



Dentsu
CSR Report

2014

Editorial Policy

This report is intended to provide a faithful account of the CSR activities of Dentsu and Dentsu's domestic and overseas Group companies, and every effort has been made to present the material in a manner that is readable and easy to understand.

Overall planning and editing were handled in-house. Staff in each of the relevant departments wrote the original drafts, in which they were asked to review their activities and share the thinking behind each of their programs. It is our hope that this will help readers to better understand the efforts that Dentsu is making toward the realization of a sustainable society.

This report has not been produced merely to disclose information. Rather, we view it as an important tool to help us improve our CSR activities.

We look forward to hearing the views and opinions of our readers.

■Reference guidelines

GRI (Global Reporting Initiative) 'Sustainability Reporting Guidelines, Version 3.1 (G3.1)', UN Global Compact, ISO 26000

■Period covered by the report

Centered on activities during fiscal 2013 (April 1, 2013 through March 31, 2014), but also describes some activities from preceding or more recent periods.

■Organizations covered

Dentsu Inc. (including certain Group companies)

■Publication date

Sep. 2014 (Next edition scheduled for publication in Sep. 2015)

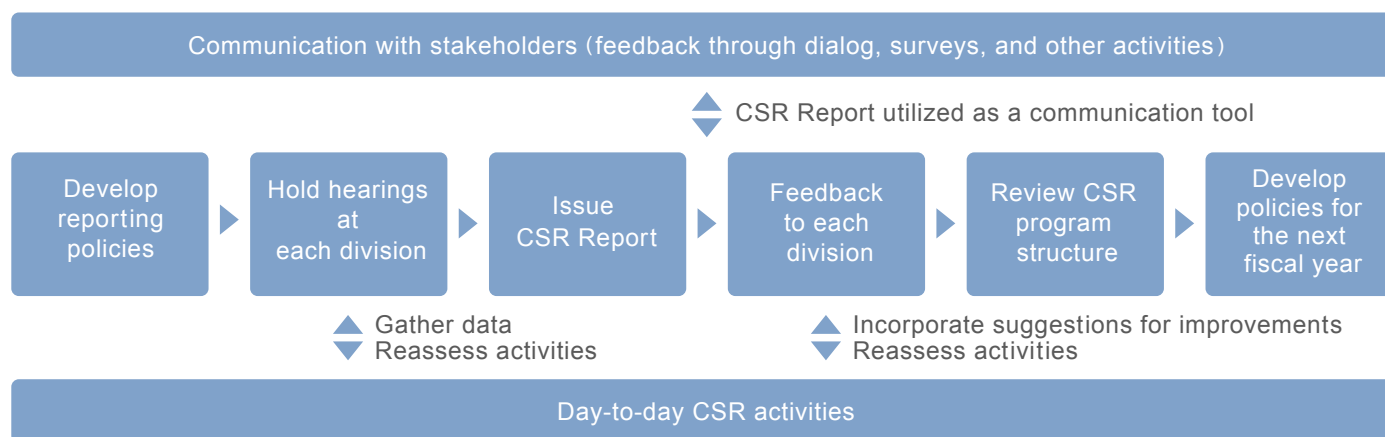
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■PDCA cycle to edit the Dentsu CSR Report



For fiscal 2013, we held meetings with the Musashino University Faculty of Environmental Science again to exchange opinions.



Contents

Editorial Policy, etc.	01
Contents	02
Top Commitment	03
Corporate Data / Business Lineup	04
Financial Highlights	06
Dentsu's CSR	10

Highlight

Dentsu Aegis Network's CSR	15
----------------------------------	----



I. Corporate Governance 20

- Dentsu's Corporate Governance
- Implementation Structure
- Dentsu Group Internal Control System Risk Management
- Communication with Shareholders and Investors



II. Respect for Human Rights 24

- Proactive Human Rights Awareness Activities through Training Programs, etc.
- Human Rights Slogans and Posters
- Human Rights Art Project
- Anti-harassment Activities



III. Ensuring a Safe and Civilized Working Environment 29

- Promotion of Work / life Balance
- Employee Health Care Systems
- Employees Encouraged to Take Vacation Entitlements
- A Workplace Environment that Fully Utilizes Employee Talent

- Promotion of Employees' Capabilities
- Confirmation of Employee Safety in Emergency Situations



IV. Environmental Protection 34

- Structures for Environmental Activities
- Promotion of Environmental Communication
- Raising Environmental Awareness
- Reducing CO₂ Emissions



V. Fair Business Practices 40

- Promotion of Compliance
- Dentsu's CSR Purchasing Activities
- Respect for Laws and Regulations and Various Rights in Business Activities
- Development of an Information Security Management System



VI. Addressing Consumer Issues 45

- Cooperation with the Government
- Lab Activities



VII. Contributing to the Community 48

- Efforts to Assist Earthquake Reconstruction
- Dentsu's Social Contribution Activities

Independent Practitioner's Assurance ... 57

Related Publications

Dentsu Annual Report

This information disclosure document is prepared mainly for the benefit of overseas shareholders, investors, and client companies. The Annual Report presents Dentsu's management philosophy, business activities, consolidated financial statements, and other pertinent information.

<http://www.dentsu.com/ir/data/annual.html>



T. Ishii

Tadashi Ishii
President & CEO
Dentsu Inc.

We aim to create new social value on a global level

Carrying out our Corporate Social Responsibilities a global scale

In March 2013, Dentsu completed the acquisition of Aegis Group plc of the UK and newly established Dentsu Aegis Network (DAN), expanding the Dentsu Group's sphere of activities to 124 countries and regions. With this, the ratio of overseas business in the Dentsu Group's consolidated gross profit has expanded greatly, and the group workforce now exceeds 37,000.

In light of those changes to our operating base, we at the Dentsu Group instituted a new medium-term management plan, Dentsu 2017 and Beyond, which started from FY2013. Moving forward, we are dedicated to leveraging the strengths of our agency network to make a continuing contribution to the business success of our clients the world over, and furthermore, to help maximize their corporate value in ways that surpass the existing boundaries of the advertising business.

Against this backdrop, Dentsu joined the United Nations Global Compact in 2009 with a view to carrying out our Corporate Social Responsibilities a global scale. In addition to supporting the ten principles of the compact, we have also adopted ISO 26000, which indicates the social responsibilities that organizations worldwide should follow, as guidelines. Meanwhile, in 2013, we updated the Dentsu Group Code of Conduct to provide a common code of conduct and CSR philosophy to which every individual group employee should adhere in order to fulfill their respective responsibilities to society in each region.

New social values through solid solutions

Changes in business and social environments have caused many of Dentsu's clients, business partners, consumers, and other stakeholders to undergo significant transformations. I believe that an era of social change like this requires the Dentsu Group to fulfill an expanded role because our mission is to create new social values by identifying social issues and offering ways to solve them.

To that end, we put our solution capacities to use in a variety of CSR activities. In Japan, for instance, we offer assistance for reconstruction efforts in the wake of the Great East Japan Earthquake, and there are also activities initiated voluntarily by employees out of their desire to solve society's problems, as well as other measures designed to encourage social communication.

Moving forward, we at the Dentsu Group seek to further develop activities for the betterment of society in accordance with our vision. We will do this through the continued strengthening of the diverse CSR activities carried out around the world by DAN, including the 30 Days of Green environmental campaign.

Inspired by our corporate philosophy of 'Good Innovation,' we at the Dentsu Group are devoted to being a leader of the advertising and communication industry by establishing a global corporate presence, and we will continue to undertake CSR activities that are unique to Dentsu.

As always, we look forward to feedback from our stakeholders to ensure our CSR activities are in line with expectations.

Corporate Data



- **Company Name** : Dentsu Inc.
- **Establishment** : July 1, 1901
- **Corporate Representative** : Tadashi Ishii,
President & CEO
- **Head Office** : 1-8-1, Higashi-shimbashi,
Minato-ku, Tokyo 105-7001, Japan
- **TEL** : +81-3-6216-5111
- **URL** : **Japanese** <http://www.dentsu.co.jp/>
English <http://www.dentsu.com/>
- **Capital** : ¥74,609.81 million
(Number of shares outstanding: 288,410,000)
- **Number of Employees** :
7,425 (non-consolidated) 39,427 (consolidated)
(As of March 31, 2014)

Dentsu Group Corporate Philosophy

Statement

Ideas that reach beyond the imaginable.
Technology that crosses the
bounds of possibilities.
Entrepreneurship that surpasses
the expected.

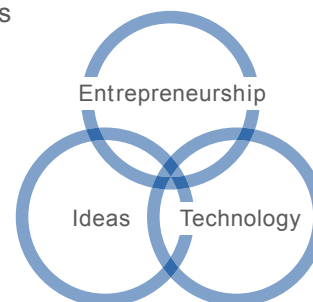
Three sources of strength,
driving our innovation,
bringing positive change to
people and society.

Slogan

Good Innovation.

The three elements
of innovation:

Entrepreneurship
+ Ideas
+ Technology



By 'Innovation' we are talking about much more than just technological innovation. We mean generating new value for people and society through a wide variety of changes.

Business Domains

The Dentsu Group continues to hold the top share of the domestic advertising market, which is the world's third-largest advertising market. It ranked fifth globally in terms of revenue in 2013.* In March 2013, with the completion of the acquisition of the UK-based Aegis Group, the world's eighth largest advertising agency in 2011,* Dentsu Aegis Network was created in London, further strengthening the Group's global business structure.

In order to determine the essence of clients' issues and design, propose, and implement integrated communications that realize true solutions, the Dentsu Group has identified its business domains and strengths.

*Source: Advertising Age

Integrated Communication Design

The Dentsu Group, with the communications domain at its core, is engaged in a wide range of business activities. From management and operating solutions to the implementation of marketing and communications strategies for advertisers as well as media and content companies, the Group offers the best integrated solutions not only in Japan, but also in the global market.

Business Lineup

‘Good Innovation.’, the Dentsu Group’s corporate philosophy, encapsulates the Group-wide drive to create new value and lead the way toward transformation, while also emphasizing its commitment to supporting innovation within business enterprises and other organizations. Commensurate with its position as a solutions partner responding to the challenges faced by its clients in such areas as corporate management, business operations, and marketing, the Dentsu Group provides a diverse range of services. To meet the changing needs of society, the environment and consumer lifestyles, the Dentsu Group’s service sphere is expanding to cover an array of societal issues.

Social Solutions

The Dentsu Group identifies social themes and offers solutions for business scheme development and communications strategies for their resolution. [Business Fields] Environmental strategy, renewable energy and smart grid initiatives, food and agriculture business development, consultation and planning related to corporate social responsibility (CSR) and sustainability, Social Design Engine, other projects

Media Content

The Group offers media planning applying its media planning knowhow, methods, and a portfolio of high-quality content. [Business Fields] Media planning, media buying, interactive media, sports content, entertainment content, new business development with media, audience insight

Data Solutions

Dentsu develops data solutions that draw on a diverse range of data to support marketing optimization. [Business Fields] Marketing insight, marketing ROI, campaign management, digital marketing optimization, direct, CRM/EC



Marketing Design

As a partner to our clients, Dentsu provides integrated marketing solutions and designs mechanisms for creating long-sellers. [Business Fields] Integrated marketing, PDCA management, marketing system design, business and brand consulting/CI and VI, business design

Communication Design

Dentsu directs its efforts toward accurately identifying consumer preferences and prevailing conditions and designing communication processes, opportunities, and other measures. [Business Fields] Communication design, cross-media communications planning, strategic PR design, crisis communication

Creative

‘Innovative creativity’ is a core element of the Dentsu Group’s corporate culture, and the Group delivers optimum solutions not bound by the limitations inherent in conventional thinking and such dichotomies as ‘traditional versus digital.’

Promotions

The Dentsu Group excels not only in the field of in-store communications but also in such areas as knowledge and tools for the digital sphere and space-branding disciplines. [Business Fields] In-store/shopper marketing, digital promotions, space branding, O2O solutions

Digital/Social Media

The Dentsu Group fully leverages the high level of expertise possessed by each Group company to provide digital solutions that help clients solve their business issues. [Business Fields] Interactive media, digital solutions, platform development, social media marketing

For more on the Dentsu Group’s operations, please visit : <http://www.dentsu.com/about/lineup.html>

Results over the Past Five Years (Consolidated, Non-consolidated)

■ Consolidated

(Millions of yen)

Fiscal Year	2009	2010	2011	2012	2013
Net sales	1,678,618	1,833,449	1,893,055	1,941,223	2,309,359
Gross profit	296,490	317,696	332,807	345,940	594,072
Selling, general and administrative expenses	259,166	266,758	280,829	287,474	522,581
Operating income before amortization of goodwill and other intangible assets	39,826	54,390	55,369	62,841	114,186
Operating income	37,323	50,937	51,977	58,466	71,490
Ordinary income	44,790	54,166	62,843	59,027	82,538
Income (loss) before income taxes and minority interests	40,048	35,379	58,459	63,310	81,172
Net income	31,130	21,635	29,573	36,336	38,800
Total assets	1,118,236	1,133,300	1,201,894	2,205,569	2,638,319
Equity	484,250	492,933	536,290	584,495	883,118
Net cash provided by operating activities	74,989	72,914	26,397	83,295	97,540
Net cash provided by (used in) investing activities	(9,251)	(1,825)	45,941	(51,236)	(318,087)
Net cash used in financing activities	(31,282)	(29,339)	(27,331)	(5,349)	226,526
Cash and cash equivalents at end of period	92,854	131,662	175,956	207,578	227,128
Depreciation and amortization	16,165	15,485	14,251	12,928	32,298
Cash dividend per share (Yen)	27	29.5	31	32	33
Dividend payout ratio (%) Note	21.6	34.0	26.1	21.9	23.4
Number of employees	18,255	19,535	21,649	37,450	39,427
Number of consolidated subsidiaries	122	130	144	656	657

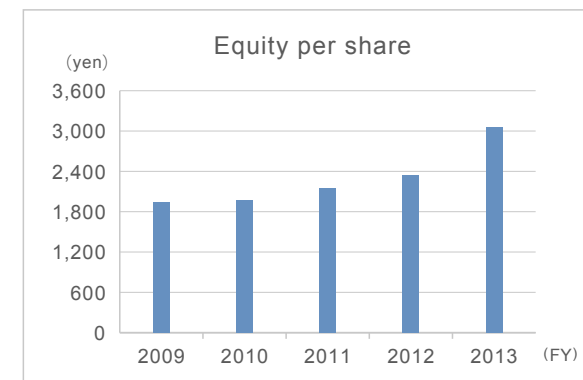
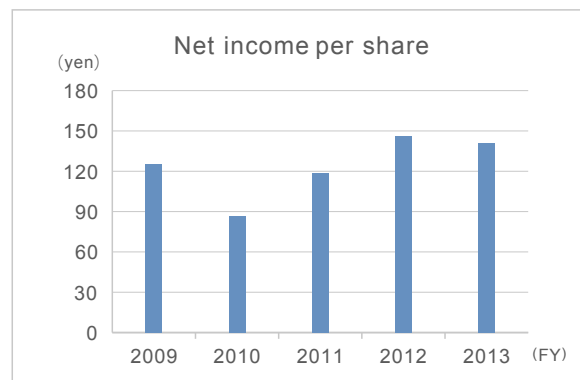
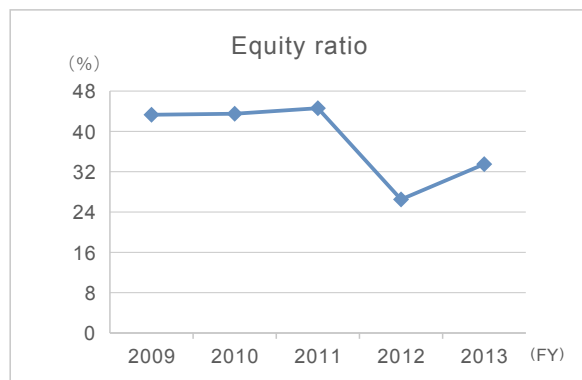
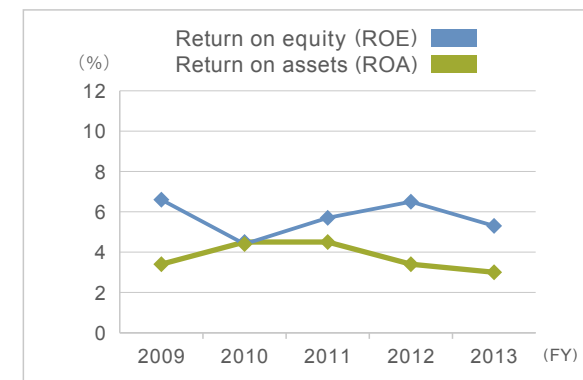
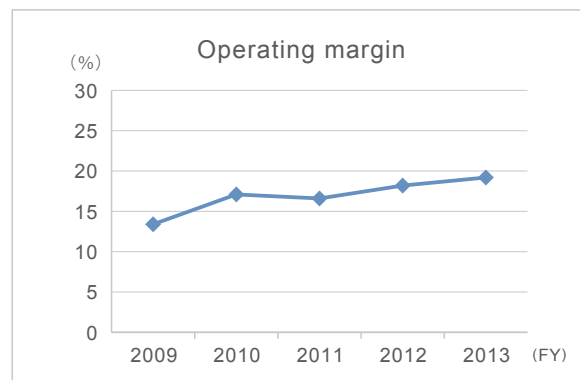
■ Non-consolidated

(Millions of yen)

Fiscal Year	2009	2010	2011	2012	2013
Net sales	1,315,072	1,396,798	1,404,663	1,412,376	1,515,062
Gross profit	185,479	193,129	194,636	197,867	219,393
Operating income	26,313	33,799	31,693	35,766	50,579
Ordinary income	33,702	40,312	40,654	39,091	69,667
Net income	27,055	17,471	42,212	28,189	46,953
Total assets	1,010,812	1,011,538	1,065,664	1,409,387	1,482,661
Equity	406,410	415,206	463,098	492,505	651,629
Number of shares issued	278,184,000	278,184,000	278,184,000	278,184,000	288,410,000
Number of employees	6,724	6,903	7,494	7,515	7,425

Note : Dividend payout ratio = cash dividend per share ÷ net income per share × 100

Key Performance Indicators over the Past Five Years (Consolidated)



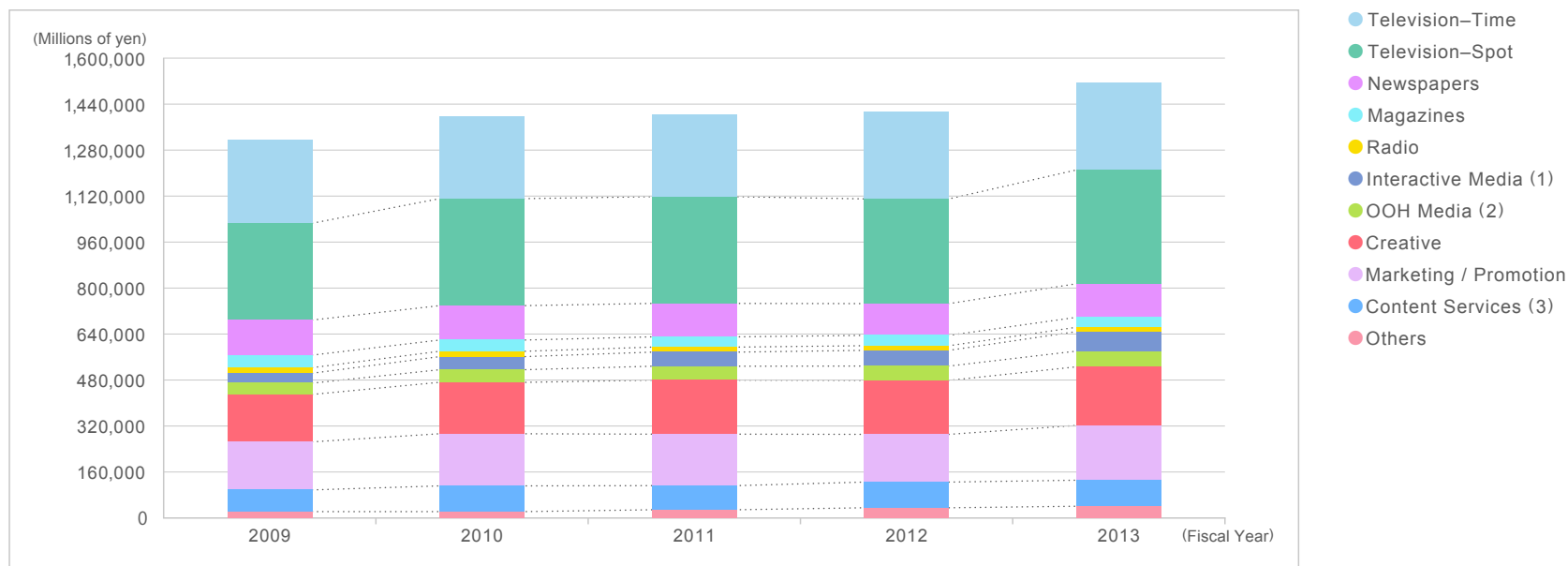
Fiscal Year	2009	2010	2011	2012	2013
Gross profit margin (1)	17.7	17.3	17.6	17.8	25.7
Operating margin (2)	13.4	17.1	16.6	18.2	19.2
Return on equity (ROE) (3)	6.6	4.4	5.7	6.5	5.3
Return on assets (ROA) (4)	3.4	4.5	4.5	3.4	3.0
Equity ratio (5)	43.3	43.5	44.6	26.5	33.5
Net income per share (Yen)	125.03	86.84	118.69	145.84	140.89
Equity per share (Yen)	1,943.55	1,978.43	2,152.46	2,345.97	3,062.48

Notes : (1) Gross profit margin = gross profit ÷ net sales × 100 (2) Operating margin = Operating income before amortization of goodwill and other intangible assets ÷ gross profit × 100

(3) Return on equity (ROE) = net income ÷ average equity based on equity at the beginning and end of the fiscal year × 100

(4) Return on assets (ROA) = operating income ÷ average total assets based on total assets at the beginning and end of the fiscal year × 100 (5) Equity ratio = equity ÷ total assets × 100

Net Sales by Business Category (Non-consolidated)



(Millions of yen / %)

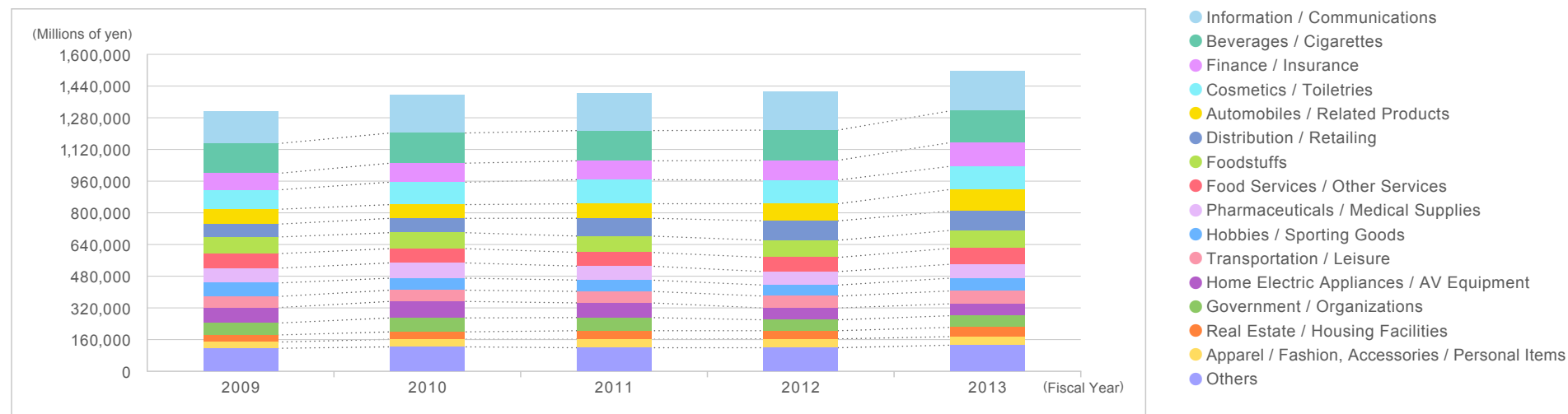
Fiscal Year	2009		2010		2011		2012		2013	
Television	626,274	47.6	658,056	47.1	658,179	46.9	666,480	47.2	700,039	46.2
Television–Time	289,464	22.0	285,668	20.5	286,724	20.4	302,164	21.4	304,266	20.1
Television–Spot	336,810	25.6	372,387	26.7	371,454	26.4	364,315	25.8	395,773	26.1
Newspapers	122,264	9.3	119,643	8.6	115,502	8.2	110,553	7.8	116,870	7.7
Magazines	43,392	3.3	39,159	2.8	36,500	2.6	35,896	2.5	34,669	2.3
Radio	19,434	1.5	18,580	1.3	17,420	1.2	16,027	1.1	15,055	1.0
Interactive Media (1)	34,606	2.6	45,392	3.2	48,984	3.5	54,808	3.9	67,865	4.5
OOH Media (2)	39,233	3.0	43,911	3.1	48,396	3.4	49,780	3.5	54,597	3.6
Creative	164,973	12.5	178,959	12.8	187,981	13.4	187,804	13.3	203,845	13.5
Marketing / Promotion	167,209	12.7	181,381	13.0	179,120	12.8	166,068	11.8	190,668	12.6
Content Services (3)	75,492	5.7	89,721	6.4	83,904	6.0	89,358	6.3	90,480	6.0
Others	22,191	1.7	21,992	1.6	28,672	2.0	35,598	2.5	40,970	2.7
Total	1,315,072	100.0	1,396,798	100.0	1,404,663	100.0	1,412,376	100.0	1,515,062	100.0

Notes : (1) Interactive media refers to Internet and mobile-related media.

(2) OOH media stands for out-of-home media and comprises transportation and outdoor billboard advertising.

(3) Content services refers to rights sales, planning and production as well as other content-related services in the sports and entertainment fields.

Net Sales by Industry (Non-consolidated)



Fiscal Year	2009		2010		2011		2012		2013	
Information / Communications	165,615	12.6	193,950	13.9	189,528	13.5	194,775	13.8	200,334	13.2
Beverages / Cigarettes	150,393	11.4	152,238	10.9	152,797	10.9	152,584	10.8	160,175	10.6
Finance / Insurance	83,532	6.4	95,724	6.9	95,123	6.8	99,624	7.1	119,865	7.9
Cosmetics / Toiletries	97,733	7.4	113,387	8.1	121,260	8.6	119,504	8.5	116,914	7.7
Automobiles / Related Products	75,010	5.7	69,257	5.0	73,203	5.2	86,549	6.1	108,867	7.2
Distribution / Retailing	64,913	4.9	72,402	5.2	90,014	6.4	98,063	6.9	97,827	6.5
Foodstuffs	84,546	6.4	80,475	5.8	82,329	5.9	86,933	6.2	90,291	6.0
Food Services / Other Services	73,006	5.6	72,132	5.2	69,507	4.9	70,826	5.0	80,476	5.3
Pharmaceuticals / Medical Supplies	73,849	5.6	77,060	5.5	70,414	5.0	68,349	4.8	69,304	4.6
Hobbies / Sporting Goods	69,179	5.3	60,659	4.3	56,987	4.1	55,559	3.9	65,234	4.3
Transportation / Leisure	55,657	4.2	56,775	4.1	58,064	4.1	60,178	4.3	65,110	4.3
Home Electric Appliances / AV Equipment	78,268	6.0	83,288	6.0	74,329	5.3	59,536	4.2	60,155	4.0
Government / Organizations	60,054	4.6	70,469	5.0	66,253	4.7	55,021	3.9	58,800	3.9
Real Estate / Housing Facilities	35,898	2.7	37,375	2.7	43,448	3.1	41,431	2.9	46,690	3.1
Apparel / Fashion, Accessories / Personal Items	31,304	2.4	38,289	2.7	42,583	3.0	44,574	3.2	43,098	2.8
Others	116,108	8.8	123,310	8.8	118,819	8.5	118,862	8.4	131,915	8.7
Total	1,315,072	100.0	1,396,798	100.0	1,404,663	100.0	1,412,376	100.0	1,515,062	100.0

Notes: (1) The above ranking is based on data for the fiscal year ended March 31, 2014.

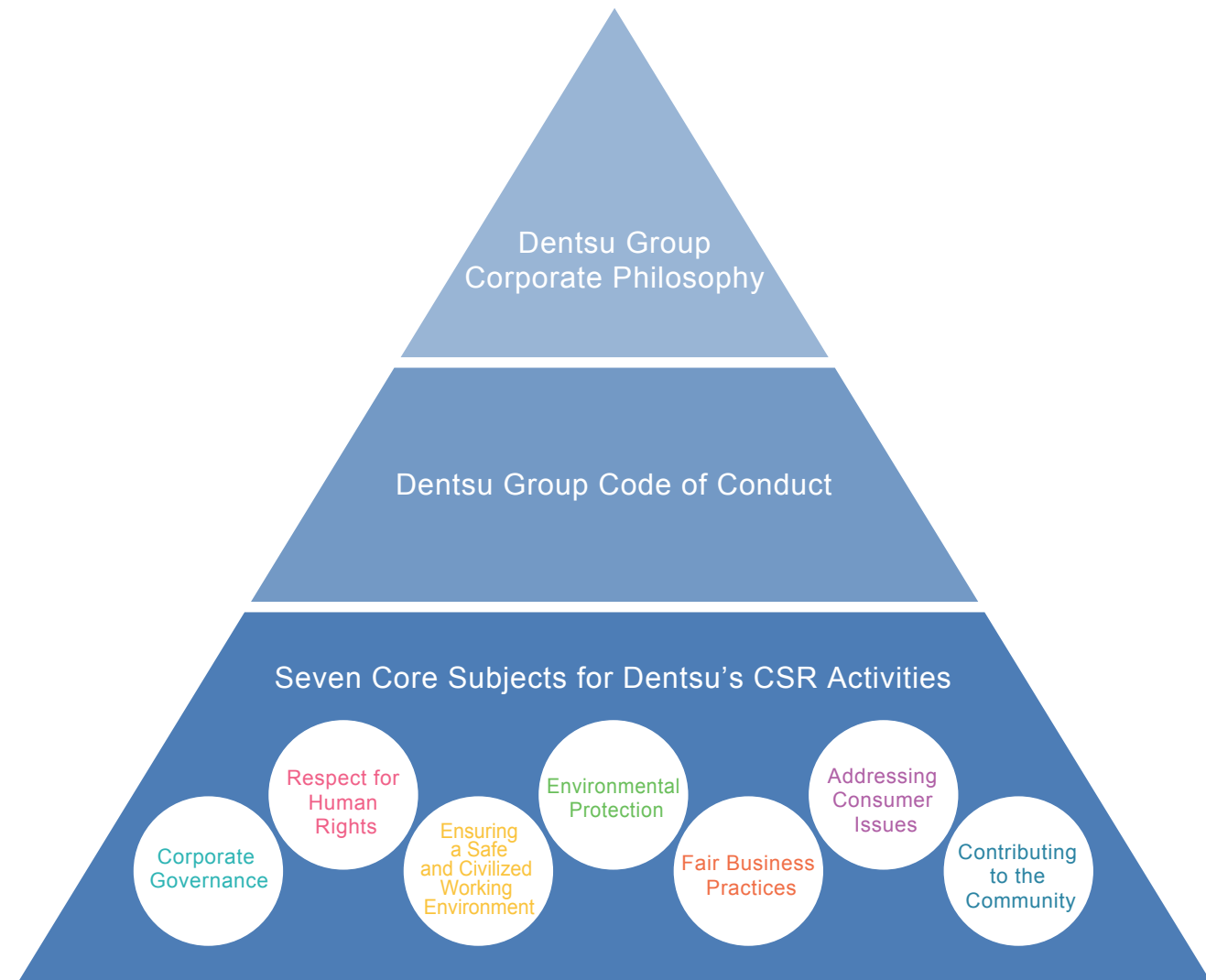
(2) Dentsu reviews the criteria for each industry category frequently for the purpose of its own accounts. Accordingly, these categories may differ qualitatively from those used in Advertising Expenditures in Japan for the respective years. Figures for previous years have been recalculated to reflect the current industry breakdown, as of March 31, 2014.

Dentsu's Basic CSR Structure

In Dentsu's basic CSR structure, we have updated the Dentsu Group Code of Conduct under the Dentsu Group's corporate philosophy. We have also set out seven key areas for Dentsu's CSR activities on which our specific activities are based.

We took the occasion of the acquisition of the former Aegis Group plc of the UK to formulate an updated Dentsu Group Code of Conduct in April 2013 based on ISO 26000, the international standard for CSR. This was done in order to indicate the role of corporate governance in each country in which the Group operates, our efforts for human rights and the environment, and our policies for those as the Dentsu Group further expands globally.

As the new basic philosophy for the Dentsu Group's CSR program, we have laid out actions that Dentsu Group managers and employees worldwide must undertake to fulfill their respective responsibilities to society and have committed ourselves to their adherence.



CSR Philosophy 'Dentsu Group Code of Conduct'

The Dentsu Group Code of Conduct, which is the Group's CSR philosophy, is structured around Dentsu's seven key areas for CSR activities. These activities are, namely, corporate governance, respect for human rights, ensuring a safe and civilized working environment, environmental protection, fair business practices, addressing consumer issues, and contributing to the community. The Code of Conduct articulates what all Dentsu Group managers and employees must undertake in order to fulfill their respective responsibilities to society. At the same time, we formulated the 'Guidance on the Code of Conduct.' This guidance details specific actions required in connection with each of the seven key areas to enable Dentsu Group managers and employees to deepen their understanding and practice the Code of Conduct in a proactive way.

The Code of Conduct is premised on a declaration of compliance with all national, local, and international laws and regulations in all markets in which we conduct business, and it serves as a common set of principles for the Dentsu Group worldwide in conducting business.

Dentsu Group Code of Conduct

- ◎ The Dentsu Group of companies, its officers and employees ('we' or 'us') are committed to protecting the interests of our stakeholders by conducting business to the highest ethical standards. To achieve this commitment, we have established the Dentsu Group Code of Conduct ('Code of Conduct') to serve as our basic principles for conducting business in a socially responsible manner.
- ◎ We will comply with the Code of Conduct in all respects.
Outside of the Dentsu Group, we will encourage compliance with the Code of Conduct by our business partners.
- ◎ We will comply with all national, local and international laws and regulations in all markets in which we conduct business.
- ◎ We will respect diversity and will not discriminate on any basis. We will also respect the diverse social and cultural standards of each region in which we conduct business.

1. Corporate governance	We respect the interests of our stakeholders and will refrain from engaging in inappropriate activities or taking inappropriate risks that might harm these interests. Our officers will take responsibility for developing and maintaining appropriate corporate governance systems.
2. Respect for human rights	We comply with internationally-recognized principles of human rights. We respect the human rights of all people connected with our business activities and will not discriminate on any basis.
3. Ensuring a safe and civilized working environment	We will ensure that our work places are safe and create a civilized working environment.
4. Environmental protection	We aim to minimize the impact of our business on the environment and contribute to making society sustainable.
5. Fair business practices	In carrying out our business we will compete fairly in all markets in which we operate. We will avoid or appropriately manage any conflicting interests. We will not knowingly take part in any form of corrupt business practice, including bribery and money laundering.
6. Addressing consumer issues	We will strive to address consumer issues in all markets in which we operate, including by providing appropriate information to consumers and giving due attention to safety and security in all of our activities.
7. Contributing to the community	We are committed to contributing to the development of all local and global communities in which we operate and to the resolution of social issues in each community.

To download a PDF file of the Dentsu Group Code of Conduct, please refer to the following website:
<http://www.dentsu.co.jp/csr/pdf/code-of-conduct.pdf>

Dentsu's Major Stakeholders

Dentsu pursues CSR activities while maintaining close communication with its stakeholders. To achieve 'Good Innovation,' and address social issues, Dentsu undertakes a variety of activities aimed at fulfilling its responsibilities not only to Group employees, consumers, clients, shareholders and investors, but also to society as a whole and the Earth's environment.

Clients

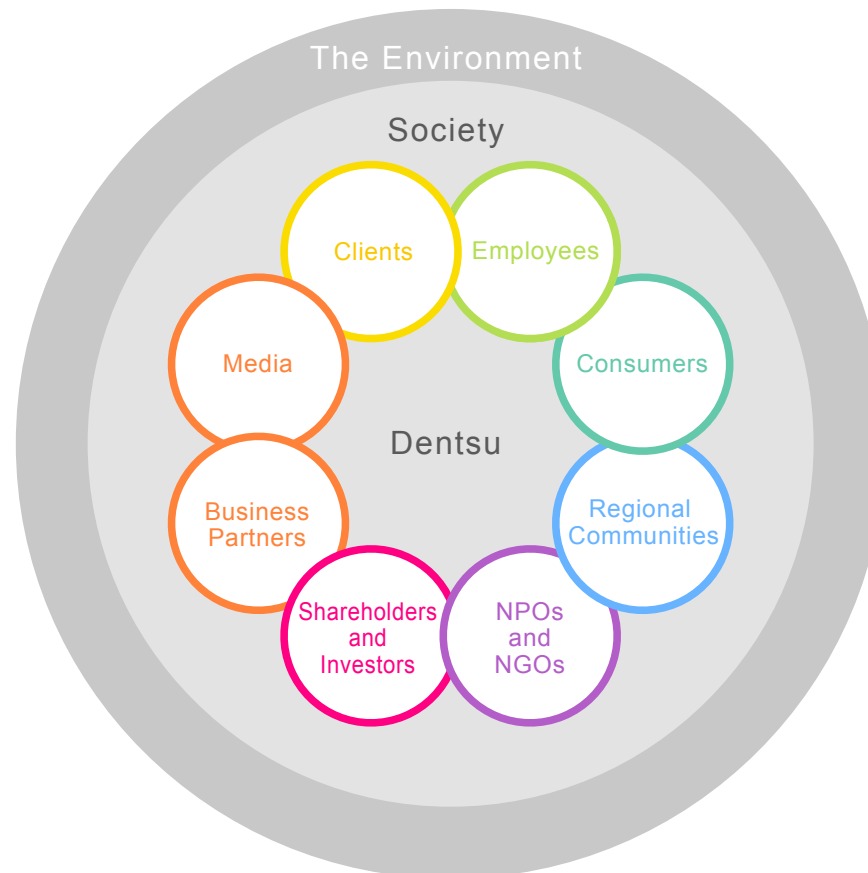
Dentsu understands client needs and provides high-quality solutions. Through our efforts linked to issues with a strong social aspect, we also contribute to the realization of a sustainable society.

Media / Business Partners

Dentsu supports proper business activities through fair competition and business dealings. When placing an order, we clarify the decision-making process, with due consideration to not just economic factors, but compliance and environmental issues as well, in an effort to be socially and environmentally conscious.

Shareholders and Investors

Dentsu, through proper investor relations and its General Meeting of Shareholders, actively pursues communication with shareholders, and provides accurate information disclosure. When disclosing information we take care to ensure that our communications are easy to understand, impartial, and appropriate for the circumstances.



Employees

Dentsu actively supports human resources and career development for its employees, working to bring out their individuality, abilities, and work motivation. We also strive to create a work environment that fosters the mental and physical health of employees.

Consumers

Dentsu gives appropriate consideration to the safety of consumers, and provides high-quality solutions. We also conduct a wide range of consumer surveys and other analyses in an effort to identify consumer issues.

Regional Communities

Dentsu respects the cultures and customs of the countries and regions in which it operates, works to build mutual understanding and trust, and contributes to development. We also strive to understand and find solutions to social issues through our business activities.

NPOs and NGOs

Dentsu, through cooperation with external organizations and persons with social value and expertise, proactively contributes to society, and furthers the realization of a sustainable society.

*Dentsu also has numerous other stakeholders including the government, administrative agencies, and various organizations.

Dentsu's CSR Promotion System

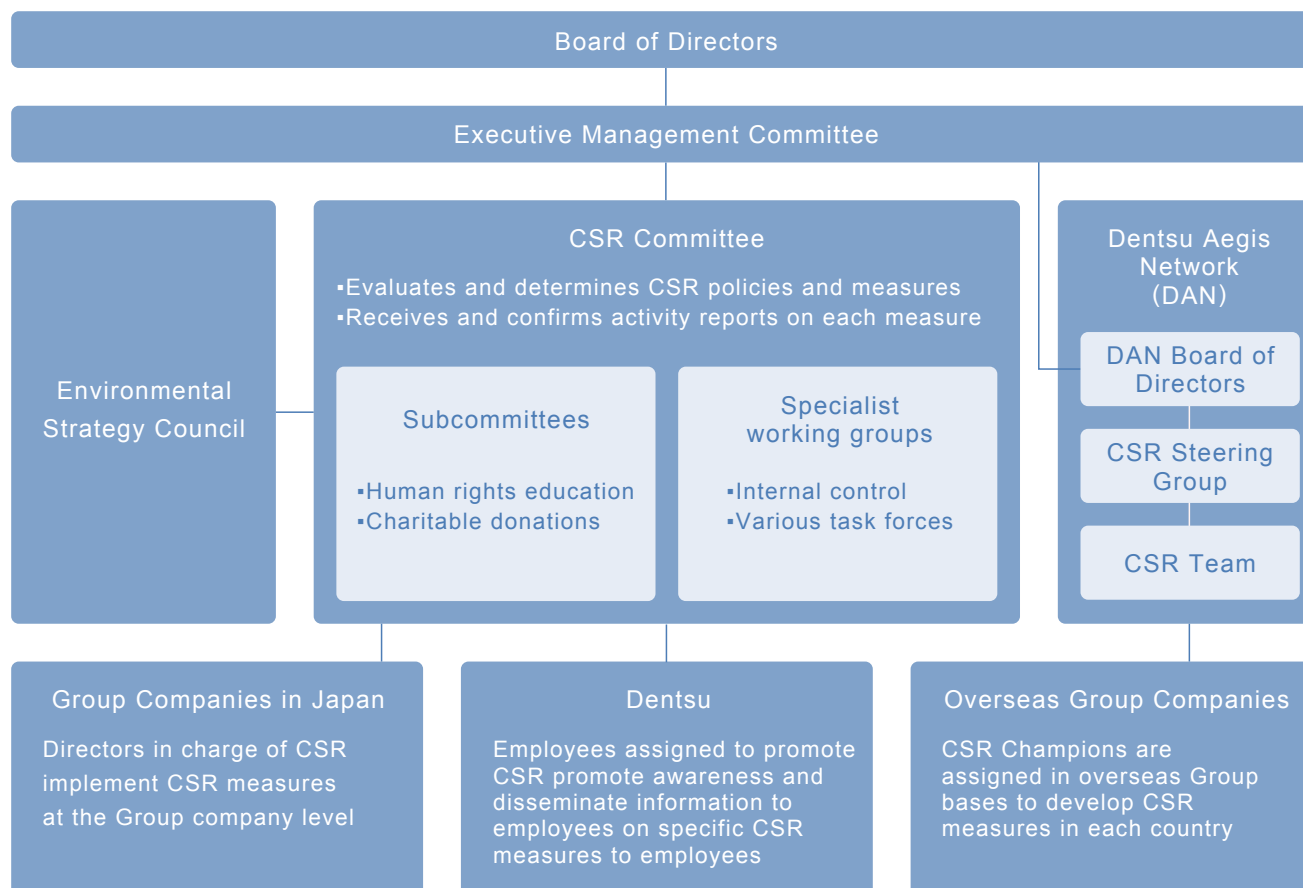
Dentsu has established three principal committees under its 'Executive Management Committee' and 'Business Supervision Committee', which are responsible for all major management decisions. One of the committees established under the Executive Management Committee is the 'CSR Committee', comprising five Executive Officers and chaired by a Senior Vice President. The committee makes decisions on all major CSR-related measures in accordance with the Dentsu Group Code of Conduct, which is the Group's CSR philosophy.

Under the CSR Committee, Dentsu has established subcommittees for human rights education and charitable donations as well as various specialist working groups to deliberate on issues in various fields. We have also designated 'CSR promotion committee members' in all Company departments to promote awareness and disseminate information on specific CSR measures so that CSR efforts can be done on a company-wide basis. On the key theme of the environment, the CSR Committee works closely with the 'Environmental Strategy Council'—Dentsu's in-house body tasked with promoting environment-related programs—to promote greater Company-wide awareness concerning the environment.

Each Dentsu Group company in Japan has one board member in charge of CSR. At overseas Group companies, which have

increased greatly with the acquisition of Aegis Group plc, we have appointed 'CSR Champions' who promote CSR activities. Through such efforts, we are advancing CSR activities on a Group-wide level.

Dentsu aims to ensure that its CSR measures are consistent across the Group, while at the same time ensuring that each Group company in Japan and overseas remains able to fully express its characteristics.



Striving for CSR that Conforms with Global Standards

◆Promoting CSR Activities Based on Awareness of ISO 26000

In November 2010, the International Organization for Standardization (ISO) released ISO 26000, an international standard providing social responsibility guidelines that are recommended for adoption by a wide range of organizations worldwide. By carrying out CSR activities based on an awareness of the seven core themes for social responsibility included in ISO 26000, as is demonstrated by the 'Dentsu Group Code of Conduct', Dentsu aims to contribute to sustainable development.

◆Participation in the United Nations Global Compact

Dentsu joined the United Nations Global Compact in December 2009 and upholds its 10 principles on human rights, labor, environment, and anti-corruption.

▶What is the 'United Nations Global Compact' (<http://ungcn.org/>)

Along with the 'Dentsu Group Code of Conduct', Dentsu observes and practices the Global Compact principles as guidelines for its CSR activities. Dentsu also submits a 'CSR report' every year to the UN Global Compact and gives an annual activities report (Communication on Progress: COP) aimed at the realization of the 10 principles.



Network Japan
WE SUPPORT

◆Principal Measures in Fiscal 2013 vis-à-vis ISO 26000 and the UN Global Compact

Dentsu's principal measures in fiscal 2013 with regard to the seven core themes of ISO 26000, and the 10 principles of the United Nations Global Compact, are summarized below.

Global Compact 10 Principles	ISO 26000 seven core subjects and issues	Principal Measures	Pages
—	Organizational Governance	Compliance with the 'Dentsu Group Code of Conduct'	P11
		Dentsu's corporate governance structure	P21
		Proper operation of internal control systems (compliance with Financial Instruments and Exchange Law / Companies Act)	P22
		Implementation of robust risk management systems (review risk assessments →develop and implement response plans → monitoring)	P22
Human Rights (Principles 1, 2)	Human Rights	Appropriate and close communication with shareholders and investors	P23
		[Human rights education activities] Implementation of human rights awareness activities for employees (training programs by job requirements/ occupational field, Human Rights College, etc.), various human rights-related communication activities (human rights slogan competition, human rights poster production, etc.)	P25-28
Labor Standards (Principles 3-6)	Labor Practices	Introduction of harassment counseling contacts, the Harassment Counseling Section, creation of a guidebook, holding employee education/training programs	P28
		Promotion of work/life balance, development of employee health care systems, employees encouraged to take vacation entitlements	P30-31
		A workplace environment that fully utilizes employee talent (respect for diversity, systems to help employees balance child-rearing and work, etc.)	P32
Environment (Principles 7-9)	Environment	Promotion of employee development (conduct workshops, seminars and others)	P33
		[In-house activities related to the environment] Establishment of an environment policy, implementation of the 'Dentsu Group Eco Program', measures to fulfill our Eco-First Commitment, environmental awareness-raising activities, (Group Eco Awards, environmental slogan/ environmental poster production, Greenwash Guide, etc.), '30 Days of Green' environmental campaign overseas by DAN, and others	P17,35 37-39
Anti-corruption (Principle 10)	Fair Operating Practices	[Joint efforts with administrative and educational organizations for the environment] efforts for the 'Wood Use Points Program', cooperation for the 'Environmental Human Resources Program'	P36
		[Promotion of compliance systems at Dentsu and Dentsu Group companies] Fostering employee awareness of compliance issues through a 'compliance website', conducting compliance workshops, introducing and implementing an internal reporting and proposal system, 'Compliance Line'	P41
		Revision of the CSR Basic Purchasing Policy and Purchasing Guidelines in accordance with the formulation of the 'Dentsu Group Code of Conduct' continued operation of the partnership hotline	P42
		Respect for Laws and Regulations and Various Rights in Business Activities	P43
		Development of an Information Security Management System	P44
—	Consumer Issues	[Joint efforts with administrative agencies] Cooperation for the 'Japan Eco & Child Study', promotion of the 'Smart Life Project', involvement in the 'Food Action Nippon' campaign, and others	P46
		Analyses of consumer issues and proposals for operations at various labs (Dentsu Diversity Lab, etc.)	P47
—	Community Involvement and Development (Social Contribution)	[Support for recovery efforts related to the Great East Japan Earthquake and Tsunami] Administrative support for the 'Tohoku Rokkon (Six-Soul) Festival', tsunami evacuation program 'Kakeagare! Japan', various support programs for reconstruction in Fukushima Prefecture, participation in 'Michinoku Fukkou Jigyuu Partners', and others	P49-50
		[Various social contribution activities] Advertising Elementary School Program, China Advertising HR Development Project, various activities by DAN overseas (Volunteer Challenge, Media Good, Future Proof Award) and others	P17, 51-56



Dentsu Aegis Network

Dentsu Aegis Network

In March 2013, Dentsu completed the acquisition of Aegis Group plc of the UK and established Dentsu Aegis Network (DAN). DAN has communication business operations worldwide (124 countries and regions) centered on global network brands and has employees in charge of CSR promotion in each area.

DAN's CSR Approach

In March 2013, Dentsu completed the acquisition of Aegis Group plc of the UK and established Dentsu Aegis Network (DAN). DAN has communication business operations worldwide (124 countries and regions) centered on global network brands.

Based on the former Aegis Media's medium-term CSR strategy 'Future Proof', launched in 2010, DAN has set ambitious targets for 2015.

The five areas of action of 'Future Proof' and targets for 2015



Environment

Reduce the carbon footprint of our products and services by 20%.



Community

Increase our community investment to the equivalent of 1% of our people's time.



Market Place

Enable 90% of our people to understand what 'Future Proof' means in their day-to-day job



Work Place

Involve 90% of our people in creating the best place to work in the industry



Corporate Governance

Achieve a GRI A+ on our annual CSR reporting

The 'Future Proof' Delivery Model

As a part of 'Future Proof' DAN also developed a functional delivery model.

(1) Global social media campaigns that use social media to raise awareness amongst a digital and young audience

(2) Global programmes that leverage the power of digital to do good connecting our global network

(3) Global integration of 'Future Proof' into functional departments, such as Technology, HR, Finance and Comms, to embed CSR into day-to-day operations

(4) Engagement of 'Future Proof' champions to unlock locally meaningful action on the Future Proof agenda

Stakeholder Comments



Frank Krikhaar

Global CSR Manager
Dentsu Aegis Network

We have made serious efforts to promote 'Future Proof' these past four years. 'Future Proof' has now become recognized within the entire company and there is a high level of awareness on CSR issues in the entire Group network. I believe this is due to the efforts of the more than 200 passionate Future Proof Champions (CSR promotion committee members) who work in various regions and departments such as IT, human resources, communications, and client transactions.

Regardless of the size of the office, thanks to the accumulation of such efforts, I feel that we have become connected through CSR activities to become one. Going forward, I hope to continue utilizing our global networks to further spread CSR throughout our daily work.

DAN's CSR Activities

DAN conducts four global CSR campaigns and three global CSR programs each year.

The global campaigns use the company intranet and social media such as Facebook and Twitter to raise Group employees' awareness on CSR issues.

The global programs use technologies and methods such as widgets, applications, and gamification in order to encourage participation and proactive behavior by all people regardless of where they work.

◆ Global CSR Campaigns



● 30 Days of Green

30 Days of Green is an environmental campaign held over 30 days in accordance with Earth Hour in March and Earth Day in April. Various efforts related to themes such as energy, water resources, CO₂ and waste products take place in each region.



● Volunteer Challenge

The Volunteer Challenge is a campaign held from June to July to promote participation in volunteer work. The campaign supports activities such as reading to children, charity drives, and various community outreach programs.



● Media for Good

Media for Good is a campaign held from October to November to help charities all over the world deliver their messages. Using various media, the campaign explores effective methods of communication.



● Care & Share

Care & Share is an activity to recommend charities, held every year in December. Seasonal activities are held in each region for the Christmas and New Year season to aid organizations that require various kinds of support.

◆ Global CSR Programs



● iSAVE

iSave is an original in-house widget that allows employees to save energy at their desk when they take a break. It was introduced on a trial basis in Poland in 2013 and installed and test-operated by the office staff.



● Global Giving TIME

Global Giving TIME is online volunteering community site exclusively for DAN. It lists issues of charities which DAN employees can access to propose solutions and support the charities.



● Please Cycle

Please Cycle is an original in-house mobile application that encourages employees to cycle, jog, or walk to work. The commuting records reward users with various incentives such as coffee.

Cooperation with Each Functional Department

DAN makes continued efforts to conduct environmentally friendly business activities in cooperation with finance, IT, human resources, and other departments. In 2013, by introducing new capital investment standards, DAN realized offices in Amsterdam, Milan, Buenos Aires, and Singapore that are more environmentally friendly than ever before. IT departments contribute to creating more environmentally friendly offices by supporting the greening of server bases, launching a company-wide introduction of pull printing, and other measures. Additionally, purchasing and facilities departments introduced electric cars in Hamburg and Amsterdam and implemented other measures to contribute to the reduction of waste.

Human resources departments spread community activities as well as support training and capacity building. In 2013, human resources departments had key personnel participate in CSR activities and held a program to improve their leadership abilities. Additionally, a system was incorporated in which charitable donations increase in accordance with the increase in the response rate to the Global Check-in employee awareness survey conducted every year.

■ DAN's CSR-related Data for Fiscal 2013 (January to December 2013)

CO ₂ emissions (tons)			Community investment (British Pounds)			
Scope1	Scope2	Scope3	Cash Donations	Time Donations	In-kind Donations	Management Costs of CSR
812	25,543	26,491	3,277,853	4,293,422	12,093,004	477,719

〈Notes〉

【CO₂ emissions】Based on the calculation standards of WRI (World Resources Institute) GHG Protocol

Scope1: Volume of direct greenhouse gas emissions (fossil fuels, natural gas, etc.)

Scope2: Volume of indirect greenhouse gas emissions (electricity, etc.)

Scope3: Volume of indirect greenhouse gas emissions from the supply chain (business trips, commuting, etc.)

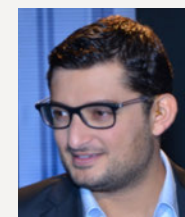
【Community investment】Based on the calculation standards of the London Benchmarking Group

In-kind Donations include placement fees for outdoor advertising boards, transport ads, etc.

Management costs of CSR refer to money paid in compensation to employees engaged in community investment-related work within DAN.



Stakeholder Comments



Antonio Chedrawy

Chief Financial Officer
(CFO)

Dentsu Aegis Network
Middle East & North Africa

Do you think that all a CFO thinks about are figures? Well, you are right! However, I engage in CSR with passion. This is because CSR provides a valuable contribution to the company's figures. Why? It is because CSR is something in which our clients and media partners are also actively involved. And when talking about figures, I came to the realization that CSR comes in handy to differentiate our company from competitors, express our set of values and our culture, and realize a living business management model. In other words, CSR has a tangible impact on the company's performance. In Dubai, we planted ghaf trees, an indigenous plant, in cooperation with a local NGO to support Adopt-a-Camp, which assists immigrant workers. When participating in such activities, I feel that I am being of use not only to our business, but to the world in which we live.

About the Future Proof Awards

The Future Proof Awards introduces the best practices in CSR activities within DAN and commends success stories and innovative projects once a year. In fiscal 2013, there were more than 100 entries from the entire Group. Here are two of the award winners.

For details, please visit the following website : www.futureproofawards.com



Best Community Activity

Support for Wesley Kindergarten (Budapest, Hungary)

Twenty volunteers regularly visit this school for children growing up in economically disadvantaged families. This community initiative goes beyond just helping the children. The company helps the families to tackle their living conditions through a long-standing partnership with the school.



Best Environment Activity

The Future of Mobility Initiative (Hamburg, Germany)

Aiming to reduce the environmental burden of commuting, a car sharing scheme was launched to which 100 people signed up. Additionally, it brought in an electric car, branded Future Proof, for employees to use to visit clients.



Stakeholder Comments

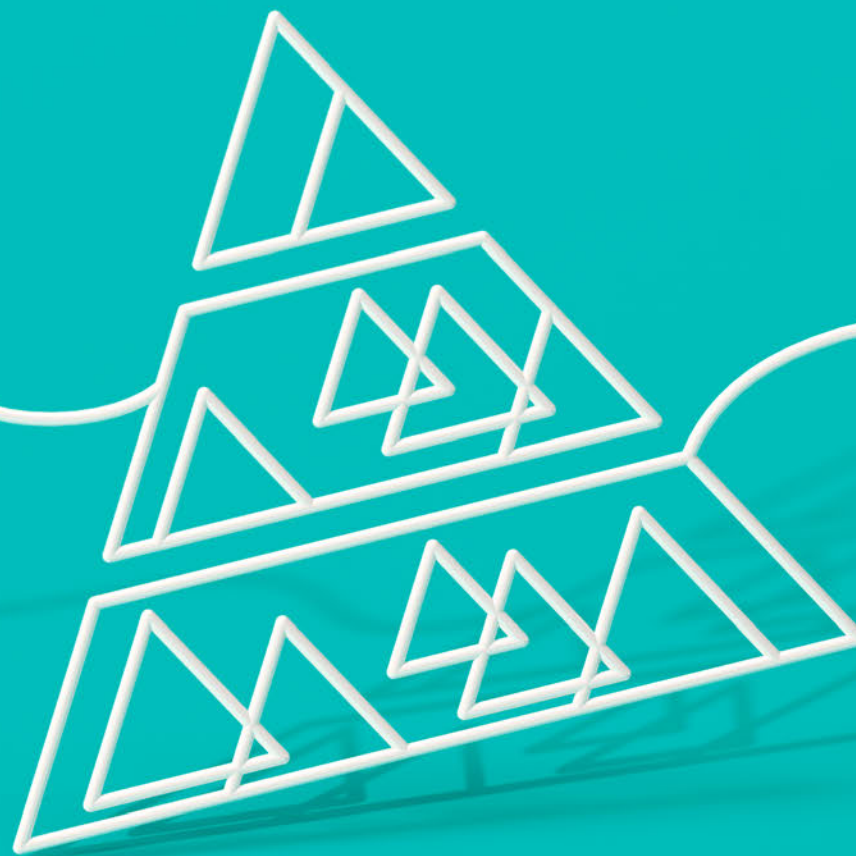


Sophie Turner

Account Director
PSI UK
(Posterscope Group)
Future Proof Awards
2013 Award winner
in the individual category

I wanted to spread CSR throughout all levels of the organization and explored programs that would motivate participation by individual employees and teams. I launched a reading program called Read to Succeed in order to improve children's literacy at local elementary schools. Additionally, I had new employees participate in an entrepreneurial project competition called Micro-Tyco. I believe that through Micro-Tyco, they grew into personnel who can generate true innovation and collaboration.

I myself feel that the range of work I can handle has expanded by taking the initiative in CSR activities and making new connections with people within the company. Additionally, I felt a great joy in seeing my team participating and working with passion in community initiatives.



I. Corporate Governance

We consider key issues of Dentsu's corporate governance to be development of a management structure that can respond swiftly to changes in the economic environment, a management control structure that covers our globally expanding scope of operations, and control and management functions that can employ those structures appropriately. Therefore, we strive to enhance our corporate governance in order to respond to the expectations of our stakeholders by improving corporate value.

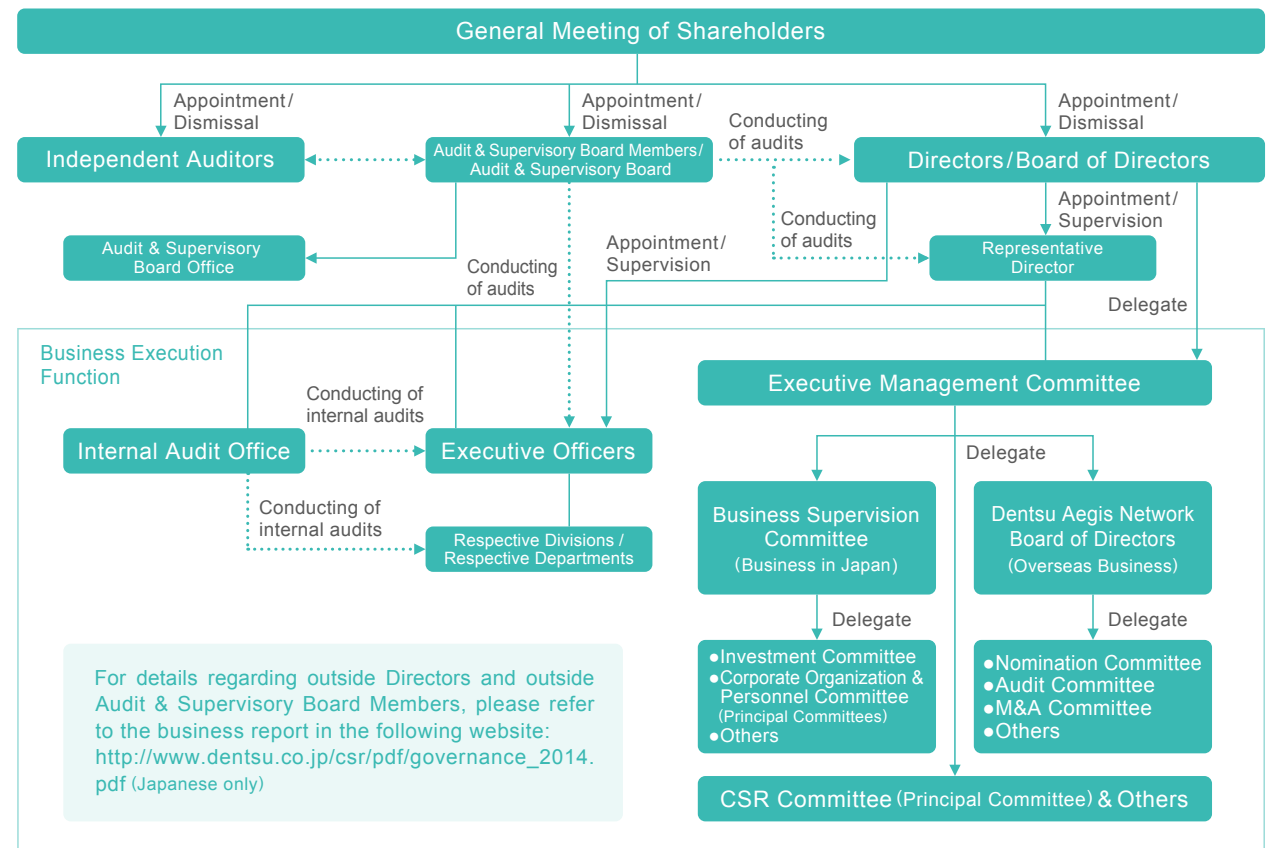


Dentsu's Corporate Governance Implementation Structure

Dentsu's ultimate decision-making body is the General Meeting of Shareholders, which appoints the Board of Directors and the Audit & Supervisory Board. Effectively directed and controlled through its system of corporate governance, the company has in place a system of checks that enables it to reach rapid business-related decisions. Dentsu appoints two of its twelve Directors and three of its five Audit & Supervisory Board Members from outside the company. Dentsu has introduced a Director and Executive Officer System to clarify roles and responsibilities and to reinforce the effectiveness of its management and operations systems. The Audit & Supervisory Board in principle meets once a month to determine policy, assign work, and check how the Directors have carried out their duties based on an audit plan. The Executive Management Committee is positioned under the Board of Directors, and serves to deliberate and make decisions on important matters relating to management. Two key committees have been set up, authorized by the Executive Management Committee to discuss and decide important operational matters not subject to Board of Directors resolution. These are the Business Supervision Committee, responsible for domestic business, and the Dentsu Aegis Network Board of Directors, responsible for overseas business. In addition, two principal

committees (Investment Committee and Corporate Organization & Personnel Committee) were established under the Business Supervision Committee, and various committees (Nomination Committee, Audit Committee, and others) were set up under the Dentsu Aegis Network Board of Directors.

The CSR Committee has been positioned as a principal committee comprising Directors and Executive Officers to deliberate on CSR-related matters for the entire Company under the authorization of the Executive Management Committee.





Dentsu Group Internal Control System

We believe that the Dentsu Group Internal Control System encourages compliance among Directors, Executive Officers, and employees, while supporting continuous corporate development as Dentsu meets its social responsibilities. The Company has established the Dentsu Group Code of Conduct to ensure that operations conform to laws and regulations and that business is conducted appropriately. The code also forms the basis of the internal control system. Based on the Dentsu Group Code of Conduct, the Company familiarizes all employees with the relevant business procedures through regulations, manuals, and training. Check items relating to risk management and compliance have been created, and inspections are carried out from various perspectives, discovering problems and working on improvements. In addition, a similar internal control structure is being deployed in Group companies in order to maintain and improve the corporate value of the entire Dentsu Group.

For details regarding Dentsu's internal control policy, please refer to the business report in the following website:
http://www.dentsu.co.jp/csr/pdf/governance_2014.pdf (Japanese only)

Risk Management

On the hypothesis that the Company faces diverse risks, Dentsu has created a structure to prevent the spread of damage and minimize impact in the event a risk is actualized. The CSR Committee has oversight over the structure. The risks faced by a business change according to the prevailing economic and social conditions. Each year, Dentsu reviews its hypothesis, specifies major risks with the potential for serious impact, and implements focused measures to counter these risks.

Major risks are managed by applying a plan-do-check-act (PDCA) cycle. Specific sections of this model for implementing change are responsible for managing risk; deciding on and implementing a response plan for risk mitigation; and putting together mid-year progress reports, year-end self-evaluations, and guidelines for the next fiscal year. The following are examples of major risks to which Dentsu responded in fiscal 2013.

Response to Major Risks (1)

Response to Global Risks

With the expansion of overseas operations in accordance with the acquisition of former Aegis Group plc, risk response on a global scale has become increasingly important. Dentsu established the Global Corporate Office and has been advancing swift organizational unification after the acquisition. At the same time, the Group has been making efforts toward ensuring governance at overseas Group companies, securing talented personnel overseas, executing mergers and acquisitions of overseas companies, and reducing global risks in compliance with overseas laws and regulations.

Response to Major Risks (2)

Continued Response to Large-Scale Disasters

Dentsu continues to develop measures in order to respond to large-scale disasters with a focus on earthquakes. Specifically, Dentsu has developed measures for refining how it deals with client companies in the initial stage after an earthquake and for securing the necessary infrastructure for operations. It has also developed a manual for those having difficulties in returning home. Additionally, the Tokyo Head Office has reinforced its disaster telephone and satellite-based mobile phone systems in order to secure a means of communication with the outside world in the event of an earthquake.



A satellite phone antenna installed on the roof of the Tokyo Head Office



Communication with Shareholders and Investors

Dentsu strives to conduct proactive IR activities for investors and swiftly deliver accurate information regarding its management situation and policies. In addition to holding earnings presentations twice a year, we aim for wide-ranging two-way communication with shareholders and investors through individual briefings for institutional investors and analysts in Japan and overseas.

Additionally, we have established an IR page on the Dentsu website.

Through the page, we strive to provide to investors in a timely manner information that is easy to understand. We also post non-financial information such as information on environmental, social, and governance activities.

● Basic Policy on Shareholder Return and Profit Allocation

Dentsu places return of profit to shareholders as one of our key policies.

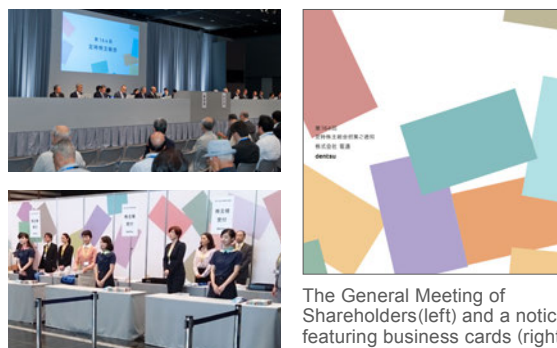
Dividends for each term are decided taking into consideration the necessary internal reserve for sustained investment in order to respond to changes, financial performance of the term in question, mid- to long-term performance outlooks, the situation of funds, and other factors. This is done while placing an emphasis on stability.

● General Meeting of Shareholders

At Dentsu's General Meeting of Shareholders, we make efforts to ensure that shareholders' voting rights are exercised smoothly. This is done through the prompt delivery of notices of General Meetings of Shareholders, introduction of voting through the Internet, and other measures.

At the 164th General Meeting of Shareholders, held on June 27, 2013, we introduced the new structure in accordance with the acquisition of former Aegis Group plc and Dentsu's various efforts by means such as a panel exhibition to publicize Dentsu's CSR activities and by playing a collection of commercials created by Dentsu at the meeting venue.

On the day of the meeting, 480 shareholders attended to hold deliberations. The voting results, including those of shareholders present at the General Meeting of Shareholders, were disclosed on the Dentsu website the following day.



The General Meeting of Shareholders (left) and a notice featuring business cards (right)

● Earnings Presentation

Dentsu places importance on its relationship with analysts and investors. We hold earnings presentations twice a year to explain our financial situation, general overview, and management policies. Additionally, the documents used at earnings presentations are posted on the Dentsu website and made widely available to general investors.

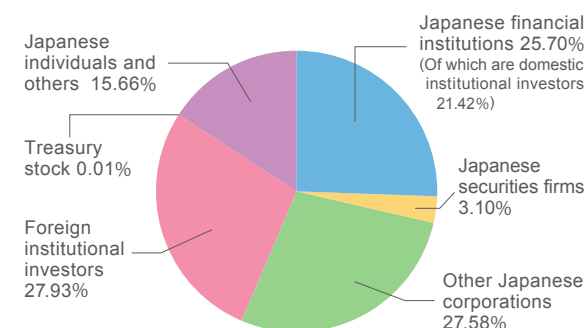
The May 2013 earnings presentation



For earnings presentation materials please visit: <http://www.dentsu.com/ir/data/setsumeikai/index.html>

● Composition of Shareholders

The total number of Dentsu shareholders is 40,795 as of the end of March 2014, and the percentage of total shares issued by type of shareholder is as follows.





II. Respect for Human Rights

The Dentsu Group aspires to enrich its advertising and business communications activities from a human rights perspective. It regularly conducts Group-wide employee training programs designed to provide employees with a sound understanding of human rights that they can then apply to their work. We at Dentsu also consider that the thorough prevention of harassment and protection of employees' human rights are important themes to address to ensure employees can fully exercise their capabilities.



Proactive Human Rights Awareness Activities through Training Programs, etc.

The Dentsu Group runs various human rights awareness training programs in a systematic manner from programs based on the job requirements of new employees, mid-level employees, mid-career hires, contract employees, and newly appointed managers to those held according to occupational fields such as Account Management Divisions and Creative Divisions and training programs held at respective Dentsu Group companies as well as the Dentsu Group human rights education conference held twice a year for those responsible for human rights education at Dentsu and human rights education managers at Group companies.

Original textbooks with basic information on human rights and an explanation on their relationship to advertising expression are distributed to employees when they join the Company aiming to encourage understanding of the Dentsu Group's human rights awareness activities to date.

Additionally, in order to pay due consideration to human rights in advertising work, the Human Rights College, a site that collects past examples of advertising expressions related to human rights, is posted on the Company's intranet. By enabling employees to learn online at any time and increase their knowledge, Dentsu aims to pursue and realize better advertising communication.

Furthermore, to boost employee awareness, a human rights newsletter containing timely

human rights-related topics is distributed within the Group twice a month.

The Group also opened consulting contacts related to advertising expression and human rights in order to maintain the appropriateness of expressions communicated to the world and respond to inquiries from within the Group. Dentsu is also involved in human rights seminars and other events held by the Japan Advertising Agencies Association (JAAA), and works on human rights education throughout the advertising industry.

■ Training Program Contents (Examples)

Advertising Work and Human Rights For Better Communication

- I. The Dentsu Group's Human Rights Awareness Activities
 - What are human rights?
 - Why is a human rights perspective needed in advertising?
 - The Dentsu Group's Basic Policy on human rights awareness
 - The Dentsu Group Code of Conduct based on ISO 26000
 - Social media and human rights
- II. To Not Infringe on Human Rights in Advertising Work
 - Discrimination based on ancestral background
 - The context of gender equality
 - Are you considerate of those with disabilities?
 - Are you considerate of foreign citizens living in Japan?
 - Are race and nationality being expressed appropriately?
 - Points to remember when using religious motifs or words of religious origins in advertising expressions
 - The role expected of media communications

■ Human Rights Newsletter Titles (Examples)

Human Rights Newsletter Titles (Examples)

- 2020 Tokyo Paralympic Games, social reforms aiming for the "best Games"
- The Japanese Government ratifies the Convention on the Rights of Persons with Disabilities
- Various efforts targeting the increasing number of foreign visitors to Japan
- Passing down "proof of life" to future generations, leprosy sanatoriums today



Human Rights College site top page



Human Rights Slogans and Posters

Since 1988, the Dentsu Group has been holding an annual competition for human rights slogans for Group employees and their families. The term “slogan” is used, but the entries are usually freestyle short messages such as ad copies rather than mottoes. These represent the whole gamut, from the humorous and insightful, to pithy, simple statements of complex human rights themes. It is an in-house initiative that is unique to Dentsu. In fiscal 2013, there were a total of 9,866 entries (8,723 entries in the employee category and 1,143 entries in the family category).

The best slogans are incorporated into human rights posters produced by Dentsu art directors. It is an initiative attempting to make human rights more relatable by expressing them through a combination of copy (words), main visuals, and designs, in other words, ad creative techniques.

Advertising communications convey information through expressions that are easy for everyone to understand and memorable. Is there any way to use the techniques of “communication” cultivated through advertising to highlight human rights? Is there a way to “advertise human rights”? That was the original reason for engaging in human rights poster production.

Up to fiscal 2013, we have produced a total of 115 posters. While it started as an in-house initiative, now local government bodies and corporations make requests for their use

and the posters are used for human rights-related events across Japan.

Dentsu aims to contribute to the firm establishment of human rights in society through a repeated cycle of producing human rights slogans and posters → people see the posters → people talk about what they felt from seeing the posters.

■Number of Human Rights Slogan Entries

	FY2011	FY2012	FY2013
Employee category	8,219	7,310	8,723
Family category	1,179	1,120	1,143
Total	9,398	8,430	9,866

◆Dentsu Human Rights Posters Produced in 2013 (The 26th Program)



Even if I walk a little slower than others, even if I take a little more time to think than others, even if it takes me a little more time than others, please don't give up on me before I do. [Theme] For the rights of those with disabilities [Underlying message] It cannot be helped that things take more time for me compared to able-bodied persons. However, I “do it” because I know I “can do it,” so please don't give up on me and think “you can't” before I do.



Making a country foreigners would want to visit. That's globalization too.

[Theme] To eliminate discrimination against foreign citizens living in Japan. [Underlying message] To propose a new set of values for globalization.



Husband and wife, husband and husband, wife and wife. Why can't there be different kinds of couples?

[Theme] For the rights of sexual minorities [Underlying message] I think it is important to create a place where people can be with the person they love regardless of gender.

To see human rights posters from past years please visit : <http://www.dentsu.com/csr/human/poster.html>



Human Rights Art Project

The Human Rights Art Project has transformed the Dentsu Group's previous human rights poster production activities into a more open activity involving a broader sphere of society. Students at art universities collaborate in the production of posters by providing designs to accompany the human rights slogans reworked by the Dentsu Group.

The collaboration began with Joshibi University of Art and Design in fiscal 2007 and with each passing year the number of participating schools has increased. Currently, we collaborate with Joshibi University of Art and Design, Musashino Art University, Tokyo University of the Arts, and Kyoto University of Art and Design. In fiscal 2013, 74 students worked with Dentsu creatives from the initial idea stage through several review and draft cycles to produce the finished posters. To date some 670 students have participated in the project.

For art universities, this project offers a place to foster human rights awareness while creating artwork as well as an opportunity to explore what art can accomplish in society. Students consider human rights and pursue expressions that allow them to communicate what they feel from their own perspectives. For Dentsu, it is an initiative that enables it to contribute to the social issue of human rights awareness using the communications skills honed through advertising work. Aiming to attract more attention from the general

public and foster greater interaction among participating universities, we opened a Digital Gallery on our website.

■ Number of Students Participating in the Human Rights Art Project

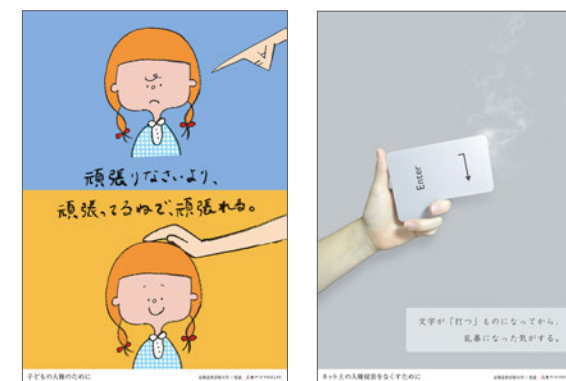
FY2011	FY2012	FY2013
121	103	74



Digital Gallery site

To view the Digital Gallery, please visit:
<http://www.jinkenart.jp/> (Japanese Only)

◆ Human Rights Posters Produced in fiscal 2013





Stakeholder Comments



Yuki Yamashita, junior, Department of Information Design,
Faculty of Art and Design, Kyoto University of Art and Design

I participated in the Human Rights Art Project thinking that it was a precious opportunity to receive direct instruction from people at Dentsu, who work at the forefront of society. I was given piece after piece of advice saying “how about something like this?” when I submitted a draft on theme of discrimination against sexual minorities. The manner and speed with which they switched their point of view surprised me very much. What I learned as I engaged further in the production of the artwork was that whether the message was conveyed was more important than the visual or design aspects. In particular, because of the theme of human rights, I made an effort to produce a visual piece that would convey the message accurately to those who saw it. By participating in this project, I think I gained my own awareness of the issue of discrimination against sexual minorities.



Yoshiaki Kaji,
Professor, Department of Arts Policy and Management, Musashino Art University

In the spring of 2008, a Musashino Art University graduate working at Dentsu proposed a class on the theme of human rights through industry-academia collaboration. It was a project that fit our department's policy of creating a relationship between society and people and the class was launched for students in the Department of Arts Policy and Management. The students strongly felt that learning about human rights was actually an important element that they should learn about even before learning about design expressions. Unlike advertisements for products or events, human rights slogans are not something that we can convey simply by shouting them out loud. By designing posters with well-considered ideas that penetrate the hearts of those who see them, the students experienced how they can generate a strong sense of relatability in people who see them without shouting it out loud. The kind guidance of the Dentsu creatives provides insight into the possibility of expression, while at the same time, heightens and fosters students' perspective on society.

Anti-harassment Activities

At Dentsu, separate from the internal reporting and proposal system Compliance Line put in place in fiscal 2012 in order to prevent in-house actions that violate laws, etc, the contacts for harassment-related issues were centralized at the Harassment Counseling Section.

The Harassment Counseling Section has contact points at Dentsu branches as well as outside the Company, and it provides consultation to achieve and maintain employees' respect for human rights as well as a safe and civilized working environment. Consultation is given for various harassment issues, in-house human relationships, breaches of manners, troublesome behavior, and more. Additionally, the Harassment Counseling Section coordinates with harassment contacts at each Dentsu Group company to prevent harassment throughout the entire Group. Moreover, holding a harassment prevention caravan at Dentsu Head Office and branch offices, implementing employee awareness activities to prevent power harassment and sexual harassment, issuing the *STOP! HARASSMENT* educational guidebook, holding training sessions for those requiring them, posting on Company bulletin boards, and utilizing employees to promote awareness of CSR at each Company department serve to call attention to issues and thus help prevent them from occurring.

In fiscal 2013, there were 50 consultations at the Harassment Counseling Section (FY 2012: 47 consultations, FY 2011: 43 consultations, FY 2010: 53 consultations), which were individually handled to make improvements to the working environment.



III. Ensuring a Safe and Civilized Working Environment

Maximizing all of our employees' capabilities and putting them into action is essential to realizing a sustainable society. At Dentsu, where we consider people to be our greatest asset, we believe that the development of an environment where employees can maintain high morale and motivation and can take on their work enthusiastically is an extremely important agenda. To this end, Dentsu implements detailed measures from the perspective of developing capabilities, work/life balance, and a structure for managing health and safety.



Promotion of 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 (WLB) program therefore is to generate synergy between the two.

The most important factor in creating a work-friendly environment is health management, particularly in relation to the issue of long working hours. Dentsu has established a special in-house Human Relations Management Department, which is developing and implementing programs to reduce overtime working hours and to make it easier for employees to take holidays. In addition, a Career Design & Work/Life Balance Section has been set up to assist employees in balancing their working and personal lives, and the experience gained by this section is then applied to the improvement of the Company's working environment.

Joint WLB conferences are also held when needed with the labor union to discuss current issues affecting employees.

In October 2007, Dentsu received Kurumin (next generation support certification mark) certification. The Company continues to encourage employees to take holidays and is strengthening its work/life balance support system under the auspices of the Third Dentsu Action Plan. To date, the Company has conducted two WLB campaigns, and it will continue to nurture the development of a corporate culture that is supportive of the needs of employees.

Employee Health Care Systems

Dentsu strives to provide employees with advanced healthcare management, from preventive measures to return-to-work support, so that staff members can enjoy good mental and physical health. Dentsu also conducts periodic health screenings of all employees and actively urges those who haven't participated in health screenings. In addition to the regular health screenings, the Company also provides for employees who are over 30 years of age examinations for lifestyle-related diseases, including cancer testing. Moreover, helical CT scans are provided for employees 45 years of age and older.

In recent years, the Company has been enhancing measures for mental health, which is an essential health management agenda, and it has held mandatory training on that subject for managers since fiscal 2009. In cooperation with industry-specialized physicians, public health nurses and other medical staff members, Dentsu also provides support for employees returning to work following long periods of convalescence. The return-to-work support system is designed to ensure that excessive pressure is not placed on returning employees and that their illness will not recur.

■ Employees' Health Check-up Rate

	FY 2011	FY 2012	FY 2013
Total	99.0%	99.1%	99.2%

Stakeholder Comments



With members of the project to promote women's active participation (center)

Yukiko Oi, Human Resources Division, Dentsu Inc.

In recent years, many companies have been undertaking various efforts to promote women's active participation due to the link between the utilization of women and the growth of a company. At Dentsu, there is no gap between men and women in evaluations, treatment, or promotion opportunities, and there are also many types of work in which women's perspectives are used to advantage. So there are many female employees who participate actively in their respective fields of expertise. On the other hand, it is also true that women have fixed period or time constraints due to child-bearing and child-rearing. Therefore, a company-wide project to promote women's active participation was launched and the timing of development training programs and duration of various training programs are being reviewed.



Employees Encouraged to Take Vacation Entitlements

It is crucial that employees are able to refresh themselves through vacation. Doing so helps fuel their ability to approach each new task with vigor, apply their strengths to achieve outstanding results, and generate new ideas.

Dentsu provides various vacation and leave systems for employees, who are encouraged to take their full vacation entitlements. In addition to regular annual paid vacation, the Company each year grants employees two consecutive days off that can be used to take vacations of five or more days by combining them with Saturdays, Sundays, national holidays, annual paid vacation, and compensatory days off. In April 2010, Dentsu introduced a system to take annual paid vacation in hour increments, enabling a flexible way of working. The Company has also created a system whereby “culture leave” is granted separately to employees who are invited to compete in skiing, American football, and other sports events at national or international levels.

To create a workplace environment in which it is easy to take vacations, a ‘WLB planning chart’ is posted each quarter at all workplaces so that information on vacation schedules can be shared among employees.

■Average Number of Paid Vacation Days Taken

	FY 2011	FY 2012	FY 2013
Male	9.6	9.7	9.2
Female	13.1	12.9	13.1
Total	10.5	10.6	10.3
Leave Taken	52.5%	53.0%	51.5%

■Annual Paid Vacation in Hour Increments Taken

	FY 2011	FY 2012	FY 2013
Total Hours Taken	36,094	42,994	45,005
Total Number of People Taking Leave	13,632	16,161	17,111

■Holiday System Summary

	Type of Vacation	Number of Days
Paid	Annual paid vacation days	Three or more years of service: 20 days More than one but less than three years of service: 15 days Less than one year of service: 11 days
	Special consecutive vacation days	2 days each fiscal year
	Accumulated vacation days	Up to 120 days can be accumulated of unused annual paid vacation days that cannot be carried over. They can be taken under the following circumstances. 1) Non-work related accidents and sick leave (when taken for 7 or more consecutive days) 2) Family nursing care leave - After family nursing care leave is taken (up to 15 days per year) 3) Community service leave (up to 5 days per year)
	Marriage leave	7 consecutive days, including non-work days
	Maternity leave	Within 6 weeks before due date, and 8 weeks after birth
	Paternity leave for birth	In principle, day of birth and the next day
	Mourning leave	1) Death of spouse, parent or child: 7 days 2) Death of sibling or spouse's parent: 5 days 3) Death of grandparent or grandchild: 3 days
	Culture leave	Number of days approved
	Disaster leave	Number of days approved
	Relocation leave	1) Appointment to job at different location: up to 7 days 2) To bring family after transfer: number of days for round trip + 2 days
	Long-service leave	10 days within 2 years after receipt of 20-year service award
	Menstrual leave	Necessary number of days (but with a maximum of 2 days paid holidays)
	Family nursing care leave	5 days
Unpaid	Jury-duty leave	Necessary number of days
	Union leave	Number of days specified by labor-management agreement
	Preschool child nursing care leave	10 days
	Family care leave	10 days
	Maternal care leave	Necessary number of days



A Workplace Environment that Fully Utilizes Employee Talent

For Dentsu—a company whose sales-point is its ideas in the field of communication—human resources are recognized as the Group’s greatest asset. Hence, Dentsu is introducing a personnel system to enable the creation of a workplace environment in which the diverse potential of its employees can flourish.

<Respecting Diversity>

At Dentsu, there is a diverse range of jobs. There are many workplaces in which the perspectives and characteristics of female employees can be used to the best advantage, allowing them to engage in their work vigorously. In fiscal 2013, a project to promote women’s active participation was also launched.

As part of its efforts to promote the employment of people with disabilities, the Company established Dentsu Solari, a wholly-owned Group company in April 2013, which was designated as a special-purpose subsidiary in November. The rate of employment of people with disabilities at three Group-certified companies (Dentsu, Dentsu Works, and Dentsu Solari) is 1.79% (as of June 2014). At Dentsu as well, there are many employees who are active in account management, creative, and other departments. Along with Dentsu Solari, we are making active efforts to further expand employment opportunities for people with disabilities and have a higher percentage of employees with disabilities than the legally mandated level.

<Work/Life Balance Support System>

Dentsu has established childcare leave, modified working hours for employees raising young children, and other systems in compliance with the revised Childcare and Nursing Care Act (the Act on the Welfare of Workers Who Take Care of Children or Other Family Members, Including Child Care and Family Care Leave). It has also established a consultation office to support work/life balance.

■ Number of Employees by Age and Gender (Mar. 31, 2014)

	Male	Female	Total
Under 30 yrs	1,800	882	2,682
30–39	871	664	1,535
40–49	1,449	324	1,773
50–59	1,034	256	1,290
60 and over	114	31	145
Total	5,268	2,157	7,425
Average age	40.9	36.1	39.6
Average Length of service (yrs)	15.5	9.8	13.9

■ Employees Taking Childcare Leave, Reinstatement Ratio

	FY 2011	FY 2012	FY 2013
Male	7	9	11
Female	54	51	56
Total	61	60	67
Reinstatement ratio	95.1%	96.7%	97.0%

■ Post-retirement Employees

	FY 2011	FY 2012	FY 2013
Male	34	21	22
Female	7	7	10
Total	41	28	32

<Post-retirement Reemployment>

Employees who have reached mandatory retirement age but wish to continue working and meet the recruitment standards may be reemployed as ‘senior employees,’ until they are 65 years old. They can use their experience in a supportive role as well as to help train younger staff members.

■ Employee Composition (Mar. 31, 2014)

	Male	Female	Total
Executive officers, others	35	0	35
Management staff	1,621	136	1,757
Non-management staff	2,933	1,065	3,998
Contract employees	283	302	585
Clerical staff	6	538	544
Partners	83	29	112
Part-timers, others	18	15	33
Seconded from other entities	289	72	361
Total	5,268	2,157	7,425

Note 1: Executive officers, others: includes senior corporate advisors, special advisors, and executive officers

Note 2: Part-timers, others: includes permanent part-timers, non-permanent part-timers, and trainees from overseas

■ Number of New Graduates Hired

	FY 2012	FY 2013	FY 2014
Male	132	93	91
Female	60	43	44
Total	192	136	135
Female component	31.3%	31.6%	32.6%



Promotion of Employees' Capabilities

Dentsu's human resources development and training system can be broadly divided into the following three stages.

1. Training to acquire the basic knowledge necessary for working at Dentsu and to foster solution (problem-solving) capabilities for the new employees
2. Training to foster solution capabilities and expertise so that employees can play central roles in their business units after their several years at Dentsu
3. Training to foster leadership and facilitate the acquisition of managerial knowledge in more senior employees

Based on these training objectives, Dentsu conducts a variety of human resource development programs such as for digital skills and global skills (foreign language ability, cross-cultural communication, and others). New School is a high-level director personnel development program launched in 2011. Through a repeated cycle of assignments and feedback, the program, which is taught by top-level lecturers within Dentsu, a "model" of direction is passed down. Additionally because accurate and sophisticated direction capabilities are needed in new areas other than advertising as well, sessions taught by external lecturers active in various fields such as art, technology, and curation are incorporated.

Confirmation of Employee Safety in Emergency Situations

From the standpoint of our obligation to ensure safety, and based on our business continuity plan (BCP), Dentsu has a rapidly deployable system in place for emergency situations. The system allows confirmation domestically and overseas of employee survival, degree of injury, and ability to establish contact.

Emergency situations in this context are those that affect Dentsu Group locations in Japan and overseas. They include disasters such as earthquakes, storm damage, and fires, as well as various other conceivable situations such as air and rail accidents, outbreak of infectious disease, and terrorist incidents.

Our system to confirm employee safety utilizes a departmentally organized contact list together with a dedicated system for the instantaneous company-wide broadcast of confirmed information. Contact points (email addresses and telephone numbers) in Japan are registered in this dedicated system in advance, allowing rapid response, and it also collects information from responses about safety status. In fiscal 2013, a safety confirmation test was held in October.

Confirmed results are immediately reported to management through the department in charge, response desks are established for the continuation of operations, and appropriate activities are commenced with respect to the emergency situation at hand.

Stakeholder Comments



Kazuhide Adachi,
Creative Planning Division
4, Dentsu Inc.

The first preliminary New School assignment arrived on March 14, 2013. I felt dizzy and nauseous at the heavy workload and its level of difficulty and I braced myself for a demanding year. A training program to foster world-class top-level creative directors (CD) with diverse and high-degree of expertise. The lecturers gathered from inside and outside the Company were top-ranking individuals in business design, public relations, and other areas necessary for creative directors going forward. It was a year in which I spent flexing muscles I usually do not use. You would think I would be glad to be released from the muscle aches after graduating, but it is actually the opposite. From now on, I have to do weight-training on my own in order to become a CD who can fight on the world stage. The truly hard part is just starting. I was fortunate to be able to receive high quality input that was forced on me for a year. It fills me with horror to think what might have happened if I hadn't participated in this program.



IV. Environmental Protection

Dentsu considers environmental issues a key CSR issue and established the Environmental Strategy Council, chaired by the President & CEO. The environmental management system Dentsu Eco Program sets out an environmental policy and environmental targets to advance company-wide efforts for environmental protection. These efforts have been recognized and Dentsu was certified as an Eco-First Company by the Ministry of the Environment. Dentsu will continue to advance environmental protection activities not only through internal activities, but also through efforts in cooperation with our stakeholders and the implementation of environmental communications, in order to contribute to the realization of a sustainable society.



Structures for Environmental Activities

● Company-wide Efforts

Dentsu strengthened its arrangement for implementing environment-related measures with the establishment in July 2008 of the Environmental Strategy Council, chaired by the President & CEO, to promote environmental strategy as a corporate group. Additionally, the CSR Committee, one of the Company's principal committees, designated environmental managers to advance Group-wide efforts for the environment. CSR promotion committee members and eco committee members advance environmental activities at respective Dentsu divisions

(offices). At each Group company, board members in charge of the Eco Program, environmental managers, supervisors, and promotion committee members are appointed to advance environmental activities.

● Adoption of the Dentsu Group Eco Program

In January 2005, we adopted the Dentsu Group Eco Program(ongoing), and in May 2005 we acquired ISO 14001 certification. Integrated Group certification that included domestic subsidiaries was acquired in June 2006. Dentsu and 16 Group companies held this certification as of March 31, 2014.

● Environmental Policy

The Dentsu Group shall correctly assess and recognize the impact its business activities have on the environment and promote activities for reducing its environmental burden. It will also develop communication services with consideration to the environment and work to propose those while contributing to environmental improvement through various activities.

<Environmental Management Activities>

1. Build an environmental management system, make efforts to prevent pollution, and constantly work to make improvements.
2. Adhere to environmental laws and regulations and other relevant matters.
3. Set environmental objectives and promotion targets, and review as appropriate.

<Environmental Communication Activities>

4. Promote activities to employees, business partners, and consumers to raise recognition of environmental issues.

<Environmental Improvement Activities>

5. Promote energy conservation activities to prevent global warming.
6. Promote resource conservation while furthering recycling and the like to reduce waste.

● Environmental Objectives

1. Promotion of activities to employees, business partners, and consumers to raise recognition of environmental issues.
2. Promotion of energy conservation activities to prevent global warming.
3. Promotion of resource conservation while furthering of recycling and the like to reduce waste.

● Eco-First Commitment (Revised)

Dentsu presented a revised Eco-First Commitment to the Minister of the Environment in March 2012, citing the following three points as focus areas.

1. We will actively promote environmental communications, thereby spreading the environmental message to the public.
2. We will support next-generation environmental communications and the environmental efforts of our employees.
3. We will promote further advancements in 'green' office buildings.

The revised Eco-First Commitment promises that Dentsu will reduce CO₂ emissions at the Dentsu Head Office Building by 21% of the fiscal 2003–2004 average and improve the waste recycling rate to 90% by fiscal 2015. The Company achieved a CO₂ emissions reduction of 24.1% in fiscal 2013 and a recycling rate of 90.8%, reaching our targets before the deadline. Additionally, transformation of Caretta Shiodome, a commercial facility at the Head Office Building, into an eco shopping mall was promoted. Renovations were made for energy-saving facilities, and green energy was used at events held in fiscal 2012.



Promotion of Environmental Communication

● Efforts for the Wood Use Points Program

Dentsu has been involved in designing the system for the Wood Use Points Program for the promotion of the use of local wood since April 2013 as well as been responsible for the administrative operation of the program's secretariat. This is an essential project for achieving the 50% wood self-sufficiency rate (currently under 30%) target set out by the Forestry Agency. The program grants points for the purchase of wooden houses that fulfill certain criteria (the number of applications in fiscal 2013 was 36,972 cases) as well stimulates demand for lumber by highlighting the significance and effectiveness of using wood to consumers, contributing to an increase in the construction of eligible wooden houses and rise in the price of wood. Such activities help vitalize local economies as well as contribute to the forest preservation cycle of 'fell→use→plant trees'. Going forward, we will continue to develop communication activities that are closely linked to relevant local organizations and media aiming to further expand the usage of local wood.



Leaflet explaining the point system



● Cooperation for the Environmental Leadership Program

Dentsu co-sponsors lectures for the Environmental Marketing Seminar held annually since fiscal 2010 at Sophia University Graduate School, the central institution for the Environment Ministry's Environmental Leadership Program. In fiscal 2013, lectures for students in the field of global environment studies featured how to attract the interest of businesses in environmental issues.

Ten Dentsu employees (of which two were alumni) knowledgeable in the area of environmental business conducted lectures to introduce case studies on themes relevant to today's situation and six creative workshops to formulate and present promotion plans for the resolution of social issues. The program was met with high acclaim by the graduate school.

Participating students gave comments such as "I learned how to gain new marketing viewpoints and the connection between society and the environment" and "the theme was different each time and the lecturers made the lectures interesting so I didn't get bored."

[Principal Lectures]

Trends in environmental advertising and example of greenwashing / Promotion of environmentally-friendly events / Overview of smart business / Social consulting case studies and others



Students making presentations

Stakeholder Comments



Masazumi Horiguchi,
Chief Consultant,
AMITA Corporation

Proactive environmental protection activities are an important theme for companies that do not have production departments such as factories.

However, because there is no "manual" for such activities, each individual employee must always be aware of environmental protection and make efforts to incorporate an environmental viewpoint into their work. Dentsu undertakes many environment-themed efforts and, it seems that it has become established that the "environment" is effective.

As the next step, the ideal situation would be for all employees to be environmentally aware in their work without even thinking about it. For example, separating waste is an effective method of environmental protection. Calculating the recycling rate by building and providing assistance to places with poor performance is an understated but highly commendable activity. I expect that such activities will result in the further vitalization of proactive environmental protection activities in Dentsu's core business.



Raising Environmental Awareness

●Dentsu Group Eco Prize

Dentsu established the Dentsu Group Eco Prize in 2009 as one of its programs to improve environmental communications, and it is awarded every year. By recognizing excellence in the area of environmental activities, the prize is intended to bolster environmental communications across the Dentsu Group and enhance the sharing and accumulation of expertise and knowledge.

There are two types of prize : Category A for educational and awareness activities within the Group and Category B for activities that target activities in operations. In 2013, Dentsu received 24 applications in Category A and 26 applications in Category B. The Eco Prize winners were selected from both categories.



The awards ceremony

●Awareness-Raising Using Handbooks

Dentsu creates handbooks as part of its awareness-raising activities for employee and uses them for new employee training, etc. The term 'greenwash' is used in reference to labels and advertising that use unsubstantiated information or partial data to give the impression that products or corporate activities are more environment friendly than they actually are. This practice is under scrutiny by corporations and NPOs. Dentsu uses the Greenwash Guide in order to eliminate the risk of greenwashing in advertising communications and enhance employee knowledge. Dentsu defines a 'green event' as an event that is an environment-friendly one, and the Green Event Guide is used for organizing such events. The guide describes how to organize such events from the viewpoint of a PDCA cycle, in line with the flow of event management, from the planning stage to implementation and post-event evaluation. It also includes case studies that are useful in putting these instructions into practice.



Greenwash Guide



Green Event Guide

●Helping Employees Acquire Eco Test Certification

Dentsu actively encourages its employees to take the Certification Test for Environmental Specialists(Eco Test), sponsored by the Tokyo Chamber of Commerce and Industry, and has done so since the test was the first offered in 2006. The goal is to nurture, with a broad range of environmental knowledge, those employees who will play a leading role in addressing environmental issues. Employees who acquire the certification are appointed as eco officers to promote Dentsu's environmental activities, and they also carry out such roles as inspectors for internal environmental audits and judges for environmental slogans. A total of 720 employees had acquired the certification as of the end of March 2014.

■Number of Employees with Eco Test Certification

	FY 2011	FY 2012	FY 2013
Total	90	90	100

●Participation in the Shiodome Environment Society

In Tokyo's Shiodome district where Dentsu's Head Office is located, the Shiodome Environment Society was launched in 2009. In fiscal 2013, member companies exchanged opinions on CSR activities with a focus on environmental efforts as well as took tours of member company offices.



Raising Environmental Awareness

●Environment-related Slogans and Posters

To fully utilize its communication resources, in 2005 Dentsu began inviting Dentsu and domestic Dentsu Group employees and their families to submit environmental slogans. In 2013, there were a total of 8,230 entries in both the employee and family categories. The winning entries are used in posters designed by Dentsu art directors, thereby helping to raise environmental awareness among employees.

■Number of Environmental Slogan Entries (Dentsu and Domestic Dentsu Group Companies)

	FY 2011	FY 2012	FY 2013
Employee category	6,561	5,740	7,134
Family category	1,356	1,169	1,096
Total	7,917	6,909	8,230

●Head Office Eco Tours

Dentsu conducts eco tours of its Head Office Building. In cooperation with Group companies, the tour participants can view such green facilities as the machine room and garbage room in the Head Office basement, as well as the solar and wind power generation systems and the disaster prevention center on the first floor. The tours include a look at the meticulous separation of trash conducted in the garbage room; the energy conservation and water recycling systems installed in the machine room; and lectures on the innovative ways in which room temperature is controlled in the building.

Applications for these visits, conducted every year, invariably exceed available places, reflecting the keen awareness of environmental issues among employees.

◆Dentsu Environmental Posters Produced in fiscal 2013



Crane "Don't toss garbage."
Turtle "You can still use this."



Haven't you accumulated
food mileage points?



We have a holding box
next to the garbage box.



Eco Tour



Reducing CO2 Emissions

● Energy-saving at Office Buildings

The Dentsu Head Office Building in Tokyo's Shiodome district is replete with cutting-edge equipment chosen to fit the concepts 'built to last a century,' 'harmony with the global environment,' and 'energy efficiency.' The building incorporates more than 30 energy efficiency-related systems.

[Principal Facilities]

Wind turbines and solar-power panels / LED lighting / air-flow windows / cogeneration system / water recycling system / green space development / improved air conditioning control system program / insulating jackets for cold water plate heat exchangers / waste water recycling systems

● Raising Recycling Rates through Trash Separation

In an effort to raise recycling rates through more careful separation of trash, Dentsu has placed garbage collection centers, called 'eco counters,' on each floor of its office building, and it is working to raise awareness by posting rules regarding trash separation and a recycling chart.

Trash generated in the office is placed in bins separately colored for recyclables, non-recyclables, and hazardous materials (batteries, box cutter blades and others). Detailed rules are posted regarding disposal methods. As a result of these measures, the recycling rate for fiscal 2013 was 90.8%.

● Dentsu's Environmental Performance Trends

*Calculation of Environmental Performance Data

Common Criteria

■ **Floor area** is based on the entire floor space occupied by Dentsu Inc. (Tokyo Head Office, Kansai Branch Office, and Chubu Branch Office), a total of 257,152 m².

Location-specific Criteria

■ CO2 emissions:

For the Tokyo Head Office, the coefficient specified under the Tokyo Metropolitan Ordinance is applied, while for the Kansai Branch Office and Chubu Branch Office, the

coefficient specified under the Act on the Rational Use of Energy (Energy Saving Act) is applied.

■ Waste:

The volume of waste generated (in kg) is the sum of general waste and industrial waste (including waste oil, waste plastic).

■ Water resource usage:

The volume of water resources used is the sum of municipal water and gray water at the Tokyo Head Office, and the municipal water used at the Kansai Branch Office and Chubu Branch Office.

■ CO2 emissions

	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014 (Forecast)
CO2 emissions (tons)	21,242	21,174	19,358	19,259	19,855	19,656
CO2 emissions per m ² of floor space	0.082	0.082	0.075	0.074	0.077	0.076

■ Amount of waste

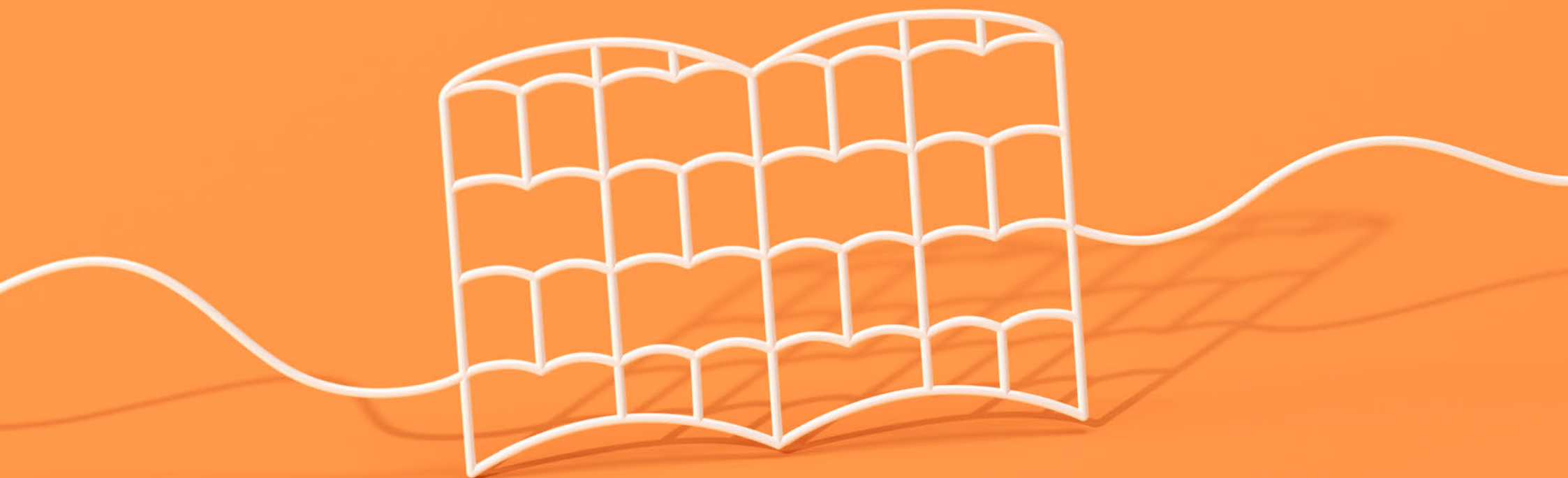
	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014 (Forecast)
Amount of waste (kg)	1,873,754	1,871,188	1,851,206	1,859,028	1,854,856	1,836,307
Amount of waste per m ² of floor space	7.239	7.229	7.152	7.182	7.232	7.160

*Excluding Account Management Division, Kyoto

■ Water Consumption

	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014 (Forecast)
Water consumption (m ³)	166,528	165,129	164,468	170,825	162,108	160,487
Water consumption per m ² of floor space	0.643	0.648	0.635	0.660	0.632	0.626

*Excluding Account Management Division, Kyoto



V. Fair Business Practices

The Dentsu Group Code of Conduct sets out fair business practices as one of the key areas for Dentsu's CSR activities. Dentsu considers fair, equitable, and ethical actions and legal compliance to be the foundation for social responsibilities that corporations must fulfill. Dentsu and Dentsu Group companies strive to be companies trusted by society through fair business practices.



Promotion of Compliance

Dentsu aims to promote thorough awareness of compliance issues in employees. That is achieved through the development of regulations and manuals by departments responsible for compliance, the implementation of various training programs, and other measures.

The Compliance Line was established as the designated contact point to receive reports on legal violations within the Company. The Compliance Line has an in-house contact point as well as an external contact point where calls are handled by a law office. Operational and information management structures are in place to ensure that those seeking consultation or reporting violations are not penalized in any way. In fiscal 2013, a total of 13 reports and proposals (fiscal 2012: 21 cases, fiscal 2011: 27 cases, fiscal 2010: 31 cases) were made by Dentsu and Dentsu Group company employees and dealt with by the Company.

In order to prevent illicit behavior, the Dentsu Head Office held a Compliance Caravan and newly produced and showed an educational video to raise employees' awareness. Additionally, we set up a compliance website on the Company intranet and distributed the Compliance Digest booklet to all Group companies to promote understanding of the importance of compliance issues. The Company also holds compliance training every year for new and mid-career hires at

Dentsu and Dentsu Group companies to foster compliance awareness.

* In fiscal 2012, Dentsu centralized contact points for harassment-related issues at the Harassment Counseling Section.

For information on the Harassment Counseling Section, please refer to Page 28.

Compliance Digest booklet



Basic Policy on the Rejection of Antisocial Forces

Dentsu and all Dentsu Group companies established the 'Basic Policy on the Rejection of Organized Crime Groups and Other Antisocial Forces' articulating the determination of Dentsu and Dentsu Group companies to take a firm stand against antisocial forces. The Company also calls on business partners to take the same action.

Basic Policy on the Rejection of Organized Crime Groups and Other Antisocial Forces

Dentsu and all Dentsu Group companies see it as the social responsibility of corporations to take a firm stand to sever relationships with and reject organized crime groups and other antisocial forces that threaten social order and safety. To this end, Dentsu has formulated and complies with the following 'Basic Policy on the Rejection of Organized Crime Groups and Other Antisocial Forces'.

1. We will sever any relationship with organized crime groups and other antisocial forces.
2. We will resolutely oppose unwarranted demands from organized crime groups and other antisocial forces.
3. We will not conduct transactions such as the provision of funds or favors to organized crime groups and other antisocial forces.
4. We will take systematic and appropriate response to organized crime groups and other antisocial forces through the establishment of internal structures as well as through cooperation with police, the National Center for the Elimination of organized crime groups, attorneys and others.



Dentsu's CSR Purchasing Activities

For Dentsu, social responsibility includes ensuring that ample consideration is given in dealings with its business partners (contractors) in regard to human rights, legal and regulatory compliance, environmental protection, and respect for intellectual property rights throughout the production and provision of services. Dentsu partially revised the 'Dentsu Basic Purchasing Policy' and 'Dentsu Purchasing Guidelines' in March 2014. In addition to changes to the contents in accordance with the establishment of the 'Dentsu Group Code of Conduct' in 2013, with new content committing to compliance with international anti-corruption regulations (US Foreign Corrupt Practices Act and UK Bribery Act) and regulation on conflict minerals (Section 1502 of the US Dodd-Frank Wall Street Reform and Consumer Protection Act), we aim for the realization of CSR purchasing activities that give due consideration to ethics and human rights in our operations. We also request that business partners comply with the above revisions by concluding a 'Basic Agreement for Outsourcing'.

Dentsu also set up a Partner Hotline to enable business partners to report any legal violations by Dentsu directors or employees that had come to light in the course of business so as to identify and deal with legal and regulatory compliance violations. (No report was received during fiscal 2013.)

Dentsu Basic Purchasing 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 Purchasing 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 Purchasing Guidelines' and other Dentsu Group rules.

Dentsu Purchasing Guidelines In line with the 'Dentsu Basic Purchasing Policy', the Company has established the 'Dentsu Purchasing Guidelines', and requests that our direct and indirect suppliers adhere to the following.

1. When hiring and dealing with employees, efforts should be made to respect human rights, labor regulations, and diversity, and ensure legal and regulatory compliance. Additionally, we request that discriminatory expressions not be used in advertising production work and other processes. We request that internationally declared human rights protection be accorded respect and transactions such as direct or indirect funding to those who violate human rights not be conducted.
2. In business dealings with Dentsu and other parties, an effort should be made to ensure legal and regulatory compliance. In particular, we request that dealings with antisocial individuals and organizations and the giving and receiving of monetary or non-monetary benefits to any stakeholder for the purpose of obtaining or maintaining improper profits or preferential treatment be banned.
3. Please make every effort to realize a workplace that gives due consideration to health and safety to prevent work-related accidents and injuries.
4. Please make active efforts to reduce the environmental impact of your business activities and to realize a sustainable society.
5. When presenting plans and proposals, we request that intellectual property rights be accorded respect, and that third-party rights and interests not be infringed.
6. We request the establishment of information security management systems that cover organizational, individual, technical and physical aspects of information security, to ensure that confidential information and personal information obtained or learned during the course of business dealings are not disclosed, leaked, or used fraudulently.
7. We request that appropriate operational processes be used to ensure that high-quality products and services are delivered within the predetermined schedule at a market-competitive cost.
8. We request that appropriate information-sharing to consumers takes place and consideration paid to safety through business activities and that efforts be made to resolve consumers' issues.
9. We request that efforts be made through business activities to contribute to the resolution of issues of high societal demand and the development of local society and communities.



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



What's a Trademark?



What's a Copyright?



What are Publicity Rights?



Rights Handling in Ad Music

Stakeholder Comments



Masataka Kawakami

Legal Division, Dentsu Inc.
/ Visiting Professor,
Graduate School of Law,
Aoyama Gakuin University

Communications activities in business involve various rights, and protecting those rights is the duty of business operators. Various stakeholders have many rights such as business partners' rights and consumers' rights.

Among them, intellectual property rights are rights protected by the law and it is necessary not only to claim your own rights, but also to not infringe on others' rights. There are many intellectual property rights-related incidents reported in the media, but as a business operator that has great impact on society, it can be said that it is a company's duty to conduct fair business activities by protecting intellectual property rights and other rights.

Going forward, we will continue to respond to changes such as legal amendments and the legislation of new laws and develop a structure for the continued fulfillment of duties to obtain society's trust.



Development of an Information Security Management System

Dentsu established the 'Dentsu Group Basic Policy for Information Security' and established a very strict information security management system to protect important data held by the Dentsu Group as well as personal and other information received from clients.

The Dentsu Head Office in Tokyo received BS 7799-Part 2:2002 certification for information management security, the predecessor of ISO/IEC 27001:2005, in March 2003. This was expanded to the entire Company when the Kansai and Chubu offices received the same certification in April 2005. In December 2006, Dentsu went on to implement ISO/IEC 27001:2005 and JIS Q 27001:2006, the

international standards for information security management systems (ISMS). As of March 31, 2014, the Dentsu Head Office and 53 Dentsu Group companies in Japan have this certification. Furthermore, in order to respond to revisions in the standards of ISO/IEC 27001, Dentsu is planning to migrate to ISO/IEC 27001:2013 and JIS Q 27001:2014 by March 2015.

Dentsu strives to implement stringent information security management through such measures for the entire Dentsu Group to flexibly respond to the ever-changing and increasingly sophisticated environment of information and communication technology.

[Dentsu Group Basic Policy for Information Security]

All of the companies in the Dentsu Group will address information security management as a unified group. In all of our business areas, the Dentsu Group will address information security management in order to protect important information held by our group.

- 1. Compliance with Laws** Based on requests from our stakeholders, including clients and other business partners, we will properly address information security management to ensure compliance with the relevant laws and regulations. In particular, personal information will be managed in a strict manner.
- 2. Strict Information Management** We will manage information strictly to prevent any leakage, loss, damage or misuse of information such as confidential client information and personal information. We will share such business information only among employees and group companies with the appropriate clearances. In selecting our subcontractors, we will fully consider how they are addressing information security.
- 3. Maintaining & Improving Achievement Level** We will maintain the current security level which we have already achieved and improve it through our PDCA cycle activities. We will also enlighten and educate all of our employees, from executives downward, about information security so that they can acquire the appropriate knowledge and judgment.
- 4. Adaptation to Environmental Changes** We will flexibly adapt to the environmental changes in our group's business areas, information assets handled by our group, and the information and communication technology (ICT) field, and will update our information security management system and rules accordingly.

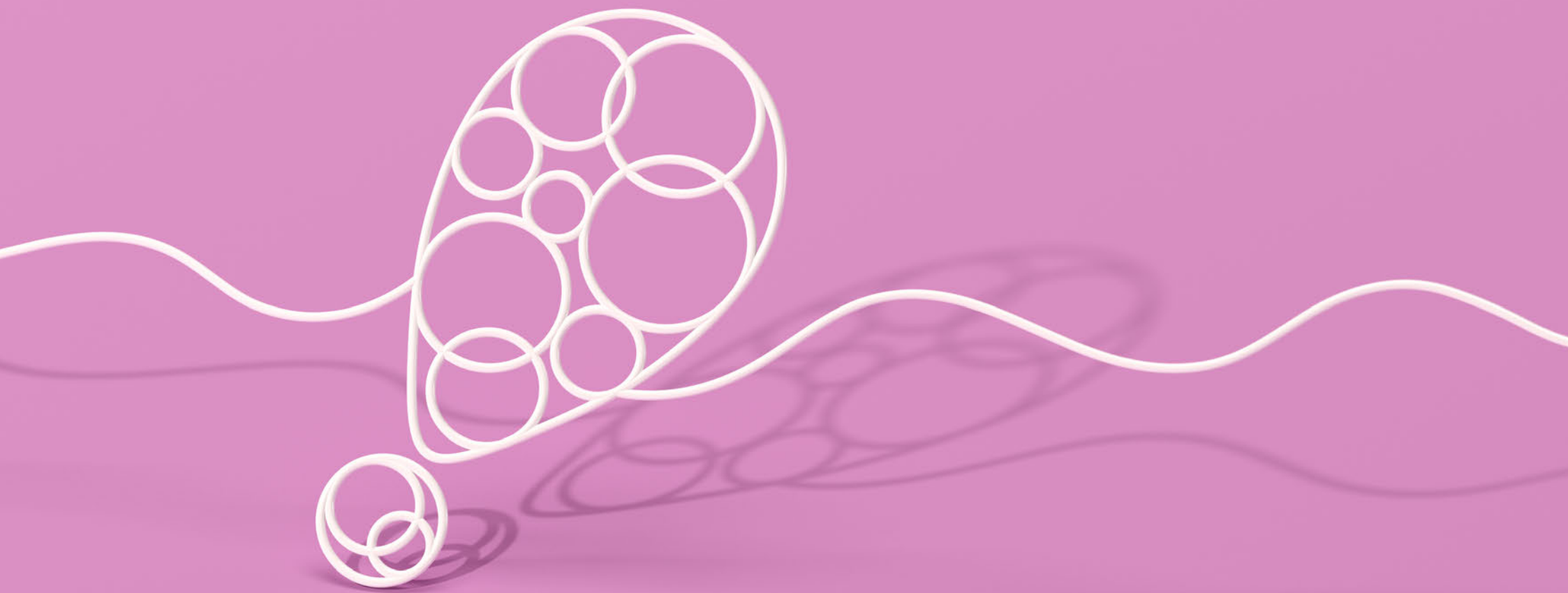
Stakeholder Comments



Shinichi Saga

Certification Division,
BSI Group Japan K.K.

The efforts by Dentsu and the Dentsu Group for third-party certification related to information security resulted in a major reform of past business practices in the advertising industry. There were struggles in the reform of such business practices, but it is of particular note that Dentsu fulfilled the requirements and at times devised ways to exceed such requirements to resolve each and every issue, always from the perspective of advertisers. Efforts for third-party certification tend to have an event-like nature and become formalities, but Dentsu's continued work to set high attainment targets (information security action plan) and system to achieve those targets every year sweeps away such concerns. I expect that Dentsu will continue to practice risk management integrated into practical operations that is always innovative while being effortless to operate even in the ever-diversifying advertising methods harnessing IT technology.



VI. Addressing Consumer Issues

Dentsu engages in various projects in cooperation with government organizations that cover topics such as improvement of people's diet and food self-sufficiency rate. The Company also makes proactive efforts for the promotion of diversity such as for LGBT (sexual minority) communities and the resolution of social issues associated with the declining birth rate and aging population. Those efforts are made through 'Lab activities,' which are voluntary initiatives by employees.



Cooperation with the Government

● Cooperation for the Japan Eco & Child Study

The Ministry of the Environment has been conducting a large-scale epidemiological study in which more than 100,000 children and their parents from all over Japan participate since fiscal 2010. This study aims to clarify the impact of environmental factors on children's growth and development by regularly checking their health from the fetal stage until they are 13 years old.

Dentsu was commissioned in fiscal 2013 to handle public relations for this study which aims to realize an environment in which children can grow in health and parents can raise their children with peace of mind. We will conduct public relations activities aimed toward the achievement of 100,000 study participants and help gather momentum for them to continue participating in the study for the next 13 years and promote better understanding among the public.



A public relations event

● Promotion of the 'Smart Life Project'

Under the slogan 'healthy life expectancy,' the Ministry of Health, Labour and Welfare is promoting the Smart Life Project, a national campaign aiming to ensure that people can maintain energetic, healthy, and enjoyable lives. Dentsu is responsible for the implementation and operation of this project as its secretariat, and promotes healthy living by providing information to over 2,000 participating companies and organizations, and handling PR for the Healthy Life Expectancy Awards which commends trailblazing efforts in the area of healthy living.

In September 2013, the Health Promotion Headquarters* was established. It was announced that Yuichiro Miura, Yuko Arimori, and Ayaka Hirahara were appointed as Iki-iki Health Ambassadors aiming to further improve awareness and promote a healthy life expectancy among the public. The health ambassadors attend various events nationwide through the Smart Life Project and give lectures, among other measures.

*The Health Promotion Headquarters were established as a cross-sectoral organization within the Ministry of Health, Labour and Welfare in line with the Japan Revitalization Strategy (approved by the Cabinet in June 2013) which sets out "extending the people's healthy life expectancy" as a goal.



Announcement of the ambassadors

● Involvement in the Food Action Nippon Campaign

Since October 2008, Dentsu has been responsible for the strategic administration (secretariat) of the Food Action Nippon campaign, a national campaign aimed at boosting Japan's food self-sufficiency rate and has been developing various initiatives to increase the consumption of domestic foodstuffs.

In fiscal 2013 we launched the Food Action Nippon Award as a PR measure using an awards system and engaged in the operation and public relations for Kokupo, a system which grants points for domestic produce. We developed activities in collaboration with numerous food and beverage companies, distribution-related companies and organizations as well as various groups such as local roadside stations. Additionally, against the backdrop of an aging society, we promoted a collaborative project in the fields of medical care-welfare-food-agriculture, themed on nursing care foods and health foods,

which are attracting increasing interest in the market.



Collection of medical care-welfare-food-agriculture collaboration case studies



Lab Activities

●Dentsu Diversity Lab

Dentsu Diversity Lab (DDL) is a cross-sectoral organization within the Dentsu Group aimed at responding to issues from the viewpoint that a diverse society, which values the differences between people, will lead to a prosperous future. In fiscal 2013, DDL WEEK was held in October in order to increase understanding on diversity. In the entrance of the Dentsu Head Office building in Shiodome, vertical banners displaying keywords such as disability, gender, and culture, artwork by artists with disabilities, audio codes and braille blocks that don't look like braille blocks at first glance, solutions such as television commercials with subtitles, and actual equipment for sports such as wheelchair tennis and blind soccer were on display, to have visitors get a sense of diversity.

Additionally, lectures and panel discussions by a varied range of guests were held over two days on the themes of considering multiculturalism and gender in the global era and diversity and inclusion as new businesses. DDL WEEK attracted about 350 people from in and outside Dentsu. DDL will continue

to engage in activities that promote awareness on diversity.



DDL WEEK exhibition

●Committee for Raising the Next Generation

Dentsu formed a planning team to consider what adults and parents could do to support the children who will be the next generation of adults. The team comprises about 50 parents in various specialty departments who are raising young children and individuals with experience in child-related businesses. From a real-life perspective, the committee supports marketing, consulting, various types of planning, and project implementation. These are geared to children and their families as well as the child-rearing society in general.

In fiscal 2013, the team undertook child and child-rearing related events by public and private sectors such as Kodomo Mirai Tokyo Messe 2014 as well as surveys and planning work for numerous projects. As an independent survey, the team conducted a survey on consumption for grandchildren, in order to explore new roles for grandparents and grandchildren. The team will continue working for child-rearing support by the whole of society.



Kodomo Mirai
Tokyo Messe 2014
in Tokyo



●ISID Open Innovation Lab

The Open Innovation Lab is an ISID research institution which pioneers efforts utilizing new technologies in order to lead digital measures in the communications domain. In contrast to conventional think tank style research, the Open Innovation Lab advances open collaboration with companies, start-ups, universities, and research institutions both in Japan and overseas as well as the Dentsu Group.

The Open Innovation Lab's research themes can be broadly divided into three categories. Its main focus is research related to future urban development, from sensor technologies and interactive technologies that comprise the interface to create a new relationship between cities and people to concept planning for urban development. Additionally, as research related to future education, the lab is engaged in research for a project to practice adaptive learning using cloud computing and social media as well as a project to explore the use of social media in television and events as an approach for television-viewing in the future. Both researches aim for the improvement of our living space using digital technologies.

*ISID stands for Information Services International-Dentsu, Ltd., a Dentsu Group company.





VII. Contributing to the Community

Dentsu considers regional communities to be important stakeholders. The Company contributes to resolving issues and promoting development of regional communities through its business operations and continuously deploys various social contribution activities. We believe that it is our role as a leading company in the sphere of communications to build relationships of trust with regional communities.



Efforts to Assist Earthquake Reconstruction

● Tsunami Evacuation Program *Kakeagare!* Japan

After the Great East Japan Earthquake in 2011, Dentsu launched the Tohoku Reconstruction Support Network as an in-house project to support the reconstruction of affected areas through its core business and has continued with its activities.

Among the activities is the tsunami evacuation program *Kakeagare!* Japan, started jointly with the Tohoku University International Research Institute of Disaster Science, Kahoku Shimpō Publishing, and Dentsu East Japan. Based on the experiences and lessons learned from the Great East Japan Earthquake and aiming to make evacuation actions a habit, this project supports the tsunami evacuation drills held by respective local governments and communities. It was selected as a leading model project for a 'New Tohoku' by the Reconstruction Agency. In fiscal 2013, tsunami evacuation drills and workshops were held on themes such as evacuation by car and persons who require assistance during disasters. Case study details are updated as needed here: <http://kakeagare.jp> (Japanese Only)



● Support for the 'Tohoku Rokkon (Six-Soul) Festival'

As part of its efforts to support areas affected by the Great East Japan Earthquake, the Dentsu Group has provided administrative support for the Tohoku Rokkon Festival since 2011. 'Tohoku Rokkon Festival 2013, Fukushima' was its third festival held in Fukushima City of Fukushima Prefecture on June 1 and 2, 2013 and it attracted 250,000 visitors.

The festival featured various events that could be enjoyed by people of all ages, including a big six-festival parade stretching for about a kilometer, an aerial acrobatic performance by Blue Impulse, performances of traditional local performing arts, and a children's dance stage. Six Tohoku cities worked as one to prepare for the festival and showed their zeal towards recovery to tourists gathered from all over Japan.



A stage performance at the festival

Stakeholder Comments



Hiroshi Meguro

MC Planning Division,
Dentsu Inc.

In order for the Tohoku region to achieve reconstruction in the true sense of the term, it is necessary for the economies of the affected areas to recover and for many companies to make a profit in the Tohoku region. In that sense, I think it is essential to build a structure for sponsor companies to increase their sales through the Tohoku Rokkon Festival and the local economies to gain financially through event organization. The Tohoku Rokkon Festival held in Fukushima City in 2013 attracted many visitors both from in and outside Fukushima Prefecture who enjoyed themselves at the festival, resulting in an economic ripple effect of about 3.7 billion yen.

Dentsu intends to continue to help put smiles on the faces of those living in the Tohoku region and assisting the vitalization of region through the Tohoku Rokkon Festival.

* The economic ripple effect of the Tohoku Rokkon Festival 2013, Fukushima: about 3.7 billion yen (Toho Area Research Institute estimate)



Efforts to Assist Earthquake Reconstruction

● Various Support Projects for the Reconstruction of Fukushima Prefecture

Dentsu Group companies led by Dentsu and Dentsu East Japan are advancing projects to support various prefectural government departments in Fukushima Prefecture to dispel damaging rumors about Fukushima associated with the nuclear plant accident.

In fiscal 2013, television commercials and transport ads featuring TOKIO, who support Fukushima, for the PR of local Fukushima produce, under the concept of “we made a delicious Fukushima” were deployed.

Additionally we held regular seminars with local media outlets and experts and on-site tours to dispel damaging rumors. In order to lead to a tangible increase in consumption, we also arranged on-site inspection tours and business meetings for buyers mainly in the metropolitan area and tie-up events and fairs with major distributors.

Dentsu is also involved in a wide range of reconstruction efforts in Fukushima Prefecture from developing the logo for the Fukushima Destination Campaign to be held in fiscal 2014 and running the Smile Caravan for children in Fukushima Prefecture to deepen ties with the local community, to the PR of agricultural and marine products, measures to attract tourists, and measures for children.



● Information Reporting for Reconstruction of Disaster-Affected Areas

Dentsu accurately identifies information needed in disaster-hit areas, and it supports regular reporting of information on disaster support measures in accordance with local needs and various reconstruction study cases through local media outlets and the Internet. These efforts are carried out in collaboration with the Reconstruction Agency and the Cabinet Office as well as local government bodies, the media, and NPOs.

Public figures from all quarters who support these efforts give messages of support to encourage people in the disaster-affected areas. Dentsu conveys these messages to the people in these areas through various media.



● Administering the ‘Housing Eco-point Program Supporting Reconstruction’

Following the ‘Housing Eco-point Program’ launched in March 2010 for providing incentives to build more environment-friendly houses, Dentsu is leading the consortium managing the ‘Housing Eco-point Program Supporting Reconstruction’, revived in January 2012. Dentsu is continually promoting the project in collaboration with other consortium member companies.

‘Housing Eco-point Program Supporting Reconstruction’ Dentsu manages and promotes all processes in this program from receiving and screening applications to distributing public funds to the various operators who participate in the point exchange. In fiscal 2013, there were about 61,600 applications.

Cooperation for the Shopping Street Poster Exhibition

In fiscal 2013, a shopping street poster exhibition of training program was held for young employees at Dentsu Inc. Kansai to produce and put up posters for respective stores in local shopping streets to vitalize shopping streets that had lost their vitality. The posters filled with the power of young creatives received unexpected attention from newspapers and television, and the participating employees realized how their own copy writing skills and designing abilities could be of use to society, proving the training program to be a great contribution.



Poster for Fuminosato shopping street



Dentsu's Social Contribution Activities

Dentsu leverages the experience and professional skills its employees have acquired in the area of communications—its main business—and collaborates with NPOs and other organizations to resolve social issues. The Company also engages in activities that contribute to the development of communities on all scales, from regional to global communities.

Under the basic policy of 'using the power of communication to benefit society,' Dentsu formulates and implements various projects with the aim of resolving key social issues from two different perspectives. These perspectives are 'Fostering human resources to tackle social issues' and 'Supporting activities initiated in Japan to tackle international social issues.'

Dentsu has also undertaken distinctive activities to support recovery following the Great East Japan Earthquake. Going forward, Dentsu will continue to engage in support activities while exploring and implementing new ways of support.

◆Policy:

Using the power of communication to benefit society

◆Perspective:

Fostering human resources to tackle social issues

●Social issues to be resolved through our activities:

Fostering the next generation

Improving citizens' capabilities

International exchange

Support for disaster-affected areas

●Principal activities:

- Advertising Elementary School
- NPO support program:
Keys to Communicating
- Dentsu-China Advertising HR Development Project
- Participation in '*Michinoku Fukkou Jigyou Partners*'
(consortium of major companies for recovery)
and other activities



◆Perspective:

Supporting activities initiated in Japan to tackle international social issues

●Social issues to be resolved through our activities:

Global education issues

World food problem

●Principal activities:

- Supporting 'UNESCO's World Terakoya Movement'
- Supporting 'TABLE FOR TWO (TFT)' and other activities





Advertising Elementary School

The aim of the 'Advertising Elementary School' program is to foster children's communication skills. Dentsu developed program materials together with Tokyo Gakugei University over three years from 2006. In these classes, children express a theme in 15-second commercial skits. Through this process, the children learn skills they need in order to communicate effectively, such as creative thinking, decision-making, how to express ideas, and group problem-solving technique while having fun.

With the recognition of the importance of communication skills development becoming widespread among the education field, use of the program in classes taught by school teachers is increasing, and over 20,000 students at 176 schools in 35 prefectures have taken part in this activity as of March 31, 2014.

In places other than schools, a special class for local high school students to create a commercial to highlight the beauty of Miyako was held upon request by Youth Miyakko Base, an organization that supports children's social activities in Miyako City, Iwate Prefecture in June 2013. In November, Dentsu assisted a program for junior high schools students to create a commercial for Misato held by the Education Board of Misato City, Saitama Prefecture.

Amid an increasing demand at junior high

school and high school students, we developed a program for junior high schools and high schools with an added "Pa, Gu, Gyu—Creative Thinking Method" to the original program materials to make students recognize the process of spreading, converging, and deepening ideas. The new program is already being used. Additionally, it is also being used at Japanese faculties of universities overseas such as Semyung University in Korea.



The special class
for Youth Miyakko
Base



After the
program at
Misato City

For further details, please refer to the
Advertising Elementary School website:
<http://www.dentsu.co.jp/komainu/>
(Japanese Only)

Stakeholder Comments



Masashi Okuma

Specially-appointed
Professor,
Tokyo Gakugei
University Graduate School
of Teacher Education

Having been involved in the development of program materials for this project from the initial stage, I learned to expand and converge my ideas as well as the process of expanding and converging ideas. The program for junior high schools and high schools developed this time aims to make participants aware of this process and I believe it will be of use to the children in the future.

Experiencing the Advertising Elementary School has proven in joint research conducted to date to change children's sense of self-affirmation, but the program has also shown success as a program to rehabilitate children who refuse to go to school and reclusive children. I will continue to make further improvements along with Dentsu members aiming for a program that can assist troubled children, their guardians, and educators nationwide.



Program to Strengthen and Support NPO Organizations: Keys to Communicating

For NPOs, who are key players in civil society, the improvement of communication skills is a core theme in order to lead an organization, increase the number of supporters and collaborators, and engage in fulfilling activities. To enhance the communication skills of NPOs, Dentsu has been advancing the 'Keys to Communicating' project jointly with Japan NPO Center in an effort to provide support utilizing Dentsu's specialized communication skills.

Dentsu employees and members of NPOs serve as presenters at seminars held throughout Japan. Based on original textbooks, the seminars are tailored to the needs of the areas where they are held. Recently, the seminar themes have become increasingly diverse, such as developing the mission of the organization, identifying and resolving organizational issues, and coordinating and collaborating with other sectors.

In fiscal 2013, in addition to Tokyo, Osaka, and Hokkaido, seminars were at 11 other venues nationwide. As of March 31, 2014, the number of seminars has exceeded 100, with a cumulative total of around 4,200 participants. Moreover in February we held a forum on the theme of "Keys to Communicating for Cooperation and Collaboration—to Increase Win-win Partnerships," commemorating the 10th anniversary of 'Keys to Communicating'. The forum was attended by 170 NPO members

and people in charge of CSR.



Seminar held in Sapporo



Seminar held in Ofunato



Tenth anniversary commemorative forum

Column: Reaching our 10th Anniversary

Keys to Communicating for Tomorrow

Kenji Shiratsuchi
(Extraordinary Advisor, Dentsu Inc.)



Japan faces such a diverse range of issues that it is called a country at the forefront of resolving emerging issues and we have come to learn that most of them cannot be resolved by the government or private businesses alone. The brave people who have started to move toward raising awareness and resolving issues on their own are the new key players in society, the NPO and NGO members, whose number is over 50,000 in Japan alone. As we learned about their diverse activities, we realized that many of these organizations, who started their activities based on a vision, were having difficulties with their organizational and financial management as well as with their public relations and appealing to supporters. Thus, Dentsu launched this program 10 years ago to convey communication methods which are the Dentsu Group's core business. Now, outstanding collaborative projects between companies and NPOs/NGOs have started, and the more their sphere of activities expands, the more they require specific skills such as presentation skills to make presentations to companies and administrative agencies, fund-raising skills, and skills to use social media. I hope that we will also learn from their vision and activities to further develop useful skills and methods.



Support for Chinese Advertising Human Resources Development

Dentsu has been engaged in support efforts for advertising education and human resources development at Chinese universities over many years in partnership with the Chinese Ministry of Education. These efforts aim to contribute to friendly relations between Japan and China through support for human resources development. Specifically, Dentsu invites researchers to the Dentsu Head Office for training, holds the Advertising Education Forum and Dentsu Student Advertising Seminars in China, and dispatches Dentsu guest lecturers to universities.

For inviting researchers, Dentsu selects outstanding young educators from Chinese universities to train at the Dentsu Head Office for three months. As of March 2014, 143 university lecturers from 47 schools have been invited to Dentsu.

The Advertising Education Forum is an annual event at which Dentsu employees introduce the latest trends in the advertising industry, case studies, and theories to educators at advertising faculties.

The Dentsu Student Advertising Seminars aim to provide live material to the classroom, where focus tends to be on theory, in order to expand students' viewpoints. In fiscal 2013, seminars were held in Guangzhou and Harbin and about 1,300 students from 18 universities attended them.

Since April 2014, the fourth Dentsu-China Advertising Human Resources Development

Project Fund was launched, and new industry-academia collaborative projects that contribute to mutual learning in Japan and China were introduced in addition to existing programs.

Change in the Number of Chinese Researchers Invited

	FY2011	FY2012	FY2013
Number of invited universities	6	6	6
Number of participating researchers	6	6	6

Change in the Number of Advertising Education Forum Held

	FY2011	FY2012	FY2013
Number of participating universities	30	31	34
Number of participants	58	64	66

Change in the Number of Chinese Researchers Invited

	FY2011	FY2012	FY2013
Number of participating universities	9	22	18
Number of participating students	400	1,100	1,300



The third Dentsu-China Advertising Education Forum



The graduation ceremony for the ninth year researcher training program



The fourth Dentsu Student Advertising Seminars



The second Dentsu guest lecturer dispatch program



Participation in 'Michinoku Fukkou Jigyou Partners'

Since June 2012, Dentsu has been participating in Michinoku Fukkou Jigyou Partners (consortium of major companies for recovery), a platform to support next generation leaders engaged in the reconstruction of disaster-affected areas. We work jointly with the NPO ETIC.* and six companies (Ajinomoto, Isuzu Motors, Kao, Sompo Japan Insurance, Toshiba, and Benesse Holdings).

Following the "Michinoku Emergence Camp" held in July 2013 as a training program for organizations in the Tohoku region, a follow-up training program was held in January 2014. We developed an initiative for leaders working toward reconstruction to discuss their issues with corporate workers to resolve them. The consortium engages in initiatives for disaster-affected areas and corporations to collaborate and resolve issues such as the "Michinoku Supporters' Meeting" held in March as a place for local organizations to meet with corporate workers.

Additionally, about 200 people in charge of CSR at companies and corporate workers interested in reconstruction participated in the second 'Michinoku Recovery Project Symposium' held at the Dentsu Head Office in March. In addition to reviewing the activities held over the year, Hiroshi Tasaka, president of Think Tank SophiaBank, and journalist Daisuke Tsuda participated in a discussion moderated by a Dentsu employee, to deliberate on the role that corporations

play in society.

*NPO ETIC.: Established in 1993 as an organization to train young next generation entrepreneurial leaders, ETIC. has produced many operational NPOs that will lead future generations. <http://www.etic.or.jp/english/index.html>

For further details, please refer to the Michinoku Fukkou Jigyou Partners website: [http://www.michinokupartners.jp/\(JapaneseOnly\)](http://www.michinokupartners.jp/(JapaneseOnly))



The Michinoku Recovery Project Symposium

Lecture at the Second Michinoku Recovery Project Symposium (Summary)



Hiroshi Tasaka, President, Think Tank SophiaBank

Revitalizing Japan into a wonderful country after the earthquake will serve to comfort the souls of the many people who passed away. This starts by having each and every Japanese person regarding the earthquake as something that could have happened to them and reconsidering the meaning of life. Companies must also return to their roots of what their business activities are

for and fully understand that to contribute to society through their main business is the essence of companies' social responsibility (CSR).

We are now in what is called an era of knowledge capitalism in which knowledge and wisdom are the best capital, but there are few corporations who have a clear strategy for such an era. In this era, invisible capital such as knowledge capital, relationship capital, trust capital, reputation capital, and culture capital are becoming increasingly important, but such capital gathers around a vision. Thus, in that sense, the CSR departments of corporations are strategic departments and centers of transformation to greatly shift the paradigm of companies' main businesses.

Additionally, by providing invisible capital and supporting NPOs and social start-ups that engage in operations that are not normally viable as businesses, we can nurture the buds of new businesses. The 21st century will be a time in which corporations that value CSR departments will prosper.



Supporting Activities to Tackle International Educational Issues

● Supporting UNESCO's World Terakoya Movement 'Kakisonji-Hagaki Project'

UNESCO's World *Terakoya* Movement, 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 20 years. Dentsu has supported the movement's activities since 2003.

〈Minamisanriku no Mori Hope Mailbox Project〉

In May 2013, in cooperation with the National Federation of UNESCO Associations in Japan, the Minamisanriku no Mori Hope Mailbox Project was launched to spread *kakisonji-hagaki* (unusable prepaid postcards) recovery mailboxes made from forest thinnings from Minamisanriku Town, a disaster-affected area. By using forest thinnings from Minamisanriku Town, the hope for reconstruction led to hope for the world. Mailboxes were donated to the town hall and five elementary schools in Minamisanriku. Additionally, mailboxes were installed in 100 places throughout Japan within the fiscal year.



Minamisanriku no Mori Hope Mailbox announcement poster

〈Support for Communications to Call for Kakisonji-hagaki〉

In order to have people relate more to *kakisonji-hagaki* and have fun gathering them, Dentsu provided support by producing posters to call for postcards and creating a support character called *Kakisonjiro*. As a result, the number of *kakisonji-hagaki* gathered this year increased by 50% compared to the previous year (*As of March 31, 2014). Additionally, the Dentsu Group gathered 6,000 postcards, ranking the highest among participating companies and was presented with a certification of appreciation from the National Federation of UNESCO Associations in Japan.



Kakisonjiro, the support character created by Dentsu. The Dentsu Group became the top company in terms of the number of postcards gathered.

Supporting Japanese NPOs and NGOs that Tackle the Global Food Issue

● Creating a Place for 11 NPOs and NGOs to Meet during the Month of World Food Day

'NPOs and NGOs × Dentsu People—Good Innovation. for the Global Food Issue' was held from October 15 to 25 at the entrance of the Dentsu Head Office. Various activities to tackle the global food issue, such as creating a space for Dentsu people and 11 NGOs and other groups who tackle the global food issue to meet and providing a structure and technologies to eliminate food disparity, were expressed and exhibited on a total of 26 banner stands. A cafe was opened and a networking party for all participants to gather in one place was held, aiming to attract employees' attention to the global food issue and CSR.



A banner introducing activities by NGOs and NPOs created at NGOs and NPOs × Dentsu People

● Supporting the 'TABLE FOR TWO' Program

'TABLE FOR TWO (TFT)' is a movement that originated in Japan to help eliminate both hunger in developing countries and obesity in advanced countries. In 2009, Dentsu began offering TFT meals at the employee cafeteria in its Tokyo Head Office. For each purchase of a TFT meal, 20 yen is donated toward a school meal in a developing country. Dentsu also lends its support to communications for the United Nations' World Food Day campaign.



TFT World Food Day poster

For further details, please refer to the National Federation of UNESCO Associations in Japan website: <http://www.unesco.or.jp/terakoya/>

Regarding the Independent Practitioner's Assurance

Dentsu places importance on the third-party assurance process to improve the accuracy and objectivity of its CSR Report.

To this end, the information provided in the Japanese version of this report has received the independent practitioner's assurance by Deloitte Tohmatsu Evaluation and Certification Organization Co., Ltd., a subsidiary of Deloitte Touche Tohmatsu LLC which is a member-firm of Deloitte Touche Tohmatsu Limited.

For further details about Deloitte Tohmatsu Evaluation and Certification Organization Co., Ltd., please refer to the following website:
http://www.tohmatsu.com/view/en_JP/jp/companies/teco/index.htm

Overview of the Independent Practitioner's Assurance Procedures

Step 1 Formulate plan

- ▼ Decide scope of assurance, items, procedures, dates, etc.

Step 2 Implement

- ▼ Implement procedures at Head Office and other offices (on-site inspection, analytic procedures, review of evidence, inspection of documents, questioning, etc.).

Step 3 Report

- ▼ Confirm results and findings.

Step 4 Check the final version of this report

- ▼ Follow up on findings from Step 3.

Step 5 Submit assurance report

- ▼ Submit an independent practitioner's assurance report



Review of those in charge of CSR

(TRANSLATION)

Independent Practitioner's Assurance Report

August 18, 2014

Mr. Tadashi Ishii,
President & CEO,
Dentsu Inc.

Hiroshi Inanaga
Chief Executive Officer
Deloitte Tohmatsu Evaluation and Certification Organization Co., Ltd.
3-3-1, Marunouchi, Chiyoda-ku, Tokyo

We have undertaken a limited assurance engagement of the material performance data of sustainability information and environmental information (the "environmental information") for the year ended March 31, 2014 that included in the "Dentsu CSR Report 2014" (the "Report") of Dentsu Inc. (the "Company").

The Company's Responsibility

The Company is responsible for the preparation of the environmental information in accordance with the calculation and reporting standard adopted by the Company (indicated with the environmental information included in the Report). CO₂ quantification is subject to inherent uncertainty for reasons such as incomplete scientific knowledge used to determine emissions factors and the values needed.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. We apply International Standard on Quality Control 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*, and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the environmental information based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements ("ISAE") 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, issued by the International Auditing and Assurance Standards Board ("IAASB"), and ISAE 3410, *Assurance Engagements on Greenhouse Gas Statements*, issued by the IAASB.

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records. These procedures also included the following:

- Evaluating whether the Company's methods for estimates are appropriate and had been consistently applied. However, our procedures did not include testing the data on which the estimates are based or reperforming the estimates.
- Undertaking site visits to assess the completeness of the data, data collection methods, source data and relevant assumptions applicable to the sites.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Company's environmental information is not prepared, in all material respects, in accordance with the calculation and reporting standard adopted by the Company.

The above represents a translation, for convenience only, of the original Independent Practitioner's Assurance report issued in the Japanese language.