

Social Report

Respect for Human Rights

Human Rights Policy and Systems

The Group aspires to enrich the human rights-related aspects of its advertising and business communication activities. To this end, it regularly conducts Group-wide employee training programs designed to provide employees with a sound understanding of human rights, which they can then apply to their work. We at Dentsu also consider the prevention of harassment and protection of employees' human rights to be important themes in ensuring that employees are able to showcase their individual capabilities.

The Group is well aware of the impact that communication activities have on society, and carries out human rights awareness promotion activities as part of its Group's Basic Policy on Human Rights Awareness program. As a global company, Dentsu supports the international norms on human rights, including the Universal Declaration of Human Rights and International Labour Organization's Declaration on Fundamental Principles and Rights at Work. We also develop due diligence processes to identify, prevent, mitigate, and address any negative impact our corporate activities may have on human rights, in accordance with the United Nations' Guiding Principles on Business and Human Rights.

Furthermore, the Dentsu Aegis Network released the Group's declaration with regard to "Slave Labor and Human Trafficking" based on the 54 articles of the UK Modern Slavery Act of 2015 enforced in the United Kingdom. In the future, we will make an effort to prevent human trafficking, slavery and forced labor by identifying and evaluating potential human rights impacts and risks within our business activities and supply chain.

Statement on UK Modern Slavery Act → <http://www.unesco.or.jp/terakoya/kakisonji2016/>

Basic Policy on Human Rights Awareness

1. In advertising communication activities, there shall be no discriminatory expression.
2. Respect for fundamental human rights is the foundation of our existence and the starting point of communication.

Human Rights Promotion System

The Dentsu Group Human Rights Education Conference is held twice a year for those in charge of human rights education at the Company, and for human rights education managers at Group companies. In addition to fundamental human rights issues concerning mainly discrimination and other topical themes are also covered.

Human Rights Awareness

To increase human rights awareness, the Group runs human rights awareness training programs based on both employee hierarchy and occupational field. The Dentsu Group Human Rights Education Conference is held twice a year for those in charge of human rights education at the Company, and for human rights education managers at Group companies.

There are also various opportunities to raise awareness of human rights. Textbooks with information on human rights and explanations of their connection to advertising are utilized by employees.

The Human Rights College, a site that collects past examples of advertising expressions related to human rights, is posted on the Company's intranet. This initiative enables continuous online learning that increases knowledge and realizes the pursuit of better communication.

Further, a newsletter dealing with timely human rights-related topics is distributed within the Group twice a month.

In the area of advertising and human rights, the Group has a permanent consulting contact, to ensure that expressions communicated to the world are appropriate, and to respond to Group-wide inquiries.

In addition to this, we cooperate with human rights-related seminars held at the Japan Advertising Agencies Association, and make efforts to raise awareness throughout the advertising industry.

Internal Reporting to Protect Human Rights

We established a contact desk that responds to inquiries from Group employees and allows the identification of possible human rights-related risks associated with the right of expression in advertising. During fiscal 2016, the desk received 144 inquiries. These were handled individually, in a bid both to prevent any recurrence of the issues and to increase human rights awareness.

All harassment-related issues are centralized at the Harassment Counseling Section, which has contact points at Dentsu branches, as well as outside the Company, and provides consultation services. The section coordinates with harassment contacts at each Group company, in a bid to prevent harassment across the Group.

To ensure that employee education prevents both power and sexual harassment at Dentsu offices, we have issued an educational book entitled STOP! HARASSMENT. We also hold training sessions tailored to target audiences, including new employees and new managers, and post messages on bulletin boards calling attention to the Company's anti-harassment policy.

In fiscal 2016, there were 68 consultations at the Harassment Counseling Section (FY2015 [April to December]: 49 consultations; FY2014: 53 consultations; FY2013: 50 consultations). These were individually handled so that improvements might be made to the working environment.



Site screen of the Human Rights College

Ensuring a Safe, Civilized Work Environment

Development of Human Resources

Recognizing that human resources are its greatest asset, the Group provides employees with appropriate capability-developing opportunities and supports employee self-development, in line with each individual's career and the organization's goals.

Diversity Promotion

Promoting Female Participation

Dentsu helps develop and support the careers of female employees. To maximize the Company's strength, we formulated an action plan for the promotion of diversity to run from January 1, 2015 until December 31, 2019. Through the plan, Dentsu is striving to expand its existing female-friendly work environments so that female participation in the workplace might increase.

Summary of the Action Plan

Goals

1. Increase the ratio of women among new graduate recruits (permanent employees) to at least 35% by 2020.
2. Increase the ratio of women among managers to at least 10% by 2020.

Specific efforts

1. Adopt measures to recruit and select female employees.
2. Enhance management skills of managers.
3. Foster career awareness among female employees.
4. Dispel uncertainty over work-family balance (raising children, providing care) by revising current systems and support measures.
5. Redesign work style to encourage greater output, reduce long working hours.

Summary of the Action Plan ⇒ <http://www.dentsu.com/csr/workingenvironment/workplaceenvironment.html>.

In fiscal 2013, we launched the Female Employees Promotion Project, to create a working environment in which temporary leaves of absence will not jeopardize employees' careers. In addition, at an early stage of their careers, women are given ample opportunities to think about their careers at, for example, lunch meetings with senior female employees. This gives them the chance to hear about the experiences of others, and to attend career seminars held by lecturers invited from outside the Company.

Employing People with Disabilities

As part of its efforts to promote the employment of people with disabilities, in April 2013 the Company established Dentsu Solari, a wholly owned Group company that was designated as a special-purpose subsidiary in November of that year. The employment rate of people with disabilities at three Group companies (Dentsu, Dentsu Works, and Dentsu Solari) is 2.07% (as of June 2017). The Company also employs people with disabilities in account management, as well as in creative and other areas. Along with Dentsu Solari, we are trying to expand their employment opportunities.

Work-friendly Environment

Promoting Work-Life Balance

The Company believes that a fulfilling personal life improves the quality of one's working life, and that satisfying work increases one's level of self-fulfillment in life. The object of Dentsu's work-life balance program, therefore, is to generate synergy between the two.

The most important factor in creating a work-friendly environment is health management. The starting point is the implementation of work-style reform, to increase productivity and efficiency in achieving results. Dentsu has established a special in-house Labor Administration Committee that is developing and implementing programs to reduce overtime and make it easier for employees to take holidays.

A Human Relations Management Department was set up to respond to employee concerns and build employee opinions into the system.

Environmental Improvement through the Working Environment Reform Plan

In July 2017, we announced the Working Environmental Reform Plan comprising promises, targets, challenges and goals as reforms to create a new Dentsu. To ensure we never again repeat our past labor issues and fulfill our promise to fully comply with laws and regulations to reduce violations of Article 36, harassment and overwork to zero, we are currently engaged in or otherwise plan to launch the following measures going forward:

Commitment

0

Violations of Article 36: Zero
Harassment: Zero
Overwork: Zero

Prevent nighttime work

- Prohibit work between 10 pm and 5 am

Establishment of HRM managers throughout the Company

- Implement placement of executive directors in charge of HRM in each division to be responsible for employee time and health management and prevention of harassment

Imbue awareness & compliance with work regulations

- Enhance labor regulation training
- Evaluate the understanding of labor regulations

Revise employee evaluation metrics

- Introduce "compliance with legal and societal rules" metric to evaluate criteria
- Introduce "work efficiency" metric to evaluate criteria

Pay attention to & care for each employee

- Introduce healthcare program for new employees
- Enhance training programs to prevent excessive disciplinary code
- Introduce a leadership survey system to maintain awareness of subordinates' viewpoints and opinions
- Introduce a time management system that visualizes the current working situation

Counteract harassment & enhance mental health care

- Expand and disseminate different methods of reporting and consultation
- Enhance system that regularly reports information about individuals who are sick or on leave

Advance workplace reforms

- Establish "Work Style Review Week" every year during MHLW's Death from Overwork Awareness Month (November) for all employees to review their work environment
- Introduce special training program for newly promoted management

- : Currently Underway
- : Currently in Development

Target
80

Achieve full output while reducing employee work time to 80% via reforming work environment and operations

Reduce total working hours per person to 80% in FY2019 compared to FY2014, completing working environment improvements and business reforms aimed achieving 100% new working style in the next two years.

	Previous			Goal		
	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019
Total working hrs / person (Annual)	2,252 hours	2,187 hours	2,166 hours	2,100 hours	1,950 hours	1,800 hours

Increase staff

- Immediately increase personnel numbers, to reduce individual workload - Recruit full time mid-career employees (now 50) - Increase contract employees & temp staff (now 224)
- Increase number of full-time employees - 250 employees to be hired in FY2017 (about 1.5 times the previous year)

Streamline work

- Promote "Work-Diet" that reviews and implements visualization of workflows; boost streamlining - Complete creation of business list for all 65 departments including Kansai and Chubu. Business inventory scheduled to be completed throughout the entire Company by the end of August
- Realize Robotic Process Automation (RPA) - 300 processes by the end of December, 2017 - Streamline operations for 58,000 hours a month

Optimum allocation of human resources

- Reallocate personnel based on optimal departmental levels
- Introduce a system of "New Talent Management" considering every employees' career track

Reform work conditions through extensive IT investment

- Enhance "Smart-Work Style"; a teleworking system
- Introduce a satellite-office system - Testing operations in 20 location in Japan have been installed by September this year
- Introduce a working-from-home system

Improve business processes in unison with clients and industry organizations

- Request cooperation from clients
- Create rules based on industry organization practices

Review entire HRM system including recruitment, education & evaluation

- Review professional duties/grade system so that all employees can remain active regardless of age or employment status
- Establish a system of training and evaluation enabling individual growth in medium to long term
- Boost recruitment of recent graduates and utilize broader methods of recruitment
- Cultivate more supportive environment for female employees
- Examine support measures for management skills, know-how and burden reduction

•: Currently Underway
◦: Currently in Development

After that, we will enter a new growth stage, establishing the goal of creating a new Dentsu realizing new growth for the company and employees through the transition to a new workstyle where 20% of the newly available time will be used to improve mind and body, engage in daily enrichment and support a variety of experiences and learning.

Challenge
20

Reinvest the 20% of time newly released to improve employee physical & mental wellbeing and QOL through encouraging individual learning, life-enhancing experiences and career development

- Currently Underway
- Currently in Development

Reform leave-taking programs	<ul style="list-style-type: none"> • Increase the number of leave days that can be taken consecutively • Consider one-month sabbatical leave system • Consider 4-day work week system • Consider incentives to promote taking leave
Bolster employee health management and care	<ul style="list-style-type: none"> • Validate a rest interval system to ensure adequate downtime between workdays • Develop and Implement vitality score system, an original Dentsu data health measure
Foster employee development	<ul style="list-style-type: none"> • Support skills development and pursuit of certifications • Support family care, child-rearing, and social contribution activities

Goal
100 + NEW

Shift to new working style to contribute to new path of employee and Company growth to create a new Dentsu

Ongoing Verification of the Progress and Effectiveness of the Basic Plan

Although the progress and effectiveness of the reforms need to be verified from a multifaceted perspective, we are currently focusing on "0" and "80" centering on the actual situation and verification.

0	80	20	100 + NEW
Violations of Article 36: Zero Harassment: Zero Overwork: Zero	Achieve full output while reducing work time to 80% via changes to work environment and operations	Dedicate newly released 20% of time to improved employee wellbeing, self-enrichment & QOL, as well as career development	Shift to new working style to contribute to new path of employee and Company growth to create a new Dentsu
<ul style="list-style-type: none"> • The number of employee working over the time stipulated in Article 36 (daily / monthly) • Participation rate of harassment prevention training • Monthly out side permitted working hours per person • Monthly number of days working on personal days per person 	<ul style="list-style-type: none"> • Total working hours per person • Gross profit per person • Operating profit per person 	<ul style="list-style-type: none"> • The number of paid holidays taken per person • The number of people taking special leave 	<ul style="list-style-type: none"> • The rate of increase in employee-realized happiness/respice/creativity

Labor Management

The Group emphasizes the development of good labor-management relations, while striving to maintain and improve a relationship of trust between employees and management by creating regular opportunities for conversations between management and the union. As of January 1, 2017, the staff labor union participation rate is 46.9%.

Contributing to the Community

Social Issues	The Dentsu Group's Approach
<ul style="list-style-type: none"> • Solving the problems of the local communities • Human resources development through improved power of communication • Activities to tackle global social issues 	<p>The Company considers regional communities to be important stakeholders. It contributes to resolving issues and promoting development of regional communities and conducts numerous activities designed to contribute to society. We believe that, as a leader in the sphere of communications, it is our role to build relationships of trust with regional communities.</p>

Group Community Activities

To engage in sustainable corporate activities, we require a social license to operate—in other words, we must be accepted by the community. To gain the confidence of society, we must continue to provide high-quality solutions.

At the same time, we must never forget that irresponsible actions can have an adverse impact on the community and result in the loss of confidence. We aim to be socially accepted through a variety of community activities.

We will share the marketing communication skills accumulated through our business to give something back to society and promote a sustainable society with consumers.

UNESCO's World Terakoya Movement Kakisonji-hagaki Project Dentsu Inc.

Supporting UNESCO's World Terakoya Movement Kakisonji-hagaki Project, an effort to increase venues (terakoya) to acquire literacy, is sponsored by the National Federation of UNESCO Associations in Japan and has been going on for more than 13 years. In order to encourage people to relate more to *kakisonji-hagaki* (unused prepaid postcards) and have fun gathering them, Dentsu has been using its ideas and communication skills to raise awareness for the activity. In addition to creating the activity's support character Kakisonjiro, which made its debut last year, Dentsu created the characters Harisonjiro for unused stamps and Tsukaisojiro for unused prepaid cards. The three characters made their debut as *Tansu Isan Sankyodai* (three legacy brothers from the drawers) representing the "legacies" forgotten in household drawers. This year, we collected ¥507.6 billion through *Tansu Isan* (approximately 1.1 million postcards) that was donated to help educate approximately 100,000 people in developing countries.

Kakisonji-Hagaki Project ⇒ <http://www.unesco.or.jp/terakoya/kakisonji2017/>



From the left
 Unused stamp "Harisonjiro"
 Unusable prepaid postcards "Kakisonjiro"
 Unused prepaid cards "Tsukaisojiro"

Japanese NPOs, NGOs Tackling Global Food Issues Dentsu Inc.

During the month of October, when World Food Day (set by the United Nations as October 16 of each year) is commemorated, NGOs, NPOs and UN agencies take the lead in efforts to resolve starvation and food issues. Dentsu began supporting this effort in 2014. In 2016, we created Nokorimonogatari—Taberu o Kangaeru creator stamps. This activity is supported by numerous people who use a messaging app to share the adorable mutter character dressed in leftover food.

A special World Food Day month website features an archive of news related to food called *Taberu, o Kangaeru Tsushin*.



Nokorimonogatari—Taberu o Kangaeru creator stamps

World Food Day ⇒ <http://www.worldfoodday-japan.net/tabetsuu.php>

Advertising Elementary School Dentsu Inc.

The Advertising Elementary School was started in 2006 as a project to foster children's communication skills. Dentsu developed program materials together with Tokyo Gakugei University over three years. In these classes, children express a theme in 15-second commercial skits. Through this process, the children learn skills such as creative thinking, decision-making, how to express ideas, and group problem-solving techniques while having fun. With the recognition of the importance of communication skills development becoming widespread in the education field, use of the program in classes taught by school teachers is increasing, and over 36,000 students at 281 schools have taken part in this activity as of March 30, 2017.

Further, since August 2016, Dentsu Solari, a special-purpose subsidiary where people with disabilities work, has conducted ongoing efforts to create commercial skits.

Advertising Elementary School ⇒ <http://www.dentsu.com/csr/contribution/advertisingelementaryschool.html>



The merits of Dentsu Solari are illustrated by a classroom performance of skits.

Program to Strengthen and Support NPO Organizations: Keys to Communicating Dentsu Inc.

For NPOs, communications skills are fundamental and essential skills to lead an organization, increase the number of supporters and collaborators, and engage in activities. In cooperation with JAPAN NPO Center, Dentsu has been advancing the Keys to Communicating program in a manner that utilizes each organization's respective specialties, to provide support for the improvement of communications skills of NPOs. Dentsu employees and members of NPOs serve as presenters at seminars held throughout Japan. As of December 31, 2016, Dentsu has conducted seminars more than 125 times, with a cumulative total of around 5,000 participants. In 2016, we were awarded the Good Design Best 100 prize, in recognition of our social contribution activities that take advantage of collaborative efforts and expertise.

Keys to Communicating ⇒ <http://www.dentsu.com/csr/contribution/programfornpo.html>



Recipients of the Good Design Best 100 prize

Support for Chinese Advertising Human Resources Development and Contribution to Japan–China Private Sector Exchanges Dentsu Inc.

Since 1996, Dentsu has continuously undertaken activities to support advertising education and human resources development in China. In 2016, we commemorated the 20th year of these activities. Responding to the needs of advertising-related education in China, Dentsu holds a variety of programs, such as selecting young educators from Chinese universities to train at the Dentsu Head Office, holding Dentsu Student Advertising Seminars for those studying advertising, setting up the Dentsu Innovation Lab, and conducting publishing-related activities. In August 2006, Dentsu was presented with the Education Support Special Contribution Award and, for three consecutive years—in 2014, 2015 and 2016—we received the Most Valuable Partner Award from the Chinese Ministry of Education.



Chinese educators and Dentsu lecturers

Participation in Michinoku Fukkou Jigyou Partners Dentsu Inc.

Since June 2012, Dentsu has been participating in the Michinoku Fukkou Jigyou Partners platform to support next generation leaders engaged in the reconstruction of disaster-affected areas. We work jointly with the NPO ETIC.* and five companies (Isuzu Motors, Kao, Sampo Japan Nipponkoa Insurance, Toshiba and Benesse Holdings), conducting training programs intended to enable Tohoku regional organizations to contribute more to regional revitalization, hosting symposiums to disseminate information, and engaging in other Tohoku-region support activities.

* NPO ETIC: Established in 1993 as an organization to train young next-generation entrepreneurial leaders.

ETIC. has produced many operational NPOs that are expected to lead future generations. www.etic.or.jp

Michinoku Fukkou Jigyou Partners ⇒ <http://www.dentsu.com/csr/contribution/participationinmfjp.html>



The fifth Michinoku Recovery Project Symposium

One Day for Change Dentsu Aegis Network

2016 saw the third One Day For Change as organised across the 14 countries that are part of the Asia Pacific region. This is an established volunteer day held annually in the months of May and June. This year the theme was “championing children”. All countries organised DAN-wide activities that involved helping underprivileged children on a range of issues from health, education, water, abuse, family residence and other issues. More than 12,000 colleagues participated in over 60 activities, providing more than 100,000 hours of work for local communities and helping more than 50 charities directly.



UCH Cancer Fund Dentsu Aegis Network

The partnership between Amplifi UK and the UCH Cancer Fund started in 2014 and supports a cancer centre in London, United Kingdom. Through fundraising, volunteering and pro-bono activities, the agency has helped the charity raise over £100,000 and dozens of volunteers regularly visit the cancer centre. The agency has also amplified the sports sponsorship from rugby club Saracens and involved clients and partners to support the charity. This partnership has made more than 300 Amplifi UK colleagues familiar with the impact cancer has on patients and their families.



VOICE



Ruth Stubbs

Global President
iProspect

1. Why should we, as a leading global agency, invest in Corporate Social Responsibility (CSR) and sustainability?

Our industry has seen vast amounts of change driven by technology and the evolution of the digital economy. With an extensive background in delivering digital solutions, I think we are perfectly positioned to create a wider impact on society, helping brands and consumers navigate the intricacies of our new reality and delivering shared digital value. Investing in CSR and sustainability not only presents some important social and business opportunities, but also our growing talent pool is more keen than ever to be involved in socially conscious programs.

2. What is the most important thing for you when it comes to taking action?

I feel Dentsu Aegis Network is truly leading the industry towards a more socially conscious approach to the digital economy – adding ‘Society’ as one of our key stakeholder is a perfect example of this. We have the right mind set, but in the throes of our everyday life, it is easy for CSR programs to take a back seat. Over 50% of our employees are under 30 with impressive skillsets and strong appetite to work on social responsible projects. We have both the support and resource to enable an investment in CSR and sustainability, so now it is vital that we organize strong working groups around each initiative to maintain this momentum.

3. What are you proud of last year (1 January – 31 December 2016)?

In 2016, Dentsu Aegis Network commissioned a bespoke research project on the emergence of female founders in Southeast Asia and subsequently launched the Female Foundry. This is a program designed to mentor, develop and find funding for female-led start-ups across South and Southeast Asia. Dentsu Ventures and four other VCs all served as amazing partners, participating in our capstone event, a Demo Day, where they had the opportunity to hear pitches from qualified candidates looking for Series A funding. This pilot is an industry first for Asia Pacific and has since been adapted into a blueprint for China, Latin America and Sub-Saharan Africa. I am thrilled that Latin America has just announced its adoption of the program in Q3 of this year.

Our Female Foundry and the #HearHerVoice initiative will hopefully help bridge the gap, equipping women with the access and relationship they need to succeed. I couldn't be more proud that I am part of a team and organization who feel this is a global initiative worth pursuing.

Initiatives for Responsible Marketing and Communications

Social Issues	The Dentsu Group's Approach
<ul style="list-style-type: none"> • Impact of advertising expressions on consumers • Advertising and marketing that respects the rights of the socially vulnerable • Improving creative and business ethics and enhancing creativity • Ensuring editorial independence 	<p>In recognition of the substantial impact advertising has on society, we must not only pay the utmost attention to advertising expressions by establishing behavioral policies and guidelines for creative and business activities, but strive to maintain independence with regard to printed materials. Also, we must return marketing and communication skills accumulated up to now to wider society, creating a sustainable society alongside consumers.</p>

Dentsu Creative Code

Society is substantially impacted by creative output and process centered on advertising. In recognition of our social responsibility and in order to fulfill our role, we position customer development and the creation of a better society as our mission. To this end, we established the Dentsu Group Creative Operational Code, a behavior policy for every employee involved in creative businesses in all Dentsu Group companies, units and divisions. We make an effort to improve ethics and creativity within creative businesses by constantly learning and improving.

Guidelines Regarding Advertising and Marketing That Affect Children

In 2016, NGO Save the Children Japan published *Guidelines Regarding Advertising and Marketing that Affects Children* formulated by the NGO's Children's Rights and Marketing/Advertisement Review Committee. Dentsu cooperated with the formulation of these guidelines through Global Compact Network Japan.

Heart Attack Ads Dentsu Aegis Network

The New Zealand Heart Foundation conducts activities to eliminate the premature death of citizens from heart attacks. Heart disease is the leading cause of death in New Zealand, and although it causes 6,500 people to lose their lives every year, about half of these cases could have been prevented. Dentsu created an advertisement to show that the symptoms of heart attack imagined by most people are quite different from the actual symptoms. The commercial depicting the “man on the bench” urges viewers to call for help and treat seriously anyone exhibiting similar symptoms. As a result, according to emergency services reports, there was a 28% increase in calls about cardiac anomalies and a 54% increase in calls from those who noticed symptoms. One hospitalized patient said this advertisement caused him to take action and saved his life.



Fami Navi Dentsu Aegis Network

In China, traffic accidents are rising at a rate of 10% per year due to an increase in both the number of cars on the road and dangerous driving. DAN China developed the Fami Navi app for Citroën, which seeks to establish a position in the Chinese market and increase its share of domestic advertising. The app has a traffic safety education picture book for children and a navigation function for drivers. Children can learn about traffic safety by reading the illustrated book with their parents, and at the same time they can record their own voices.



Children’s voice recordings can also be used for navigation when driving. This app is useful for safe driving, and more than 90% of the users say that the Fami Navi app has helped them drive more safely than in the past.

VOICE



Sarah Hofstetter

Chief Executive Officer,
360i

1. Why should we, as a leading global agency, invest in Corporate Social Responsibility (CSR) and sustainability?

Now more than ever, people want more meaning out of the work that they do and less of a gap between their work-life and their passions. In fact, 64% of millennials say it’s a priority for them to work in order to make the world a better place. Meanwhile, many non-profits struggle to get great marketing talent because they don’t have the marketing budgets to do the good work that their kind of causes that they deserve. We are uniquely qualified to bridge that gap.

2. What is the most important thing for you when it comes to taking action?

It’s important to have a high do-to-say ratio. Lots of companies talk about the importance of CSR and sustainability, but not all take action and create the time, space and empowerment to actually make it happen.

3. What are you proud of last year (1 January – 31 December 2016)?

There’s an old saying that goes, “Give a man a fish, he eats for a day. But teach a man to fish, and he eats for life.” What we have done with The DEN, the digital education for non-profits, is teach non-profits to fish. We created a curriculum to teach hundreds of non-profits simultaneously how they can improve their digital marketing, which is especially important when many non-profit’s marketing teams are very small and cannot invest in specialized skills. By creating the DEN, instead of just doing one or two big pro bono campaigns for a couple of non-profits, we are helping hundreds of organizations take advantage of newer mechanisms to reach a new generation of donors. I’m most proud of how we’ve educated non-profits around the world, using technology and social media to reach people all over, and improve the quality and effectiveness of their marketing.



Aline Pimenta

Diretora de Negocios,
NBS Rio+Rio

1. Why should we, as a leading global agency, invest in Corporate Social Responsibility (CSR) and sustainability?
Companies are not bubbles. The business decisions affect society and society affects the business. When a company invests in sustainability, in a strategic way, it returns to the business, making that company stronger and well prepared to the challenges of the future.

Besides that, if we want to be one step ahead in our market, as a leading global agency, we need to behave ourselves like that in terms of business thinking. I strongly believe that sustainability is a contemporary way of doing business. It is good for the business, it is good for the employees, it is good for the clients, it is good for society. This is a win-win game.

2. What is the most important thing for you when it comes to taking action?

Taking action in CSR means collaboration and partnership. In order to make things happen, we need people with different backgrounds, from inside and outside the business.

A wide network of partners from outside the business is essential to make us updated with the best sustainability practices and the necessary knowledge to rise the impact of our projects.

I also believe that is very important to care about execution, doing the best with the available budget. That's why setting priorities is indispensable to reach the desirable results.

3. What are you proud of last year (1 January – 31 December 2016)?

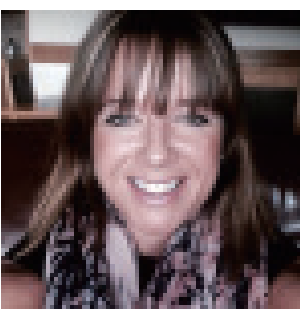
In 2016, we develop an amazing project by NBS Rio+Rio (NBS social business): "Favelagrafia", which objective was to build a new image to the "favelas" (slums) in Rio de Janeiro, territories that mean 22% of the city population.

In order to show that "favela" is much more than drug traffic, guns and danger, we selected nine young non-professional photographers in nine different communities in Rio de Janeiro and empowered them with a photo workshop and an iPhone.

The quality of the pictures taken by them was so impressing that we got the opportunity to have a photo exhibition in the most noble art gallery of the city (Modern Art Museum of Rio de Janeiro – MAM).

"Favelagrafia" provoked an important public debate regarding the prejudice associated to the "favela" image and to its dwellers, reaching a huge premium spontaneous media space in Brazilian and international media.

By this project, we were able to empower the invisible talented people from the communities, we shared a new look at "favelas" and transformed it into art. That is why I'm so proud of this work.



Sarah Wherritt

Head of CSR, Communications Strategy
& Planning, Dentsu Aegis Network
United Kingdom

1. Why should we, as a leading global agency, invest in Corporate Social Responsibility (CSR) and sustainability?
At a broad level, I strongly believe that we should be able to demonstrate that we are a responsible business throughout all levels of our network. As a leading agency in the advertising industry we do have a responsibility in what and how we market to and communicate with our consumers on a day to day basis and it is getting increasingly more important to clients.

Within our organization investing in CSR supports the type of culture we want to create within our network. In the UK market our people are given two days volunteering time. Not everyone makes use of these days unfortunately but with a focus on communicating the ways in which people can spend their time and skills and by creating programmes (like The Code) that they want to support – we are already seeing an uplift which is great to see. Overall it provides opportunities for our people to make a difference and do some good in society.

There is plenty more we can do, for example looking at more proactive ways that we can work with our clients to support the CSR and sustainability agenda together and to ensure we align what we do to the business strategy and along the way we get the buy in and ownership at all levels.

2. What is the most important thing for you when it comes to taking action?

First off, ensuring what we do fits in with the business strategy, direction and supports our culture and values. Time is precious and we are all busy so if it doesn't add value perhaps we shouldn't be doing it. I am a planner! So I'll always have a plan - having a strategy with a clear aim and objectives is important. But most importantly for me, it's having a team of engaged people who have helped shape it and are willing to get stuck in - at the end of the day it's the team around you who will make it a success.

3. What are you proud of last year (1 January – 31 December 2016)?

I joined the UK Communications team just over a year ago and from a volunteering perspective I noticed that we weren't making the most of the skills and expertise in our organization, and that our industry wasn't that well known within schools. And with conversations with senior management wanting us to do more, there was also a huge opportunity with the Apprenticeship levy coming in place in 2017 to somehow bring all this together. So, over three or four months and working with HR we came up with The Code. A new schools Programme which would allow our organization to collectively volunteer their time into schools, share their skills and to educate the younger generation about our industry and as a result hopefully open up the doors to future talent. I am really proud of this achievement. In a short space of time we built something from nothing, we got funding and buy in from across the business and created something meaningful and that we hope will make a real difference over the next few years.

Supply Chain

Social Issues	The Dentsu Group's Approach
<ul style="list-style-type: none"> • Spread of CSR procurement in the supply chain • Legal compliance within community activities 	<p>In accordance with our basic procurement policy, the Dentsu Group distributes procurement guidelines to business partners and conducts through and ongoing CSR procurement activities. We organize CSR questionnaires for our business partners and monitor supply chain ESG risks to create a highly effective system.</p>

Dentsu's CSR Procurement Activities

The Dentsu Group promotes CSR initiatives within procurement activities. Dentsu procurement guidelines are distributed to business partners, requesting cooperation with CSR procurement activities including consideration for human rights, compliance with laws and regulations, environmental conservation and respect for intellectual property rights within the production and provision processes of all services. In March 2014, the Dentsu procurement guidelines were revised to adopt the observance of international anti-corruption regulations (the U.S. Foreign Corrupt Practices Act and the UK Bribery Act), as well as regulations pertaining to conflict minerals (Section 1502 of the U.S. Dodd-Frank Act) as part of our business ethics with the aim of realizing CSR procurement that contributes to human rights. We ask all new clients to comply with CSR procurement through agreements incorporating a subcontractor basic agreement clause pertaining to CSR procurement.

Since fiscal 2015, to confirm the status of CSR procurement initiatives within the supply chain, we have conducted surveys regarding CSR targeting all major suppliers of the Dentsu Group. We monitor the level of supplier CSR activities and business partner ESG risks, reporting this status to the CSR Committee to promote the development of a highly effective system.

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 Basic Procurement Policy, Dentsu Procurement Guidelines → <http://www.dentsu.co.jp/csr/compliance/procurementactivities.html>

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