team SDGs, another cross-functional task force within dentsu Japan. For details, please see [Dentsu Inc.'s news release](#).  
(Available in Japanese only)



## Leveraging insights into society

Through the implementation of our 2030 Value Creation Strategy—which is all about generating ideas for the future to solve challenges facing society through business—dentsu actively shares the insights we have developed with a wide range of stakeholders. This ongoing effort supports the sustainable development of society as a whole.

### Publication of an inclusive communication design guide

In April 2024, the Act Partially Amending the Act for Eliminating Discrimination against Persons with Disabilities came into effect in Japan, making it a legal requirement for companies to provide reasonable accommodation for persons with disabilities. In response, and in pursuit of communication that truly leaves no one behind, nine dentsu Japan companies—Dentsu Inc., Dentsu Digital Inc., Dentsu Live Inc., Dentsu Promotion Plus Inc., Dentsu PR Consulting Inc., Dentsu Creative Force Inc., Dentsu Creative Pictures Inc., Dentsu Institute, and dentsu promotion exe Inc.—collaborated with experts to produce and publish an inclusive communication design guide in January 2025. The guide outlines key communication considerations and addresses the individual needs of people with disabilities. It is available free of charge. For details, please see [our website](#). (Available in Japanese only)



### Advertising Elementary School

In 2006, Dentsu Inc. launched the Advertising Elementary School program, jointly developed with Tokyo Gakugei University. This program was conceived by an employee who asked, “What can we contribute to society as an advertising company?” As of March 2025, it has been offered to approximately 530 schools, from elementary schools to universities nationwide, for a total of over 67,000 students. This program cultivates basic communication skills, such as the ability to think, judge, express, and solve problems in a group through the creation of commercials.

The program continues to evolve in step with the times. For details, please see [the special Advertising Elementary School website](#). (Available in Japanese only)



### Communication tips to help improve PR skills for nonprofit organizations (NPOs)

In 2004, Dentsu Inc. and Japan NPO Center (Specified Nonprofit Corporation), an intermediary support organization for NPOs in Japan, established the NPO Public Relations Skills Improvement Committee. Utilizing the creative power of dentsu and the Japan NPO Center's network, we developed the Tips for Communicating program and offered it to NPOs across Japan. This initiative, which celebrated its 20th anniversary in 2024, has held 169 seminars across the country, with a total of over 6,100 participants. For more information, please visit [the Japan NPO Center website](#). (Available in Japanese only)



### Provision of university-sponsored courses to address the shortage of DX talent

In Japan, the lack of specialized personnel to drive digital transformation (DX) is a key challenge. Dentsu Digital Inc. has leveraged its extensive expertise, knowledge, and network gained through business operations to offer sponsored courses at multiple universities since 2022. The 15-lecture series provides practical learning based on case studies from projects led by Dentsu Digital and includes guest speakers from leading clients in various industries in the DX field. In 2024, approximately 800 students from four universities (Waseda University, Keio University, Kobe University, and the University of Osaka) took these courses. For more details on the course content, please visit [the Dentsu Digital Inc. website](#). (Available in Japanese only)





## Strategic collaboration with stakeholders

To better inform how we respond to various issues, we participate in organizations and initiatives that align with our Group's strategies and principles, leveraging insights gained through collaboration with stakeholders into Group management. Key achievements in 2024 are highlighted below.

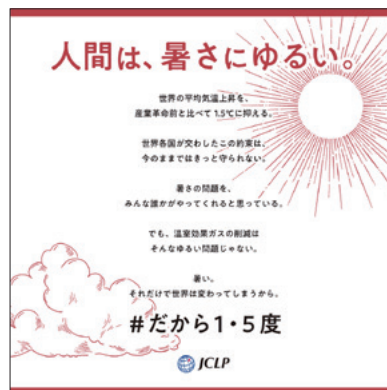
### Utilization of GHG emission visualization tools in Taiga drama and other video media

Metaverse Production, a joint project aiming to reduce GHG emissions and improve process efficiency in video production, collaborated with dentsu Japan to develop the Carbon Calculator for Movie Production, a carbon emission calculation tool for commercials and TV programs, which launched in Japan for the first time in 2022. In 2024, this tool was used to measure emissions for NHK's Taiga drama—a long-running annual historical TV series—*Erabou: Tsutaju Eika no Yumebanashi* ("Unbound") and other productions, and confirmed the achievement of carbon reductions by replacing traditional filming with virtual production. Plans are underway to expand the tool's use across a variety of works and production sites.

### Scheme design for the “#dakara 1.5 °C” campaign by the Japan Climate Leaders' Partnership (JCLP)

Since 2023, dentsu has been an associate member of JCLP, a Japan-based corporate group addressing GHG emission reduction from a business perspective. In 2024, JCLP launched a campaign to encourage Japan to set reduction targets aimed at limiting global average temperature increases to below 1.5°C above pre-industrial levels. A team led by creatives from Dentsu Inc. was responsible for designing the campaign scheme.

For details on other organizations and initiatives in which dentsu participates, please refer to the [Non-financial Databook](#).



## Training opportunities for employees

To enhance the understanding of our 2030 Value Creation Strategy internally and translate it into business opportunities, we provide a variety of training programs tailored to the specific characteristics of our business.

Since 2023, more than 2,500 employees globally have completed courses on dentsu's value creation strategy and related business cases through our employee learning platform, dentsu university. In Japan, the Sustainability Leaders program is held monthly for all employees to share updates on the value creation strategy, related topics, and new business initiatives. On average, about 500 employees participate in each online session.

In addition, we have supported more than 100 cross-functional business leaders in completing an 8-week intensive course from the University of Cambridge Institute for Sustainability Leadership (CISL) on Sustainable Marketing, Media and Creative.

To further advance our value creation strategy, we provide employees with an opportunity to gain awareness and understanding of social issues through One Day for Change, a program dedicated to hands-on engagement in activities that address challenges relevant to their local markets.

In 2024, more than 8,000 employees from 63 countries and regions participated in approximately 35,000 hours of activities, including habitat restoration for wildlife, plastic recycling and upcycling, food collection and redistribution, and educational programs.

