

## Hakuhodo DY Group

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# Creation Happiness

## Hakuhodo DY Group 2019 SDGs Collaboration Book

# Creating

The basic mission underlying the Hakuholdo DY Group's CSR activities is to create and spread a new kind of happiness among *sei-katsu-sha*\* and society.

In last year's CSR report, *Let's Create a New Kind of Happiness for Everyone!*, we highlighted the Group's actions toward achieving the SDGs.

We were able to report that Group employees were working toward achieving all 17 of the goals outlined in the SDGs and that we further strengthened our commitment to working toward realizing the SDGs as an essential corporate endeavor.

This year's report is titled *Creating Happiness: 2019 SDGs Collaboration Book*, and collaboration is the theme.

Hirokazu Toda  
Chairman & CEO  
Hakuholdo DY Holdings Inc.  
(Chairman, Hakuholdo DY Group CSR Committee)

*Hirokazu Toda*

# Happiness

A corporate culture of "working together" has taken root within the Hakuholdo DY Group. We have long solved our clients' corporate challenges by drawing on the diverse individual powers of our people and the team power that spurs us to enthusiastically support each other.

One of the policies of the Group is "Commitment to partnership," which consists of paying constant and careful attention to the business endeavors of our clients and media companies and advancing them together. This can be viewed as a "big team" approach.

We are able to face challenging problems because we have colleagues that reverberate with us and can bring together diverse talents from among them. I believe that this is how we work when addressing the SDGs, too.

One of the group's policies is *sei-katsu-sha* Insight. Each and every one of us is a *sei-katsu-sha* hoping for our own and society's happiness. The ultimate goal of *Sei-katsu-sha* Insight is to create a world in which each *sei-katsu-sha*—and hence society, as a collective of individuals—can shine brilliantly.

In *Creating Happiness: 2019 SDGs Collaboration Book*, we detail how our *sei-katsu-sha* who wish for a happy future for people and the earth come together, combining their diversity of visions, knowledge, skills and creativity toward achieving the SDGs. Work toward realizing many dreams of "changing the future" continues.



Adopted by the United Nations in September 2015, the SDGs are a universal set of development goals for the international community to be achieved by 2030. The SDGs outline 17 goals and targets for poverty reduction, zero hunger, food, water and sanitation, education, gender, consumption and production, climate change, biodiversity and more as a concrete plan for realizing sustainable development. Collaborating with the United Nations Information Centre, an organization tasked with promoting and raising awareness of the SDGs, the Hakuholdo DY Group created the Japanese copy for the SDG icons as creative volunteers for the United Nations in 2016.

\*Sei-katsu-sha insight is the foundation for Hakuholdo's thinking, planning, and brand building. It reminds us that consumers are more than shoppers performing an economic function. They have heartbeats. They are individuals with distinct lifestyles. Hakuholdo introduced this term in the 1980s to emphasize its commitment to a comprehensive, 360-degree perspective on consumers' lives.



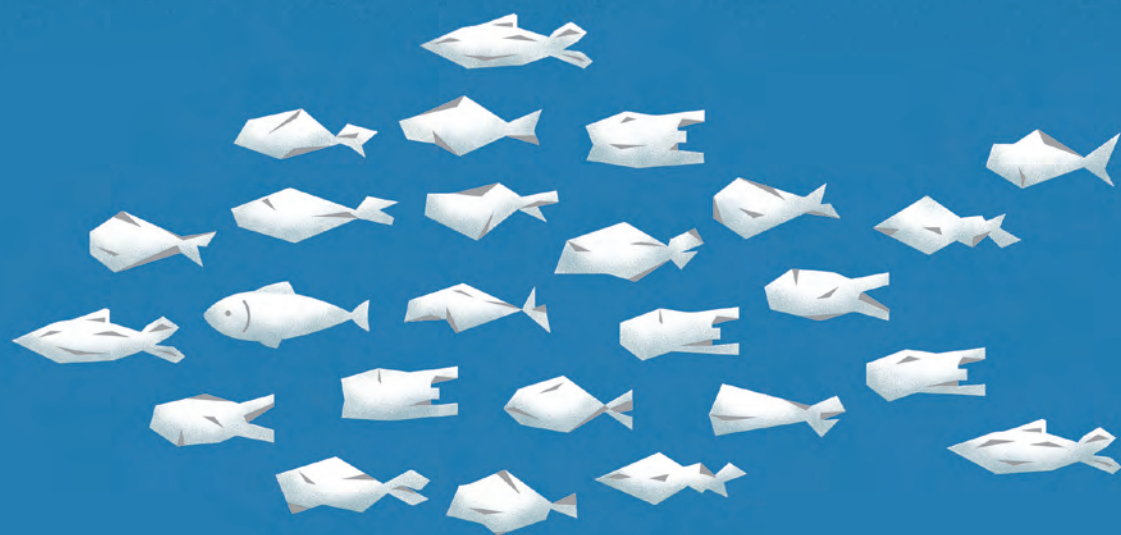
## No.1 Creative Volunteers for the United Nations

UNIC Tokyo & Hakuodo



The Japanese copy for the SDG icons were co-produced in 2016 by the United Nations Information Centre, Tokyo (UNIC Tokyo), which is responsible for promoting and raising awareness of the SDGs, and Hakuodo, in consultation with relevant UN agencies, NGOs, the business community, the Japan International Cooperation Agency (JICA) and the Ministry of Foreign Affairs of Japan, in an effort to induce action by using plain language. This was followed in 2018 by the production of the Japanese logo and statement for #BeatPlasticPollution by Hakuodo, again in cooperation with UNIC Tokyo, to promote and raise awareness of the campaign.

Business as usual means there will be more plastic  
than fish in the sea by 2050.



From Left: Yuta Iguchi (Creative Divison2, Hakuodo) and: Kaoru Nemoto (Director, United Nations Information Centre, Tokyo)

### SDGs—The world's "vision for a better future"

— Firstly, can you tell us about the development of the Japanese SDG icons?

**Nemoto (UNIC Tokyo):** As we were about to release the SDGs after their adoption in 2015, the original Japanese SDG icons were filled with mediocre, literal translations. A person from Hakuodo noticed and told us that they wouldn't work. That was how it all started. The SDGs are the common property of humankind, and not owned by the UN Information Centre or UN organizations alone. Working with people from Hakuodo, we successfully completed a grand project to decide on how the SDG icons should be presented in Japanese. This was done in consultation with the public, the private sector, NGOs, and the government of Japan, one of the Member States.

— What did you think about the proposal made by Mr. Iguchi?

**Nemoto:** Particularly impressive was his suggestion for SDG 12. The original English, "Responsible Consumption and Production" became *Tsukuru sekinin*, *tsuaru sekinin* (Producer Responsibility and User Responsibility). Everyone on the Hakuodo team is a communication professional, skilled at conveying complicated, confusing or rigid concepts in a simple and more accessible manner. I think the Hakuodo team made a great contribution in this sense.

— What kind of presentation did you make, Mr. Iguchi?

**Iguchi (Hakuodo):** The first thing I told Ms. Nemoto was that these goals had not changed much since my childhood. I found that really surprising. I thought that representing the SDGs as they were would not move people. After a while, however, I became deeply motivated because I realized that the SDGs represent the world's "vision for a better future."

**Nemoto:** One of the first things Mr. Iguchi said to me was that the original literal translations would not help get the message across, because nobody could understand what was being asked of them. When I look at them now, the original text was just nouns strung together, without saying what it was we wanted people to do. Mr. Iguchi helped us clearly communicate the message of the goals to our audience.



## Goals designed to “leave no one behind”

— Did you or UNIC Tokyo receive any feedback about the SDGs?

**Nemoto:** I have spoken about the SDGs on various occasions. People often say to me: “I was deeply impressed by the principle of ‘leaving no one behind’” and “Now I really feel that I’m part of the Global Goals.” Such opinions were particularly expressed by people with disabilities and minorities, who tend to be neglected in the favor of the majority.

**Iguchi:** After hearing the words “leaving no one behind,” I also felt that the United Nations is like a mother figure, looking on the world with deep affection. Just living your everyday life, it is difficult to sense the significance of the United Nations, but those words clearly reminded me that the UN plays a crucial role on behalf of our world.

— You also produced a video message from Tetsuko Kuroyanagi, the UNICEF Goodwill Ambassador.

**Nemoto:** The G7 Ise-Shima Summit in May 2016 was the first G7 meeting after the SDGs were implemented, and the SDGs were placed on the G7 agenda for the first time. I wanted to take this great opportunity to produce and release a promotional video. So I boldly approached Ms. Kuroyanagi, in collaboration with Mr. Iguchi of course, and the video was completed just before the G7 Summit. At the end of the video, we asked Ms. Kuroyanagi to choose from among the SDGs the one goal that was most important to her. Her pick was SDG 2 “Zero Hunger.” That was because she experienced severe hunger as a child due to World War II.

**Iguchi:** We simply asked her to give a direct message, without any staging. She spoke in her own words, which was so powerful and compelling.

# やめよう、 プラスチック汚染

#やめようプラスチック汚染 #BeatPlasticPollution

For details see <https://www.unicef.or.jp/>

## Having “unexpected fun” addressing the SDGs

— Can you talk about the issue of plastic pollution?

**Nemoto:** The Ocean Plastics Charter was adopted at the 2018 G7 Summit, but two countries did not sign it—the U.S. and Japan. That was a shock both in Japan and overseas, given that Japan is surrounded by and dependent on the sea. Around the same time, consumers started to take an interest in various movements from abroad, including the call to ban single-use plastic straws. Businesses were finally forced to take action in reaction to the rising number of media reports. Against this backdrop, we decided to host a major symposium at United Nations University on World Oceans Day in June 2018, with Sakana-kun as the guest speaker. The Japanese logo and statement for #BeatPlasticPollution were developed in time for the symposium. The rest is history.

— What are your next steps?

**Nemoto:** Fashion will be one of them. I was surprised to find that the apparel industry accounts for some 10 percent of global CO<sub>2</sub> emissions. It also accounts for 20% of the contaminated water discharged worldwide. This industry is putting intense pressure on the Earth. We now buy 60% more clothes than we did 15 years ago, but wear them for only half as long. It is also reported that one billion clothing items go to waste in Japan each year. Our Fashion Challenge initiative was launched to set in motion a more sustainable cycle of consumption: buying quality clothes at fair prices, wearing them for a long time, and upcycling them with added value when they are done. A simple sense of obligation will not help SDG initiatives last longer. We must try to have “unexpected fun,” which is what the team at Hakuodo encouraged us to do.

**Iguchi:** We will have “unexpected fun” collaborating at your request. [laughs]



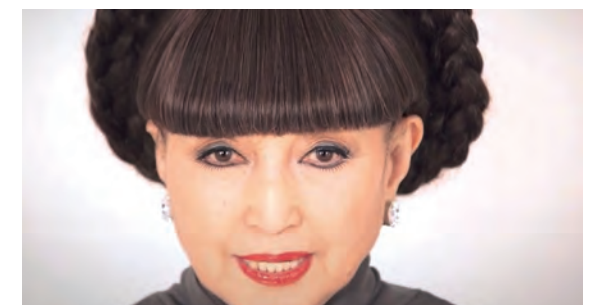
SDG 14 is “Life below water.” Beating plastic pollution holds the key to its achievement. ©UNIC Tokyo



A “plastic beach” in Mumbai, India’s largest city, on the west coast. ©UNEP



A huge amount of plastic waste drifting in the sea. ©UNEP



SDGs public announcement video featuring Tetsuko Kuroyanagi, UNICEF Goodwill Ambassador  
<https://www.unicef.or.jp/news-press/info/18982/>

## No. 2 Locomo Challenge

Japanese Orthopaedic Association & Hakuodo



“Locomo”(Locomotive Syndrome) refers to a state of reduced locomotive function such as standing and walking. The Japanese Orthopaedic Association and Hakuodo launched the Locomotive Challenge! Council in 2010 to conduct public information activities designed to diffuse correct knowledge and increase awareness of the need to prevent Locomo, a syndrome that can lead to requiring long-term care if left unaddressed. Awareness of the campaign reached 44.8% by March 2019.

With two exercises, you can avoid becoming bedridden.



From left: Masahiko Futara (PR Division, Hakuodo), Mariko Noguchi (Themed Marketing Business Design Division, Hakuodo), Takashi Ohe (Specialist Physician, Japanese Orthopaedic Association), and Takeshi Muro (Global Integrated Solution Division, Hakuodo)

### Establishing a new concept of health in Japan

— We hear that Locomotive Syndrome was a novel concept for the medical community. How did it come about?

**Ohe (Japanese Orthopaedic Association):** It all started in 2007, when Dr. Kozo Nakamura, then President of the Japanese Orthopaedic Association, suggested: “Aging and longevity are having an impact on diseases and disorders treated by orthopaedists. Now is the time to advocate a new concept.” It was a compelling suggestion for me as a practitioner. Orthopaedists used to treat mostly young patients injured in traffic accidents or sports, but since the turn of the century we have been treating more patients with aging-related troubles. With a young patient, we only need to treat the injury, but an elderly patient may have another reason to see the doctor right after the original problem has healed. It was like a game of cat and mouse... We certainly felt that after-the-fact measures would not bring about a fundamental solution. Defining “Locomotive Syndrome” as any situation where locomotive functions, such as standing and walking, are reduced due to the weakening of parts involved in movement such as bones, joints and muscles, the Japanese Orthopaedic Association decided to launch an awareness-raising campaign to prevent the syndrome. Such a campaign has to be linked with academic activities, and it also needs to be sustainable, not a one-time event. That is why the Japanese Orthopaedic Association worked with Hakuodo to establish the Locomotive Challenge! Council as a voluntary group to lead the campaign, and that was how our awareness-raising campaign started, with the involvement of non-medical stakeholders.

**Muro (Hakuodo):** Initially, we had eight private companies to support the Council. We aimed to create a framework to bring benefits to all those involved, including the medical community, patients and the private sector, but we also had to learn by trial and error, as it was a brand-new initiative for us.

**Noguchi (Hakuodo):** We now routinely talk about “consortiums,” but it was uncharted territory at the time. I think it was the first time Hakuodo organized and operated in a consortium.

\*Among the 17 goals and 169 targets of the Sustainable Development Goals (SDGs), this campaign contributes to SDGs 3.8, 4.7 and 17.17.



## Co-creation starts with the development of a common language

— The fundamental concept and framework were all created from scratch. Wasn't it a daunting task?

**Ohe:** We didn't have a common language to begin with. It was the first time ever for the Association to work with a private company, and we had completely different cultures. To get started, we decided to gather once a month for two hours.

**Noguchi:** When preparing the minutes, at first we did not understand what the doctors had said, as it was filled with technical terminology.

**Muro:** We had different sets of principles, too. Working for an advertising agency, we tend to focus on "*communicating*" the message. But for the doctors, it is crucial that the audience gets the message "*right*." We have produced promotional booklets and content including the Locomo Risk Test, each based on serious discussions from different perspectives, to ensure both correctness and effectiveness.

— Now that the term "Locomo" is widely recognized, the promotional campaign can be considered a success. What was the key to its success?

**Noguchi:** We were involved in serious discussions every month, actually for three to four hours instead of the planned two hours. I think we met more than 100 times. Every discussion was a moment of truth. There was no planned point of compromise, hidden intention or bitter aftertaste. As we spent time together, I got the feeling that a common language was developing.

**Ohe:** It was also important that we had the shared goal of making Locomo part of the Ministry of Health, Labour and Welfare's "National Health Promotion Movement in the 21st Century (Healthy Japan 21)." I felt like we moved to another stage when all the members

came to share the same perspective in their commitment to the national policy, which is to be modified every 10 years. As a result, Locomo was selected as a component of Healthy Japan 21. This has had a very tangible effect, because local authorities are required to promote the components of Healthy Japan 21.

## Issues of aging require interdisciplinary collaboration

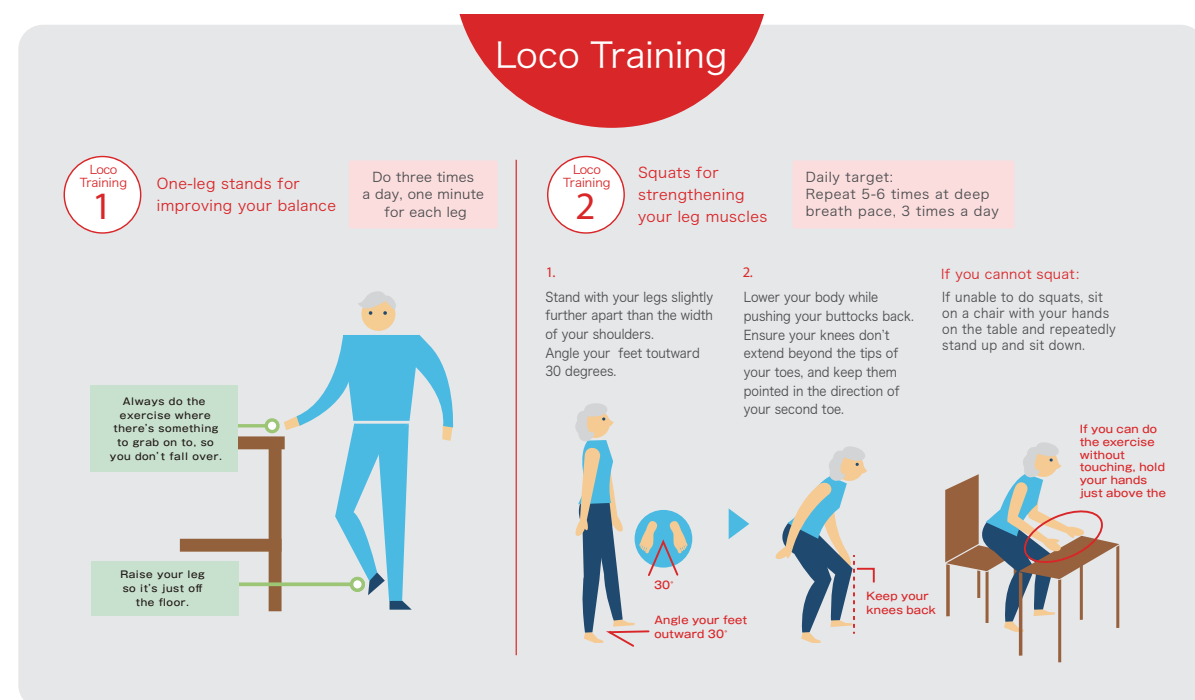
— What was the subsequent impact and what are the next steps?

**Futara (Hakuhodo):** From a PR viewpoint, the word "Locomo" now no longer needs explanation. At first, we could not use the word without including a description of Locomotive Syndrome, but now more and more articles refer to Locomo without any explanation.

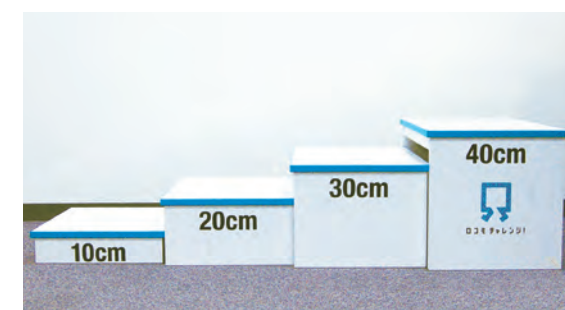
**Ohe:** I also have the feeling that Locomo has grown into a common topic among physicians. Yet, orthopaedists still have different views about the necessity of prevention. Further progress in research may, for example, enable quantification of the effectiveness of surgery via the Locomo Risk Test, thus facilitating collaboration with orthopaedists who tend to attach more importance to operations. Communication within the academic community is an ongoing issue.

**Noguchi:** I feel we still have a long way to go. We will engage with more co-creation partners in various campaigns driven by technology.

**Ohe:** Orthopaedists will have to look outside the field of orthopaedics if we are to tackle the problem of aging. First, we must work with other medical areas. This issue will also entail partnerships with various stakeholders including private businesses and local authorities, as it cannot be addressed by physicians alone. In this sense, there is so much more that we can do.



Won Silver at PR Award Grand Prix 2017, Grand Prix in the PR category at the 2018 ACC Tokyo Creativity Awards, and Silver in two categories at Spikes Asia 2018. For details, see <https://locomo-joa.jp/>



Stand-up Test Boxes for the Locomo Risk Test to investigate the probability of suffering from Locomo in future can be bought online.



The Locomo Risk Test, preventive lessons and civic classes are held nationwide.



First booklet released in 2013. The updated booklet is available online.



Activities are implemented to raise awareness of correct information and preventive knowledge about Locomo (photo of Takashi Ohe).

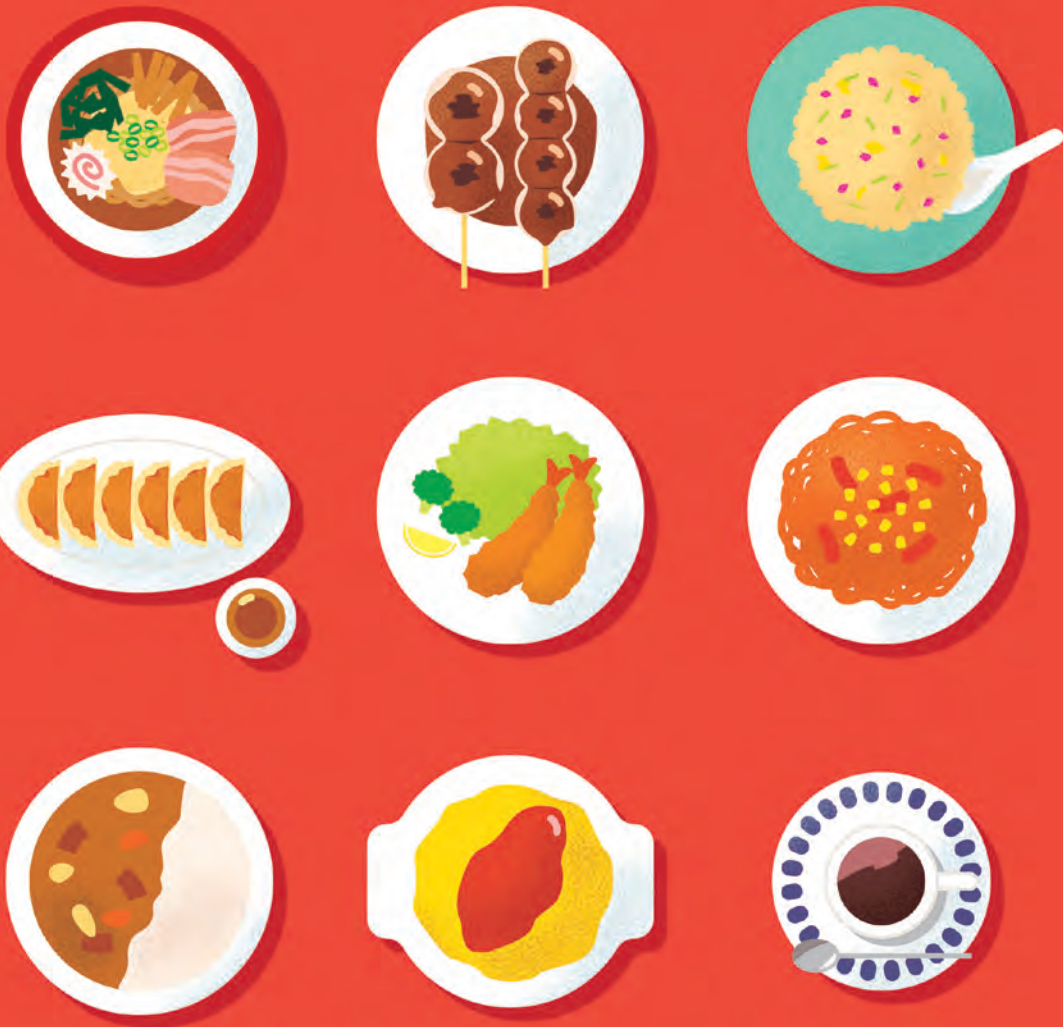
# No.3 Red Restaurants List

Takasaki City &  
Hakuhodo Kettle



This is a gourmet website highlighting good old restaurants that have been popular for years among the citizens of Takasaki, Gunma Prefecture, aiming to preserve unique dishes that people should eat and protect in the provincial town. served by independant restaurants facing extinction due to the again of owners and lack of successors. The website went live in September 2017 under a joint project developed by the municipal government of Takasaki, Hakuhodo and Hakuhodo Kettle. It highlights good old restaurants serving “endangered dishes” that are popular among local residents and helps recruit successors and interns for the restaurants.

You may wish to know what you’ve got before it’s gone.



From left: Masanobu Hino (Hakuhodo Kettle), Kenji Tomioka (Mayor, Takasaki City, Gunma Prefecture), and Shota Hatanaka (Hakuhodo Kettle)

## Choose popular, off-street restaurants over posh restaurants owned by celebrity chefs

— How did the collaboration and idea come about? Please give us some background and explain some possible next steps.

**Tomioka (Mayor of Takasaki):** We have always thought about how best to communicate the attractiveness of our city, but we found that traditional approaches, such as printing brochures, were ineffective. We also faced problems in the restaurant sector. Although wining and dining plays a significant part in communicating the attractiveness of a city, Takasaki does not have a port or local specialty, nor an abundance of famous restaurants. We didn’t know any effective methods of giving public information,so we publicly solicited ideas on these two issues, and Hakuhodo came up with a well-thought-out proposal. The Red Restaurants List project was born out of remarks by two Hakuhodo staff members: “We might as well highlight restaurants serving delicious dishes that are popular with the people, typically located off-street and not fancy-looking.” I first found the expression “Red-List Restaurants” rather negative, but changed my mind when they explained its meaning: “restaurants that are red-listed but have the potential to become red-hot.” When drawing up the actual list, they said they would select the restaurants themselves and would not accept any recommendations from me. This kind of integrity reassured me. Indeed, a front-line restaurant reporter went around the city on a rented bicycle, talked with the restaurateurs, and completed the list. The down-to-earth approach was admirable. What was the result of the project ? Well, the moms and pops who run the restaurants gained pride in themselves. It is also important that regular customers came to talk about or praise the restaurants that are listed, thus increasing their pride further. For the owners, recognition of their restaurants means that their life in the community was highly appreciated. We are talking about communicating local culture in this sense. Going forward, we will look beyond restaurants and spotlight other ready-made dishes such as good old deep-fried bean curd of tofu makers and handmade croquettes.

\*Among the 17 goals and 169 targets of the Sustainable Development Goals (SDGs), this campaign contributes to SDGs 8.9, 11.3, 11a and 17.17.



## Engagement of restaurateurs and commitment of citizens

— You almost said it all. [ *laughs* ] Now we'd like to ask a question to two staff members from Hakuhodo. What was your initial reaction to the open call for ideas?

**Hatanaka (Hakuhodo Kettle):** I found it interesting, but at the same time I felt that the approach we were using in Tokyo would not be effective. So we started field marketing, or eating at various restaurants.

**Hino (Hakuhodo Kettle):** During that process, we heard many local residents say: "We used to have many good restaurants, but they disappeared one by one." That was when we realized that local restaurants were in danger of extinction.

**Hatanaka:** So we started thinking how we might highlight those restaurants by sending a message: "We want you to come and eat here before it's gone."

**Hino:** Frankly speaking, the restaurant owners were not generally enthusiastic about media exposure. Being elderly, they doubted whether they could serve many new customers, and had actually turned down TV coverage. We were lucky to find an exception: a restaurant called Del Mundo accepted everything that we suggested. They took part in our project out of their desire to contribute to their hometown Takasaki in every way they could. The list was built on that kind of commitment by local stakeholders. Furthermore, Ms. Mutsuko Shio, producer of the Takasaki Film Festival and owner of a theater, offered to run the promotional video in her theater. Despite budget constraints, we managed to finance the video production from various sources, with the support of volunteers originally from Takasaki, including the video director. The video subsequently won a prize in an award show, creating a buzz and nudging more people to support the project. For example, the tourist association created a large sign and placed it in front of the station. JR allowed us to put up many posters where posting is usually prohibited. We really felt the commitment of local residents who did everything



The campaign captured the ACC Grand Prix/Minister of Internal Affairs and Communications Award, the highest honor in the Marketing Effectiveness category at the 2018 ACC Tokyo Creativity Awards, as well as a Bronze Media Lion at Cannes Lions 2019. For details, see <https://zetsumeshi-takasaki.jp/>

they could to support their hometown.

**Tomioka:** Before Cannes, we won a prize at an award show in New York, and I first learned about the English translation of the project: "Red-List Restaurants." It was interesting—kind of like an endangered species. I felt affection for the term.

**Hatanaka:** It looks like the same thing is happening on a global scale: jury members were also alerted to the extinction of local restaurants not only in Japan, but all over the world. That's why we won the prize in New York.

### If every city has the same problem, why not replicate the idea?

— Do you have any particular aspirations or ideas going forward?

**Hino:** When the list was completed, the Mayor actually suggested replicating the project in other cities, because all provincial towns in Japan face similar problems. That greatly impressed us. With a local promotion campaign, we tend to look for something unique to ourselves, but with this project we were only piloting what any city can do by picking Takasaki as a test case. Indeed, we have been approached by many other local authorities, including Ishikawa Prefecture and Yanagawa City, Fukuoka Prefecture. It's becoming very interesting.

**Hatanaka:** Possible next steps include marketing a package of retort pouch foods featuring particular items, such as the sauce for hamburger steak at Del Mundo. Souvenir shops at stations would be a possible marketing channel. Now that the Red Restaurants List is widely recognized, we'd like to scale it up. We could organize a dedicated event as the initiative has grown that much.

**Tomioka:** The audience of such an initiative should not be limited to non-residents but also include local citizens, who need to know about such Red-List Restaurants. It's important to provide an opportunity for local residents to take a new look at themselves.



Mr. Yasuo Takahashi and his wife Emiko have been running Del Mundo for four decades. The top favorite "Hambourgeois" (¥950) features a huge hamburger steak on top of spaghetti, served with lots of thick meat sauce.



A total of 17 Red-List Restaurant Posters were created, featuring memorable words of restaurateurs in interviews.



No.4 MAZEKOZE ART Project

Starbucks Coffee Japan & Get in touch &  
Hakuhodo DY Media Partners



This project aims to increase recognition of inspiring works produced by artists with disabilities by using them as artworks for Starbucks stores, and to provide spaces that everyone can use and relax in. The first store (Starbucks Coffee Shin-Marunouchi Building Store) opened in September 2017, and by the end of September 2019, 39 stores nationwide had adopted the concept.

Artists with disabilities only needed opportunities.



From left: Takafumi Minaguchi (CEO, Starbucks Coffee Japan, Ltd.), Chizuru Azuma (Actress and President, Get in touch), and Takao Yanagi (Entertainment Business Division, Hakuhodo DY Media Partners)

Working for society beyond 2020

— Many stakeholders are involved in this project. How did it come about?

**Yanagi (Hakuhodo DY Media Partners):** At first, volunteers from the Hakuhodo DY Group got together for a movement designed to promote great works by artists with disabilities. Toward that end, we were working with Ms. Azuma and her organization Get in touch.

**Azuma (Get in touch):** We believe that a genuinely mature society does not alienate minorities. We hope to live in a *mazekoze* (jumbled) world that does not exclude anyone for whatever reason or situation. Based on this principle, Get in touch has been involved in various activities since 2012, and we have also worked with institutions for the disabled and artists with disabilities across Japan. There are a large number of such artists in Japan, probably numbering in the hundreds.

**Yanagi:** We've got some momentum going as works of those artists are now displayed at museums and galleries nationwide in the run-up to Tokyo 2020. But this upbeat atmosphere will probably not last beyond 2020, when budgets will disappear. To keep the momentum going beyond 2020, we thought those works needed to be displayed where everyone could see them. But where could that be? Starbucks was a natural answer.

**Minaguchi (Starbucks):** The moment I heard about it, I felt the project was aligned with what Starbucks is constantly aiming for. We also have colleagues with disabilities, and our mission goes one step further: bringing together a wide variety of people, regardless of gender, age or nationality, to work together for customer satisfaction. Accordingly, we have been trying to create a company and stores where everyone can have a sense of belonging. That was why I felt an affinity to the story of the MAZEKOZE ART Project.

\*Among the 17 goals and 169 targets of the Sustainable Development Goals (SDGs), this campaign contributes to SDGs 10.2, 11.7 and 17.7. 15



## The challenge of creating artworks as a job

— Were the artists accustomed to creating commissioned works?

**Azuma:** No. That was something quite new. When asked by Mr. Yanagi if the artists could accept orders at the initial stage of the project, I was not at all sure. But I thought I could not afford to miss the chance, because it was a rare opportunity for people to view the artists' works without bias, in the true sense of the term. An art exhibit only attracts people with a passion for art, whereas a welfare exhibit is mainly designed for people interested in welfare issues. In Japan, people often do not know about a world-famous artist living in their same local community. To change this situation, displaying works in Starbucks stores was a golden chance and an opportunity for ordinary people to view the works in an unbiased manner.

— How did the artists actually create the works?

**Azuma:** As it turned out, the artists had more potential and capacity than we had expected. They had their own understanding of the presented theme and expressed it in splendid works, while also meeting the deadline.

**Yanagi:** That's right! For example, artists who usually spend much longer, say 12 months, to finish their own drawings showed amazing concentration and got the job done in two months.

**Azuma:** Of course, it was crucial that family and institutional staff helped convince the artists that this was a job. Even though it is the artists who expressed themselves, we needed the support of the people around them. I strongly feel that it was teamwork.



Interior of the Starbucks Coffee Meguro Central Square Store, decorated with artworks depicting five stories, including the journey of coffee beans and relaxing moments for workers.

Through a cup of coffee, Starbucks Coffee Japan, Ltd. is involved in actions for the sustainable future of the earth and local communities that nurture us. For details about its Social Impact activities, see: <https://www.starbucks.co.jp/socialimpact/>

## No charity, no compromise

**Minaguchi:** Starbucks does not regard this project as charity. We never compromise when selecting works to be displayed. The works have to have artistic value that makes us want to present them to customers. For this reason, we make sure that our Partners (staff working for Starbucks) can explain the meaning of each of the displayed works.

— What are your next steps?

**Azuma:** Many artists have potential but are still waiting for their talent to emerge. They simply do not have sufficient support to develop those talents. Sometimes, even family members do not recognize the value of the artist closest to them. Even some artists who had already displayed many works at museums were moved to tears to find their work at a Starbucks store. We still have a long way to go to connect the artists with society.

**Yanagi:** This project helped make people with disabilities regular customers of Starbucks. We also hear that it had various ripple effects such as interactions with the Partners and other customers.

**Minaguchi:** Indeed, I think art and coffee have similar effects—they make people feel relaxed and break the ice. Art is to a relaxing place what coffee is to a work break. We hope such spaces expand to other companies, not only Starbucks. There is still so much we can do.

**Azuma:** I think that activities on diversity and inclusion should not be serious and depressing, but keep expanding through loose and enjoyable connections. I hope to keep enlarging the network of people who find the project interesting and amusing!



CEO Minaguchi with Tae Takubo, creator of works on the five stories on the left page.



*Are you playing in a coffee tree?* – A work depicting coffee leaves, coffee berries, as well as birds and insects gathering around the tree.



*Wild Coffee Cup* connects various scenes of the coffee production process into a single work.

Get in touch is aiming for a “MAZEKOZE society,” which connects people, groups and businesses with entertainment such as art and music, leaving no one behind. For details, see <https://www.getintouch.or.jp/>



No. 5 How Do You Rate the Peach Boy?

Junior High School Teacher &  
Hakuhodo



This project promotes a workshop-style teaching approach featuring discussions on a newspaper ad about a demon child whose father was “killed by the Peach Boy (Momotaro),” jointly conceived by Hakuhodo creators who produced the ad, the junior high school teacher in Okayama Prefecture, home of the legendary hero Peach Boy, and Think the Earth, a general incorporated association. The project, launched in 2016, is designed to highlight the importance of having diverse viewpoints in a world characterized by the collision of different sets of values, thereby creating a foundation for respecting each other’s values and views. Starting in junior high schools in Okayama and Tokyo, the project has been replicated across Japan including in junior high school classes and workshops for students aspiring to become teachers.

Why can’t everyone be “happy ever after?”



From left: Hiroshi Yamazaki (Integrated Planning & Creative Division, Hakuhodo), Kunihiko Tanimoto (former teacher, Ochiai Junior High School, Maniwa, Okayama Prefecture, Tsuyama Nishi Junior High School, Tsuyama, Okayama Prefecture); and Akane Obata (Creative Division 2, Hakuhodo)

Impart knowledge in a minute, and it will vanish in a second

— How did you teach an ethics class in general, Mr.Tanimoto?

**Tanimoto (Teacher):** I had doubts that simply reading the textbook was adequate because students were not thinking with their own heads. If you impart knowledge in a minute, it will vanish in a second. In my view, an ethics class should serve to cultivate students over time, rather than encouraging them to grow in a hurry.

— Did you have connections with creators at Hakuhodo?

**Tanimoto:** No, not at all! While I was on a trip with my family in the summer of 2015, I was astonished to find an ad at a bookstore that said: “My dad was killed by this dude called Peach Boy.” Not satisfied with just finding out who produced the copy, I conjured up a story of “Demon Boy (Onitaro),” the tale of Peach Boy as told by the demon’s son.

— You wrote the whole story?

**Tanimoto:** Yes. And I used the story for an ethics class, to teach the 127 students gathered in the gymnasium about the importance of looking at things from a different perspective. The result was highly successful, both among the students and the teachers, so I thought a picture book version of the story would be a useful teaching aid for ethics education. Since I already knew that the copy had been created by Hakuhodo’s Mr.Yamazaki and Ms. Obata, I contacted them, hoping that they would help produce the picture book.



Multiple points of view, rather than a single correct answer

— How did the idea of making a picture book develop into the reshaping of ethics education?

**Yamazaki (Hakuhodo):** That idea was actually proposed by us creators. The ad copy we had produced was originally designed to convey a message: “Think for a while before rushing to a conclusion.” A picture book would have to include a conclusion, which might diverge from our initial intention.

**Obata (Hakuhodo):** The story of “Demon Boy” written by Mr. Tanimoto was a pleasant surprise for us. But a story inevitably leads the reader in a fixed direction, which was a pity.

**Yamazaki:** So we proposed to create a class together.

— Did the class come about smoothly?

**Yamazaki:** No. We struggled to find our way at first. We didn’t know what to do or how to do it. We had no clue. So we proposed some ideas at first, and ended up presenting about 10 ideas.

**Obata:** We are accustomed to the process of ideation itself. But ad creators like us usually create something that needs a few seconds to understand, while a class requires us to make the most of the available 50 minutes. We had to struggle with the difference.

— Did you have a breakthrough that turned the struggle into the ideal class?

**Tanimoto:** The idea of using dice as a tool turned out to be crucial. Their tactile nature facilitates empathy with the characters. Students can use body language during discussion as the dice can be left



A newspaper ad produced by Hakuhodo in 2013 effectively triggered the project. Building on the story of the Peach Boy, everybody’s hero in Japan, it demonstrated that the “happy ever after” cliché can mean different things depending on your perspective.



Creative tool developed for the project



The project won the Minister of Economy, Trade and Industry Award at the 12th Kids Design Award (2018).

alone on the desk, thus catalyzing conversation. We ultimately developed a teaching plan for a series of three classes. The first class was designed to broaden students’ perspectives by rearranging the story of the Peach Boy from the perspective of the Demon Boy. The second class aimed to help the students identify various alternatives that might have been available for the Peach Boy before killing the demon. The third and final class encouraged the students to design a better future on their own by imagining a sequel to the story of the Peach Boy.

Distributing the new Peach Boy story across Japan

— What kind of feedback did you get after the classes?

**Tanimoto:** Asked to express their impressions in writing at the end of each class, the students wrote furiously. The classroom was filled with the sound of pens flying across paper for 20 minutes, 30 minutes and longer: the students were so impressed that they were burning to write what they felt in their own words. We also got calls and letters from school teachers across Japan who learned of our project from their colleagues and through word of mouth. As we made the relevant data available for free, “How Do You Rate the Peach Boy?” classes have been replicated at schools not only in Okayama Prefecture but all over the country, including Tokyo.

**Obata:** We were emotionally attached to the original newspaper ad on the Peach Boy, which won an advertising award. We were also delighted that our work became the talk of the town, generating feedback from various stakeholders. But we did not expect that the work would bring us an opportunity to leverage creativity in the field of education, a sector about which we in the advertising industry know very little. It was an intriguing and rewarding experience.

**Yamazaki:** Thus far, society has looked to ad creators for ad expression in the context of helping sell products and services. Now I feel that our skills may lead to unprecedented movements or results in new areas such as education. I was really encouraged by the project.



For details, see <https://www.hakuhodo.co.jp/archives/report/44775>



Step 1: Roll the character dice to create a Peach Boy story.



Step 2: Create another version of the story by including the Demon Boy character.



## No. 6 Direct Buy!

### Next-Generation Farmers & Farmer's Guide (Hakuhodo DY Group)



This is a platform connecting farmers operating farm stands and experience-based resort farms with *sei-katsu-sha*. The platform, launched in September 2018, was developed by Farmer's Guide, an in-house venture born from one of the initiatives proposed to the Hakuhodo DY Group-wide business idea incubation program called AD+VENTURE. The platform is working with 2,000 farm stand operators as of August 2019. The farmers can publish information on their farms and products free of charge through Direct Buy!, while *sei-katsu-sha* can obtain local direct-sales information via computer or smartphone.

The more you know about the farmers, the better their products taste.



From Left: Tomohiko Sagawa (Representative, FARMSIDE works and Manager, Abe Orchard) and Yoshito Nakajima (CEO, Farmer's Guide (Hakuhodo DY Group))

## Creating a world where agriculture remains a choice

— Were you originally interested in agriculture, Mr. Nakajima?

**Nakajima (Farmer's Guide):** My grandparents were actually part-time farmers, so I used to go to the farm almost every day when I was a boy. But my parents did not take over the farm. I went there at the start of my career, but all I could see was typical abandoned arable land, covered with weeds. That was inevitable because we had stopped farming, but I felt like something was missing. After some research, I found that farms were being abandoned across the country, and wondered if the Hakuhodo DY Group could do something about it. That's what eventually led to the idea of Direct Buy!

— Have you always been involved in pear production, Mr. Sagawa?

**Sagawa (Next-Generation Farmer):** Actually, no! I majored in agronomy at university, but got a job with a chemicals manufacturer affiliated to a foreign company, as initially I did not consider building a career in agriculture. Then my interest gradually shifted to a job where I could feel I was directly serving others. I was lucky to find a job at Abe Orchard. I was told: "There is an orchard that produces good pears for an increasing number of customers, but they don't know how to manage things. Would you like to help?"

**Nakajima:** I was introduced to Mr. Sagawa by a mutual acquaintance. But I already knew about him, because he had published his know-how on improving operations at Abe Orchard on a website called "Pearls of Wisdom from Abe Orchard," while providing consultancy on farming for smallholders.

**Sagawa:** I initially came to Abe Orchard for marketing and promotion activities. As soon as I started working there, however, I found huge scope for improvement in back-office functions such as labor management, accounting and order processing. So, I started by improving operations for the management of Abe Orchard before launching promotion and branding. I shared that know-how by posting it on the Internet.

\*Among the 17 goals and 169 targets of the Sustainable Development Goals (SDGs), this campaign contributes to SDGs 2.3, 9.1 and 12.8.



# Delivering the power of marketing to all farmers

— Why did you focus on farm stands?

**Nakajima:** I now live in Nagareyama, Chiba Prefecture, where my wife was born. One day, my mother-in-law took me to buy some delicious strawberries. That happened to be the farm stand of a strawberry grower, located up a winding path, and yes, the strawberries tasted great. “Local people have an unfair advantage,” I thought. [laughs] Going to buy strawberries myself was a brand-new experience, and they tasted better because I also enjoyed talking with my family and the farmers. I thought that the experience or story was unique to farm stands.

**Sagawa:** A farm stand can deliver higher-value products directly to customers. That’s an important advantage for farm management. However, marketing by individual farmers is not cost-effective. I always wanted a platform like Direct Buy!, which could play a marketing role without much effort for farmers, and naturally curate tools and knowledge for marketing. In other words, I was ready to support any service like Direct Buy!.

**Nakajima:** That’s the point. I hope Direct Buy! will build the marketing capacity of farmers. A farm stand can attract local customers, who support and help motivate the farmers. Furthermore, the fact that the farmers are supported locally is an advantage when they negotiate prices. Moreover, I think there might be a way to prevent the rising unit prices of vegetables from simply increasing the burden of *sei-katsu-sha*. Good food directly leads to daily well-being. Farmers will be motivated to produce even better crops if we pay fair prices for high-quality food. I’d like to kick-start a virtuous cycle of paying reasonable prices for food to increase the well-being of *sei-katsu-sha*.



You can easily find information on direct sales by your local farmers.



For details, see <https://choku-buy.com/>

# Preserving the appreciation of agriculture into the future

— Did you get any feedback from farmers?

**Nakajima:** Fortunately, many farmers have said they need such services. Although there has been strong demand for a website that reviews farms and farm stands, the imperative of profitability was a barrier. The first challenge was how to establish sustainability. The second challenge was customer success, or delivering return on investment for the farmers who are paid members of Direct Buy!. We are very grateful to Mr. Sagawa for so beautifully materializing what the farmers were thinking.

**Sagawa:** Traditional Japanese farmers are mostly family farmers and smallholders. It’s good that they now enjoy helping hands and supporting services. Helping small farmers realize their potential can ensure that the local culture centered on farming will be passed on to future generations.

**Nakajima:** We have this notion of Engel’s coefficient and that it should be minimized. The theory states that the lower the share of food expenses in household expenditure, the better off we are. However, paying a fair price for the value of good taste sometimes makes us happier. A virtuous cycle will result if the extra money earned by the farmers is invested in producing even better crops. I hope that farm stands will help *sei-katsu-sha* identify more closely with the farmers, and put more priority on the production area and producers. We would like to highlight the joy of agriculture, instead of its difficulties and instability, without window-dressing. We really want to see the services of Direct Buy! grow, so that everyone may continue to appreciate agriculture.



Information on more than 20,000 farm stands/marchés, experience-based resort farms and producers nationwide is posted (as of August 2019).



Available data include basic information, specific details, comments of users, seasonal farm stand information and recommended recipes. 25



## No. 7 Para Ping-Pong Table

Japan Para Table Tennis Association (JPTTA) &  
TBWA\HAKUHODO



This ping-pong table is designed to communicate the attractiveness of para table tennis as a sport, and the strength of athletes with disabilities. Building on interviews with para athletes and tentative sketches, it faithfully depicts the world of ping-pong as experienced by the athletes. Since launching their activities in February 2018, the JPTTA and TBWA\HAKUHODO have produced three of the 20 prototypes, working with SAN-EI, a ping-pong table manufacturer. The table has been used in games and experience-based events held at official Paralympic events and in schools across Japan. 2020 will be a great opportunity to raise awareness about the attractiveness of para table tennis.



The left end of the table feels far away to an athlete who doesn't have the power to support the whole body with the left leg.



From Left: Masaya Asai (Disruption Lab, TBWA\HAKUHODO) and Iota Ryoji Tateish (Manager of Public Relations, Japan Para Table Tennis Association)

### Communicating the excitement of para table tennis, and how great the players are

— What were the challenges for the JPTTA?

**Asai (TBWA\HAKUHODO):** A survey by Nielsen Sports<sup>\*1</sup> indicates that only 1% of the Japanese population has ever watched any para sport. I was personally concerned that the term “Olympics/Paralympics” was a cover: only the Olympics make news, and nobody watches the Paralympics once the Olympics are over. This situation had to change.

<sup>\*1</sup> A questionnaire survey conducted by the world's largest sports marketing company in 2017, covering people aged 16–69 across Japan

— How did the idea of Para Ping-Pong Table come about?

**Asai:** I discovered many things when I was given the opportunity to interview athletes with disabilities. Unlike other para sports, para table tennis uses exactly the same equipment and rules as ordinary ping-pong; the only difference is that the players have physical disabilities. It is like a fight between different combat sports, as a player who has lost the right hand is matched up against an athlete who cannot move the left leg, for example. There are totally different strategies compared to regular table tennis. Players actually said that they were relentlessly attacking each other's weak points. If your opponent doesn't have a right hand, you get an advantage by hitting the ball to the right-hand side of the opponent. But how was the opponent overcoming that weakness? We wanted to express this using a ping-pong table, and hit on the idea of this distorted table. We designed 20 types of table to reflect the conditions facing 20 athletes. Initially, we only produced posters based on the design of the distorted tables, but our discussions went further: “How about creating an actual ping-pong table, not only posters?” So I asked Mr. Tateishi and, with nothing to lose, we decided to approach Mr. Shin Miura, president of the ping-pong table maker SAN-EI with the proposal. We went to see the president, who was incredibly positive about our proposal: “That's what I was waiting for!” “But we haven't got the money,” I murmured. And he said something like: “Don't you worry about a thing.” [laughs] For the top board, they used the same specifications as those of the ping-pong tables used for the Olympics.

<sup>\*</sup>Among the 17 goals and 169 targets of the Sustainable Development Goals (SDGs), this campaign contributes to SDGs 8.5, 10.2 and 17.17.



## Children changed, so did athletes

— I heard that you took the para ping-pong tables to schools and gave special classes. The children must have been very excited.

**Asai:** We let students actually play ping-pong with the athletes, as well as touch the table. They sure did get excited! For example, when the wheelchair athlete drops the ball just on the other side of the net, it is impossible for a child at the longer end of the distorted table to reach it. "That's not fair," complains the student. But the athlete goes: "That's the kind of ping-pong that I play all the time." "That's cool!" The child's grumble immediately changes into respect. Knowing is one thing, but doing is another. So far, people without disabilities have experienced para sports under special conditions, such as sitting in a wheelchair or restricting some kind of body movement. That shows them the difficulties and hardships facing the athletes with disabilities. This ping-pong table, on the other hand, poses challenges for people without disabilities without imposing any restrictions on them. I think it helps them identify with athletes with disabilities.

— Have the athletes changed?

**Tateishi (JPTTA):** When shooting a video of the athletes, staff members naturally respected them as members of the national team, praising their moves and asking questions about overseas tournaments. That kind of respect really opened the hearts of the athletes. They were also excited to find that they looked great in the photos posted on the new website, and were so delighted that they took the initiative in sharing the photos, something we've never seen before. In the case of a media interview, athletes insisted that the media report also explain that the ping-pong table shows what disabilities are all about in an understandable way. Remember that just a few years ago they hated being looked at and were really afraid to express themselves. The athletes were also excited when the project won a Gold Lion at Cannes. I'm really glad that our efforts to communicate the greatness of



The ping-pong tables captured Gold in the Design category, and Bronze in the Industry Craft category at the 66th at Cannes Lions 2019. For details, see <https://jptta.or.jp/>

para table tennis and the players culminated in an award-winning project.

## Table tennis develops a sense of achievement and possibilities in life

— Tell us about your objectives and aspirations going forward.

**Asai:** We are thinking of exhibiting the tables in an art museum. We want to create opportunities for people not necessarily interested in sports or people with disabilities to take notice of the project. We hope to leverage it to make those who don't know anything about the project get it.

**Tateishi:** One of the advantages of para table tennis is that it can accommodate a wide range of disabilities. It is open to a wide variety of players with disabilities. For example, players of wheelchair rugby\*<sup>2</sup> cannot be top athletes unless they meet a set of conditions including their physical situation. The same is true of basketball and track and field. In contrast, table tennis never says to anyone: "You can't play because you have this particular disability." Indeed, children born with disabilities, those who become disabled later in life, and the parents of children with disabilities tend to think negatively about playing any sport at all. But what if they had the chance to know something about para table tennis...? Playing sports would suddenly become an option, encouraging them to go outside. And by going outside, they would expand their options. It's very difficult to trigger this kind of action in Japan today. But you don't have to worry about the weather when you play ping-pong, and you can put the table anywhere. Table tennis might be the only sport that children in hospital have a chance to play. One single rally will give them a good experience and change their mindset. "I can play sports! I will play sports!" We want to be that trigger. We don't care if a child who starts with table tennis goes on to play another sport such as volleyball. We aim to be an association that can give successful experiences and options to people with disabilities.

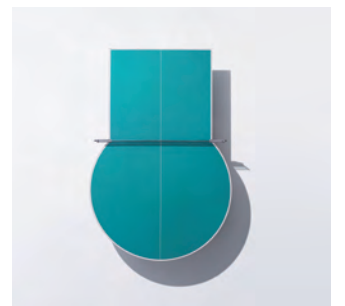
\*<sup>2</sup> Rugby played by athletes in wheelchairs, characterized by the violent collision of wheelchairs.



The ping-pong table as seen by Yukimi Chada expresses the "difficulty of reaching toward the net" for a wheelchair athlete.



The ping-pong table as seen by Katsuyoshi Yagi expresses the "need to run around before reaching for the ball," for a player born with short arms.



Educational programs and experiential events were held in elementary schools, etc.



Olympians and Paralympians used the ping-pong table for exhibition matches at ParaFes 2018.



## No. 8 BranCo!

The University of Tokyo &  
Hakuhodo Brand Innovation Design



This is a cross-university competition launched with the aim of communicating to university students the social importance of brand design, one of the fundamental activities at Hakuhodo. The participants learn how to solve issues the Hakuhodo way and execute the whole planning process, from input (information) to output (idea) in teams. With the concept of “working together to tackle questions with no correct answer,” the competition was started in 2012 as an extension of Brand Design Studio, a joint educational project launched in 2011 by the University of Tokyo and Hakuhodo in the form of a class. Some 837 students from 89 universities across Japan participated in its seventh edition, held in 2018.

There's no single answer to the question.



From Left: Masanori Miyazawa (Brand & Innovation Design Division, Hakuhodo) and Fumitaka Mafune (Professor, Basic Science, Department of Multidisciplinary Sciences, Graduate School of Arts and Sciences, University of Tokyo)

### “Co-creation” is the mother of innovation and sustainability

— What was the challenge facing the University of Tokyo (UT)?

**Mafune (UT):** Thanks to entrance exams, the students were used to finding the right answers on their own, but were not so good at co-creation in a group of friends. That was half the challenge. The other half was that “active learning” was a buzzword when we started this initiative, but the teaching staff did not really know what it meant. Although we set up a classroom for active learning, we did not know what to do with it. Fortunately, we had an opportunity to consult Mr. Miyazawa.

— Why did you make brands the theme of the project?

**Miyazawa (Hakuhodo):** First of all, we define “brand” as “something that cannot be found anywhere else.” Actually, we have helped our clients find how to create something that is unique to the company or product concerned. As we talked about how to create a brand at corporate training sessions, we began to feel that the topic was so informative and universal that it would be relevant to people outside the business community. From the perspective of students, considering themselves as a brand and creating their own unique life path is a crucial part of education.

**Mafune:** We were completely in the dark at first. But through trial and error, we came up with the tagline “working together to tackle questions with no correct answer.”

**Miyazawa:** Students were really good at tackling questions with a correct answer on their own, so we didn’t need to reinvent the wheel. The UT College of Arts and Sciences is unique in that all undergraduate students go through it regardless of whether they are majoring in the arts or sciences. So I thought it would be better to encourage interaction among students while they are studying in the College of Arts and Sciences. Given that UT does not have a faculty of fine art, however, we subsequently invited students from Tokyo University of the Arts (TUA) to participate in the project. Now that business people have joined in some of the activities, I believe we succeeded in developing a truly diverse space for the co-creation experiment.

\*Among the 17 goals and 169 targets of the Sustainable Development Goals (SDGs), this campaign contributes to SDGs 4.4, 4.7 and 17.17.



# Learning about diversity involves mutual respect

— In what ways did you feel that diversity and co-creation were improving?

**Mafune:** The participation of TUA students had the greatest impact. They completely changed the output. They tend not to write text but to draw pictures instead, thinking in visual terms.

**Miyazawa:** This class was named “ribbon thinking.” Students conduct research, develop a concept, and then produce an output—a straightforward process. The practice reminded us that everyone has their own preferences. TUA students are good at producing output, but cannot necessarily verbalize the process. Humanities students at UT can easily perform the task because they are relatively good at conceptualization, thus gaining respect from TUA students. Science students are good at scrutinizing and analyzing the whole process. This complementary relationship brought home to me that diversity is crucial if we are to create something new. Also, mutual respect is vital. UT students respect TUA students, and humanities students respect science students. Respect is essential in learning about diversity.

— What kind of challenge or theme have you adopted for the class?

**Mafune:** Our rule is to set a theme that everyone can address on an equal footing. We are now branding music. The class is generally entitled “Branding (something),” such as “Rebranding Tokyo Tower” or “Branding Cats.”

**Miyazawa:** Since we define all themes as “something with social value that is unavailable elsewhere,” we don’t know the form of the final output, whether a product or a shop. But the point of the class is to develop skills for co-creation and ideation. An interesting output would be great, but the main purpose is to make students learn how to verbalize or analyze the process leading to the output.



In December 2018, many students participated in the first round of BranCo! 2019. For details, see <https://branco.h-branddesign.com/>

— Why did you adopt the form of a competition when opening the class to BranCo!?

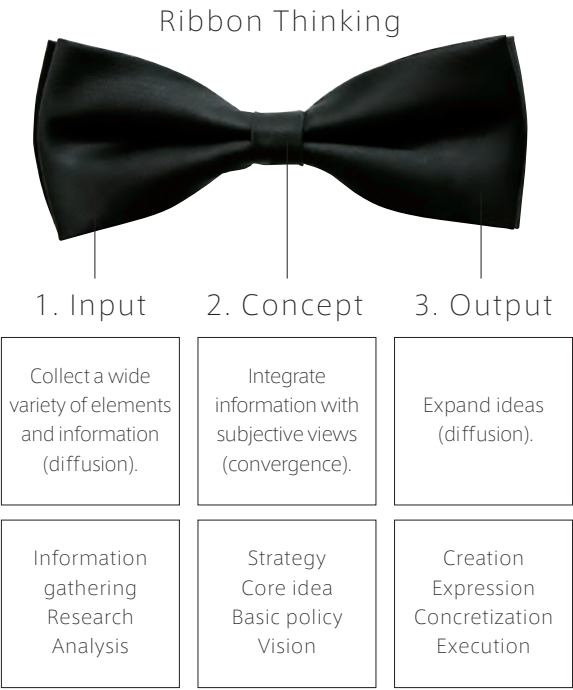
**Miyazawa:** Active learning means self-initiated learning, so I thought the ultimate form of active learning is a competition with a given theme. For example, high school students are dedicated to baseball because of the national tournament. We thought it was necessary to set a goal to encourage self-driven efforts.

# Co-creation is required in a world of silos

— What are your objectives and aspirations for BranCo! and the class?

**Mafune:** We need feedback. When students start to work for various companies, we may well integrate ideas that they develop during the course of their work. Since education is an ongoing activity, we should obtain feedback while progressing.

**Miyazawa:** I’m thinking about extending the skills learned by university students downward and upward, ranging from elementary school pupils to high school students. The spirit of co-creation and collaboration may be internalized more easily when learned at an earlier age. The project may also cover businesspeople. BranCo! Next was tentatively launched this year, in the hope of achieving a great outcome from BranCo! graduates thinking together with them. Co-creation is necessary because a silo-based organization with top-to-bottom sectioning is highly efficient but not so effective. That’s the biggest problem in running an organization. Recently, this problem has occurred in the whole of society, not just at the corporate level. Silos are developing in every part of society: there is no exchange of information between an industry and its neighboring industries, or between universities and businesses. That could be a serious stumbling block when the world requires something brand-new or more innovation. For this reason, I believe that horizontal collaboration will be essential for society, sustainability and innovation going forward. I hope to scale this project to facilitate such development.



Students used the Ribbon Thinking framework to generate ideas through an Input → Concept → Output workflow.



Scene from the Brand Design Studio class: Students learn from each other, ideate and build consensus in groups, rather than from the unilateral transmission of knowledge such as in a lecture.



Since 2015, Brand Design Studio has been working with Tokyo University of the Arts. The theme for BranCo! 2020 is “Designing a New Brand for Secrets.”

The Hakuholdo DY Group's Wide Variety of Social Actions for the SDGs

Individual employees are engaged in various social actions in the course of their daily business for the well-being of *sei-katsu-sha* and society, leveraging their creativity, communication skills and personality. The Hakuholdo DY Group actively encourages its employees to address the challenges and goals presented by the SDGs by working with clients through their daily core business, and to voluntarily tackle them as individual *sei-katsu-sha*. The themes and areas of such activities have expanded year after year, giving birth to new activities. This report highlights some of the activities that serve the causes of the SDGs. For details of typical social actions and CSR information of the Hakuholdo DY Group not found in this report, please visit the CSR page of Hakuholdo DY Holdings' website:

URL: [http://www.hakuholdody-holdings.co.jp/csr/social\\_action/](http://www.hakuholdody-holdings.co.jp/csr/social_action/) (Japanese only)

116 Social action projects in fiscal 2018

735 Total number of employees who have participated in the activities

Organization of the symposium "Tackling the SDGs with Design Thinking" (Hakuholdo DY Holdings)

Supported by the Global Compact Network Japan (GCNJ) and United Nations Information Centre, Tokyo (UNIC Tokyo), Hakuholdo DY Holdings held a symposium "Tackling the SDGs with Design Thinking" in December 2018 at Kanze school Noh Theater. Some 400 participants gathered at the symposium, which was intended to provide hints for finding innovative ways to solve social problems by highlighting the actual SDGs projects implemented by IDEO.org, a non profit design studio spin-off of Group company IDEO, a leading design consulting firm that deploys design thinking on a global scale.



Development of a new workshop leveraging the SDGs promotion tool "Signs with an Extra Message" (Hakuholdo, TBWA\HAKUHODO)

Signs with an Extra Message was designed to bring the 17 goals and targets of the SDGs closer to people by using expressions commonly used in posters seen in daily life. Produced by Hakuholdo and TBWA\HAKUHODO in 2017 as a communication aid for the Japan NGO Center for International Cooperation (JANIC), the tool has been downloaded over 7,300 times (as of June 2019). In order to boost individual efforts to contribute to the SDGs, in 2019 we launched a template version of the tool to allow everyone to come up with and write their own messages for achieving the SDGs. We also developed a workshop program for participants to familiarize themselves with global issues and consider them personally relevant. All these tools are available on the JANIC website.

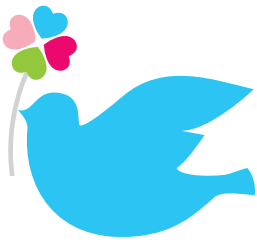


Signs with an Extra Message and the template version <https://www.janic.org/world/sdgstool/>

# The Hakuholdo DY Group's Sustainability Initiatives

This section explains our approach and efforts to cultivate creative human resources, which represent our greatest asset in terms of creating sustainable value and act as a key source of our competitiveness. It also outlines our efforts toward sustainability, including social and environmental initiatives.

P36	Philosophy / Policies
P37	Approach to Sustainability / Sustainability Promotion Structure / Initiatives Addressing Our Key Issues ( Materiality )
P39	Cultivating Human Resources / Healthy and Sound Workstyles
P42	Environment / External Evaluations / Supply Chain
P44	Group Overview





# Philosophy

The following seven principles are the Hakuhodo DY Group corporate philosophy. We believe that by following these principles in all of our business activities we contribute to growth for our stakeholders and society as a whole.

- 1. Strive continuously to provide our clients with the services they need to add value to their business.
- 2. Lead advances in media and be instrumental in building media value.
- 3. Build a dynamic global network to offer services wherever they are required.
- 4. Create abundance and further society, now and tomorrow, with our unique insight into *sei-katsu-sha* — people who have lives beyond what they consume.
- 5. Encourage individual personalities to flourish within a team work environment, leading to the creation of new values.
- 6. Become one of the world’s preeminent corporate groups, leading advances in marketing and innovation generation by constantly seeking out new challenges in the spirit of independence and solidarity.
- 7. Work relentlessly to increase corporate value and reward the trust that shareholders place in us.

# Policies

Since our founding, we of the Hakuhodo DY Group have adhered to the twin pillars of *Sei-katsu-sha* Insight and commitment to partnership.

## Sei-katsu-sha Insight

*Sei-katsu-sha* Insight is the foundation of our thinking and planning. It reminds us that consumers are more than just shoppers performing an economic function. They have heartbeats. These unique, autonomous individuals that we in the Hakuhodo DY Group refer to as *sei-katsu-sha* are the inhabitants of an increasingly complex world. We believe that deeper insight into their lives is the source from which new value springs. That is why we make it our business to know *sei-katsu-sha* better than anyone else and to use that knowledge to make media a stronger bridge between advertisers and customers.

## Commitment to Partnership

Partnership is the way we do business, the starting point for all business activities. From the standpoint of *sei-katsu-sha*, we pay constant, careful attention to the needs of our clients and of media suppliers. We believe that engaging in dialogue and acting together are the best ways to find the solutions to those needs. As our clients’ and media suppliers’ partner, our aim is to build strong, long-lasting relationships. By working together over the long term, we are better able to provide durable and coherent solutions to our partners.

We believe that the times ahead will be marked by new innovations in these policies, as we work in partnership with advertisers to create marketing solutions that add value to every business domain in which they are involved. As a partner to media suppliers and content holders, we aim to add value across the whole diverse spectrum that media and content have become. We will continue to offer higher quality services through innovations in our policies of *sei-katsu-sha* insight and commitment to partnership.

# Approach to Sustainability

Creating and spreading new kinds of happiness in *sei-katsu-sha* and society by finding solutions to the evolving issues facing *sei-katsu-sha* and society and creating new value.

## Advanced CSR

This represents positive action unique to the Hakuhodo DY Group. It is initiated by each employee reviewing their everyday work and knowledge and skills by asking: “Am I fulfilling my social responsibility through my job?” and “What more can I do for the benefit of society?”

## Basic CSR

We are committed to discharging the key responsibilities of a company as a member of society, including conforming to international standards and regulations such as ISO 14001, ISO/IEC 27001 and JIS Q 27001,\*<sup>1</sup> disclosing information under CDP\*<sup>2</sup> and meeting the requirements under the Hakuhodo DY Group Code of Conduct and Compliance Rules.

<sup>\*1</sup> Environmental management and information security management  
<sup>\*2</sup> An international NGO that collaborates with institutional investors companies to encourage companies to disclose information on their strategy for combating climate change and on their emissions of and greenhouse gases

As a signatory to the United Nations Global Compact, the Hakuhodo DY Group upholds the Ten Principles and submits an annual Communication on Progress (COP) report. We are also addressing a wide range of social issues, including the Seven Core Subjects of the ISO 26000 international standards and the 17 Sustainable Development Goals (SDGs).

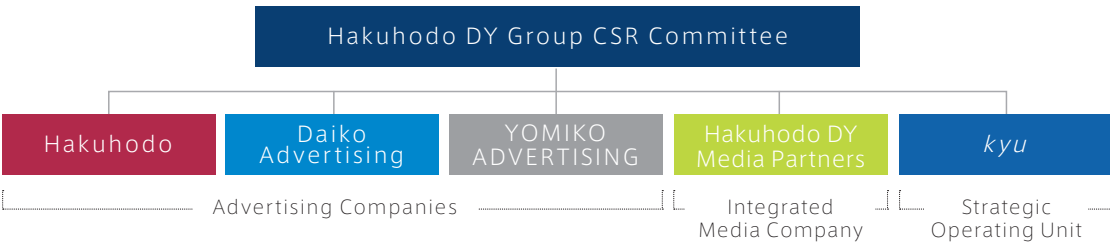
# Sustainability Promotion Structure

## CSR Committee

We have established the Hakuhodo DY Group CSR Committee within Hakuhodo DY Holdings. The committee is made up of Hakuhodo DY Holdings directors and is chaired by the Company’s Chairman and CEO. The committee studies and sets forth basic policies, themes, and specific measures related to CSR that best fit the Group.

## CSR Office

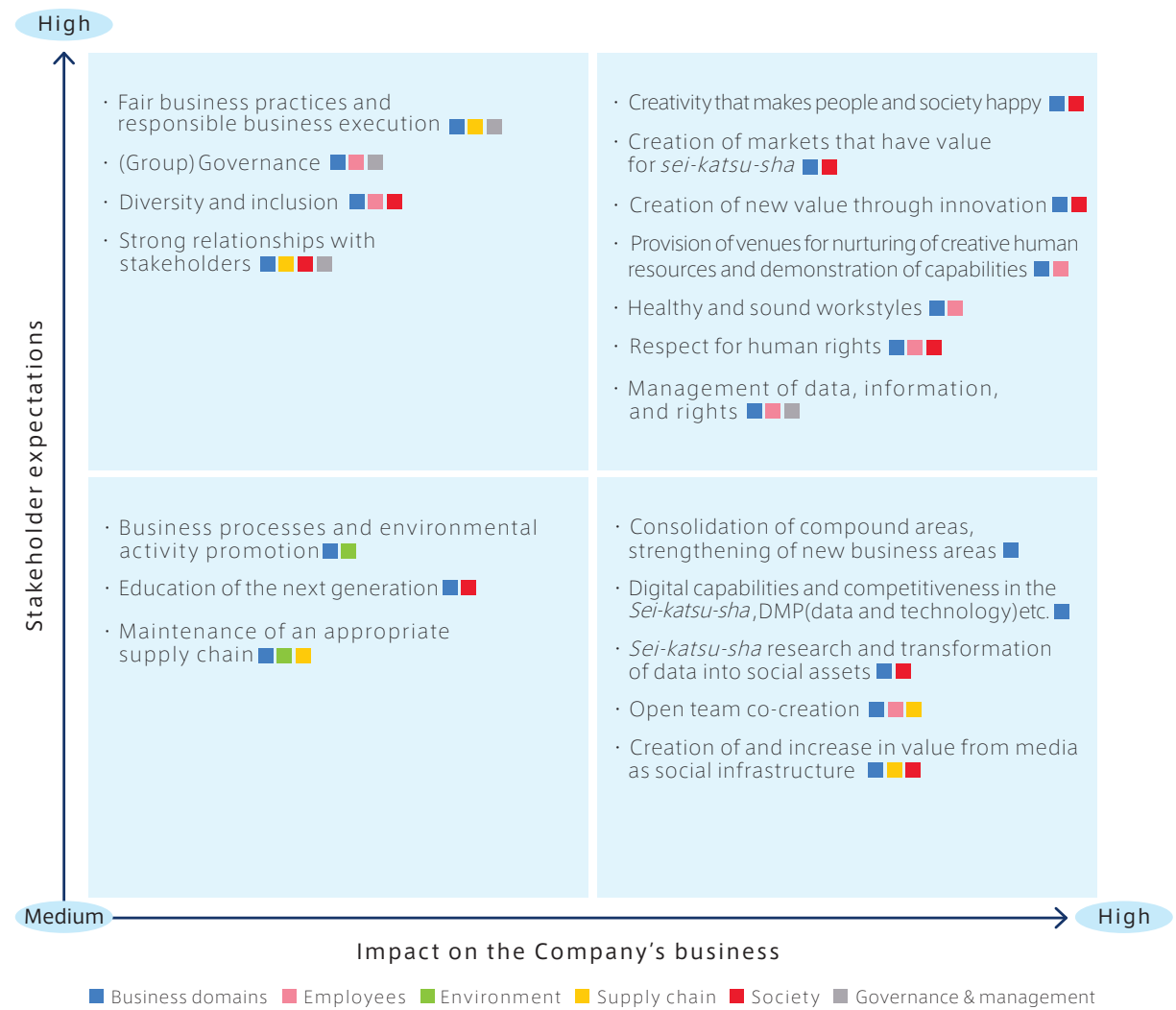
The Corporate Social Responsibility Department of the Hakuhodo DY Holdings’ Group PR & IR Division functions as the CSR Office and is responsible for managing CSR themes and draft policies and measuring and overseeing KPIs, in addition to PR and liaison functions connected to these themes and policies.



# Initiatives Addressing Our Key Issues (Materiality)

The Group is currently working to identify materiality that could impact both its corporate value and society in general.

Fiscal 2016	Our advertising companies and integrated media company identified materiality from a CSR perspective.
Fiscal 2017	At Hakuholdo, responsible personnel in each business domain hosted workshops and board members held discussions. Hakuholdo revised the materiality to also include the perspectives of its management and business activities.
Fiscal 2018	At Hakuholdo, with consideration for the content of the new Medium-Term Business Plan and for changes in society, the president and responsible personnel in each business domain held discussions and updated the materiality.



# Cultivating Human Resources

We believe that creative human resources are our most important asset and provide the source of our competitiveness. The growth of our employees ultimately leads to the growth of the teams they work in and, as a result, the growth of the Group as a whole. Accordingly, we are working to formulate policies and systems that allow our employees to grow to their maximum potential are also making efforts to establish an environment that ensures employee health and safety. At the same time, we are formulating important indicators to help us ascertain numerical data related to these endeavors and make improvements accordingly.

## Key Initiatives

● Employee Growth			
Amount of investment in education to cultivate human resources ¥1,100 million (¥190,000 per employee*)	Average annual hours of training per employee*1 28.2 hours	Total interview hours for managing employee targets and developing capabilities 9,499 hours (1.6 hours per employee*)	Percentage of employees who felt they have grown from the previous year 71.1% (Hakuholdo) 68.6% (Hakuholdo DY Media Partners)

\*1 Applies to Hakuholdo, Daiko Advertising, YOMIKO ADVERTISING, and Hakuholdo DY Media Partners

## Cultivating Human Resources (Creativity, Integrative Capabilities, and Careers)

We place value on the individuality and independence of all our employees and are working to provide them with opportunities to establish their careers and enhance their abilities from a medium- to long-term perspective. We do this through such means as training programs at the in-house university, Hakuholdo Univ., personnel systems that evaluate employee performance and growth, and programs that support career planning over the medium to long term at Hakuholdo and Hakuholdo DY Media Partners; the Daiko Soujuku (Daiko Learning Center) program, which helps employees realize their individual career visions and the Growth Activity Fund, which supports the independent growth of employees at Daiko Advertising; and Yomiko Dojo, which provides continuous support to employees that enables them to enhance their knowledge and abilities in a wide variety of fields and domains at YOMIKO ADVERTISING.

### TOPICS

#### Interactive Hands-On Programs that Let Children and Employees Learn while Having Fun—H-CAMP

(Hakuholdo, Hakuholdo DY Media Partners, YOMIKO ADVERTISING, Hakuholdo Product's)

H-CAMP is an educational program started by Hakuholdo in 2013 that aims to have people experience the excitement of creativity, which the Group values most of all, through hands-on experiences. H-CAMP consists of three initiatives: OPEN-CAMP, a one-on-one hands-on workshop for junior and senior high school students; CORPORATE VISIT-CAMP, a program that caters to the individual needs of schools; and External Relations Program, which involves collaborative lectures with various stakeholders, including NPOs and local governments. Thus far, 6,820 students and 228 Group employees have participated in H-CAMP workshops. In this way, the program has been creating a place where children, who will carry on the next generation, can make new discoveries and be intellectually stimulated as they learn together. In terms of providing lecturers to external organizations,\* 107 Group employees conducted a total of 756 lectures at 156 educational institutions, with the total number of students participating in these lectures reaching 11,432.

\* Fiscal 2018 results of employees at Hakuholdo and Hakuholdo DY Media Partners

Total number of student participants

6,820



# Healthy and Sound Workstyles

## Efforts toward Health and Productivity Management

Each employee of the Hakuholdo Group is leveraging their creativity and taking on the challenge of continuously creating new value for *sei-katsu-sha* and society. However, this aspiration cannot be realized without the health and growth of our employees. Based on this recognition, we strive to create an environment where our employees can flourish and play an active role. Hakuholdo and Hakuholdo DY Media Partners continue working to promote activities to realize new workstyles that respond to the changing times and work content. To that end, activities were advanced with a focus on employee-friendliness reforms and health-first initiatives. Meanwhile, in fall 2016, Daiko Advertising established the Committee for Measures for Long Working Hours, which strives to reduce working hours for employees. At the same time, the company holds a “no overtime day” twice a month. Additionally, with the aim of valuing individuality and realizing growth, YOMIKO ADVERTISING in June 2017 established the Workstyle Reform Committee, chaired by the company’s president. As an organization that serves under this Committee, the Workstyle Reform Promotion Division was established in April 2018 to promote workstyle reforms that reduce overtime and place the utmost importance on employee health. The Division is implementing policies for taking off nine consecutive days, recommending morning work, work-hour intervals, and other policies.

●New Workstyles			
Percentage of employees receiving health examinations*1	Average number of annual paid vacation days taken		Percentage of applicable employees (age 28 and over) receiving comprehensive medical examinations (performed by Hakuholdo Kenpo)
	11.8 days*2 (Hakuholdo)	5.5 days (Daiko Advertising)	
99.4%	10.5 days (YOMIKO ADVERTISING)	13.4 days*2 (Hakuholdo DY Media Partners)	84.9% (Hakuholdo)
			87.5% (Hakuholdo DY Media Partners)
		Number of times seminars and events were held to increase the health literacy of employees	
		8 times	
		Total number of participants 1,816	
		(Hakuholdo, Hakuholdo DY Media Partners)	

\*1 Applies to Hakuholdo, Daiko Advertising, YOMIKO ADVERTISING, and Hakuholdo DY Media Partners  
\*2 Beginning with the Free Vacation System (offered twice a year), which allows employees to take five weekdays off in a row, Step Holidays, Nursing Care Holidays, and the Nursing Care Support System, we are promoting the establishment of systems that allow our employees to continue working in good health.

Through the implementation of these measures, we realized a reduction in working hours in fiscal 2018.

Reducing Work Hours (YoY)

	Hakuholdo	Daiko Advertising	YOMIKO ADVERTISING	Hakuholdo DY Media Partners
Work hours	98.3%	98.6%	97.8%	98.3%

TOPICS

Recognized Under the “Outstanding Enterprise in Health and Productivity Management 2019—White 500” Program

Three Group companies—Hakuholdo DY Holdings, Hakuholdo, and Hakuholdo DY Media Partners—were recognized by the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi for the “Outstanding Enterprise in Health and Productivity Management 2019—White 500” program. This program recognizes companies that are implementing especially strong health and productivity management, based on initiatives aligned with regional health issues and the health promotion measures advanced by the Nippon Kenko Kaigi. Moving forward, we will continue striving to support the growth and health of employees and to achieve further results as a company through employee-friendliness reforms and health-first initiatives.



## Work-Life Balance

We are promoting the establishment of a workplace environment that aims to realize a work-life balance for our employees. We believe that such an environment will allow all our employees to select flexible workstyles that best fit their life circumstances, including during pregnancy, child-rearing, and caregiving.

- We have introduced various systems related to maintaining a work-life balance in each stage from pregnancy to giving birth, and returning to work. The content of these systems far surpasses what a company is legally obligated to provide. In these ways, we are offering support for balancing child-rearing with work.

Number\*of women taking maternity leave in fiscal 2018  
(Percentage of which returned to work after maternity leave in the year to June 2019)

90 (71.1%)

\* Applies to Hakuholdo, Daiko Advertising, YOMIKO ADVERTISING, and Hakuholdo DY Media Partners



## Utilizing Diverse Human Resources

By promoting the mutual recognition of the individuality of each and every employee, and facilitating the full demonstration of their capabilities, we are aiming to realize a workplace environment in which all employees can work with enthusiasm.

- We are advancing human resources development and environment enhancement initiatives to assist female employees with career formation and continuation. In this way, we are taking steps to support active careers for women.

Ratio of female officers

7.1%  
(Hakuholdo)

4.4%  
(Hakuholdo DY Media Partners)

- To become a company where women can design a workstyle that works best for themselves, in January 2017 Daiko Advertising established the COCO project. Led by the company’s president, the project aims to create a workplace in which women can play an open and active role. In fiscal 2018, specific proposals were made that reflected feedback from female employees, and currently the project is advancing activities with a focus on moving toward implementation. Going forward, the project will continue to offer opinions on support for diverse workstyles.



- Hakuholdo DY I.O is a special-purpose subsidiary of the Group that was established in December 1989 with 14 employees. As of May 2019, the company had grown into a shared services company for the entire Group with 156 employees (88 with disabilities and 68\*without). The company’s main operations include handling data entry, printing, and account book management, and these operations are carried out through collaboration between people with and without disabilities. In December 2017, Hakuholdo DY I.O was recognized as a “company that supports the active role of persons with disabilities” by the Japan Association of Employers of Persons with Severe Disabilities, which is a commissioned project of the Ministry of Health, Labour and Welfare. The employment rate of persons with disabilities at the Group was 2.43% as of June 1, 2019 (Groupwide), and we aim to further increase the employment of persons with disabilities going forward.

\* Excluding seconded employees



## Compliance

In accordance with the Hakuholdo DY Group Code of Conduct and Matters for Compliance, all Group companies and employees will steadily fulfill the basic responsibilities required of them going forward.

100% attendance for training on the Hakuholdo DY Group Code of Conduct, training on compliance, and training on legal matters

# Environment

## Hakuhodo DY Group Environmental Policy

The action guidelines of the Hakuhodo DY Group include not only reducing the environmental burden at the office level but also supporting the implementation of environmental contribution activities that leverage collaborations with stakeholders and the creativity of individual employees. We are advancing environmental initiatives in accordance with the following basic policy.

### Basic Policy

The policy of the Hakuhodo DY Group comprises *Sei-katsu-sha* insight and commitment to partnership. We aim to create and spread happiness among *sei-katsu-sha* and society by resolving the issues faced by our business partners and society. Awareness of environmental issues is increasing on a daily basis, and in this setting initiatives aiming for the realization and development of a sustainable society are indispensable for the happiness of *sei-katsu-sha* and society. In its business activities, the Hakuhodo DY Group will comply with environment-related laws, regulations, and industry standards, and we will work independently to reduce environmental burdens. In addition, we will leverage each employee's creativity, power of action, and ability to make things happen as we aim to support the realization and development of a sustainable society through our business and other activities with business partners.

## Hakuhodo DY Group Environmental Management System

The Hakuhodo DY Group CSR Committee considers basic policies, themes, and specific measures related to the environment. Under this committee, we have appointed the Hakuhodo DY Group environmental manager, who is responsible for environmental activities on a Groupwide basis. In addition, at Hakuhodo, Daiko Advertising, YOMIKO ADVERTISING, and Hakuhodo DY Media Partners, we have appointed environmental managers and are promoting environmental initiatives.

## Status of Acquisition of ISO 14001 (Hakuhodo Group)

In accordance with the Hakuhodo DY Group Environmental Policy, certain units are implementing management in conformity with ISO 14001, an international environmental standard. Currently, the ISO 14001 certification has been acquired by Hakuhodo and Group companies OZMA and Hakuhodo i-studio.

## Targets and Achievements (Hakuhodo)

Targets and achievements in Fiscal 2018

Item	Targets	Result
Reduction of CO <sub>2</sub> emissions through energy conservation	Reduction of 5% compared with fiscal 2009 and fiscal 2010 averages	Reduction of 2,436 kl (crude oil equivalent of energy consumed), or 4.6%, compared with the base fiscal years
Waste reduction	Reduction of 5% compared with fiscal 2010	Reduction of 591 tons, or 0.9%, compared with the base fiscal year
Recycling promotion	Recycling ratio of over 83%	Recycling ratio of 84.4%

\* Applies to Hakuhodo head office in Tokyo

### TOPICS

## Promoting Paperless Operations through Increased Workstyle Efficiency and Digitalization (Hakuhodo, Hakuhodo DY Media Partners)

Hakuhodo and Hakuhodo DY Media Partners' employee-friendliness reforms have also led to workstyles that do not waste paper resources. We have established an environment for paperless meetings through the provision of laptop computers to employees and the introduction of large-scale meeting room displays. In addition, we have digitized a variety of forms that had been used in combination with paper; introduced robotic process automation (RPA), which uses robot programs to perform simple tasks via computer; and introduced a variety of business intelligence tools to assist in daily operations. In these ways, we are providing support for the completion of work tasks through the use of electronic devices. In addition, in certain divisions we have eliminated fixed seating assignments in each department and started to implement free-address offices in which employees can work in the seat of their liking. By advancing workstyles that do not rely on document storage, we are reducing unnecessary printing. Through these types of initiatives, in fiscal 2018, Hakuhodo reduced the amount of photocopy paper that it purchased by 13% year on year.

\* Applies to Hakuhodo

# External Evaluations

We responded to the CDP 2018 Climate Change Questionnaire, an environmental survey administered by the CDP<sup>\*1</sup>, and received a score of "B." Also, in a sustainability survey by EcoVadis<sup>\*2</sup>, the Hakuhodo Group received a Silver evaluation. Moving forward, we will continue to advance appropriate information disclosure.



<sup>\*1</sup> An international NPO that collaborates with institutional investors to encourage companies to disclose information on their strategies for combating climate change and on their emissions of greenhouse gases

<sup>\*2</sup> A research institute based in France that provides platforms for examining policies, initiatives, and results related to corporate sustainability

# Supply Chain

## Formulation of Hakuhodo Basic Policies and Guidelines for Procurement (Hakuhodo)

With the objective of promoting the adoption of CSR procurement in the supply chain, in February 2019 we formulated the Hakuhodo Basic Policies and Guidelines for Procurement. In the provision of optimal solutions, these guidelines and policies request cooperation in CSR procurement activities from a range of perspectives, including human rights protection, legal and regulatory compliance, working environments, the natural environment, respect for intellectual property rights and security, operational quality, and responsible partnership.

### Hakuhodo Basic Policies for Procurement

In accordance with our commitment to partnership, we work to become a responsible partner for all of our stakeholders and to provide optimal solutions. This is the starting point of our business. Accordingly, in line with the Hakuhodo DY Group Code of Conduct, we have formulated the Hakuhodo Basic Policies for Procurement.

1. We will conduct business based on partnerships that are sound, fair, and equal.
2. We will conduct business in strict compliance with laws and regulations.
3. We will give thorough consideration to compliance when we select cooperating companies.
4. Our requests to cooperating partners will be stipulated in the Hakuhodo Procurement Guidelines.



# Group Overview

Pure Holding Company

## Hakuhodo DY holdings

- Advantages of a holding company structure
- Enhanced Group management fundamentals
- Developing synergies

### Advertising Companies

Strengthening frontline functions with a structure consisting of three integrated advertising companies with different personalities and a next-generation digital agency

#### Integrated Advertising Companies

##### •HAKUHODO•



Hakuhodo was founded in 1895. Based on the twin pillars of the company's unchanging philosophy—*Sei-katsu-sha* Insight and Partnership—Hakuhodo has been constantly evolving. With teams of highly creative professionals, we help clients both in Japan and overseas to resolve issues in a wide range of areas besides advertising, from management and business approaches to measures for addressing social issues. Going forward, we will continue to leverage the strengths of our creativity to provide new value that contributes to peoples' lifestyles and society at large, as well as to innovations in the structure of our clients' businesses.

Daiko Advertising's philosophy, Ideas Win, grew from the conviction that only superior ideas can deliver the most effective communication. Daiko's winning ideas translate into solutions to clients' marketing challenges. Its strategic solution strengths and superior ideas also help the agency facilitate and deliver more effective, more powerful communications. Through Brand Activation, which further evolves and enhances Daiko's management approach, Daiko will support the companywide brand-building activities of its clients through the creation of client value, which places the utmost priority on addressing client challenges.

##### YOMIKO

The strength of YOMIKO ADVERTISING lies in the know-how cultivated from its many years of experience in the residential real estate segment. Combining its various expertise with its ability to ascertain the lifestyle needs of people in local communities, YOMIKO aims to contribute to the growth of its clients' businesses and to create new businesses itself. Furthermore, YOMIKO specializes in business development in the entertainment field, including animated programs and live events. To be a partner to the success of its various clients regardless of the generation, YOMIKO will continue to take on the challenge of creating change with a sense of speed.

#### Next-Generation Digital Agency



IREP is a digital marketing agency founded in 1997. Since the dawn of programmatic advertising, IREP has supported its clients' business growth, principally with listing advertising methods, in line with its management philosophy of devoting the company to "Realizing results for clients and providing value to users by being the agent that proposes optimal solutions on a grand scale." This has established the company as leader in the digital marketing business. Since entering into a capital alliance with Hakuhodo DY Media Partners in April 2006, IREP has continued to expand its business as a member of the Hakuhodo DY Group. Twenty years have passed since the Internet became popularized. Users' information behavior has changed dramatically, and digital advertising techniques and methods have diversified and become more sophisticated.

### Integrated Media Companies

Building strong partnerships with media companies and content holders and strengthening structures for cooperation in the digital media domain



Hakuhodo DY Media Partners is an integrated media company established by integrating the media arms of the three advertising companies Hakuhodo, Daiko, and YOMIKO. Handling the Hakuhodo DY Group's media business and content business, the company leverages its expertise in planning, production, buying, media traffic, and knowledge in these two business areas and, in the digital domain, its strong links with D.A.Consortium. Collaborating with each advertising company, Hakuhodo DY Media Partners provides optimum marketing solutions for advertisers, media companies, and content holders. Viewing *sei-katsu-sha* as readers, viewers, and spectators, it creates new media value by turning them into brand customers. In this way, Hakuhodo DY Media Partners considers media in its broadest sense. It is a media content business company that aims to be "The force behind media design."



### Strategic Operating Unit

*kyu* is a collective of creative companies that will collaborate to harness creativity to propel the economy and society forward



*kyu*, the strategic operating unit of Hakuhodo DY Holdings, was created in May 2014 to ensure the continuous enhancement of specialization and innovation in the Hakuhodo DY Group. *kyu* is a collective—one with a strategically curated and deliberately limited number of partner organizations. Each shares a belief that creative collaboration yields new solutions to the world's toughest problems. The *kyu* collective comes together to invent, make a prototype, and design. All partner companies harness their creativity as a force of positive impact for the constituents they have always served—and our firms join together on key issues to propel the greater economy and society forward.

## Creating Happiness

### 2019 SDGs Collaboration Book

In October 2003, Hakuhodo DY Holdings was formed through the integration of Hakuhodo, Daiko Advertising and YOMIKO ADVERTISING. In December 2003, the Hakuhodo DY Group was created with the incorporation of Hakuhodo DY Media Partners, an integrated media company. In May 2014, we formed a strategic business unit named "*kyu*" to continuously promote specialization and innovation within the Group. In the same year, we established a Hakuhodo DY Group CSR Committee under Hakuhodo DY Holdings to issue the first CSR report for the Group. The present report is the sixth edition.

The Group has also taken action in support of the SDGs, working with the United Nations Information Centre, Tokyo (UNIC Tokyo) (starting with cooperation for the development of the Japanese SDG icons), government ministries and agencies, local authorities, the Global Compact Network Japan (GCNJ), Japan Committee for UNICEF, the UN Development Programme (UNDP), NPOs, NGOs and businesses. This report highlights eight SDG-related projects, focusing on collaboration between the Group and various stakeholders. In editing this report, we read through the 17 goals and 169 targets comprising the SDGs to understand their essence. The connection between each social action and the SDGs is indicated on the relevant pages.

It should be noted that the 17 SDGs are interlinked, and that the social actions of the Group aim to contribute to multiple goals and targets. You can find those specific goals and various social actions of the Group that are not included in this report on the "CSR/Social Action Case Studies" page of the Hakuhodo DY Holdings website. (Japanese only)

#### P01 Message from the CEO

#### P02 Hakuhodo DY Group's Social Actions

#### P35 Hakuhodo DY Group's Sustainability Initiatives

#### Period covered by the report

FY 2018 (April 1, 2018–March 31, 2019)

\*Including some activities implemented before FY 2018, as well as some activities implemented in FY 2019 and future prospects.

#### Referenced guidelines

- Sustainable Development Goals (SDGs)
- Global Reporting Initiative (GRI) Sustainability Reporting Guidelines Ver. 4
- Sustainability Accounting Standards Board (SASB)
- Ten Principles of the UN Global Compact
- ISO 26000 Guidance on social responsibility

#### Publication date

September 2019

#### Planned publication date of the next report

September 2020

#### Designations in this report

- For the purpose of this report, the term "Hakuhodo DY Holdings" means Hakuhodo DY Holdings Inc., and the term "Hakuhodo DY Group" refers to Hakuhodo DY Holdings Inc. and its core operating companies and subsidiaries.
- The content of this report include is not only past and present facts but also plans and future prospects at the time of issue. It should be noted that it contains assumptions and judgments based on information available at the time of writing, and that the content or results of future activities may differ from what is written in this report.