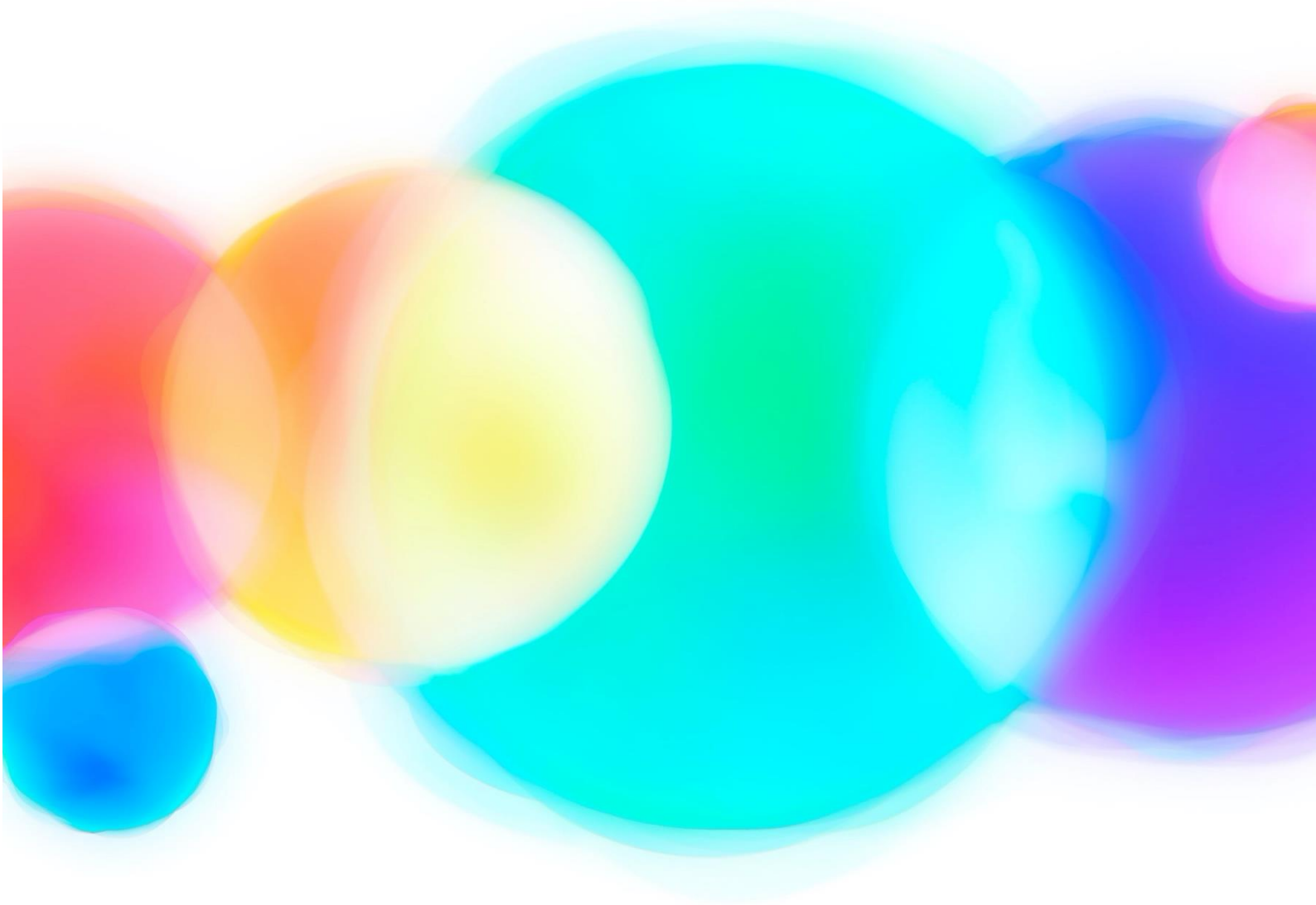


dentsu

Dentsu International Communication on Progress

Jan 2022



Communication on Progress

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Communication on Progress

Start date: October 2020. End date: October 2021

1. Human Rights

Please use the box below to describe actions your company has taken in the area of human rights. Examples include:

Assessment, policy and goals

Description of the relevance of human rights for the company (i.e. human rights risk-assessment). Description of policies, public commitments and company goals on Human Rights.

- Reference to (statement of support for) the [Universal Declaration of Human Rights](#) or other international standards
- Written company policy on respecting Human Rights and preventing potential abuses (e.g. in code of conduct)
- Policy requiring business partners and suppliers to adhere to the Global Compact principles on Human Rights
- Assessment of Human Rights related risks and impact in industry sector and country(ies) of operation (see Risk Assessment Report at [The Human Rights and Business Project](#))
- Specific goals in the area of Human Rights for the upcoming year

Dentsu is committed to conducting business with integrity and to the highest ethical standards, respecting human rights and protecting the interests of both employees and society. This is outlined in various policies including our employee [Code of Conduct](#), our [Supplier Code of Conduct](#) and statement on the [Modern Slavery Act](#). These codes set out the obligations expected from all our suppliers, affiliates, consultants, contractors and agents.

We honour internationally recognised principles of human rights. Abuses that contravene those rights will not be tolerated within our business or those of our business partners. We have a zero-tolerance approach to all forms of slavery and a commitment to comply with applicable employment and human rights legislation, including relevant child labour laws. We require the same from our partners. Dentsu's [Code of Conduct](#) outlines the company's core principles including honouring internationally recognized principles of human rights.

Through the [Supplier Code of Conduct](#) suppliers are expected to demonstrate a commitment to respecting human rights and protecting the dignity of their employees, workers and sub-contractors. Suppliers must comply with applicable employment and human rights legislation wherever they operate, including relevant child labour laws and minimum employment age limits. They must have zero tolerance of modern slavery and human trafficking and ensure that no form of modern slavery or human trafficking exists within their supply chain. This includes not engaging with any person or organisation suspected of being involved with or using any form of forced, bonded or compulsory labour.

Implementation

Description of concrete actions to implement Human Rights policies, address Human Rights risks and respond to Human Rights violations.

- Suggestion box, call centre or grievance mechanisms
- Awareness raising or training of employees on Human Rights
- Consultation with stakeholders and affected parties
- Allocation of responsibilities for the protection of Human Rights within the company
- Human resource policies and procedures supporting Human Rights

We believe that every person deserves the right to be treated with equality and dignity. There are no exceptions. We honour internationally recognized principles of human rights. Abuses that contravene those rights will not be tolerated within our business or those of our business partners.

If employees have concerns, there are several ways to raise their concerns, laid out in our Code of Conduct including with line managers, members of the human resources, legal, or ethics and compliance teams, or by using the whistle-blowing facility. Dentsu does not tolerate any form of retaliation against those who have spoken up in good faith. The aim is to have a fair and consistent process to investigate incidents or concerns, which ensures that all relevant information is appropriately considered. Violation of the standards described in this Code may result in disciplinary action, up to and including termination of employment

Dentsu's process for dealing with grievances including mechanisms in place, are outlined in the company's policies available internally on our intranet. These set out to provide a framework for raising and dealing with complaints or grievances which arise from work at dentsu. Employees are expected to raise any concerns or suspicions of wrongdoing, including a potential breach of our Code of Conduct and/or internal policies.

Globally, dentsu are signatories to the United Nations' Women's Empowerment Principles (WEPs), a set of principles offering guidance to businesses on how to promote gender equality and women's empowerment in the workplace, marketplace and wider community. Dentsu has used the WEPs tool to assess gender equality within dentsu, monitoring issues including equal pay for work of equal value, gender-responsive supply chain practices and zero tolerance of sexual harassment in the workplace. In 2020, dentsu continued to be active members of the UN Global Compact Diversity and Inclusion Working Group in the UK.

Dentsu are also founding members of [WEF's Partnering for Racial Justice Initiative](#). This new global coalition of businesses and their leaders leverages individual and collective power to build equitable workplaces for professionals with under-represented racial and ethnic identities. Dentsu are proud to be the first member from the advertising industry.

Measurement of outcomes

Description of how the company monitors and evaluates performance

- Specific progress made in Human Rights in the past reporting period
- Information about how the company deals with incidents of Human Rights violations
- Investigations, legal cases, rulings, fines and other relevant events related to Human Rights
- Periodic review of results by senior management
- External audits of Human Rights performance

Compliance with our policies

A summary of dentsu's key policies and principles have been collated in the [Global Business Principles](#). This document is available from the website and has been developed for all our stakeholders, including suppliers, to ensure they are familiar with the key principles and policies, including those pertaining to the Modern Slavery Act.

Dentsu's senior management have the overall responsibility for dentsu's compliance with the Act. Through the involvement of dentsu's key corporate functions such as Procurement, Social Impact, Legal, Finance, Ethics & Compliance and Human Resources, the policies are continuously reviewed and will be adjusted if necessary to ensure risks pertaining to the Act are effectively mitigated. These teams will also keep under review all relevant business activities and practices to ensure continued compliance with the Act as well as communicate the responsibilities to the relevant stakeholders.

2. Labour

Assessment, policy and goals

Description of the relevance of labour rights for the company (i.e. labour rights-related risks and opportunities). Description of written policies, public commitments and company goals on labour rights.

- Reference to [ILO Core Conventions](#) or other international instruments
- Written company policies to uphold the freedom of association and collective bargaining and the elimination of forced labour, child labour and employment discrimination
- Written policies that clearly state employee rights and responsibilities and their compensation and benefits
- Policy requiring business partners and suppliers to adhere to the Global Compact Labour principles
- Assessment of labour-related risks in the industry sector and country(ies) of operations
- Specific goals in Labour Rights for the upcoming year

Dentsu has both global and market specific policies which outline the company's commitment to providing a working environment free of all forms of bullying, victimisation and harassment and treating all employees and applicants fairly, ensuring that they are recruited, trained and promoted solely based on their abilities. The aim is that the composition of the workforce should reflect that of the community and that all our people should be offered equal opportunities to achieve their full potential.

Dentsu's internal policies outline the company's zero tolerance approach to all forms of discrimination, harassment or bullying or any other form of unwanted behaviour, whether based on race, social status, religious or political beliefs, ethnicity or national origin, gender, age, pregnancy, marital status, civil partnership status, disability, sexual orientation, or trade union activities or any other form of discrimination not listed in the policy. Employees are required to treat each other, along with customers, suppliers, and visitors, with dignity and respect. Breaches of this policy will be dealt with in accordance with the company's disciplinary procedure and could result in disciplinary action up to and including termination of employment.

Dentsu's commitment to uphold fair employment practices and observe the laws that pertain to, among others including the prohibition of forced, compulsory and child labour and the laws relating to the elimination of any improper treatment or discrimination of employees.

Dentsu international is committed to following the employment legislation wherever it operates including the right to engage in collective bargaining, freedom of association and the prohibition of forced, compulsory and child labour outlined in the [Global Business Principles](#).

Implementation

Description of concrete actions taken by the company to implement labour policies, address labour risks and respond to labour violations.

- Suggestion box, call centre or grievance mechanisms
- Awareness raising or training for employees on labour rights and policies
- Describe how the health and safety of all employees is ensured
- Describe how the company prevents discrimination of all kinds and ensures comparable pay for comparable work
- Consultation with employees and other stakeholders
- Allocation of responsibilities for the protection of labour rights within your organization
- Human resource policies and procedures supporting the Labour principles
- Participation in international framework agreements and other agreements with labour unions

Dentsu has an Ethics and Compliance programme and framework design to develop and implement policies and procedures, internal governance structures, reporting and monitoring efforts, and training initiatives, and ensures that these initiatives are underpinned by the Code of Conduct.

This framework is based on initiatives led by dedicated internal compliance professionals in a consistent and coordinated manner on global, regional and local levels. It's based on best practice guidance developed by Transparency International, the Institute of Business Ethics and the International Chamber of Commerce, and takes into consideration the requirements of national laws and regulations that apply to global operations, such as:

- the UK Bribery Act 2010,
- US Foreign Corrupt Practices Act 1977,
- the UK Criminal Finances Act 2017,
- UK Modern Slavery Act 2015
- EU General Data Protection Regulation (GDPR) and other data protection regulation.

All members of local, regional and global leadership teams are asked annually to certify that they comply with all relevant laws, regulations, the Code of Conduct and internal policies. Business leaders also chair and participate in regional and local risk and compliance committee meetings, where they gain a thorough appreciation for risk management and the importance of compliance generally. All dentsu employees are expected to act in accordance with the Code of Conduct, be familiar with all policies that are relevant to them, and complete specific compliance and policy training during induction and through regular refresher training sessions.

Dentsu's response to the pandemic

Throughout the pandemic dentsu have been working across global locations to support staff well-being and wider communities where useful services and advice would be beneficial.

Members from the Legal and compliance team volunteered to help the UN/Consortium for Street Children with Legal Atlas for Street Children. The Legal Atlas provides

homeless children and their advocates with information about laws that affect children and this is especially important during the current crisis; street children are at higher risk of being exposed to the virus alongside the many other risks that they already face.

During Easter weekend the MKTG team in the UK delivered 184,000 Cadbury's Easter Eggs to frontline NHS staff at selected hospitals and then followed this up with organising delivery of 1.7m Cadbury's chocolate products to a wider body of hospitals. The team also delivered bottled water to staff at some of the same hospitals, enlisting help from Coca Cola, who is one of their clients.

The Code (which stands for Creativity, Opportunity, Diversity, and Empowerment)- is Dentsu's flagship programme designed to help equip the next generation of talent, drawn from diverse backgrounds, with the skills and design thinking needed to thrive in the digital economy.

During the pandemic, in addition to making The Code entirely digital to enable young people to access learning tools from home, we also set up an online hackathon alongside award-winning plastic pollution campaigner Dhruv Boruah, with a remit to tackle the challenges created by Covid-19 in shaping a positive future for all.

It brought together almost 1000 contributors from 70 countries, and by involving students from the Code) we delivered a double benefit – the students had the opportunity to practice leadership and collaboration, while also bringing a young, diverse perspective to help solve some of these big issues faced by the world. This year we aim to reach 10,000 people globally.

Source: <https://www.dentsu.com/supporting-our-communities-through-covid19>

Measurement of outcomes

Description of how the company monitors and evaluates performance.

- Demographics of management and employees by diversity factors (e.g. gender, ethnicity, age, etc.)
- Describe how the company deals with incidents of violations of the Global Compact Labour principles
- Investigations, legal cases, rulings, fines and other relevant events related to the Global Compact Labour principles
- Periodic review of results by senior management
- Specific progress made in the area of Labour during the last reporting period
- External audits (e.g. SA 8000)

Gender diversity has been a priority for the business globally for many years. Dentsu's leadership balanced scorecard, launched in 2019, continues to drive accountability among leadership for building a long-term pipeline of diverse talent. This scorecard ensures that gender diversity metrics are included in the leaders' performance metrics, together with talent development and employee engagement.

The proportion of women in senior leadership globally increased from 32% in 2019 to 35% in 2020. Many of the individual markets achieved or exceeded the aim of 40%. Notably this year, Austria, Poland and Mexico have achieved 50% women in senior leadership roles, reaching gender balance. There is still work for us to do globally, which is why we have set an ambitious new target: 50% of Senior Executives and Executives to be female by 2025, including 50% of the dentsu international Executive Board.

3. Environment

Assessment, policy and goals

Description of the relevance of environmental protection for the company (i.e. environmental risks and opportunities). Description of policies, public commitments and company goals on environmental protection.

- Assessment of the environmental footprint and impact of the company
- Written company policy on environmental issues, including prevention and management of environmental risks
- Policy requiring business partners and suppliers to adhere to the Global Compact environmental principles
- Describe specific goals in the area of environmental protection for the upcoming year

Company goals and public commitments

Dentsu international's vision for Social Impact is to inspire people everywhere towards a new way of living. Our Social Impact 2030 strategy sets out the three areas in which we can make the biggest difference: Sustainable World, Fair and Open Society, and Digital for Good. This is described and reported against in our [2020 Social Impact report](#). Under Sustainable World, we are working towards creating a more sustainable world through the radical decarbonisation of our business and supply chain, committing to net-zero emissions by 2040 and helping people make better, more sustainable choices.

Being mostly office based, the nature of our operations means that our direct environmental impact is relatively small. However, dentsu international is still committed to reducing its emissions and was one of only seven companies worldwide to have our net-zero target validated under the new Science Based Targets Initiative (SBTi) Net-Zero Standard. To support this process, we undertook a full assessment of the carbon impact of the company to define categories for inclusion within the target that were aligned to the SBTi net-zero standard. This commitment is underpinned by ambitious KPIs including:

- A near term target: By 2030 we will reduce our absolute emissions by at least 46.2% across our entire value chain compared to 2019.
- A long-term target: By 2040 we will reduce our absolute emissions by at least 90% across our entire value chain compared to 2019.
- Offsetting: Neutralising the remaining emissions (10%) through credible and verifiable greenhouse gas emissions removal projects.

But the radical decarbonisation of our business and value chain is only the first step. We also recognise that as a digital communications and marketing network, the biggest environmental impact we have is in our ability to change mindsets and influence behaviours. We can raise awareness and inspire people to take action to combat the climate crisis and to live more sustainable lifestyles. We believe sustainable consumption and production is about creating balance between the needs of the planet and our needs as individuals, businesses, and communities. At present we have an imbalance. Over the

next decade we are committed to helping 1 billion people make better, more sustainable choices through our work.

Policies

Our Global Environment Policy applies to all our operations, and the employees and contractors who work in them. It sets out how we comply with all applicable environmental legislation, how we identify and manage our environment impacts to achieve best in class environmental performance and how we ensure our staff are aware of the environmental impacts of their work activities.

Our Global Travel and Expenses Policy outlines the importance of considering our environmental impact when travelling for business and sets out rules and guidelines for more sustainable travel.

Implementation

Description of concrete actions to implement environmental policies, address environmental risks and respond to environmental incidents.

- Awareness raising or training of employees on environmental protection
- Initiatives and programmes to reduce waste materials (e.g. recycling) and consumption of resources (energy, fossil fuels, water, electricity, paper, packaging, etc.)
- Activities aimed at improving the energy efficiency of products, services and processes
- Development and diffusion of environmentally friendly technologies
- Raise awareness among suppliers by asking for the environmental footprint of products or services
- Environmental management system to identify, monitor and control the company's environmental performance
- Allocation of responsibilities for environmental protection within the company

A description of concrete actions to implement environmental policies, address environmental risks and respond to environmental incidents can be found in our [2020 Social Impact report](#).

Allocation of responsibilities within the company

Our Social Impact Steering Committee has delegated board authority for the successful implementation of the Social Impact strategy, including environmental activities. The committee has responsibility for the assessment and monitoring of several environmental issues, such as the monitoring of progress against the net-zero and science-based targets, and the commitment to procure 100% renewable electricity.

Awareness raising or training

Dentsu International employees are encouraged to reduce their environmental impact through internal recognition structures, such as internal communications and the company's annual Innovation Awards scheme. The latter rewards outstanding individual contributions and great projects across the business, including those provide environmental benefits. Additional recognition through internal communications is given to dentsu's Social Impact champions, who volunteer their time and talent to coordinate delivery of the company's Social Impact strategy. Training is provided to these champions through quarterly webinars, and they are kept informed through the distribution of quarterly newsletters.

Examples of initiatives

In the UK our property and facilities team maintain ISO 14001 accreditation, a leading environmental management standard for our buildings. This requires continual environmental performance improvements, reporting and documentation.

Many of our market teams have adopted novel approaches to reducing waste and water consumption. Our Gurgaon office in India gives wastepaper to Green-O-Tech, a non-governmental organisation that recycles the paper to make notebooks and donates them to schools for underprivileged students. Every ton of paper recycled by Green-O-Tech helps save the equivalent of 17 trees and prevents 3,670kg of CO2 being released into the environment.

Addressing environmental risks

Dentsu International maintains a global strategic risk register, with sponsors assigned for each risk, including environmental risks where deemed significant enough (with regards to likelihood and impact). The framework also requires each business function, market, and service line, to maintain risk registers and to assign ownership of actions to implement controls. This enables environmental risks to be monitored and managed at both the function level as well as the global level. In 2021, we undertook climate scenario analysis to assess the resilience of the company's financial and strategic position under different climate change scenarios, and to inform strategic planning and risk management.

Initiatives, partnerships, and collaborations

Dentsu International is a member of RE100, Race to Zero, the Business Ambition for Nature, a signatory to the United Nations Global Compact, the Valuable 500, the [Women's Empowerment Principles](#) and in 2021 joined the [World Economic Forum](#) global alliance for Racial Equality and the [World Business Council for Sustainable Development](#). We are also gold members of Sustainable Brands. In the UK we are founding members of Ad Net Zero, an initiative that brings together major players in advertising to reduce the carbon impact of the UK advertising industry to real net zero.

Measurement of outcomes

Description of how the company monitors and evaluates environmental performance.

- Information about how the company deals with incidents
- Investigations, legal cases, rulings, fines and other relevant events related to the Global Compact environmental principles
- Specific progress made in the area of the environmental protection during the last reporting period
- Periodic review of results by senior management
- External audits of environmental performance

Incidents, legal cases, rulings, fines, and other events

Being mostly office based, the nature of our operations means that our direct environmental impact is relatively small, and that we have limited exposure to environmental incidents. Our Global Environment Policy sets out how we comply with all applicable environmental legislation. Our commitment within this policy is to comply, as

a minimum, with our compliance obligations including relevant environmental legislation, permits and other environmental requirements, such as the management of hazardous waste, the Waste Electrical and Electronic Directive (WEEE) and Restriction of Hazardous Substances (ROHS); and to regularly assess our environmental risks and opportunities in relation to our operations and manage those risks.

Progress on environmental protection

In 2020, we reduced our carbon emissions per full time employee (FTE) by 85%. Our total emissions in 2020 were 18,039 tCO₂e, representing a decrease of 46,946 tCO₂e compared to 2019. Our Scope 1 emissions in 2020 were 3,185 tCO₂e, which is a 30% absolute reduction compared to 2019. Our Scope 2 (market-based) emissions in 2020 were 2,532 tCO₂e, a 48% absolute reduction from 2019 levels, in part due to a reduction in overall electricity consumption related to office closures, and the efforts of market teams to unplug and switch off appliances or switch all major equipment to energy-saving modes. While the COVID-19 pandemic contributed to our 2020 emissions reduction, this builds upon our strong performance in 2019, when we exceeded our 2020 goal one year early. Our Scope 1 and 2 science-based target of a 46% reduction by 2030 compared to our 2019 base year, requires a 4.2% reduction every year from 2020 to 2030. In 2020, we significantly outperformed the 4.2% reduction required, achieving a 39% reduction. However, we recognise that the reductions in energy consumption, and therefore emissions, are partly due to office closures. Annual third party assurance of CO₂ emissions (greenhouse gas emissions) is completed by Lloyds Register Quality Assurance Ltd (LRQA) and year on year progress to reduce our emissions till December 2020 is published within the [Social Impact Highlights Report 2020](#).

Oversight and review

The Global Environment Policy is implemented through the dentsu's social impact strategy, which is governed by the dentsu Social Impact Steering Committee. Established in 2019 the Social Impact Steering Committee (SISC) provides governance and oversight of the delivery of the strategy and goals and is chaired by our Global CEO, dentsu international. It is attended by the Chief Sustainability Officer, as well as senior leadership from the functions and regions, including Chief Financial Officer, and Chief Human Resources Officer. In 2020, the committee met four times to review and guide the development of the 2030 strategy. Progress against the strategy is reported quarterly to the dentsu international Executive Board.

Dentsu International discloses annually through **CDP** achieving a B rating in 2021, and a Silver rating in Ecovadis in 2021. We are listed on the DJSI Sustainability Index and FTSE4Good

Additional Sources: [Dentsu International SBTi Validation](#)

4. Anti-Corruption

Assessment, policy and goals

Description of the relevance of anti-corruption for the company (i.e. anti-corruption risk-assessment). Description of policies, public commitments and company goals on anti-corruption.

- Assessment of risk of corruption and bribery in the company's industry and country(ies) of operation
- Written company policy of zero-tolerance for corruption, bribery and extortion
- Reference to (or statement of support for) the [UN Convention Against Corruption](#) and other international instruments
- Protocol to guide staff in situations where they are confronted with extortion or bribery
- Policy requiring business partners and suppliers to adhere to the Global Compact anti-corruption principles
- Specific goals in the area of anti-corruption for the upcoming year

Dentsu International prohibits bribery and corruption in all business dealings, in every country around the world, with both government and private sector parties as outlined in the [Global Anti-bribery and Corruption policy](#), the Global Business Gifts, Entertainments and Hospitality Policies all available internally.

The Global Speak up policy provides employees with guidance on how to report unethical or inappropriate behaviour whether it relates directly to them or is witnessed or suspected elsewhere in the business. The Global Speak Up Policy applies to all employees (including temporary staff and contractors) and all entities that are part of DI. This includes new acquisitions and controlled and affiliated entities.

Through dentsu's [supplier code of conduct](#), suppliers are required to comply with all applicable anti-bribery and corruption laws and regulations in all countries in which they operate. They must not offer, give, receive or request a bribe, whether directly or indirectly, and must take reasonable steps to prevent others (who are acting on their behalf) from doing so. Suppliers must not offer or give an incentive of any kind to any public official which would cause them to improperly fulfil their function or would be viewed as corrupt activity. They must also implement and operate adequate procedures for employees and workers to comply with applicable anti-corruption laws and regulations.

Implementation

Description of concrete actions to implement anti-corruption policies, address anti-corruption risks and respond to incidents.

- Suggestion box, call centre or grievance mechanisms
- Awareness raising or training of employees about the company's policies regarding anti-corruption and extortion (e.g. mailings, internet, internal communication, etc.)
- Allocation of responsibilities for anti-corruption within the company

- Participation in industry initiative or other collective action on anti-corruption
-

In order to support the implementation of the policies and continue to develop capabilities to meet the needs of our clients all dentsu employees are requirement to complete a suite of annual mandatory training modules on Ethics and Compliance, Commit to our code of conduct and DEI courses.

Measurement of outcomes

Description of how the company monitors and evaluates anti-corruption performance.

- Information about how the company deals with incidents of corruption
- Internal audits to ensure consistency with anti-corruption commitment, including periodic review by senior management
- Investigations, legal cases, rulings, fines and other relevant events related to corruption and bribery
- Specific progress made in the area of anti-corruption during the last reporting period
- External audits of anti-corruption programmes

The global business is subject to UK and a number of other national anti-bribery and corruption laws which have global reach. These laws, as well as local anti-bribery legislation, apply to all dentsu international businesses and people wherever they may be located. The purpose of these laws is to ensure that business is conducted in an honest and fair way. The Global Business Principles outlines the company's approach to promoting ant-bribery and corruption across all operations.