

A woman with glasses and a white tank top is smiling and leaning on a green tufted sofa in a modern office lounge. The background features a wall with a large green leaf pattern, a ceiling with recessed lighting, and a chandelier with several light bulbs. The text "05 People strategy" is overlaid on a white rectangular box in the center of the image.

05 People strategy

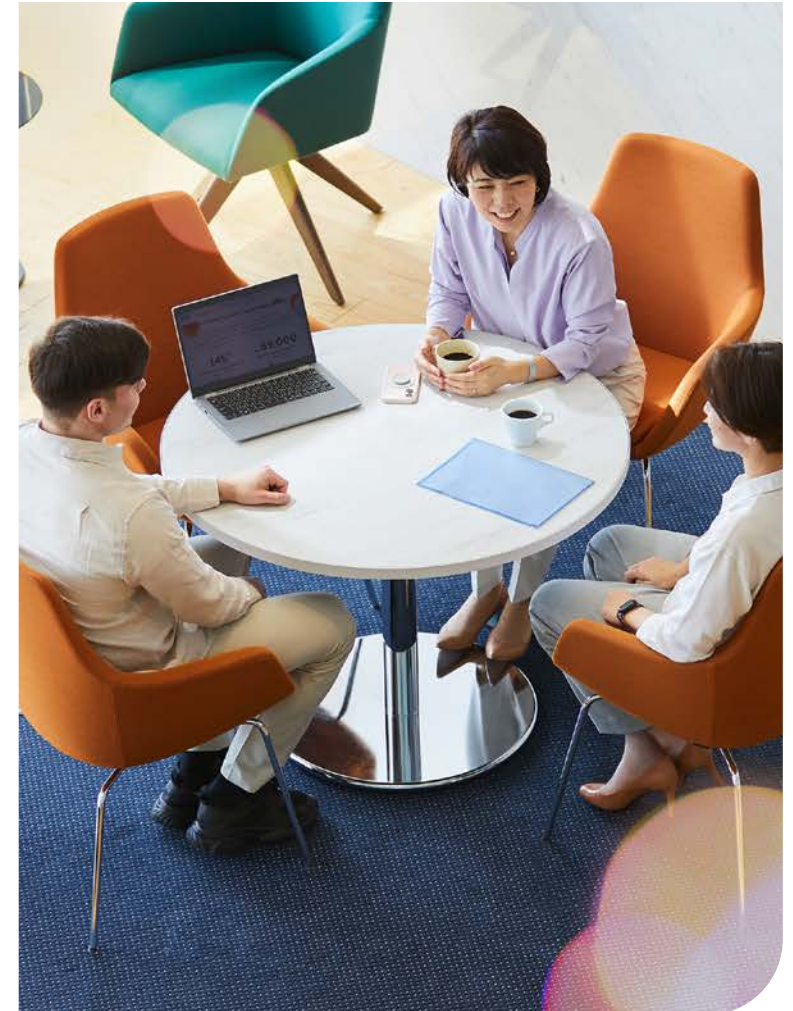
**We believe in the brilliance
of our people and
to unleash their potential**

Miho Tanimoto

Chief HR Officer
Dentsu Group Inc.



CHRO MESSAGE



We focus on people growth

We will proactively provide opportunities for people development

People are inspired by one's desire to contribute and grow through work

Having spent over 20 years working for multi-national companies, I developed my career in a culture of empowerment where I learned to take ownership of my own career path. As a result, I was fortunate to find my passion for people and HR, and experience exciting and meaningful challenges. I gained a sense of growth and fulfilment in my career, while being trusted and nurtured by exceptional leaders. Working with colleagues from many different countries has shown me the wealth of incredible talent and wisdom that exists around the world. I've also experienced the joy of achieving better results through openly exchanging ideas with a diverse group of people, when working toward ambitious common goals.

When people find ways to utilize their own skills and contribute, and are empowered to demonstrate those skills, they flourish and can unlock their full potential. I've come to a belief that every employee is wanting to make an impact through their skills, and the company and HR system can have so much influence to empower and unleash it.

Since taking on my role, I've had the pleasure to meet and listen to a wide range of employees. Our people are proud to be part of dentsu. The aspiration to enrich society is in our people's DNA. We have a culture where our people's ideas are supported, respected, and encouraged. Our spirit is rooted in the desire to outperform clients' expectations, to gather ideas across the company to provide the best integrated solutions. However, there is always room for improvement in the way we work together and deliver solutions. For example, how can we better support the growth of clients in global markets? The time is now to call on the organizational strength of dentsu as a whole, to connect the power of our global diversity to business enhancement.

Continuing evolution by learning from diversity

Over the past decades, global businesses have been acutely aware of the speed of environmental change and have been challenged to adapt. The pace of change is accelerating, and we are now on the brink of the long-awaited era of AI. At this global turning point, we need more than ever to build capabilities and optimize our people under the newly launched global framework, "One dentsu."

To continue winning amid increasingly complex client demands and accelerating change through digital technology, it is essential to constantly embrace newness, humbly learn, and evolve. Digital expertise is particularly important as we place technology at the core of our solutions, and globalization requires diversified solutions. It is therefore essential to generate new ideas and innovation, by bringing together expertise, embracing diverse perspectives and fostering creativity. To shape the future in such an environment, I strongly believe that it is crucial for our Group to become a learning organization. Being agile and flexible in response to changing times, and continuously learning from various perspectives—this is what a forward-looking and evolving company looks like and what dentsu strives to be. In order to create new value for clients and society, it is essential that we continue to evolve ourselves. We believe that only through this constant evolution can we maximize corporate value for all of our stakeholders.

Connecting people through purpose

To ensure that our HR practices reflect these aspirations, we, as an HR function, will actively partner with business to help our people grow.

First and foremost, we are working to define the leadership and culture that will underpin everything we do today and in the future. Company culture is not a slogan, it is shaped by the actions of the company and behaviors of people. We will then translate these into ‘Leadership Attributes,’ including principles such as “creating change and driving transformation,” “embracing and adapting to change with flexibility,” “leveraging the power of diversity,” and “proactively providing people development opportunities.”

We will also find ways to embed these attributes in the people development system and reward and recognize the behaviors of individuals as a critical part of their performance. I believe that the Group should highly value employees who demonstrate these behaviors and contribute autonomously and proactively to dentsu’s growth. It can also be effective to incorporate HR frameworks such as job-based HR systems and job posting systems. However, these are only tools. What is really needed to accelerate individual talent development is for the leaders to embody the Leadership Attributes themselves, to engage in active dialogue about talent development, and to commit to developing the future generation and foster diverse capabilities.

Thinking about ways to bring out the best in people is in nature a very positive thing. The purpose of dentsu, “an invitation to the never before,” means “to continue to offer propositions never before made to society.” Needless to say, it is our people who make this “never before” happen. Dentsu’s most valuable capital is the brilliance of our people. I look forward to continuing to learn from our talent, as we aim to create an exciting workplace that can unleash the potential of our people.

05

People strategy to “unleash the power of our people”

Unified in purpose, our global HR team stands as one

Dentsu has made a new start as One dentsu, a new framework to accelerate business transformation. With a “people-centered” organization as our aim, our human resources (HR) team will enhance employee capabilities through collaboration beyond organizational and geographic silos.

In January 2023, Miho Tanimoto was appointed the chief human resources officer (CHRO). HR will also become one global team and under this new structure, we will develop talent and an organization that partners with the business to bring our strategy to life.

Our very first Group-wide HR mission

In January 2023, HR members from all regions met in London to define the Group’s HR mission in order to create a global approach to HR.

At the start of the meeting, Miho asked, “Now that we have made a new start as One dentsu, what is the purpose of HR and where must we focus our efforts to become a team that helps realize dentsu’s vision of people-centered transformation?” This quickly prompted two further questions: What kind of mission excites us? And does that excite our colleagues and clients?

Among the various opinions that emerged, a common theme was believing in, and unleashing, the power of our people. With this theme as a starting point, HR members from each region, together with business leaders, exchanged opinions that were incorporated into creating the mission HR wants to realize.

Discussions resulted in this mission statement: Coming together to unleash the power of our people. It expresses our desire to align business and HR strategies, connect all countries as a single team, and work together to create value for our clients. Supporting our vision, “To be at the forefront of people-centered transformations that shape society,” an HR strategy was formulated comprising three pillars: People Growth, Winning as One Team, and HR Partnership Excellence.



Global HR members gather in London.



People Growth

Redesigning our talent process, focusing on growth and equity

We believe people are inspired by one’s desire to make an impact and grow through work. For the Group to attract great talent willing to take on challenges and truly commit, it is important to provide them with an environment and opportunities where everyone can proactively take on challenges that stretch their abilities, regardless of their background.

Based on this premise, we will embrace flexible work styles and evaluate results with equity, so that a diverse group of people can bring their best self to work. In other words, we believe in the importance of leveraging diverse talent and unlocking their abilities, as well as encouraging the leadership team to believe in and uphold this principle.

In short, we will create mechanisms that enable talent to choose their own dentsu career, while getting a fair chance to grow.

People-centric leaders to drive employee growth

The key to an organization where people thrive is the role played by its leaders. As we promote One dentsu, we are reviewing the leadership standards required for the Group to remain globally successful given the fast-changing environment.

With the March 2023 transition to a company with three committees (nominating, audit, and compensation) to enhance governance, HR related Committees were revamped. We have been discussing what good looks like for dentsu leaders who will be accountable for realizing the Group’s vision.

We will run global leader talent reviews that we call People Discussions to discuss how best to support our top talent. Through dialogues, among top management and division leaders, focused on the planning and implementation of talent development, we will create a robust process to drive people growth across the organization.

Talent development for current and future business growth

Talent identified through People Discussions will have dynamic job experiences in global and diverse environments.

We have launched a program in markets throughout the Group to nurture next-generation leaders based on business needs. An example is the “eigyo” program, set up as a framework for the global expansion of client solutions, which are among Japan’s strengths. Other efforts include a partnership with a top business school, in which leaders from various divisions conduct lectures to share their experiences, as well as a program dedicated to

developing female leaders.

Further, we promote skills development and reskilling among a wide range of employees to achieve the targeted Group growth. Our goal is growth in a new “transformation” market created through the convergence of marketing, technology, and consulting. To do so, it is critical to possess skills in a variety of areas, including insights into people, marketing, digital technologies, creativity, and business development.

Examples of training for these capabilities are the dentsu university and RUUUN online learning platforms. Employees have access to tens of thousands of courses that meet every need and level of learning, from data and marketing to liberal arts that foster creativity.

Through these initiatives, the Group is strengthening its talent in Customer Transformation & Technology with new and expanded skill sets both in and outside of Japan.

More career options facilitate long-term careers

Career Framework, a standardized framework which enables employees to create their own career path, has been introduced outside of Japan since 2019, and will be introduced Group-wide starting from Japanese top management this year. With standardized global job architecture and levelling, it will be easier for employees to envision global careers and the required expertise, enhancing their motivation to grow. Furthermore, it allows us to invest in employees more effectively, with more accurate HR data.

**Winning as One Team
Creating a winning organization**

For the Group to create a positive impact on society and to grow as a true partner supporting clients, it is important to create a winning organization. This can be done by leveraging our diverse workforce around the world, deepening mutual understanding and creating a culture through the power of diversity.

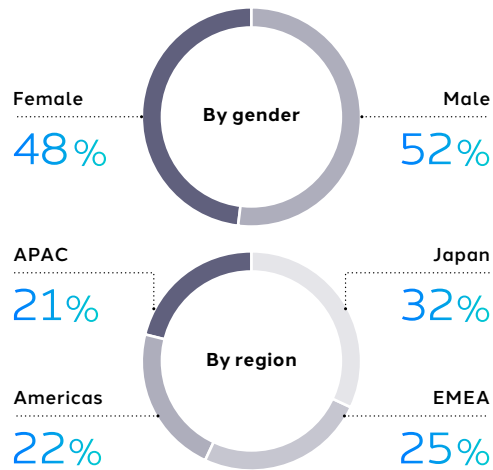
Diverse talent building on transformative creativity

To achieve development that reflects our vision for People Growth, DEI is indispensable. As a global Group, we will stress diversity in terms of gender and nationality as a starting point.

To this end, we have adopted the goal of having female leaders account for 45% of the Group by 2030. This goal has been set as an indicator for determining executive compensation.

At the same time, we are developing an environment in which talent can play an active role regardless of nationality. We are developing opportunities for talent exchanges within the Group, as well as a global policy facilitating smoother talent movement. Increasing the global mobility should provide more opportunities for new collaboration and career choices.

Employee ratio (as of December, 2022)



Note: Exclusive of 129 Dentsu Group Inc. employees.

Encourage everyone to bring their best self to work

We are also working to promote inclusion and well-being, so that employees with a variety of attributes, viewpoints, and values can bring their best self to work. In addition to the ongoing support of flexible work styles, we have launched measures to promote disability employment in Japan, provide two to four days of special paid leave per year, and support in the acquisition of certification for mental health first aid providers.

In Japan, we specifically focus on improving employee health through the combined efforts of several divisions and employee medical advisors. Dentsu Inc. continues to maintain a 100% regular health checkup rate and provides employees with health training, inclusive of mental health. Our efforts to reform work environments are ongoing, and in 2022 the average of employees'

annual working hours was 1,958 hours.

Furthermore we are engaged in Group-wide activities to increase employee engagement which is one of the indicators used to determine executive compensation. Each year, we conduct a survey on employee satisfaction and solicit recommendations to calculate an engagement score. With this, we identify challenges in each division and take steps to improve scores.

Recent survey results have included many requests for communication with the leadership team. We now are providing opportunities for this, one example being the 2022 Dentsu Global Leadership Meeting, attended by some 1,200 people across the Group, where the CEO directly shared the One dentsu message.

**HR Partnership Excellence
HR as the best partner for business**

Amid the focus on people-centered transformation, HR has a vital opportunity to partner with the business. Enhancing HR's proficiency is essential to support Group strategy and decision-making.

We aim to establish a cohesive global framework that integrates the Centers of Excellence (COEs)—specialized teams for talent, compensation, etc., with HR business partners working closely with the business. Our commitment extends to continuous investments in HR data and technologies.

Enhancing employee experience through service excellence

Beyond optimizing processes and automating high-load tasks, we leverage shared services. We evaluate operational processes and systems, mindful of regional variations, aiming for total optimization, global

integration, and standardization.

In Japan, in collaboration with the IT team, we've initiated the pilot deployment of Workday, a widely-used, cloud-based HR and finance enterprise application. We also aim to implement other tools reflecting global best practices.

Concurrently, cutting-edge technologies are employed in Japan. Group companies SEPTENI HOLDINGS and Dentsu Corporate One earned accolades at the 7th HR Technology Awards in 2022, recognizing superior HR tech and data analytics initiatives. Both were praised for their talent evaluation systems and creating an infrastructure analyzing people based on individual capabilities and workstyles.

Data-driven investment for people and business growth

Given our Group business thrives on human potential, vigorous and impactful investment in talent is paramount.

To enhance investments, accessible talent data must be readily available. In Japan, we are developing reliable and transparent talent data collection methods. Globally, we've instituted a 'People Dashboard,' a business intelligence tool enabling HR teams to monitor and report on HR KPIs including employee composition, turnover, gender balance, and engagement, by region, market, and service line.

We've initiated shared Group efforts concerning human capital data. Currently, we are seeking optimal methods for data calculation, operational efficiency, and the disclosure of acquired data.

Addressing matters like optimal HR investment and productivity enhancement, we are evaluating the ROI for human capital. Guided by ISO 30414—the

established standard for human capital ROI calculation—our Group is developing an ROI method focusing on people growth. Our goal is to maintain consistent investment in talent, continuing their development over the medium and long term.

HR evolution to be a strategic partner

To augment HR capability, we are reorganizing the COEs and systematizing our business partner role in Japan. Concurrently, to fortify global talent at our Head Office under One dentsu, we’re attracting external expertise, cultivating internal talent, and promoting job transfers.

Additionally, we will collaborate with other corporate functions while pursuing better ways to support business.

Topics

**Launch of the new next-generation office “Shiodome PORT”:
advocating a new working style combining onsite and offsite resources**

Dentsu Digital, seeking to maximize its output and achieve its objectives in the shortest possible time, continues its challenge of promoting new work styles.

One of Dentsu Digital’s initiatives is to allow all employees to work remotely, in the belief that expanding workplace options will enhance performance. Meanwhile, as remote working gained ground, the company decided to reopen its office under the concept of “The real world makes us stronger.” Shiodome PORT, the new office launched in February 2022, aims to be a place for new value creation through unique real-world experiences such as “stimulating the five senses,” “conveying heat” and “feeling momentum.”

The office has a “Team Home” for sharing rules of thumb and high context information with members of the same department, a “Hack Room” for teams to work together on short, intensive tasks, and a “Share Lounge” to encourage random encounters and conversations across the organization.

Shiodome PORT received the Minister of Economy, Trade and Industry Award at the 35th Nikkei New Office Award Ceremony. This award is for offices that demonstrate creativity and ingenuity, with the aim of promoting and spreading the creation of comfortable and functional offices. The Minister of Economy, Trade and Industry Award was presented only to Shiodome PORT out of a total of 131 entries.



Human rights awareness & due diligence

Dentsu Group Human Rights Policy

Established in 2018 as a Group-wide policy and based on the United Nations Guiding Principles on Business and Human Rights and other related regulations that global companies must comply with. It includes the three chapters as below:

Our Respect for Human Rights

Basic Labor Policy and Labor Rights

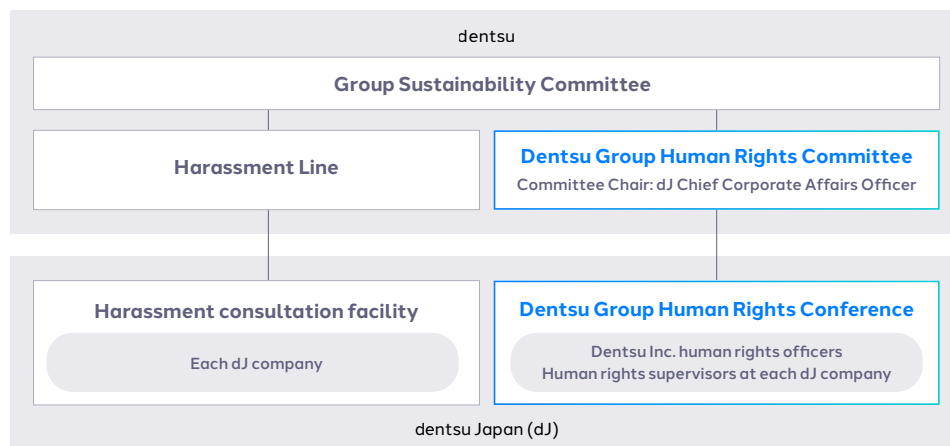
Our Commitment to Upholding and Protecting Human Rights

Promoting human rights awareness

The Dentsu Group Human Rights Policy was established to clarify our efforts to respect human rights Group-wide.

Dentsu Japan (dJ) created the Dentsu Group Human Rights Committee comprising the management level, and the Dentsu Group Human Rights Conference attended by members in charge of human rights from each dJ company, which allow us to build a structure for sharing human rights-related awareness planning, achievements, and other issues. A similar structure will be considered Group-wide from 2023 onward.

Human rights awareness promotion structure (2023)



Human rights themes in the supply chain

Dentsu is creating a human rights due diligence (human rights DD) program to promote respect for human rights including supply chains. In Japan, individuals from 16 dJ companies attended a workshop in collaboration with the third-party organization CRT Japan in January 2023, where four important human rights themes were identified. These themes are to be at the heart of Group-wide human rights DD initiatives.



Workshop

Themes identified (Set for dJ in 2023)

Labor environment of contractors

Inclusive of international contractors, secondary and tertiary contractors involved in the supply chain are to be monitored to ensure that operations are performed according to both the Dentsu Group Human Rights Policy and Dentsu Procurement Guidelines. Particular attention will be paid to outsourcing to international and sole contractors in areas such as creative and digital.

Labor environment within dentsu

To ensure appropriate management, all employees should be aware of relevant working hours and wages as stipulated in the Dentsu Group Human Rights Policy.

Specific issues raised through consultations will be recognized as in need of particular improvement and will lead to policy and structure revisions.

Responsible communication

In addition to focusing on existing Group awareness-raising activities and training concerning language used in advertising, social trends need to be ascertained and reflected in consultations. The consultation service will also be strengthened.

Protection of personal data

Continued strict management to reflect the Group Information Security Policy which was updated in 2022. Information security initiatives are applied throughout the supply chain, including secondary and tertiary contractors.