

Slavery and Human Trafficking Statement 2022

This statement outlines the measures taken by Bertelsmann to prevent forms of modern slavery and human trafficking for the 2022 fiscal year. It fulfills Bertelsmann's duties pursuant to Section 54 of the UK Modern Slavery Act 2015.

This statement covers the measures taken by Bertelsmann and Bertelsmann Group companies. Where Bertelsmann Group companies have taken further measures that are subject to reporting duties under the UK Modern Slavery Act, these will be outlined in a separate statement by the Group company and will be available on the respective Group company's website:

Penguin Random House
[Modern Slavery Statement](#)

BMG
[Modern Slavery Statement](#)

Arvato
[Modern Slavery Statement](#)

Fremantle
[Slavery and Human Trafficking Statement](#)

DK
[Modern Slavery Statement](#)

Bertelsmann

Bertelsmann is a media, services and education company that operates in about 50 countries around the world. It includes the entertainment group RTL Group, the trade book publisher Penguin Random House, the music company BMG, the service provider Arvato, the Bertelsmann Printing Group, the Bertelsmann Education Group and Bertelsmann Investments, an international network of funds. The company has 165,000 employees worldwide and generated revenues of €20.2 billion in the 2022 financial year. Bertelsmann stands for creativity and entrepreneurship. This combination promotes first-class media content and innovative service solutions that inspire customers around the world. Bertelsmann aspires to achieve climate neutrality by 2030.

Strategy

Bertelsmann's strategic focus is on a fast-growing, digital, international and diversified Group portfolio. Businesses in which Bertelsmann invests should have long-term stable growth, global reach, sustainable business models, high market-entry barriers and scalability. A significant increase in investment is planned over the next few years as part of the Group-wide growth initiative. Existing and new lines of business will be established and expanded through organic initiatives and acquisitions. The strategy pursues five growth priorities: national media champions, global content, global services, education, and investment portfolio. The following topics form the basis for the successful implementation of the strategy: tech & data, people, communication and ESG. Further progress was made in the implementation of the strategic priorities in the 2022 financial year.

Employees

At the end of the 2022 financial year, the Group had 164,691 employees worldwide and 1,111 apprentices in the DACH region.

Protecting human rights and preventing forms of modern slavery and forced labor at Bertelsmann

Through its Code Conduct and its voluntary commitment to external guidelines, Bertelsmann is committed to respecting and protecting human rights within the company and in its business relationships. The goal is to minimize the risk of human rights violations and discrimination to the greatest possible extent.

Shared values and principles

Common goals and shared values are the prerequisites for a corporate culture in which employees, management and shareholders work together successfully, respectfully and in a spirit of trust. These shared values and principles are set forth in the corporate constitution as well as in the Bertelsmann Essentials "Creativity and Entrepreneurship." Additionally, the Bertelsmann Code of Conduct – as a binding guideline – defines standards for law-abiding and ethically responsible conduct within the company and toward business partners and the public. Bertelsmann's actions are also determined by external guidelines. The company is guided by the recommendations of the German Corporate Governance Code for good and responsible corporate governance and largely follows the OECD Guidelines for Multinational Enterprises. Bertelsmann is committed to the principles of the Universal Declaration of Human Rights, the United Nations Guiding Principles on Business and Human Rights, and the International Labor Organization core labor standards. A member of the United Nations Global Compact, Bertelsmann supports the UN's Agenda 2030.

The Bertelsmann Code of Conduct, which is available in 12 languages, was revised in 2021. It requires all Bertelsmann executive bodies, management and employees to conduct business in a manner that is both legal and ethically responsible. It also emphasizes compliance with human rights as part of Bertelsmann's corporate responsibility. Accordingly, the Code of Conduct clearly prohibits forced and child labor and forbids any form of exploitation or discrimination. In addition, the Code of Conduct stipulates compliance with statutory regulations to ensure fair working conditions, including those on payment, working times and the protection of privacy. Employees' rights to freedom of association and collective bargaining in accordance with valid laws and provisions are also enshrined in the Code of Conduct.

Compliance organization and Integrity & Compliance program

The Bertelsmann Executive Board has established an Integrity & Compliance program and appointed a Corporate Compliance Committee (CCC). The CCC submits an annual Compliance Report to the Bertelsmann Executive Board and the Audit and Finance Committee. The CCC is chaired by the head of the Corporate Legal Department. The Integrity & Compliance (I&C) department is responsible for implementing the topic in the organization, reporting to the CCC. I&C supports the CCC in fulfilling its tasks and makes suggestions for necessary improvements to the I&C program. I&C ensures that employees worldwide are made aware of the key legal provisions and internal company guidelines, including those concerning respect for human rights.

Communication and training

Group-wide communication and training measures on the Bertelsmann Code of Conduct - some carried out online, others as in-person training sessions - ensure that Bertelsmann employees are well-informed about the rules of conduct and their rights. Some of the most important measures included the communication of the revised Bertelsmann Code of Conduct in 2021 and a regularly conducted international employee survey. In 2023, all employees will be given a Code of Conduct refresher training.

Speak up channels

Bertelsmann has established comprehensive communication and speak-up channels that allow for the reporting of Compliance violations, e.g. human rights violations. Employees in supervisory roles or whose role or position holds them particularly responsible for ensuring compliance are obligated to report significant compliance violations. The reporting obligations include violations of human rights, sexual harassment and violations of antidiscrimination laws as significant compliance violations needing to be reported. The following reporting channels are available to both employees and third parties to report violations of the prohibition on forms of modern slavery or other suspected violations at any time: Integrity & Compliance Department (integrity@bertelsmann.com), electronic whistleblowing system (www.reportconcerns.com), and ombudspersons (ombuds@discussconcerns.com). Any reports of possible violations are processed and investigated by the Integrity & Compliance Department and/or the ombudspersons as part of confidential processes. If violations are identified, appropriate measures are taken to immediately rectify them and prevent future violations. Retaliation against Bertelsmann employees who report suspected misconduct in good faith is prohibited. This is guaranteed in the prohibition of retaliation stipulated in the Bertelsmann Code of Conduct.

Compliance risk analysis

As part of the yearly compliance risk analysis, risks with regards to human rights violation and discrimination are evaluated. The findings of the Bertelsmann Compliance Risk Analysis of 2021 show that the risks of human rights violations and discrimination are minimized to the greatest extent possible in view of the measures that have been taken.

Supply Chain Compliance

Bertelsmann has a widely ramified supply chain with only a few main suppliers, including paper and energy suppliers. Most of the services it purchases are creative or other services rendered by humans. Respect for human rights within the supply chain is also expressly stipulated by the Bertelsmann Code of Conduct and the Supplier Code of Conduct. This includes a ban on child and coercive labor and a ban on discrimination and intimidation, and it reaffirms the right to freedom of association and the right to engage in collective bargaining. The Executive Guideline on Anti-Corruption & Integrity formulates adequate due-diligence processes for the selection of business partners, which should be followed Group-wide. The Bertelsmann Supplier Code – as standard part of all contracts – sets specific minimum standards for ethical conduct that must be observed by any third parties wishing to engage in business activities with Bertelsmann. These obligations apply to any business partner that will be working for, together with, or on behalf of Bertelsmann.

The Bertelsmann Supplier Code of Conduct anchors these minimum ethical requirements throughout the value chain by requiring business partners to impose the requirements set by Bertelsmann's minimum standards on any of their own downstream business partners that are deployed for Bertelsmann.

Employee Matters

Responsibility for ensuring fair working conditions is decentralized, in that it lies with the management of the local businesses. The Chief Human Resources Officer (CHRO) of Bertelsmann bears the primary responsibility for the strategic framework for employee matters within the company. The main focus of his work throughout the Group includes setting the strategic HR agenda, aligning management development with the Group's strategic priorities, Bertelsmann University, standardizing and providing IT support for important HR processes, developing the corporate culture, and implementing corporate responsibility in the Group. The CHRO heads the HR Committee, which is the corporate committee responsible for international HR matters at Bertelsmann. Its members are the heads of HR at the corporate divisions who have a functional reporting line to the CHRO, as well as head managers of the corporate HR department. The implementation of the Bertelsmann Guideline on Human Rights and Fair Working Conditions is planned for 2023.

Additional measures taken by Bertelsmann

Bertelsmann has participated in the United Nations Global Compact (UNGC) since 2008. The company thus acknowledges its responsibility with regard to the protection of international human rights and the issue of forced labor.

Since 2011, Bertelsmann has followed the international guidelines of the Global Reporting Initiative (GRI) as part of its corporate responsibility reporting, which also covers the topics of human rights in general, child labor, and forced or compulsory labor. With its GRI reporting, Bertelsmann also fulfils its obligation to submit an annual Communication on Progress for the United Nations Global Compact. In addition, Bertelsmann's corporate responsibility performance is assessed by various ESG rating agencies (ISS ESG, EcoVadis, CDP, MSCI, Sustainalytics, S&P Global).

For the non-financial matters defined in the German Commercial Code – employee and social matters, anti-corruption and -bribery matters, respect for human rights and environmental matters – no significant risks were identifiable as part of the 2022 reporting. In addition, Bertelsmann regularly conducts a global employee survey that covers, among other things, employee awareness of the Code of Conduct as well as working conditions and employee satisfaction.

Gütersloh, 10/08/2023



Thomas Rabe

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Chief Executive Officer of RTL Group

www.bertelsmann.com | integrity.bertelsmann.com

Sources:

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