

Dentsu International Australia Pty Ltd - Modern Slavery Statement FY21

1. Introduction

This Modern Slavery Statement (Statement) is made by Dentsu International Australia Pty Ltd (ACN 147 291 674) (Dentsu, our, us) for the financial year ending 31 December 2021 pursuant to the Modern Slavery Act 2018 (Cth) (the Act) and is our second Modern Slavery Statement.

Dentsu remains committed to conducting business with integrity and to the highest ethical standards, respecting human rights and protecting the interests of both dentsu employees and society. As such, Dentsu has zero tolerance of modern slavery and human trafficking and is committed to doing all it can to ensure no form of slavery or human trafficking exists within its supply chain. Dentsu expects the same from everyone it does business with and will not knowingly engage with any person or organisation suspected of being involved in modern slavery or human trafficking in any form.

2. Structure, operations and supply chains

Dentsu is a private limited company incorporated in Australia and is a wholly owned subsidiary of Dentsu International Limited (Dentsu International) a company registered in England and Wales. Its ultimate parent company is Dentsu Inc, incorporated in Japan. References to Dentsu within this Statement are references to Dentsu International Australia Pty Ltd and its subsidiaries unless otherwise stated.

Dentsu is the parent company for Dentsu International's operations in Australia and employs approximately 1080 staff members across 7 office sites. Dentsu's head office is located in Melbourne. Our service offering in Australia includes leading media, creative and customer experience management capability, via our network of agency brands including Carat, iProspect, Merkle, Dentsu Creative and MKTG.

Dentsu works with suppliers across a diverse range of services including:

- Media owners and publishers;
- Research and data companies;
- Technology, software and hardware service providers;
- Creative service suppliers;
- Facilities management and office suppliers, including cleaning and catering providers;
- Travel agents and transport operators.

3. Modern slavery risks

Within our operations

Dentsu's operational modern slavery risk continues to be low. Dentsu's employees and contingent labour workforce are predominantly advertising professionals, supported by corporate functions who are engaged in accordance with applicable labour laws. Our employment practices have continued to evolve in accordance with applicable labour laws and modern award requirements. Dentsu is confident that, because of adherence to global Dentsu policies (described below) and Dentsu's recruitment, remuneration, and compliance programs, there is no risk of modern slavery within our operations.

In our second reporting year Dentsu looked beyond its employee base and carried out an assessment of the talent agencies used by Dentsu to source its contingent labour workforce. Dentsu's contingent labour workforce are predominantly specialists from the creative or technology industries and typically work on a project by project basis dependant on their area of expertise. Each of the agencies used to source contingent workers were asked to complete a modern slavery questionnaire. The exercise revealed no risk of modern slavery within the contingent workforce. The agency list is periodically reviewed, and new agencies asked to complete a modern slavery questionnaire.

Within our supply chains

Dentsu's supply chain modern slavery risk continues to be low. Whilst Dentsu acknowledges that modern slavery can occur in every industry and sector, our supply chains do not involve sectors or territories in which modern slavery has historically existed. Dentsu's primary suppliers are typically mature corporate organisations operating in the creative, media and data and technology sectors. They do not operate in geographical areas which are considered an indicator of modern slavery risk. Nevertheless, Dentsu continues to engage suppliers in two sectors that we believe carry a comparatively higher risk of modern slavery:

1. Third party facilities management and office suppliers (Facilities Suppliers): cleaning services and providers are considered higher risk due to the prevalence of unskilled or temporary labour in this sector.
2. Third party technology service providers based outside Australia (Technology Suppliers): our key suppliers of technology services are headquartered in Australia, the United States, the United Kingdom or Singapore. However many have global operations.

Since our last statement Dentsu has carried out additional due diligence of both its Facilities and Technology Suppliers. Dentsu asked those Facilities Suppliers previously assessed in FY20 to restate their modern slavery compliance and required new Facilities Suppliers to complete a modern slavery questionnaire. The additional due diligence revealed no instances nor risks of modern slavery within our supply chains. Updated diligence in respect of our Technology Suppliers has commenced and is ongoing.

4. Actions to address risks of modern slavery

Policies and procedures

Dentsu operates a comprehensive set of global policies that, amongst other matters, encapsulate the obligations under the Act to prohibit modern slavery and human trafficking within Dentsu. The Dentsu policies that incorporate the values and objectives of the Act are as follows:

- (1) *The Global Code of Conduct.* Dentsu is committed to conducting business with honesty and integrity and upholding high standards to protect the interests of its employees, clients, shareholders, stakeholders and communities in which they work. All employees are required to confirm adherence to the Code of Conduct annually and behave consistently with its terms.
- (2) *Supplier Code of Conduct.* This reflects Dentsu's commitment to our employees, clients and stakeholders, and the obligations expected from all of our suppliers, affiliates, consultants, contractors and agents. Dentsu asks all of its suppliers to contractually commit to this.

- (3) *Global Business Principles*. In FY21 Dentsu issued its updated Global Business Principles. This document summarises Dentsu's commitments to its clients, suppliers and other stakeholders, via our policies and frameworks and includes our commitment to honour internationally recognised principles of human rights and our zero-tolerance approach to all forms of slavery.
- (4) *Global HR Policy*. This states Dentsu's commitment to uphold fair employment practices and observe the laws that pertain to, among others, the prohibition of forced, compulsory and child labour and the laws relating to the elimination of any improper treatment or discrimination of employees.
- (5) *Global Speak Up Process*. This encourages employees to raise, in confidence, any concerns they may have about a suspected wrongdoing in the workplace which includes any concerns regarding the risk of modern slavery or human trafficking. All employees are given training on the speak up process including how and when to use it.

Compliance Assurance Framework

Dentsu operates a mature compliance assurance framework to monitor, prevent and remediate compliance risks. Key components of this framework include:

- (1) *Annual Compliance Statement*. Each Dentsu market CEO is required to certify annually that the business has operated in compliance with all applicable policies, laws and regulations.
- (2) *Risk and Compliance Committee*. This committee (made up of key stakeholders including the ANZ CEO, and senior representation from Finance, Legal and HR) meets quarterly to identify, monitor, and remediate compliance risk affecting the business.
- (3) *Internal Ethics and Compliance Function*. This function exists to promote and maintain ethical and compliant behaviour in our business, identify and investigate ethics and compliance risks within our business, and to provide support to prevent or mitigate such risks.
- (4) *Risk and Audit Function*. This function is accountable for implementing and updating the Risk Management policy and framework; and undertaking assurance and verification activity in respect of policy compliance.
- (5) *HR & Legal*. These business functions are responsible for; monitoring changes to legislation, updating and implementing local policies and conducting investigations into potential instances non-compliance with our policies and/or applicable legislation.

Risk assessment

In FY20 dentsu commenced a due diligence process to understand the risk of modern slavery within its operations and supply chains. We mapped our operations and supply chains and worked with various business divisions to better understand who our suppliers are and what services they provide to Dentsu. A first phase of suppliers was required to complete a questionnaire designed to identify risks of modern slavery within their operations and supply chains and steps taken by suppliers to address these risks.

In FY21 Dentsu extended the due diligence program to include talent agencies used for the purposes of recruiting contingent workers. In addition, we asked continuing suppliers to restate their modern slavery compliance for FY21 and asked new suppliers to complete a modern slavery questionnaire. The responses received did not raise any concerns from a modern slavery perspective nor require further enquiry. Our assessment of new Technology Suppliers has commenced and is ongoing.

Assessing effectiveness

During this second reporting year Dentsu focussed on validating its supply chain risk. Throughout the course of 2022 dentsu intends to expand its internal capability for monitoring supply chain due diligence and plans to enhance modern slavery compliance requirements within its supplier assurance processes and contractual terms with new suppliers.

The effectiveness of the steps taken by Dentsu to ensure that modern slavery and human trafficking is not taking place within its operations and supply chain will be measured by the following key performance indicators (KPIs):

- (1) the number of third parties that have been targeted for further due diligence processes; and
- (2) the number of instances of modern slavery and/or human trafficking identified as part of the Dentsu supplier due diligence process.

Reflecting on the KPIs set in our FY20 statement Dentsu can report that; (1) a second phase of supplier due diligence was carried out; and (2) there were no instances of modern slavery and/or human trafficking identified as part of that process.

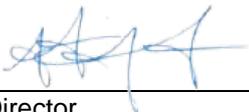
5. Consultation

This statement reflects the position of Dentsu and each of its wholly owned subsidiaries within Australia. All wholly owned subsidiaries within Australia operate under management control of Dentsu International Australia and are subject to Dentsu group policies.

6. Approval and publication

This statement will be published on the internet on the Australian Government's Online Register for Modern Slavery Statements.

This statement was approved by the board of Dentsu International Australia Pty Ltd on 8 July 2022.



Director

Date: 11/7/22



Director