

# 1. Introduction

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## 1.1. A message from Anna Lungley, Chief Sustainability Officer, Dentsu Aegis Network

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Climate change, biodiversity loss and inequality are global megatrends reshaping our world. In 2019 we saw a significant increase in both awareness and activity across all stakeholder groups, with employees, investors, clients and consumers all calling for change. Business and brands have no choice but to respond – in our most recent CMO survey of over 1,000 CMOs, three quarters of them believe that associating their brand with a social purpose will be important to engaging consumers in the future. Our industry is no exception, and our work is already underway. In 2019 we have continued to lay important groundwork that will allow us to embrace the next decade with strong environmental credentials and a social impact strategy that galvanises the talent, energy and aspirations of our people and delivers for our clients, our shareholders and wider society.

We are committed to decarbonising our business operations and supply chain. And as an employer of 45,000 people, we invest in the health and well-being of our people and are passionate about creating a diverse and inclusive environment in which everyone can thrive. But we have a powerful role to play, that goes beyond our own operations and physical impacts. Every day, all over the world, our work influences the way that people think, feel and act. Our aim is to use our ideas and data to highlight opportunities, inequalities, innovations and solutions to society's greatest challenges. As a Japanese company we plan for the long-term view, which means creating regenerative solutions that deliver positive impact for our clients, society and the environment, and helping to fulfil our ambition to create a more inclusive and equitable economy for all.

This ambition has never been more relevant. As the world continues to fight the Covid-19 pandemic, we are not just tackling a global health crisis, but also preparing for the long-term impacts felt across the global economy. Digital technology has helped us navigate this unprecedented time – delivering solutions to help keep businesses running, and providing a vital connection to the outside world when whole countries were in lockdown. However, these benefits have not been felt equally by everyone. And even our latest Digital Society Index findings show that nearly half of the people we surveyed, believe that digital technologies are increasing the inequality gap between rich and poor. The pandemic has highlighted deep-rooted disparities all around the world. School closures are disproportionately impacting poorer children without digital access. Unpaid care work has increased as a result of school closures and the needs of older people exacerbating existing inequalities, as women spend three times as many hours as men in unpaid care and domestic work.<sup>1</sup> Millions are registered unemployed or face job insecurity as businesses remain closed.

Our social impact programmes are already working to improve the lives of those groups likely to be disproportionately impacted by the economic crisis following Covid-19: women and children. I am particularly proud of how quickly Dentsu Aegis has responded to move our schools programme, The Code, and our mentorship programme for female entrepreneurs, Female Foundry, online, so that we can continue to provide support when it is needed most. We also continue to partner with Malaria No More, to drive awareness of a disease that still kills a child every two minutes.

<sup>1</sup>UN Women Policy Brief: The Impact of COVID-19 on Women; April 2020  
<https://www.unwomen.org/en/digital-library/publications/2020/04/policy-brief-the-impact-of-covid-19-on-women>



There is much more we can do to address inequality. We have started a conversation to examine privilege and our attitudes to race: how it impacts our company, our work and our interactions with society. Dentsu Aegis must be a driving force for a culturally progressive and diverse industry. We have made good progress against our goal of increasing the number of women in positions of leadership. In 2019, one third of our senior leaders were female, with a number of key appointments including Anna Moulton, Global HR Director, to the Dentsu Group executive office. We also promoted Jacki Kelley to the role of CEO Americas, and Jean Lin to the role of CEO, Creative Line of Business. In 2020 we are delighted to welcome Wendy Clark as our Global CEO.

Addressing and mitigating the worst impacts of climate change remains a key priority. Before Covid-19, the World Economic Forum (WEF) Global Risks Report 2020 found that for the first time in the history of the survey's ten-year outlook, environmental threats dominate the top five long-term risks by likelihood, and occupy three of the top five spots in terms of impact. Although the pandemic has temporarily reduced visible air pollution, there is no doubt that the cost to society has been too high. We need to accelerate our action to mitigate the greatest threat that humanity has ever faced, while building the conditions for humankind to thrive.

In 2019, we delivered our strongest environmental performance to date, reducing our emissions by 43% per full time employee (FTE) and achieving our 2020 goal one year early. We are signatories to RE100, with an ambition to procure 100% renewable electricity by the end of 2020. In 2019 I am pleased that we procured over 89% of our electricity from renewable sources. In recognition of the influence we have over consumption, and the products and services people choose to buy, we joined forces with global brands to transform the role of brands in wider society, co-founding #BrandsForGood, a movement to make sustainable living easier and more aspirational through the power of advertising and media.

One of the biggest differences we can make to society, is by helping our clients and partners to achieve their sustainability objectives. Our clients have set ambitious sustainability strategies and are delighting us with work that not only delivers financial results for their businesses, but also has a positive impact on society. This aligns with our commitment to Common Ground, to use the collective power of media and advertising to drive delivery of the UN Sustainable Development Goals (SDGs). We set ourselves a goal of reaching 1 billion people with related campaigns, and in 2019 were proud to exceed this, reaching 1.67 billion people, including our pro bono charity partnership with Malaria No More.

The impact of Covid-19 is likely to be profound and long-lasting. It is also likely to lead to a 'reset' of society's future priorities and the interconnections between business, society and government. As a company, we are also refreshing our Social Impact Strategy, assessing the most material issues for our business and re-evaluating how we can make the biggest difference. Our focus moving forward will include addressing climate change, promoting sustainable consumption and production, promoting human rights, and helping to create a diverse, inclusive and equitable society and economy.

Our progress is best illustrated through the work and stories of our people. Their talent, passion and commitment to driving positive social impact all across the world are truly inspiring. This report is a celebration of their work.

**Anna Lungley,**  
Chief Sustainability Officer,  
Dentsu Aegis Network