

Promoting Compliance

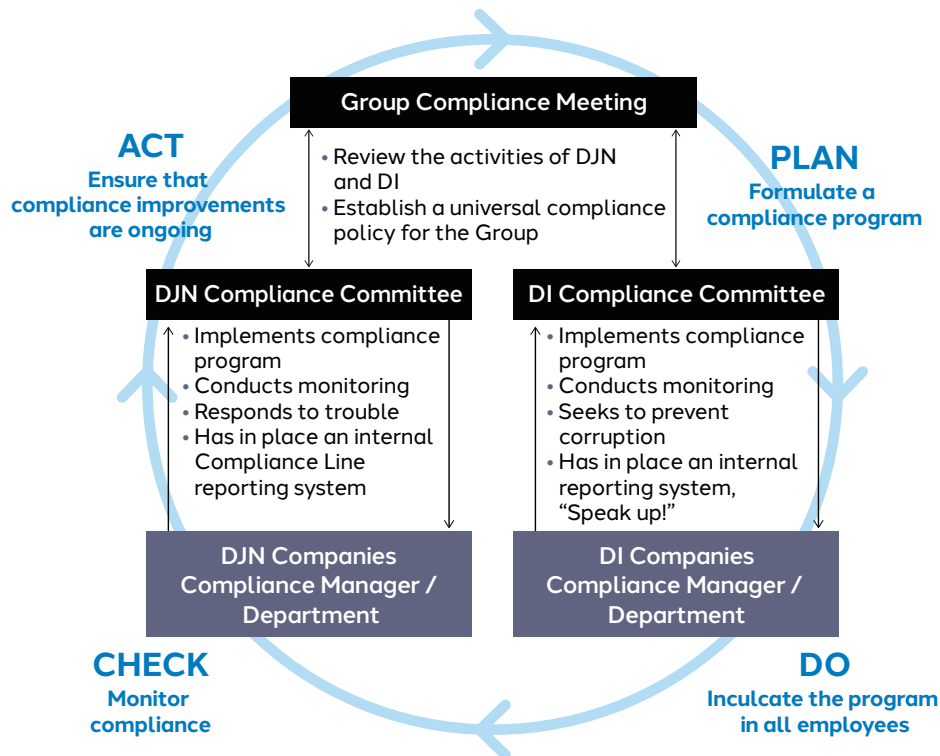
Compliance promotion system

Dentsu Group Inc. formulated the “Dentsu Group Code of Conduct” as a guideline for corporate activities. Compliance is an important pillar of the Group’s Code of Conduct, according to which it formulates rules, produces manuals, conducts training, and carries out other efforts to ensure Directors, Executive Officers and employees are able to carry out their duties appropriately.

The Compliance Committee of Dentsu Japan Network (DJN) was established to promote business in Japan, while the Compliance Committee of Dentsu International (DI) was established to promote overseas business.

In yet a further step, the Company set up the Group Compliance Meeting to supervise the aforementioned committees and make decisions on compliance matters from a global perspective.

Against this background, we are working to maintain and improve compliance through implementation of the plan-do-check-act cycle.



DJN compliance promotion

Compliance programs

Compliance related to the execution of operations involves a variety of measures, including compliance with important laws and regulations related to the advertising business.

Employees receive booklets covering all laws and regulations related to advertising activities, the implementation of information security, human rights, harassment, accounting procedures, and other measures. This is done to make sure of compliance with laws, regulations, and Company rules in all operations, and that reporting and consultation systems are set up should problems arise. Further, employees are given the chance to undertake independent online study.

Monitoring

DJN has put in place a structure for regular reports on the status of compliance at DJN companies. The reports are shared at DJN Compliance Committee meetings.

In terms of internal monitoring, we observe the status of compliance with laws and regulations to appropriately reflect DJN plans for internal monitoring.

Response to trouble

In the event a DJN company officer or employee becomes aware of compliance issues or has any concerns, regulations stipulate that the matter/s must be quickly and accurately reported to a supervisor.

The supervisor immediately reports this to their compliance manager, who contacts the DJN Compliance Committee Secretariat.

Having received a detailed report on the matter from the Secretariat, the DJN Compliance Committee provides guidance regarding investigation of the matter, while not obstructing any DJN company from conducting voluntary inquiries.

Once compliance issues are identified, the relevant DJN company promptly takes corrective action.

“Compliance Line” internal reporting system

DJN set up the Compliance Line reporting system to rapidly identify and resolve compliance violations, as well as to promote compliance by management and sound corporate development.

The Compliance Line operates according to Compliance Line Operational Guidelines and is available for use by all employees.

DI compliance promotion

Compliance programs

Dentsu International (DI) provides detailed and summarized versions of compliance regulations, as well as translations in several languages. It thereby makes sure all officers and employees are familiar with the rules and are able to comply with the requirements.

In addition, management strives to enhance employee awareness by regularly disseminating compliance-related messages to employees, and systematically providing training. Employees are encouraged to gain a deeper understanding and awareness of compliance-related matters.

Monitoring

Through measures including ascertaining attendance at training sessions and collecting answers to compliance questions from Executives each year, DI regularly monitors the penetration of compliance programs, in a bid to realize continuous improvement.

Preventing corruption

DI has in place measures to hinder corruption by providing relevant regulations and training programs.

The Company has a system in place that requires prior reporting and approval before a gift exceeding a specified amount may be accepted. By aggregating report content and approval details in a dedicated department, the system serves to monitor and contain issues.

“Speak Up!” internal reporting system

DI set up the “Speak Up!” internal reporting program that can be used by all DI company officers and employees. In addition to an in-house point of contact, employees may report violations to an independent outside specialist.

The system requires that an employee’s workplace and name be held in strict confidence, with the system designed to function effectively through the imposition of internal regulations ensuring no one is treated unfavorably after using this system.

Dentsu Group Code of Conduct (excerpt)

At Dentsu Group we believe we must be a force for good. When we do the right thing as individuals, it becomes who we are as a company. It’s what makes being a force for good possible, and it starts with each and every one of us. That’s why we expect everyone who works for, or on behalf of, Dentsu Group to understand and live by our Code of Conduct.

The Code of Conduct applies to everyone within the Group. It defines the way we act as part of the Group community and the core principles we are all committed to upholding. It sets out what we can expect of each other, and how we are expected to behave toward our stakeholders including clients and other business partners, shareholders, and our communities.

Please visit our website to read the full text.

<https://www.group.dentsu.com/en/about-us/governance/codeofconduct.html>

Manuals tap into creativity

Many compliance-related manuals are complicated and difficult to understand. For employees to gain a good grasp of compliance-related activities, the Group has drawn on creative staff to produce engaging manuals.

