

## Respect for Human Rights and Pursuit of Humanity

### ● Human Rights Policy

#### Human Rights Policy and Systems

The Dentsu Group is engaged in business activities that incorporate a respect for global human rights in all communications related to business activities, including advertising. We ensure that our activities maintain high ethical standards and reflect awareness of human rights, with the aim of helping to realize a sustainable and rich communication society. Recognizing that respect for human rights is at the core of the Company's existence, it set up the Dentsu Group Human Rights Policy to promote ethical and sustainable business practices.

We recognize protecting employee human rights to be an important responsibility, and so strive to prevent harassment and honor the human rights and individuality of all our employees, in order to make the most of their abilities. Dentsu Aegis Network released the Group's declaration with regard to slave labor and human trafficking, which echoes the stipulations of the United Kingdom's Modern Slavery Act 2015. We will make an effort to prevent human trafficking, slavery, and forced labor by identifying and evaluating potential human rights impacts and risks in our business activities and supply chain.

 [Dentsu Group Human Rights Policy](http://www.dentsu.com/csr/humanrights/pdf/human_rights_policy_en.pdf) [http://www.dentsu.com/csr/humanrights/pdf/human\\_rights\\_policy\\_en.pdf](http://www.dentsu.com/csr/humanrights/pdf/human_rights_policy_en.pdf)

 [Statement on UK's Modern Slavery Act 2015](https://www.dentsuaegisnetwork.com/policies/modern-slavery-act) <https://www.dentsuaegisnetwork.com/policies/modern-slavery-act>

#### Human Rights Promotion System

The Human Rights Education Committee, which promotes human rights education as a specialized member under the CSR Committee, meets once every six months. In addition, a Dentsu Group Human Rights Education Conference is held once every six months for employees in charge of human rights education and general human rights education supervisors at domestic Group companies.

In addition to basic human rights issues, we present content that incorporates rights issues of timely relevance in terms of current affairs. In FY2018, a human rights awareness survey was conducted as part of our due diligence on human rights. Based on the results, we will enhance human rights-related measures throughout the Group.

#### 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 FY2018, the desk received 275 inquiries. These were handled individually, in a bid both to prevent any recurrence of the issues, and to increase human rights awareness. Harassment-related consultations are centrally managed by the Harassment Consultation Section within the Labor Administration Department of the Human Resources Division, with consultations available at Dentsu branch offices as well as outside the Company.

The section coordinates with harassment contacts at each Group company, in a bid to prevent harassment across the Group.

## Diversity and Inclusion

### Dentsu Group Initiatives

In recognition of the substantial impact advertising has on society, Dentsu has established behavioral principles and guidelines related to creative work, and pays the utmost attention to advertising production.

#### Promoting Female Participation

Motivated by the goal of raising our ratio of female managers to 10% by 2020, we are raising awareness by such means as providing training for female leaders and holding Diversity Cafés, a series of in-house sessions focused on the gender divide. In FY2018, we launched unconscious bias training as part of our efforts to become an organization that is more accepting of diversity. This training is designed to help participants become aware of, and fix distortions or biases in, their points of view or perceptions regarding unfamiliar matters.

#### Employing People with Disabilities

We established Dentsu Solari, a wholly owned, special-purpose subsidiary, in April 2013 as part of our efforts to promote the employment of people with disabilities. As of June 1, 2019, some 2.35% of employees at three of our Group companies (Dentsu, Dentsu Works, and Dentsu Solari) were individuals with disabilities. Many of these employees are also active in our sales and creative departments, and we are working to expand employment opportunities for those with disabilities.

In FY2018, we held three seminars, aimed at eliminating mental barriers, that attracted 220 participants. The seminars were designed to foster comprehension among employees throughout the Group. The aim was to deepen understanding of mental barriers that individuals with disabilities face, and to promote a mindset that allows mutual respect.

### ● Promotion of Diversity

#### LGBT Initiatives

In accordance with our societal responsibilities and in response to stakeholder demand, in 2018 we expanded the range of those eligible to participate in Dentsu Family Day in Japan. As one of our employee welfare programs, it now welcomes common-law and same-sex partners.

Then in April 2019, we also implemented a variety of revisions to existing policies. We updated our vacation policy, parental and nursing care leave systems, and working hours. At the same time, we expanded eligibility for benefits and services, as well as the range of individuals who may participate in events sponsored by the Employee Mutual-Aid Association.


In addition, we have engaged in a number of diversity-supporting initiatives. These include the Dentsu Diversity Lab, a solution development task force set up in 2011, and the Ally Network, comprising individuals who are sympathetic and understanding regarding LGBT issues.

In October 2018, the Dentsu Diversity Lab conducted a wide-ranging LGBT survey, which gathered information from sexual minorities, primarily individuals in the LGBT community.

Our plan is to continue providing working environments that are respectful and accepting of the characteristics of all individuals, as we engage in initiatives to change employee attitudes toward LGBT issues and promote diversity on a societal level.



Six rainbow color's logos representing diversity, announced by Dentsu.

 [Dentsu Diversity Lab, https://dentsu-diversity.jp](https://dentsu-diversity.jp)

#### Launch of Education Programs

The Dentsu Group has concluded a partnership agreement with the University of Tsukuba known for its advanced research and initiatives through which both entities will cooperate to establish human resources training and develop solutions aimed at achieving a more inclusive society.

With the topics of diversity and inclusion increasing attention as diversification of society, Dentsu has set as goals helping to establish academic disciplines focused on these topics, and spreading social awareness. Dentsu thus plans to combine its perspectives—based on the expertise and knowledge it has cultivated over the years—with those of academic institutions. Based on these perspectives, Dentsu hopes to promote the achievement of a more diverse and inclusive society, primarily through the development of human resources, products, and services with a focus on the diversity of individuals.

## Decent and Creative Work

### Dentsu Group Initiatives

The Dentsu Group is promoting mechanisms and initiatives aimed at enabling all members of its diverse human resources to work in ways that allow them to perform to the best of their abilities.

#### Working Environment Reforms

The mental and physical health of its employees are at the core of Dentsu's management values. Reflecting this, in November 2016 the Company set up the Dentsu Working Environment Reforms Commission. The aim was to reduce the number of hours employees worked and improve the quality of their work.

In July 2017, we announced the Working Environment Reform Plan for Dentsu Inc., which was compiled by management and employees. Over the two years since the plan's adoption, we have introduced more than 100 measures, primarily based on the plan's pillars of comprehensive labor management and enhanced worker protection; "work diets," based on reviews of work inventory and improvement in business processes; and an enhanced health management system.

The efficacy of these measures has been verified through monitoring, conducted by the Independent Advisory Committee for Labor Environment Reform Activities, which comprises external third-party experts.

In terms of labor management, we have appointed human resource managers and made it possible to see working conditions on the Time Management Dashboard.

Further, in terms of leveling workloads and improving efficiency, we have promoted "work diets" and outsourcing, at the same time implementing measures such as conversion to robotic process automation. As a result of these efforts, the total number of hours worked annually per employee came down to 1,952 in FY2018, from 2,166 in FY2016.

In addition, in FY2018, the annual utilization rate of paid leave per employee rose to 66.0%, from 56.0% in FY2016, while the total number of paid leave days taken per employee was 21.4\* in FY2018, versus 12.4 two years earlier.

Other measures we adopted in FY2018 include Vitality Note, a program that allows employees to check their health daily using their PC; and Input Holidays, which program ensures the entire company takes a non-statutory holiday once a month.

We plan to promote comprehensive reforms and make up for the reduced working hours by improving the quality of work, as we set our sights on reflecting such societal trends as changes in legal regulations related to work styles.

\*Including Input Holidays

#### Diversification of Work Styles

In accordance with its promotion of work style diversification, in FY2018 Dentsu Inc. took a number of steps, including the introduction of flextime and the work-from-home system, as well as the use of satellite offices.

The percentage of employees who used flextime rose to 92% in FY2018, versus 22% in October 2017. Since the work-from-home system was launched in October 2017, it has been used by an average of 720 employees per month. Meanwhile, a monthly average of 405 employees have utilized our satellite offices for an average of 740 hours per month since they were launched in July 2017.

The Japan Telework Association awarded us an honorable mention in the Telework Implementation category of its 19th annual Telework Promotion Awards, in recognition of our initiatives to promote telework.



Telework Promotion Awards ceremony

## Responsible Communications and Content

### Dentsu Group Initiatives

In recognition of the substantial impact advertising has on society, Dentsu has established behavioral principles and guidelines related to creative work, and pays the utmost attention to advertising production.

#### Dentsu Creative Code

Society is substantially impacted by creative output and processes centered on advertising. In recognition of our social responsibility and in order to fulfill our role, we position the success of our customers 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.

#### ● Publicity Business Guidelines

Dentsu has formulated Publicity Business Guidelines, and conducts its publicity business in accordance with these guidelines.

#### ● SDGs-related Communication Guide

In June 2018, Dentsu created an SDGs Communication Guide, a handbook for people involved in corporate management and advertising, as well as people working at advertising companies to use when thinking about SDGs-related communication.

In the field of advertising communications, the use of expressions that do not reflect the actual state of corporate initiatives, and improper expressions that could cause misunderstanding among consumers is criticized as a deviation from the principles of the SDGs. Experts have also indicated that use of improper expressions may damage corporate value.

Based on these factors, we launched the Dentsu SDGs Communication Guide Preparation Committee, which created the guide by compiling data that should be learned, points of caution that must receive attention, and other information that is useful when conducting advertising or promotional activities that are mindful of the SDGs.



SDGs Communication Guide

● Sustainable Supply Chain

**Dentsu Group Initiatives**

To ensure that procurement activities are socially responsible throughout its supply chain, the Dentsu Group distributes guidelines and CSR-related questionnaires to its business partners, while monitoring environmental, social and governance risks.

**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.

**WEB** [Dentsu Basic Procurement Policy, Dentsu Procurement Guidelines](http://www.dentsu.com/csr/compliance/procurementactivities.html) <http://www.dentsu.com/csr/compliance/procurementactivities.html>

● Dentsu's CSR Procurement Activities

The Dentsu Group promotes CSR initiatives even with regard to procurement. By distributing Dentsu procurement guidelines among its business partners, we expect them to respect human rights, comply with prevailing laws and regulations, support environmental conservation, and show respect for intellectual property rights in terms of the production and provision processes of all services.

The Dentsu procurement guidelines were revised in March 2014, in order to observe the addition of international anti-corruption regulation tenets (the 1977 US Foreign Corrupt Practices Act and the 2010 UK Bribery Act), as well as regulations pertaining to conflict minerals (Section 1502 of the US Dodd-Frank Act of 2010) as part of our business ethics with the aim of realizing CSR procurement that helps contribute to human rights.

To monitor environmental, social, and governance (ESG) risks in the supply chain, Dentsu conducts supply chain assessments. These are online surveys comprising 30 ESG-related questions. By 2020, we aim to have collected survey responses from 900 companies. Having already received responses from 246 companies, it was revealed that 182 companies (73.9%) are specifically aware of the existence of the Dentsu Group Code of Conduct.

In addition, we ask all new clients to comply with the requirements of CSR-related procurement by incorporating a subcontractor basic agreement clause governing CSR procurement activities.

# Community

## Dentsu Group Initiatives

Recognizing that local communities are important stakeholders, Dentsu is expanding those of its community activities and contributions to society that help develop regional communities and resolve issues they face. Dentsu is fulfilling its role as a leader in the sphere of communications by building trust-based relationships with regional residents. These relationships are built in a number of ways, including through direct employee involvement in volunteer activities.

### Community Activities

As volunteers, we are taking part in foreign currency coin sorting led by the NPO Habitat for Humanity Japan.

Donation boxes set up at international airports in Japan are filled with paper money and coins from all over the world. The money is sorted and exchanged for its US dollar equivalent.

This money is used to support afforestation projects in Southeast Asia and to improve the living conditions of local children. Dentsu started taking part in the coin sorting in 2017. In 2018, it held two sessions at its corporate headquarters in Tokyo, where 39 employees took part.

Since 2018, we have also helped in the picture book drive organized by the Shanti Volunteer Association. This drive involves the affixing of seals, with text in a number of languages, on the pages of picture books published in Japan. The books are then delivered to children in parts of Asia impacted by conflict or poverty.

At its corporate headquarters in Tokyo, Dentsu held two sessions of this book drive, in which a total of 74 employees inserted seals with translated texts into picture books. In 2019, sessions will also be held at Company branches in the nation's Kansai and Chubu regions.

In April 2018, in an effort to deepen its relationship with the local community, the Kansai branch office that in November 2017 had relocated to Nakanoshima, Osaka, teamed up with Group companies. Together they took part in the Nakanoshima-West Major Clean-Up Operation, designed to make ecological and aesthetic improvements in the area.

A total of 31 Dentsu employees worked together with employees from other participating companies to pick up garbage around the community.



Volunteers sort coin-based foreign currency



Participants work to deliver picture books to underprivileged children



Participants in the Nakanoshima-West Major Clean-Up Operation gather for a photograph

### CASE

#### Digital Technology Gives Children Confidence, Hope .....

Through the Dentsu Aegis Network Taiwan and with help from other supporters, we are expanding Fly! Showmei\*. We have been conducting this CSR activity for three years in the Taiwan village of Laomei, famous for the Laomei Green Reef located at its northernmost tip.

Fly! Showmei supports Laomei's less-than-optimal education by using digital technology to provide local children with opportunities to showcase their creativity and individual abilities. As part of the program, we colored in pictures children had painted on the walls of local buildings; produced video content for which the children provided the narration, explaining the pictures and introducing Laomei; and set up eight locations within the community where this content could be viewed via smartphone.

In addition, we gave the children the opportunity to experience VR content, created based on picture books that they had authored themselves. This initiative attracted much attention, with related videos receiving 5.2 million views on social media. We believe that, through Fly! Showmei, we can provide children with confidence and hope. At the same time, we expect it will lead to major reforms in the region.



\* Showmei: A nickname for the children living in Laomei