INPACT REPORT

2022

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Introduction

Welcome to our first-ever annual Impact Report.

This report summarizes all the work that Stink Studios is doing to reduce its negative impact on the world. It's a way to share all of the actions we're taking with our teams, clients, and peers around the globe. It's also a way to hold ourselves accountable for the work we still need to do.

This inaugural report is broken into three sections: **Diversity Data**, **Social Responsibility** and **Climate Impact**.

The first section contains the results of our global diversity survey and shares some trends that have emerged compared to 2021. The social responsibility section details the work that we're doing with our staff, the creative industry, and our local communities. Finally, the climate section details the initiatives we're undertaking to address our impact on the planet at large. It also includes the results from our first-ever global carbon footprint audit. All three sections also include a roadmap for our future goals.

Because we're a global business, we've signposted various initiatives throughout this report with their corresponding Sustainable Development Goal (SDG) badges. SDGs were first established by the United Nations in 2015 as part of a universal call to action to end poverty, protect the planet, and ensure that everyone enjoys peace and prosperity by 2030. SDGs are interlinked, and designed to provide a "blueprint to achieve a better and more sustainable future for all."

'The work' is no longer just about *what* we make, it's about the way we do it. At the heart of this report is a desire to balance our creative ambitions and business goals with the workings of an ethical, humane and sustainable global company. This isn't always easy to do, but we believe that it's our moral imperative to try.

- Mark Pytlik, CEO











DIVER SITY DATA



Our global diversity data

As a company that benefits from the immense privilege of the creative establishment, it's our responsibility to acknowledge that not everyone has the same path to get here, and to address that.

In an effort to improve the diversity of our talent and create greater opportunity for under-represented groups in the creative industries, we committed to reporting our diversity data annually every Juneteenth.

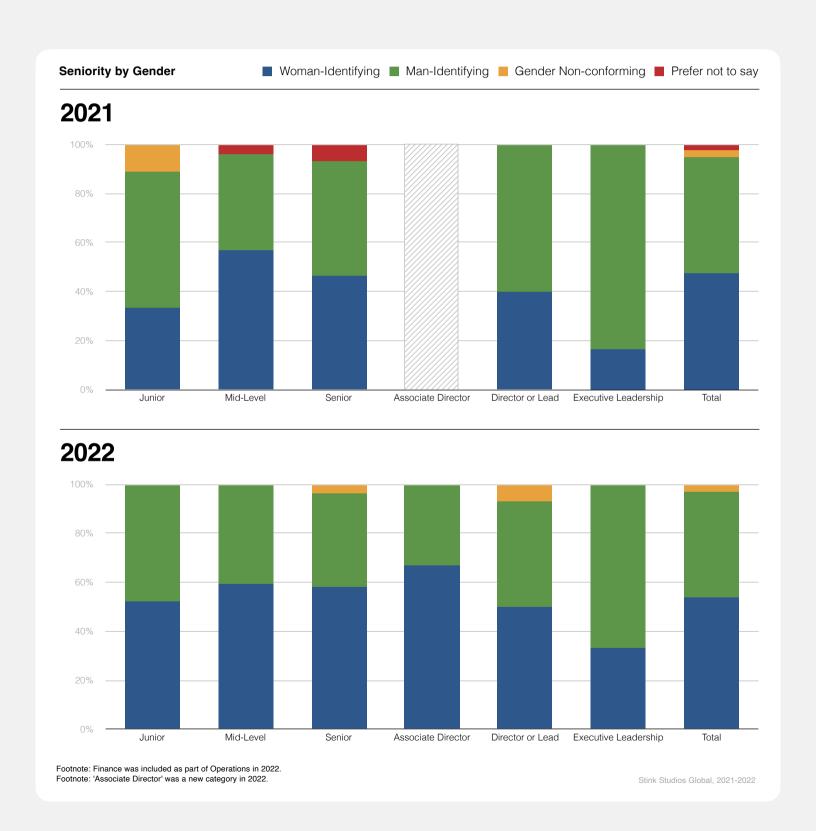
We're now on a path to positively improve our numbers across all the protected characteristics, our initial focus being **Gender**, **Ethnicity**, and **Sexual Orientation**.

What follows are our global diversity numbers for 2022. Our regional offices have also set respective goals and targets that are reflective of their local markets.

Read more about Equity as one of our company values



Seniority by Gender



Seniority by Gender

Seniority by Gender Woman-identifying Gender Non-conforming Man-identifying **Global Staff** 54% of reporting global staff are women-identifying, up from 47.5% in 2021. 2021 2022 **Director or Leadership** 50% of reporting in Director or Leadership positions are womenidentifying, up from 40% in 2021. 2021 2022 **Executive Leadership** 33% of reporting staff in Executive Leadership positions are womenidentifying, up from 16.7% in 2021.

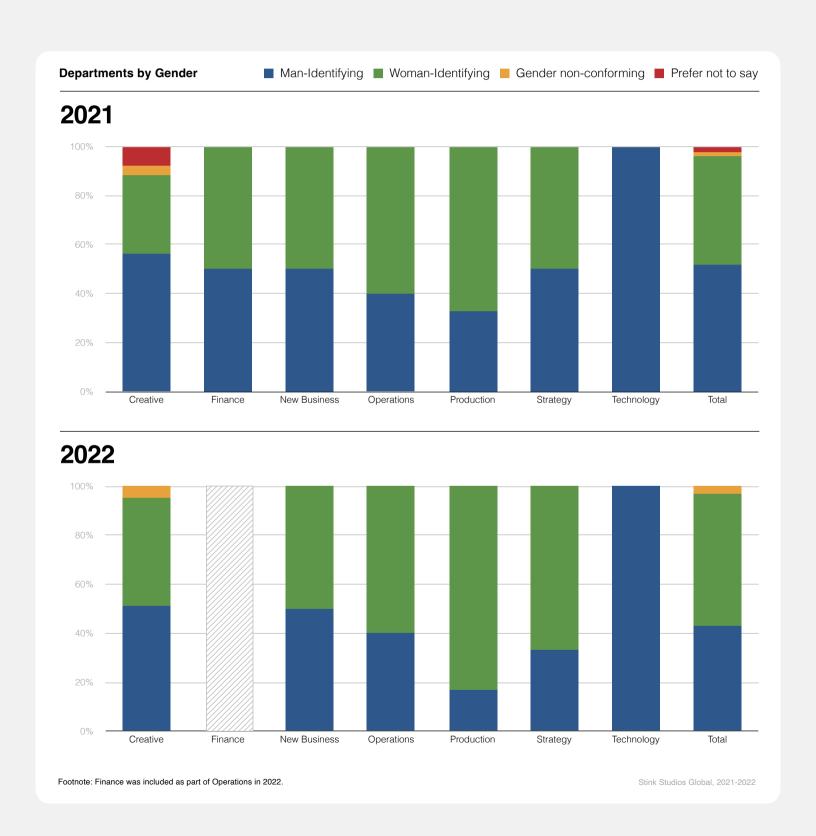
Stink Studios Global 2021-2022

STINK STUDIOS IMPACT REPORT 2022 8

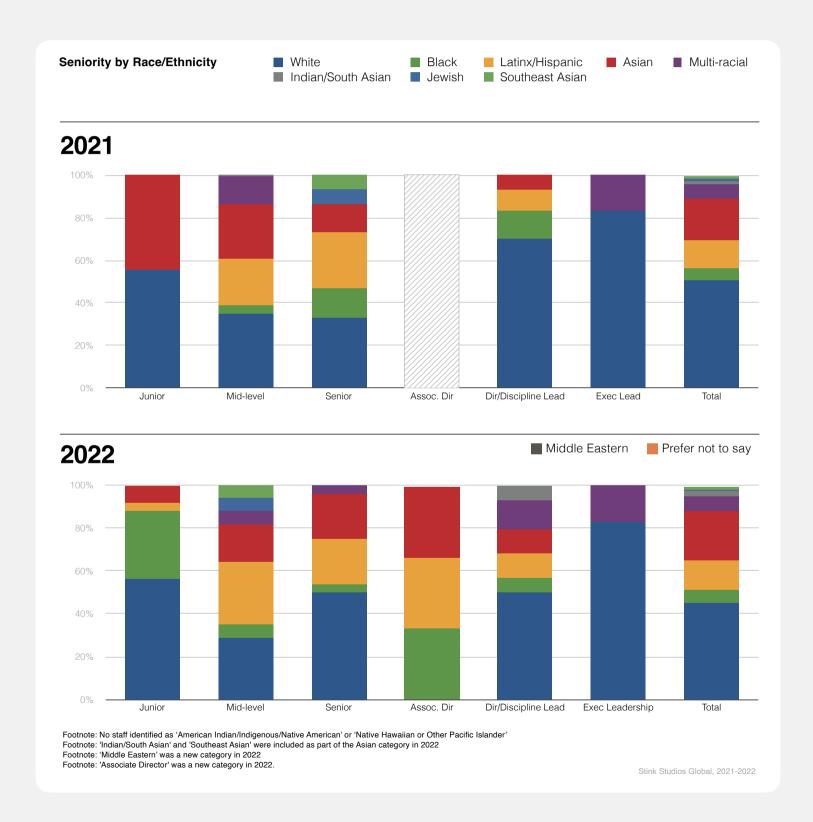
2021

2022

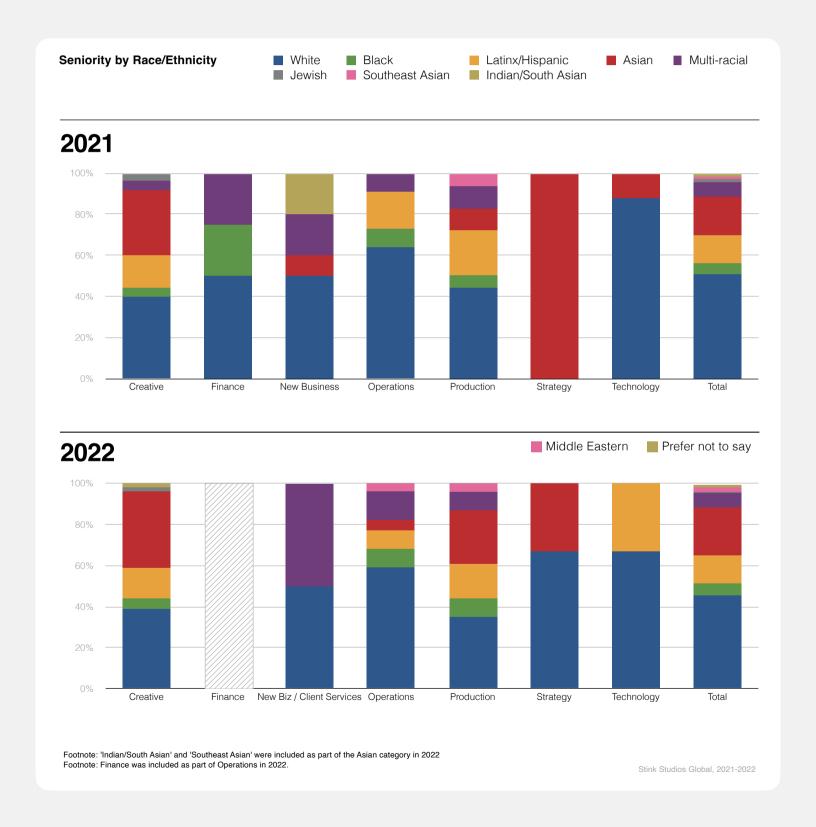
Departments by Gender



Seniority by Race/Ethnicity



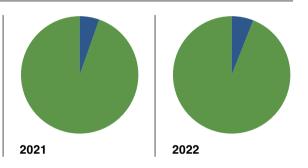
Departments by Race/Ethnicity



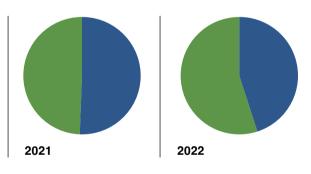
Departments by Race/Ethnicity

Global Staff

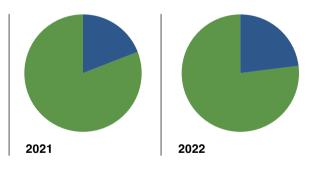
6% of reporting global staff identify as •Black, up marginally from 5.4% in 2021



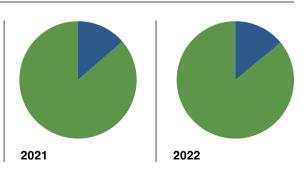
45% of reporting global staff identify as •White, down from 50.6% in 2021



23% of reporting global staff identify as •Asian, up from 19.1% in 2021



14% of reporting global staff identify as •Latinx/Hispanic, up marginally from 13.6% in 2021

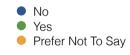


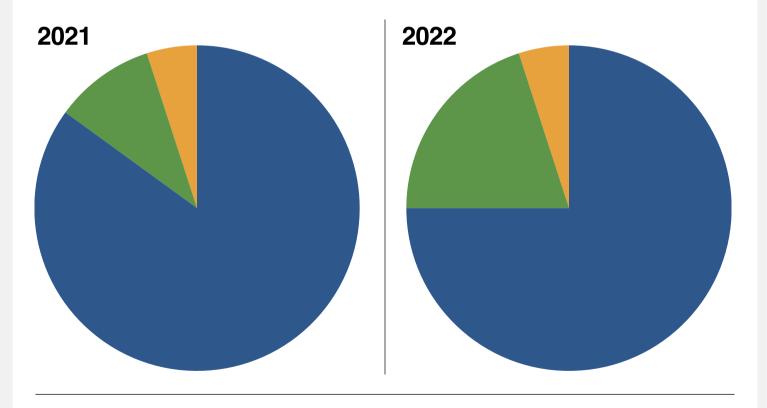
Stink Studios Global 2021-2022

LGBTQIA+ Community

20% of reporting global staff identify as LGBTQIA+, up from 10% in 2021

Do you consider yourself a member of the Lesbian, Gay, Bisexual, Transgender, Queer, Intersex, and/or Asexual (LGBTQIA+) community?







Stink Studios Global, 2021-2022

Global goals for the next three years

→ Delivering biannual unconscious bias and anti-discrimination training and workshops.

→ Increasing diverse department hires and addressing our gender incongruities by adding women to our tech and creative departments and men to production.



- → An overall 5-10% global increase in diverse hires with a focus on (gender, ethnicity, sexual orientation) across all departments.
- → A 5% increase in BAME/BIPOC talent globally
- → A 2% increase in BAME/BIPOC talent in leadership positions, i.e. EPs and above.





SIBI

Actions we've taken for our staff

Recruiting Strategies



We've developed a DEI recruitment strategy that focuses on a number of key initiatives:

- → Employee referral bonus
- → Inclusive hiring practices
- → BAME/BIPOC internship partnerships
- → University recruitment partnerships

Collective Learning



We've created safe spaces and DEI education around unconscious bias and anti-discriminatory practices.

Engagement Surveys



We've improved employee engagement via regular regional global employee surveys and by quickly implementing on staff feedback.

Mental Health Awareness



We're actively raising awareness around health and mental wellbeing within our teams through seminars, newsletters, and a company-wide mental health resource and knowledge base.

Professional Development



We've encouraged the uptake of our existing professional development funds across all levels.

Recruitment Strategies



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of our internships were paid programs, with interns receiving the equivalent of the regional living wage or above.

8

Total number of interns we globally hosted through various recruitment and resourcing channels in 2021.

62%

of our 2021/2022 interns were offered full time employment upon completing their internship program.

10,000

Our commitment to actively promote our roles to a diverse talent pool has seen our vacancies on diverse job boards reach an excess of 10,000 candidates.

75%

of our employees have attended unconscious bias and/or anti-discrimination training.

10+

diverse job boards have been used globally to reach a talent pool beyond the organization's existing networks We also advertised roles on Power to Fly, Writers of Colour, SocialFixt and Mama Youth Project.

In the past year, we've also trialed bias-free recruitment strategies, such as blind hiring, inclusive job descriptions, and structured interviews.

Collective Learning



47% ERG or DEI Committee members are senior-level employees, **33%** mid-level and **42%** at junior-level, promoting a balanced view of thoughts, contributions and engagement.

Globally, we remain invested in continued education across a spectrum of DEI initiatives, as well as generally upskilling our staff. Going forward, we will continue to partner with various organizations to deliver related workshops annually.

PROJECT INKBLOT

Hone

BCREATIVE EQUALS

#timeTo





Engagement Surveys



80%

We had a 80% global average participation/response rate across our regional employee engagement surveys.

More than 85% of respondees globally said they were proud to work at Stink Studios and/or would recommend it to others.

Professional Development



\$120K

The amount we've budgeted to support and upskill our workforce via bespoke professional development programs. Our goal is for at least 80% of this to be utilized by each end of calendar year.



Action we've taken for our community

We built partnerships with organizations dedicated to improving access into the industry for young people from underrepresented communities.



Recruitment Partnership

We've regularly sourced entry level candidates for our permanent and freelance positions from Create Jobs.

Learn more



We facilitated 90+ portfolio reviews and contributed skills-based support to more than 30 creatives.

Learn more



BAME/BIPOC Internships

In 2022 we endorsed our first 10-week internship program in partnership with MAIP (Multicultural Advertising Internship Program).

Learn more



BAME/BIPOC Internships

Our partnership supports SOW's (Scope of Work) goal to build a more inclusive creative sector with a talent development program aimed at BAME/BIPOC talent.

Learn more

Pro- and low-bono projects

Allyship & Action

We've leant free editorial and motion support to Allyship & Action's online summits in both 2021 and 2022, and we're currently working with A&A on a pro-bono educational project that's slated to launch in H2 2022.







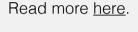


Pro- and low-bono projects

London Screen Academy

We helped LSA launch its academy program with a brand campaign that led to an increase in number of 16-19 year old applicants year-on-year.

Our focus is to ensure that 50% of applicants who want a career within the film production industries come from underrepresented ethnic groups and low-income families in London.











Pro- and low-bono projects

Human Rights Watch

This Juneteenth weekend, we partnered with Human Rights Watch to promote their ongoing #ReparationsNow campaign. The goal of the activation was to directly target and put pressure on the Biden Administration to sign H.R.40 into law, which would create a committee to study and propose reparations for Black Americans.

We partnered with Black Flower Market, an all-Black, DC-based floral studio to install a flourishing garden in the shape of the Pan-African flag on the lawn of the White House Ellipse. There were accompanying signs and social content demanding Biden to sign H.R.40, which also aided in grabbing the attention of the public and press.

Read more here.





Goals for the next three years

Our People

23

- → Global Pay Equity establish regional pay bands or scales.
- → Implementing regional Health and Wellbeing strategies.
- → Establish a global Impact Panel.
- Introduce a company-wide wiki to share best practices and knowledge.
- → Ongoing use of the B Corp Impact Assessment.

24

- → An overall 5-10% global increase in diverse hires with a focus on (gender, ethnicity, sexual orientation) across all departments.
- → A 5% increase in BAME/ BIPOC talent globally.
- → A 2% increase in BAME/ BIPOC talent in leadership positions i.e. EP's and above.

25

- → Achieve an a 90% response rate to our employee engagement survey.
- → A continued score of overall satisfaction with Stink Studios at 80% or above.
- → Participation in Mind's Workplace Wellbeing Index in the UK and equivalent in other regions.

Goals for the next three years

Our Community

23

- → Strengthen our partnerships and mentoring commitments by tracking our existing commitments vs delivery.
- → Deliver 2x pro-bono projects annually for organizations that are aligned with our core company values.

24

- Introduce regional donor matching and automatic charity donation programs promoting charities aligned with our DEI and ESG initiatives.
- → Support social mobility initiatives/projects centered around improving access into the industry.

25

- → Partner or co-create a program designed to educate the youth at a grassroots level about access to the industry.
- → Deliver 3-4x pro-bono projects annually for organizations that are aligned with our core company values.

CLIMATE IM PACT

Our impact on the Environment

It's increasingly important that we start to understand our role in the global climate crisis, and do everything within our means to reduce our impact on the environment. To reach net zero, every company needs to measure, reduce and remove its emissions.

We've always been careful to avoid greenwashing our activities, and have consciously avoided the cheap PR of planting trees and claiming to be carbon neutral.

In alignment with the Science-Based Targets initiative* and their Net-Zero Standard and the Oxford Principles for Future-aligned Offsetting**, we have compensated our carbon footprint with a portfolio of carbon neutrality investments.

^{*} https://sciencebasedtargets.org/net-zero

^{**} https://www.smithschool.ox.ac.uk/publications/reports/Oxford-Offsetting-Principles-2020.pdf

Our impact on the Environment

A detailed report of our annual CO2e emissions following a third-party audit by <u>Zevero</u> shows that our burden to climate change from global activities in 2021 totals 291.9 tCO2e, equal to 2.70 tCO2e per employee.

Total emissions 2021

Carbon intensity per employee

292 tco2e

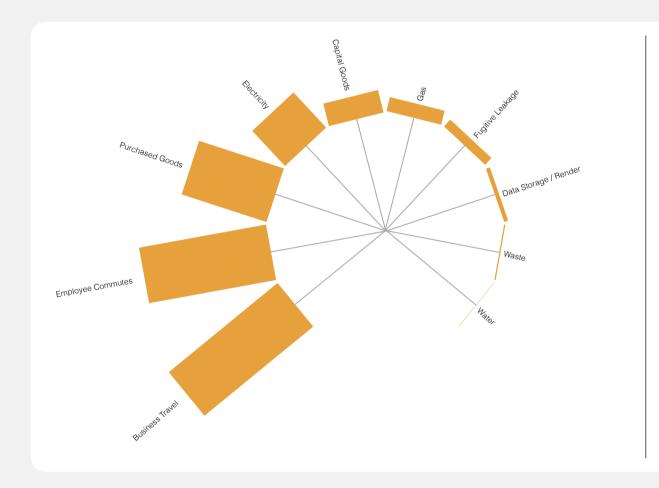
2 7 tCO2e

Top emission sources

Flights (33.45 tCO2e) Remote Work (48.00 tCO2e) Electricity (19.25 tCO2e)

Group GHG emission map

A breakdown of our emissions based on the GHG Protocol Corporate Standard helps to highlight and compare our biggest areas of impact:



A detailed report of our annual CO2e emissions is available here.



Business Travel makes the most significant contribution to our Scope 3 emissions

As a global business, we recognize that travel is required to maintain engagement between our teams and our clients. However, our emissions related to international travel are significant and an area where we can make meaningful short term improvements to our Scope 3 emissions.

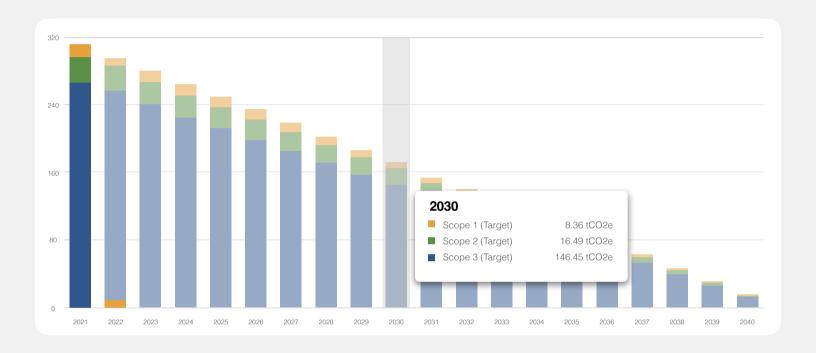
We will therefore establish a Sustainable Travel Policy for 2023 to reduce the impact of travel and monitor associated emissions.

To help us reduce travel we will prioritize video calls over in-person meeting where possible. Where travel is needed, we will encourage sustainable travel by:

- → Prioritizing low-carbon alternatives to flights (trains over flying, public transport over taxis).
- → Incentivizing the use of lowcarbon transport.
- → Implementing a carbon budget to effectively plan and manage reductions year-on-year.

Environmental responsibility goals for the next seven years

We have committed to reduce our emissions, and are only relying on decarbonization offsets after substantially reducing our emissions. Zevero has helped us to map a pathway of reduction targets up to 2030.



2023

- → We've committed to maintain and publish a report of global annual GHG emissions.
- → Implement Sustainable Travel Policy including a carbon budget to effectively plan and manage annual business travel.
- → Reduce International Air Travel by at least 10% year-on-year
- → Continuing to work with landlords to implement and maintain improvements in water efficiency, waste reduction, and recycling.
- → Prioritizing the purchase of refurbished computer equipment (at least 10% of total)

2025

- → Reduce total Scope 3 emissions by 10% compared to baseline year (2021).
- → Purchase 100% Renewable Electricity Contracts for all offices
- Minimize work from home emissions promote (and subsidize) renewable tariffs for all employees, for both gas and electricity where possible.
- → By this date we will have made environmental performance a core criteria for procurement with at least 75% of suppliers having a disclosed net-zero target.

2030

- → Reduce Scope 1 and 2 emissions by at least 60% compared to baseline year
- → Reduce total Scope 3 emissions by 40% compared to baseline year.
- → 95% employees to use renewable electricity at home



Balancing our unavoidable emissions at a fair price

We're balancing 100% of our unavoidable emissions at \$100 t/CO2 following Oxford principles for net zero aligned carbon offsetting. This results in a total investment this year of \$29,190 into a portfolio of carbon removal projects.

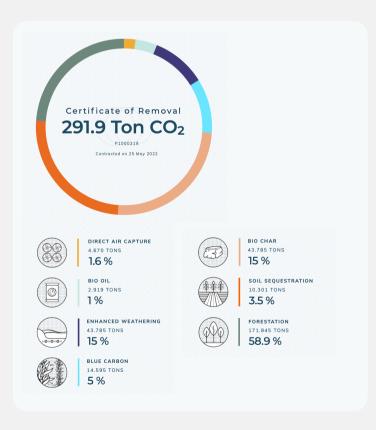
The main objective in declaring a relatively high internal carbon price is to create a disincentive; to nudge each business decision we make towards the lower carbon alternative.

Price we've committed to pay per tCO2e

\$100

Total investment for 2021

\$29,190



Our portfolio ensures that around 38% of the carbon we remove is out of the atmosphere for at least 100 years. Meanwhile, the portfolio retains a high level of benefits from natural types of removal like planting trees, without lowering our positive impact on co-benefits.

Our investments in <u>Climeworks</u>, <u>Charm</u>, <u>Carbonfuture</u>, and Nori all actively address SDG 13, Climate Action.

View our portfolio of science-based carbon neutrality investments, provided by Klimate here







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