

Slavery and Human Trafficking Statement 2023

This statement outlines the measures Bertelsmann has taken to prevent forms of modern slavery and human trafficking for the 2023 fiscal year.

It fulfills Bertelsmann's obligations under Section 54 (1) of the UK Modern Slavery Act and Section 11 (1) of the Canadian Fighting Against Forced Labour and Child Labour in Supply Chains Act. This statement covers the measures taken by Bertelsmann SE & Co. KGaA 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 set out 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](#)

Further, for the purposes of the Canadian Fighting Against Forced Labour and Child Labour in Supply Chains Act, this statement covers the following reporting entity: Penguin Random House Canada Limited (PRH Canada). For more detailed information about PRH Canada, please refer to PRH Canada's own Statement published on its website pursuant to this legislation.

Bertelsmann

Bertelsmann is a media, services, and education company with more than 80,000 employees and operations 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 Group, Bertelsmann Marketing Services, Bertelsmann Education Group and Bertelsmann Investments, an international network of funds. The company generated revenues of €20.2 billion in the 2023 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. The strategy pursues five growth priorities: national media champions, global content, global services, education, and investment portfolio. The following themes form the basis for the successful implementation of the strategy: tech & data, people, communication and ESG. In fiscal year 2023, further progress was made in the implementation of the strategic priorities.

Employees

At the end of the 2023 financial year, the Group had 80,418 employees worldwide.

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

Through its [Code of 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. With the publication of its [Declaration of Principles on the observance of Human Rights](#), Bertelsmann has committed to respecting and protecting human rights within the Group and at its suppliers. The policy statement also contains a human rights strategy developed for Bertelsmann. Also, in 2023, the Bertelsmann policy on human rights and fair working conditions was implemented.

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 laid down in the Bertelsmann Constitution and the [Bertelsmann Essentials “Creativity and Entrepreneurship.”](#) In addition, the Bertelsmann Code of Conduct is a binding guideline that 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 core labor standards of the International Labor Organization. As 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 bodies, executives, and employees to conduct business in a legally and ethically responsible manner. It also emphasizes the observance of human rights as part of Bertelsmann’s corporate responsibility. Accordingly, the Code of Conduct clearly prohibits forced labor and child labor and forbids any form of exploitation or discrimination. In addition, the Code of Conduct stipulates compliance with legal regulations to ensure fair working conditions, including those relating to remuneration, working hours, and the protection of privacy. The Code of Conduct also recognizes the rights of employees to freedom of association and collective bargaining in accordance with applicable laws and provisions.

The Bertelsmann policy on human rights and fair working conditions fleshes out the Bertelsmann Essentials and its objectives to go beyond the binding framework of the Bertelsmann Code of Conduct. Bertelsmann sees fair working conditions as providing the foundations for its business activities and corporate responsibility.

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 the implementation of the topic in the organization and reports to the CCC. I&C supports the CCC in its tasks and makes suggestions for necessary improvements to the I&C program. I&C ensures that employees worldwide are made aware of key legal requirements and internal company policies, including those related to human rights.

Communication and training

Group-wide communication and training measures on the Bertelsmann Code of Conduct – some online, some in person – ensure that Bertelsmann employees are well informed about the rules of conduct and their rights. To refresh their knowledge, all employees who had already completed their Code of Conduct training were assigned to a mandatory refresher course in 2023.

Speak up channels

Bertelsmann has established comprehensive communication and speak-up channels that enable the reporting of compliance violations, e.g. human rights violations. Employees who have a supervisory role or who are particularly responsible for compliance due to their role or position are required to report significant compliance violations. The reporting requirements include human rights violations, sexual harassment, and violations of anti-discrimination laws as significant compliance violations that must be reported. The following reporting channels are available to both employees and third parties to report violations of the prohibition of forms of modern slavery or other suspected violations at any time: the Integrity & Compliance department (integrity@bertelsmann.com), electronic whistleblowing system (www.reportconcerns.com), and ombudspersons (ombuds@discussconcerns.com). The Integrity & Compliance department is responsible for providing reporting channels, receiving reports, and coordinating investigations or other follow-up actions. All reports of possible violations are handled and investigated through confidential procedures.

If violations are discovered, appropriate action will be taken to immediately correct the violation and prevent future violations. Retaliation against Bertelsmann employees who report suspected misconduct in good faith is prohibited. This is guaranteed by the Bertelsmann Code of Conduct's prohibition of retaliation.

Compliance risk analysis

Risks related to human rights violations and discrimination are evaluated as part of the annual Compliance Risk Analysis. The results of Bertelsmann's 2023 Compliance Risk Analysis show that the gross risks of human rights violations and discrimination are minimized to the greatest extent possible in light of the compliance programs and countermeasures in place.

Supply Chain Compliance

Bertelsmann has an extensive supply chain with only a few key suppliers, including paper and energy suppliers. Most of the services it purchases are creative or other services provided by people. Respect for human rights in the supply chain is also explicitly required by the Bertelsmann Code of Conduct and the [Supplier Code of Conduct](#). Bertelsmann has also committed itself to respecting and protecting human rights within the Group and among its suppliers in the Declaration of Principles published as part of the German Act on Corporate Due Diligence Obligations in Supply Chains (LkSG). It includes a ban on child labor and forced labor, a ban on discrimination and intimidation, and affirms the right to freedom of association and collective bargaining. The Declaration of Principles also includes a human rights strategy developed for Bertelsmann. It describes the internal processes that Bertelsmann uses to promote compliance with human rights and explains how potential risks and violations are dealt with. One element of Bertelsmann's human rights strategy is risk management. Using a software solution that supports risk analysis, all of Bertelsmann's relevant suppliers are systematically assessed and prioritized with regard to human rights and environmental risks based on defined criteria and internationally recognized indices. Preventive measures are taken to minimize risks based on the results of the risk analysis.

The Executive Guideline on Anti-Corruption & Integrity formulates appropriate due diligence processes for the selection of business partners, which are to be followed Group-wide. The Bertelsmann Supplier Code – a standard part of all contracts – sets specific minimum standards for ethical behavior that must be met by all third parties who wish to do business with Bertelsmann. These obligations apply to all business partners who work for, 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 forth in the Bertelsmann Minimum Standards on all of their own downstream business partners working for Bertelsmann.

Employee Matters

Responsibility for ensuring fair working conditions is decentralized and lies with the management of the local companies. Bertelsmann's Chief Human Resources Officer (CHRO) bears 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, standardization and IT-supporting key HR processes, developing the corporate culture, and implementing corporate responsibility in the Group. The CHRO chairs the HR Committee, the corporate body responsible for international HR issues at Bertelsmann. Its members are the heads of HR of the divisions, who have a functional reporting line to the CHRO, as well as the heads of the Corporate HR department. With Bertelsmann guideline on human rights and fair working conditions Bertelsmann has created a shared understanding of fair working conditions.

Additional measures taken by Bertelsmann

As part of its mandatory ESG reporting, Bertelsmann publishes an annual summary non-financial statement in the Bertelsmann Annual Report, which also covers the topics of respect for human rights and combating corruption and bribery, among others. As a participant in the United Nations Global Compact (UNGC), Bertelsmann publishes an annual Communication on Progress as part of its voluntary ESG reporting. In doing so, the company also acknowledges its responsibility with regard to the protection of human rights and the issue of forced labor. In addition, Bertelsmann's ESG performance is assessed by various ESG rating agencies (ISS ESG, EcoVadis, CDP, MSCI, Sustainalytics, S&P Global). For the non-financial issues defined in the German Commercial Code (HGB) – employee and social issues, anti-corruption and -bribery, respect for human rights, and environmental issues – no significant risks were identified as part of the 2023 reporting. In addition, Bertelsmann regularly conducts a global employee survey that includes questions about employee awareness of the Code of Conduct as well as working conditions and employee satisfaction.

In accordance with the requirements of the law, and after careful examination, I hereby confirm that the information reported for the year under review is true, accurate and complete.

Gütersloh, 05/27/2024



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
[Public Bill \(Senate\) S-211 \(44-1\) - Royal Assent - Fighting Against Forced Labour and Child Labour in Supply Chains Act - Parliament of Canada](#)
[BM Annual Report 2023 \(bertelsmann.com\)](#)
[The Bertelsmann Code of Conduct - Bertelsmann SE & Co. KGaA](#)
[GRI Content Index - Bertelsmann SE & Co. KGaA](#)
[The Bertelsmann Code of Conduct](#)
[Chairman's Foreword - Bertelsmann SE & Co. KGaA](#)
[The Bertelsmann Code of Conduct](#)
[Essentials - Bertelsmann SE & Co. KGaA](#)