



# SUSTAINABILITY REPORT

**2023**

April 2024



# About MEDIA Central Group

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MEDIA Central is the leading European drive-to-store marketing solutions provider and specialized in B2B media services for retailers. The company was incorporated in 1997 with a focus on classic household advertising (such as leaflets and supplements as well as ad placements). Over the past 25 years, MEDIA Central extended its product offering with increasing focus on digital marketing channels as well as advanced data analytics to maximize efficiency and reach of marketing activities. Ideally positioned to benefit from the digital shift as the only 360° provider of classic & digital channels complemented by data analytics services for retailers to measure the impact on ROI.

MEDIA Central is the holistic solution provider for 360° offer communication. Based on geographical data that is unique in the industry and its own expertise in data analysis, the MEDIA Central Group recognizes overarching relationships and offers customers tailor-made recommendations for successful trade communication. As a leading provider of 360° offer communication with in-house expertise in classic & digital media, we are pioneers in convergent media planning and optimise the ROI of our clients' marketing investments.

## Simplified group structure



# Sustainability at MEDIA Central

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"For us, sustainability is not a trend, but a deeply rooted conviction of our corporate responsibility. We see the path as a journey: Both large projects and smaller optimisations are valuable to us. We believe that every commitment counts!" – Dr. Vincenzo Del Popolo, Chief Administration Officer

MEDIA Central is deeply committed to environmental, social, and governance (ESG) aspects as part of their corporate responsibility. Since 2019, MEDIA Central conducts annual ESG reviews together with a specialized ESG consultancy and Bregal Unternehmerkapital. As part of the process, an analysis of ongoing material themes for MEDIA Central and other stakeholders are reviewed. Identified challenges feed into the ESG roadmap development process, which is part of this exercise. The ESG review assesses past performance of material ESG themes and targets, based on collection of sustainability KPIs, and defines key targets for next 12 months as part of the company's ESG roadmap.

MEDIA Central sustainability strategy focuses on the following core material themes:

- Carbon emissions: Monitoring, managing and reducing emissions in line with Paris Agreement is a key priority for the company.
- Sustainable business proposition: Environmental impact of the paper-based advertising and the shift to digital advertising channels
- Talent management & retention: Recruiting and retaining talent is a cross-industry challenge, and MEDIA Central prioritizes the well-being of its employees
- Good Governance & Supply chain control: In the area of responsible corporate governance, the focus is on strengthening our compliance management and ESG governance, including engaging our suppliers to ensure social and environmental good practices are a prerequisite for cooperation.

# Key performance indicators

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After the acquisition of Shopfully, MEDIA Central has integrated Shopfully into its ESG management, by measuring sustainability KPIs and developing an ESG roadmap for the group, including Shopfully for 2024 and 2025.

Besides the successful integration of Shopfully into the MEDIA Central ESG program, MEDIA Central has implemented key measures to drives sustainability performance, for example, but not limited to:

- Committed to Science-based Targets (SBT) via SBTi
- Finalized fleet electrification policy
- Continuous shift towards renewable electricity, having achieved full renewable electricity within its HQ.
- Implementing health management for mental and physical health, regular employee surveys and training
- Implementation of ESG standards into the Code of Conduct
- Engaged supply chain partners on key environmental (incl. climate) and social themes via supplier code of conduct

In 2024, MEDIA Central is continuing to drive sustainability, and is developing its ESG Roadmap for 2024 and 2025.

## Selection of key performance indicators

ESG metric	unit	2021	2022	2023 <sup>1)</sup>
GHG emissions, scope 1	tCO2e	176	227	466
GHG emissions, scope 2	tCO2e	56	40	106
GHG emissions, scope 3	tCO2e	479,984	541,905	540476
Carbon intensity (scope 1 and 2)	tCO2e/ €m revenue	0,48	0,45	0,9
Electricity consumption	MWh	289	268	511
Renewable electricity consumption	(% of total)	59,0	70,1	50,7
Employee turnover rate	%	13,7	17	15,6
Gross profit share digital	%	29,2	31	58.9

1) Inclusion of Shopfully

Note: Non-consolidated digital gross profit share in 2023

# Sustainability performance targets

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After MEDIA Central launched its sustainability-linked bond and linking sustainability performance with financial performance through two ambitious sustainability performance targets (SPT1 & 2), MEDIA Central continued its efforts to drive sustainability performance related to SPTs.

## SPT 1

The first SPT is linked to setting and achieving science-based targets approved by SBTi in line with 1.5°C scenario for scope 1-3 GHG emissions in line with the Science-based target initiative (SBTi). After the acquisition of Shopfully, in 2024, MEDIA Central has included Shopfully into its yearly carbon assessment (Scope 1-3) for 2023 with external carbon specialists, which also includes an identification of key decarbonization levers. Furthermore, MEDIA Central committed to SBTi, to ensure adherence to the Paris Climate Agreement and 1.5-degree scenario. MEDIA Central plans on submitting its target for approval by SBTi in 2024, in line with its SPT 1.

## SPT 2

The second SPT is to increase the gross profit share from digital media 62%, 64% and 66% in 2024, 2025 and 2026, respectively.

With the acquisition of Shopfully, MEDIA Central has achieved an important step in direction of digitalization of its offering and reducing its environmental impact. Strong performance of the Digital Business, with double-digit growth on Net Revenues in Germany and internationally as well as scale effects and continued integration of the digital entities supporting profitability. MEDIA Central will continue to drive digital growth in line with its SPT 2.

## Gross profit share generated from digital media (%)

