

Slavery and Human Trafficking Statement 2021

This statement outlines the measures taken by Bertelsmann to prevent forms of modern slavery and human trafficking for the 2021 fiscal year. In doing so, Bertelsmann is fulfilling its duties pursuant to Section 54 of the UK Modern Slavery Act 2015.

This statement includes the measures taken by Bertelsmann and Bertelsmann Group companies. Where Bertelsmann Group companies have taken further measures that are subject to a duty to report 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

<https://wp.penguin.co.uk/wp-content/uploads/2022/12/PRH-UK-Modern-Slavery-Statement-2022.pdf>

BMG

www.bmg.com/uk/modern-slavery-statement.html

Arvato

www.arvato.co.uk/modern-slavery-act

Prinovis

www.prinovis.co.uk/fileadmin/Prinovis_UK_Slavery_and_Human_Trafficking_Statement_.pdf

Fremantle

<https://fremantle.co.uk/statement-on-slavery-and-human-trafficking>

DK

www.dk.com/uk/information/about-dk/

Bertelsmann

Bertelsmann is a media, services and education company that operates in about 50 countries around the world. It includes the broadcaster RTL Group, the trade book publisher Penguin Random House, the magazine publisher Gruner + Jahr, 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 around 145,000 employees and generated revenues of €18.7 billion in the 2021 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 and high-learning digital, international, and diversified Group portfolio. Businesses in which Bertelsmann invests should have long-term stable growth, global reach, sustainable business models and scalability. At the beginning of 2021, Bertelsmann defined a Group-wide growth initiative and presented the new strategic growth priorities required for this: national media champions, global content, global services, online education, and the investment portfolio. Further developing the strategy in this way is necessary to meet new challenges, such as growing competition from U.S. tech platforms. The Group aims to grow in both existing and new lines of business through organic initiatives and acquisitions. The following topics form the basis for the successful implementation of the strategy: tech & data, upskilling, cooperation and alliances. In 2021, substantial progress was made on implementing the new strategic priorities.

Employees

At the end of the financial year 2021, the Group had 145,027 employees worldwide. In 2021, there were 1,324 people serving in trainee positions in Bertelsmann companies in Germany.

Due to the ongoing Covid-19 pandemic, the focus in 2021 remained on directly protecting the health of all employees around the world. One focus of infection control was on the Covid vaccination and establishing the necessary infrastructure in the business units (depending on the respective regional statutory regulations). All employees in Germany were offered vaccination through their regional company doctors. Vaccination centers for employees and their families were also set up in the Gütersloh area and in Cologne. Other preventive and protective measures, such as work from home and the provision of masks, disinfectants, and Covid testing facilities, were continued in accordance with the statutory regulations. All measures were complemented with a wide range of support services to maintain mental and physical health, as well as extensive in-house communications.

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

The prerequisites for a corporate culture in which employees, management and shareholders work together successfully, respectfully and in a spirit of trust are common goals and shared values. These are set forth in the corporate constitution as well as in the Bertelsmann Essentials "Creativity and Entrepreneurship". Furthermore, 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.

Bertelsmann's actions are also determined by external guidelines. The company uses as guidance 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 Agenda 2030 of the UN.

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 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 codified in the Code of Conduct.

Compliance organization and Integrity & Compliance program

The Bertelsmann Executive Board 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 chair is the head of the Corporate Legal Department. The Integrity & Compliance (I&C) department is responsible for implementing the topic, and is subordinated to the CCC in the organization. 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

All Bertelsmann employees are well-informed about the rules of conduct and their rights through Group-wide communication and training measures concerning the Bertelsmann Code of Conduct, some of which are carried out online and some of which are carried out as in-person training sessions. The most important measures in 2021 included the communication of the revised Bertelsmann Code of Conduct and the international employee survey, which was conducted as scheduled. Flexible working models became increasingly important, with the Covid-19 crisis serving as a catalyst.

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 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 pass on the requirements set by Bertelsmann’s minimum standards to their own downstream business partners if any 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 is primarily responsible 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.

Additional measures taken by Bertelsmann

Bertelsmann has participated in the United Nations Global Compact (UNGC) since 2008.

Since 2011, Bertelsmann has followed the international guidelines set out by the Global Reporting Initiative (GRI) as part of its corporate responsibility reporting. Through its GRI reporting Bertelsmann also fulfills its obligation to submit an annual progress report for the United Nations Global Compact. Bertelsmann’s corporate responsibility reporting reflects the above-mentioned aspects of its corporate principles, the Bertelsmann Essentials, the Bertelsmann Code of Conduct and the Bertelsmann Supplier Code of Conduct.

To identify key CR topics, Bertelsmann carries out regular CR relevance analyses. For each analysis, the company conducts a survey of internal and external stakeholders; the external stakeholders estimate the impact of Bertelsmann’s business activity on the CR topics, while the internal stakeholders assess their business relevance. This process serves to identify CR topics that are necessary for understanding the business development, the business performance, the position of the Group and the impact of its activity on the non-financial aspects, which include employee and social matters, respect for human rights, anti- corruption and bribery matters as well as environmental matters. These topics are analyzed within the company boundaries, unless otherwise stated. In 2021, Health & Well-being was confirmed as a Group-wide CR priority, defined as a Group-wide focus for the Chief HR Officer, and further developed as part of the Bertelsmann CR Program (2021-2023). The Corporate Responsibility department is responsible for developing and implementing the Group-wide „Health & Well-being“ strategy. Together with an international and cross-divisional working group, it sets the strategic framework for health-related matters.

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 2021 reporting.

In addition, Bertelsmann regularly conducts a global employee survey addressing, inter alia, awareness of the Code of Conduct as well as working conditions and employee satisfaction. The global employee survey conducted in 2021 confirmed that awareness of the Code of Conduct had further improved worldwide since the last survey in 2019.

Gütersloh, 06/12/2022



Thomas Rabe

Chairman and Chief Executive Officer of Bertelsmann

Chief Executive Officer of RTL Group

www.bertelsmann.com | integrity.bertelsmann.com

Sources:

www.legislation.gov.uk/ukpga/2015/30/section/54/enacted;

[bertelsmann-annual-report-2021-finance-engl-final.pdf](#);

www.bertelsmann.com/media/unternehmen/grundwerte/code-of-conduct/be-code-of-conduct-en-2021-l01.pdf;

www.bertelsmann.com/corporate-responsibility/reporting/;

www.bertelsmann.com/media/verantwortung/downloads/englisch/bertelsmann-cr-in-brief-2021.pdf