

PREFACE

MediaMonks is one of the biggest effective digital production agencies globally. These digital productions range from web designs, campaigns and games to applications. Given our leading position in the sector, we believe we also have a role to play in sharing our vision and performance in relation to social and environmental aspects of our business.

In general, we see the digitalisation of media as a development that holds great value when it comes to environmental impact. Think about all the savings in printed materials and make/take/waste processes that this digitalisation represents!

With the new, also new challenges arise. From an industry perspective, the main issue concerns the energy needed for hosting services. Although this is not core to what we do, we believe that our industry should strive for using only renewable energy for these services. For our production, we now mainly run on renewables and we call on the industry to do the same throughout the value chain.

Next to the general, there is the specific and under the somewhat conventional name of Corporate Social Responsibility (CSR), we laid down a strategy to first assess and then improve our performance. This starts with our operational daily practice and the influence we have with the choices we make. From our supplier selection to conditions we create for our people to make great work.

We are pleased to share our current performance over 2012 in this report, as we continue to raise the bar!

VICTOR KNAAP

Main Monk

“AT MEDIAMONKS, WE ARE ALL ABOUT PRODUCING DIGITAL BEAUTY. WITH THIS COMMITMENT TO PERFORMANCE, RUNNING OUR BUSINESS RESPONSIBLY COMES NATURALLY. NOW IS THE TIME TO TRANSLATE WHAT WE ALREADY DO TO A MAPPED COURSE FOR MORE EXCELLENCE IN THE FUTURE!”

This report reviews MediaMonks' Corporate Social Responsibility performance over 2012. Complying with United Nations Global Compact, the report follows the GRI guidelines. MediaMonks is a member of the United Nations Global Compact since 2012.

GLOBAL REPORTING INITIATIVE (GRI)

The Global Reporting Initiative (GRI) is a non-profit organization that promotes economic, environmental and social sustainability. GRI provides all companies and organizations with a comprehensive sustainability-reporting framework that is widely used around the world.



UNITED NATIONS GLOBAL COMPACT (UNGC)

The United Nations Global Compact is a strategic policy initiative for businesses that are committed to aligning their operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anti-corruption.



CORPORATE SOCIAL RESPONSIBILITY (CSR)

CSR is a form of corporate self-regulation integrated into a business model. CSR is titled to aid an organization's mission as well as a guide to what the company stands for and will uphold to its consumers.

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MANAGEMENT SUMMARY

MEDIAMONKS

MediaMonks works with and for advertising agencies to craft amazing digital work for global brands. We have over a decade of digital experience, offices in Hilversum, London and New York, and 161 motivated Monks versed in a wide range of digital disciplines. Our in-house production team is experienced in pretty much anything you could possibly throw at a digital campaign. This includes game & mobile development and MediaMonks Films, our industry standard film production house.

THE DIGITAL MEDIA SECTOR

The digital media sector has its roots in the 1970's with the initial success of Atari in starting the video game business but really started to grow in the late 1990's due to a combination of strong growth in video games and the first internet boom. The sector is continuing its strong growth due to a Video Game sector reaching mass market, ever increasing online content & services and the omnipresence of mobile use hence content.

Digital production agencies often work commissioned by advertising agencies and focus entirely on self-construction of digital resources. These digital resources include web design, banner campaigns, media campaigns, animations, social media campaigns, online games, online video and iPhone & Android applications.

CSR @ MEDIAMONKS

This document reports on CSR at MediaMonks in 2012. Complying with United Nations Global Compact, it follows GRI guidelines and distinguishes four themes i.e. People, Environment & Energy, Business and Community. These four themes have been assessed through on-site measurements, interviews and sector research. This document reflects the findings; it includes performance metrics as well as contextual description.

PERFORMANCE 2012

MediaMonks started measuring performance on CSR indicators over 2012. This assessment will be repeated every year and form a basis for improvement policy. Please read elaboration on the scores in the following chapters.

2012 IN NUMBERS

03

OFFICES (HILVERSUM, LONDON, NEW YORK)

161

EMPLOYEES

1326

PRODUCTIONS DELIVERED

12.5 mln

APPROXIMATE TURNOVER

MOST IMPORTANT FIGURES

PEOPLE

Employee / Employer ratio	0,27	<i>lowest gross income / highest gross income [ratio]</i>
Health & Safety		
<i>Absenteeism</i>	1,6%	<i>absent hours / yearly worked hours [%]</i>
<i>Accidents</i>	0	<i>number / year [#]</i>
Training & Education	315	<i>€ / FTE [€]</i>
Nationalities	13	<i>number [#]</i>
Diversity	0,20	<i>female / male [ratio]</i>

ENVIRONMENT & ENERGY

	CO2 emission [tonne]	CO2 emission [kg] / FTE
Mobility		
<i>Car</i>	35	239
<i>Public Transport</i>	72	500
<i>Flights</i>	55	380
Energy	145	997
Water	0,15	1,43

BUSINESS

Innovation	4,9%	hours / yearly worked hours [%]
Suppliers		
<i>CSR policy</i>	39%	number of top 20 suppliers [%]
<i>Publicity disclosing CSR policy</i>	30%	number of top 20 suppliers [%]

COMMUNITY

Donations		
<i>Projects for Public good</i>	3	projects per year [#]
<i>Unpaid / voluntary hours</i>	9548	hours per year [#]

COOL TO KNOW

MediaMonks is the second most awarded digital production agency in the world according to FWA. Our work has been rewarded at Cannes Lions, the Webbies, the Lovies, BIMA and many others.

I PEOPLE

PERFORMANCE 2012

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A CULTURE OF MEDIAMONKS

Our employees are what MediaMonks is. They are the reason we are proud to hand out our business cards to customers all over the world. Therefore, the development of their talents, stimulating new challenges and opportunities, building culture and creating awareness on social and environmental responsibility is the foundation of our sustainability policy.

Within MediaMonks we have a task-oriented culture where everyone works together and passionately towards a bigger (collective) goal. Within our company structure we try to avoid strict hierarchies. Our team leaders manage and coordinate the projects and ensure that deadlines are met. As employers, we try to invest in our relationships with our employees by having regular and personal contact with them. To cultivate our culture we organize different teambuilding events culminating in our yearly skiing and snowboarding trip.

Since the Monks spend most of their time at the office behind the large long desks, we try to stimulate a healthy, safe and above all, a creative and vibrant work environment. This means there also is a lot of attention and space for relaxing, gaming and partying.

TRAINING, EDUCATION AND HEALTH

We foster a culture of development by supporting training requests by our employees. In addition, we actively offer Business English for those involved with international relations and Dutch courses for our expatriates.

In the sports domain, MediaMonks stimulates healthy habits by means of discount at the local fitness. Many of our employees organize themselves in MediaMonks indoor soccer and basketball teams and we participate at running competitions such as the Dam to Dam race, the Hilversum City Run and Mud Masters.

When it comes to prevention and safety, MediaMonks has its procedures and standards in place (BHV / ARBO – following the Dutch health and safety regulations). In some cases, people desire special attention and we seek to provide any feasible support, ranging from manual therapy to standing workplaces. This approach has led to a minimum of absenteeism and the successful prevention of any accidents.

Joke Callenbach, the Mother Monk:

"I was asked if I wanted to arrange good food and a good atmosphere in and around the kitchen. They were looking for a mother for all the boys!"

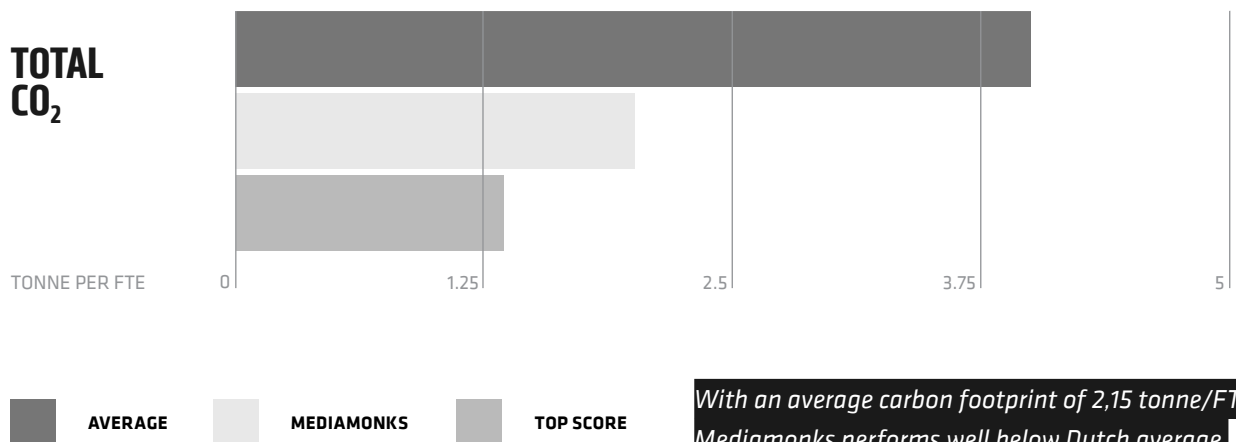
Finally, catering has become an additionally focus point at MediaMonks as a large part of the food served is of biological and fair trade origin. This also means it increasingly comes from local produce, which helps in reducing our carbon footprint. But above all, our very own Mother Monk, Joke, serves it with love. Together with our cook, Thomas, she makes our lunches and dinners the highlight of every day.

**“OUR PEOPLE SPEND
MOST OF THEIR TIME ON
LARGE LONG TABLES” SAYS
MEDIAMONKS FOUNDER
GIN ROBERSCHEUTEN,
“WE CREATED THIS
CONCEPT SEVEN YEARS
AGO TO STIMULATE
COLLABORATION WITHIN
OUR OFFICE.”**

II ENVIRONMENT & ENERGY

PERFORMANCE 2012

		Amount	CO2 emission [tonne]	CO2 emission [kg] / FTE
Mobility				
Commuting	Car	145.303 km	30	206
	Public Transport	1.649.000 km	73	500
Business	Car	20.546 km	5	33
	Flights	337.874 km	55	380
Energy	Gas	6.615 m ³	12	83
	Electricity	291.346 kWh	133	914
Water		697 m ³	0,15	1,43



Source: <http://milieubarometer.nl>

Fact: the carbon footprint of MediaMonks for 2012 totals 311,9 tonne CO₂. This is the equivalent of 34,7 average Dutch household impacts on a yearly basis or 2,08 hectares of trees for CO₂ storage (ca. 4,2 soccer fields).

"Having chosen our company location so close to the train station, our Monks can commute to Amsterdam or Utrecht within 20 minutes."

Digital production agencies are large consumers of electricity, especially caused by the use of computers, displays and servers. To grasp the global impact of the total digital traffic worldwide; all the datacentres in the world together consume 2% of the global electricity supply. By 2020, it is expected that the digital world will multiply by a factor of 44 according to Greenpeace.

We think it is all or nothing, so we focus on all business processes that can improve our performance and reduce our emissions. We distinguish three areas; energy, mobility and waste. As these areas reside within the sphere of influence of MediaMonks, innovation and changing behaviour contribute to improving our environmental impact.

MOBILITY

Stimulating our Monks to use the public transport is an effective way to keep our carbon footprint from mobility to a minimum. The choice of our headquarter location next to the train station allows our Monks to commute from Amsterdam or Utrecht in 20 minutes.

As our market is growing we find ourselves booking an increasing number of flights abroad. To combat this trend and even further reduce our carbon footprint we are taking the following measures:

- We opened offices in London and New York
- We implemented a video conference call system between the offices
- We start to compensate our flights as of 2013

ENERGY

Our main focus is the conservation of energy. At our agency, we have many computers and displays. Together with servers, climate control and lighting, this makes electricity the largest part of our carbon footprint. In 2012, we have taken the first efficiency measures such as central power switches and energy saving lights. Also, the electricity that MediaMonks purchases is green certified and we are continuously exploring and executing ways to improve our demand for renewable energy.

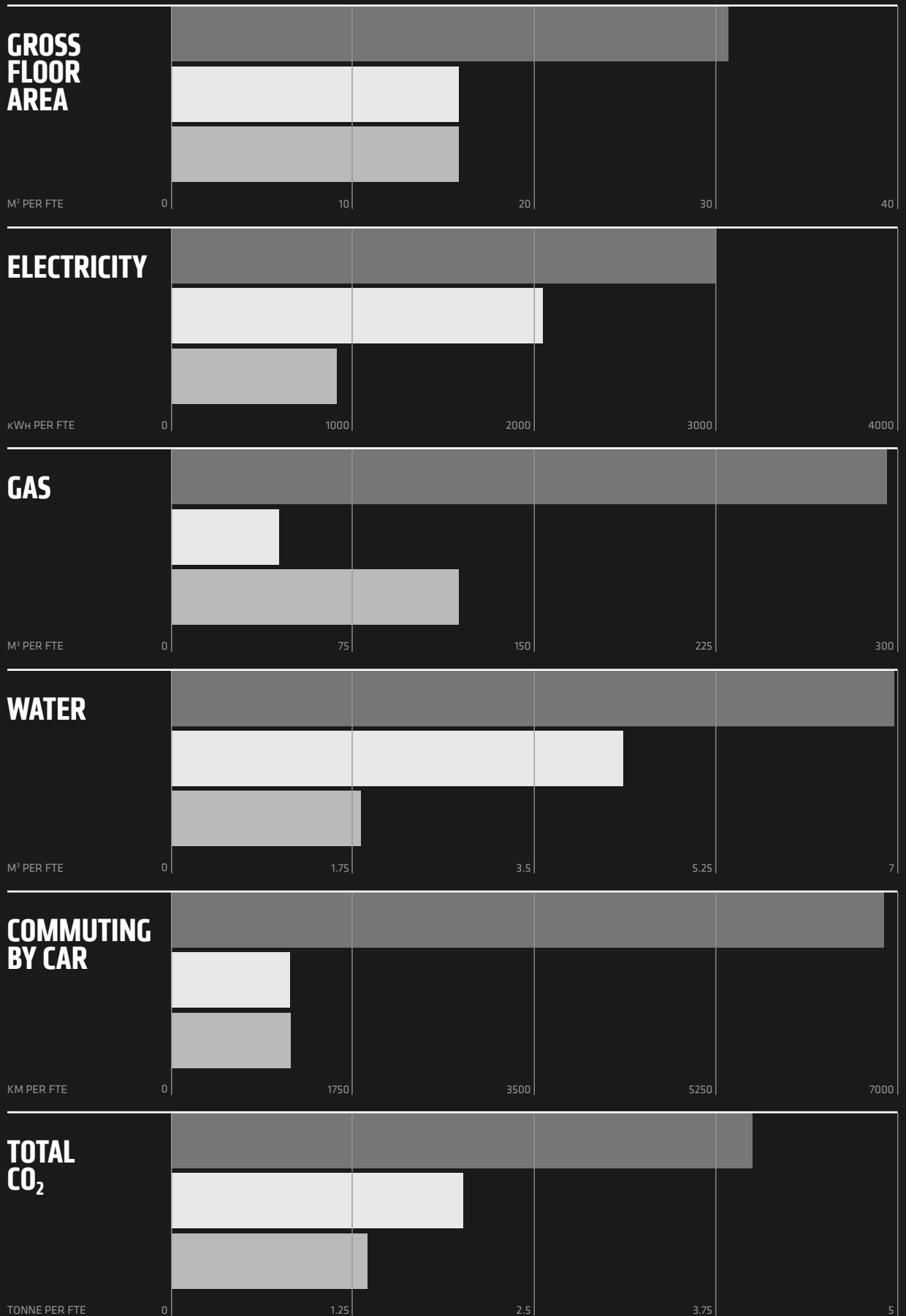
WASTE

As a digital production agency, MediaMonks produces a minimum of physical waste. Communication via e-mail reduces our printing and the use of ink and paper. Most of our waste is organic. Paper and glass are collected separately and our waste collector 'Van Gansewinkel' is famed for its sustainability vision and practice.

Van Gansewinkel's principles are starting with separating the waste by delivering different services and containers. After collection they give waste a new life in the form of resources or energy. Van Gansewinkel has become a leader in the field of waste sustainability by adopting the slogan: Waste does not exist.

MEDIAMONKS ENVIRONMENTAL PERFORMANCE, BENCHMARKED

These results below indicate MediaMonks' performance relative to the 'average' offices and best practices in the Netherlands. These scores are based on a benchmark of the Dutch government.



III BUSINESS

PERFORMANCE 2012

Innovation	4,9% hours / yearly worked hours [%]
Suppliers	
<i>CSR policy</i>	39% number of top 20 suppliers [%]
<i>Publicity disclosing CSR policy</i>	30% number of top 20 suppliers [%]

BUSINESS

MediaMonks is at the heart of a vibrant and rapidly developing industry. As this industry is undergoing remarkable developments, collaboration has become a new form of competition. By means of business associations, the industry as a whole is organizing for innovation by sharing experiences, knowhow and best practices.

One of these associations is SoDA (Society of Digital Agencies), which serves as the voice of the industry leaders. It speaks on behalf of the agencies on training and the future of the discipline. MediaMonks is proud to be the Dutch SoDA associate and we continue to follow their guidelines in our practices.

INNOVATION

The innovative activities of MediaMonks are eligible for the fiscal stimulus of WBSO (Wet Bevordering Speuren Ontwikkelingswerk). This fiscal benefit reduces Research & Development labour costs. It includes R&D activities on new products, production processes and software. In 2012, 14.352 hours of WBSO grant have been assigned to MediaMonks, which amounts to 4,9% of the total amount of hours worked. This has enabled MediaMonks to increase its innovative capacity and respond aptly with new software and creative products.

SUPPLIERS

In the light of MediaMonks' CSR efforts, a conscious supplier choice is key to our impact. Where there is a choice, we continue to step up our standards. Energy, office supplies, recycled paper and the catering have our priority.

Most of our suppliers are beginning to present their CSR policies but often fail to offer enough transparency around it. Unfortunately only six of our suppliers provide enough insight into their CSR policy through the needed reports and accompanying figures.

THE LARGEST

Looking at our value chain we realize that all our suppliers combined have a significant impact on the final CO₂ footprint of MediaMonks. It remains however a challenge to obtain the necessary information for sustainable procurement.

For 2012, we have chosen to take our 20* largest suppliers into account. With a focus on these suppliers the largest part of our sourcing is covered.

It is great to see that in the top 5 of our suppliers the NS, Sligro NV and Vellance BV are taking CSR policy serious. All three companies published their CSR report which are available online.

** For our activities in the US a top 12 suppliers is taken into account due to availability.*

IV COMMUNITY

PERFORMANCE 2012

Donations	
<i>Projects for Public good</i>	3 projects per year [#]
<i>Unpaid / voluntary hours</i>	9548 hours per year [#]

Knowing that our skills can serve projects and organizations for public good, we seek actively to further contribute our knowledge, network and resources to the social development of our community.

"Public Good Games; Doing good, while you are having fun!"

DONATIONS / IN KIND CONTRIBUTION

MediaMonks has a huge reach in a very diverse audience through their digital projects. Because these projects, like web design, social media, games and applications, are such good tools for charity campaigns, we are investing a substantial amount of time and resources into these great charitable projects. In 2012 we have donated in kind 9548 hours of our professionalism.

WORK FOR THE PUBLIC GOOD

Next to the commercial work we do, we are proud to provide our support to foundations and projects for the public good. Three of these projects stand out:

- The Big Internet Museum
- Het Toneel Speelt
- Stichting DOEN

PARTNERSHIPS

In order to strengthen our profile and impact we build strategic partnerships. When it comes to CSR and our sustainability efforts we are proud to partner with the United Nations Global Compact.

UN Secretary-General Ban Ki-moon:

"The Global Compact asks companies to embrace universal principles and to partner with the United Nations. It has grown to become a critical platform for the UN to engage effectively with enlightened global business."

APPENDIX

TEN UNIVERSALLY ACCEPTED PRINCIPLES

The UN Global Compact asks companies to embrace, support and enact, within their sphere of influence, a set of core values in the areas of human rights, labour standards, the environment and anti-corruption:

PRINCIPLES UNITED NATIONS GLOBAL COMPACT	PAGE
Principle 1: Support and respect protection of internationally proclaimed human rights	5
Principle 2: Make sure business is not complicit in human rights abuses	10
Principle 3: Uphold freedom of association and right to collective bargaining	5
Principle 4: Support elimination of all forms of forced and compulsory labor	5/10
Principle 5: Support effective abolition of child labor	not applicable
Principle 6: Eliminate discrimination in employment and occupation	5
Principle 7: Support a precautionary approach to environmental challenges	7/8/9
Principle 8: Undertake initiatives to promote greater environmental responsibility	7/8/9
Principle 9: Encourage the development and diffusion of environmentally friendly technologies	7/8/9/10
Principle 10: Work against all forms of corruption, including extortion and bribery	10

OUR CSR PROGRAM

For questions, recommendations or ideas about the MediaMonks policy, please contact us:

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