

Combined Group Sustainability Statement 2024

Extract from the Annual Report

Combined Group Sustainability Statement (Sustainability Report)

General Information

This section contains information on the general principles applied for the preparation of the Sustainability Report, information on governance and strategy, and information on the management of impacts, risks and opportunities.

Basis for preparation

BP-1 General basis for preparation of the sustainability report

This section presents the combined Group Sustainability Statement of Bertelsmann SE & Co. KGaA (Sustainability Report). The Sustainability Report was prepared to comply with the requirements of Directive (EU) 2022/2464 of the European Parliament and of the Council of December 14, 2022 (Corporate Sustainability Reporting Directive, CSRD) and Article 8 of Regulation (EU) 2020/852 as well as sections 315b and 315c of the German Commercial Code (HGB) with regard to a consolidated non-financial statement and sections 289b to 289e of the HGB with regard to a separate non-financial statement.

The Sustainability Report was prepared in accordance with the European Sustainability Reporting Standards (ESRS), which were voluntarily applied as a framework pursuant to section 289d of the HGB. Since all aspects described apply equally to Bertelsmann SE & Co. KGaA and the Group, a framework within the meaning of section 289d of the HGB was not applied separately to the parent company. Bertelsmann would like to draw attention to the general uncertainty, in particular with regard to the matter of interpretation concerning the first-time application of ESRS and the use of ESRS as a framework for non-financial statements.

The Sustainability Report for the 2024 financial year was reviewed by the Supervisory Board of Bertelsmann SE & Co. KGaA and KPMG AG Wirtschaftsprüfungsgesellschaft on behalf of the Audit and Finance Committee with respect to the disclosures required under sections 315b and 315c in conjunction with sections 289b to 289e of the HGB for the purpose of obtaining limited assurance. It was conducted in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised): "Assurance Engagements other than Audits or Reviews of Historical Financial Information" issued by the International Auditing and Assurance Standards Board (IAASB). The metrics in this Sustainability Report were not additionally audited by another external body.

The Sustainability Report was prepared on a consolidated basis in the same manner as the consolidated financial statements. The following information relates to Bertelsmann SE & Co. KGaA and the Bertelsmann Group ("Bertelsmann") with its incorporated, consolidated Group companies ("Group companies") in accordance with sections 315b and 315c of the HGB, in conjunction with sections 289b to 289e of the HGB. The reporting period covers the 2024 financial year (January 1, 2024 to December 31, 2024).

The Sustainability Report refers to Bertelsmann's own divisions and value chain. The upstream and downstream value chain of Bertelsmann was considered in the double materiality assessment when determining the material impacts, risks and opportunities. If there are policies, actions and/or targets related to the upstream and downstream value chain in place at Bertelsmann, they are described in the appropriate sections of this Sustainability Report. Data from the upstream and downstream value chain are included for certain metrics in this Sustainability Report. This includes metrics on Scope 3 greenhouse gas emissions related to, for example, purchased goods and services, or the upstream and downstream transportation of materials and products.

All the necessary information in accordance with BP-1 section 5(d) has been included in this Sustainability Report.

BP-2 Disclosures in relation to specific circumstances

Time horizons

This Sustainability Report uses the time horizons defined in ESRS 1 (short term: one year or less; medium term: one to five years; long term: more than five years).

Estimates and simplifications

For companies with fewer than 50 employees, whose business activities are not considered to be emission- and energy-intensive, greenhouse gas emissions and energy consumption are calculated using estimation methods. Data on resource inflows are also estimated to a minor extent.

Indirect sources are used for Scope 3 greenhouse gas emissions (see section E1-6) related to the upstream and downstream value chain. Estimation methods and simplifications are also used to calculate the rate of recordable work-related accidents (see section S1-14), the remuneration metrics (see section S1-16) and payment practices (see section G1-6). The aforementioned disclosures are therefore subject to a higher degree of measurement uncertainty. Estimation methods and simplifications, including the source of the information used (e.g., third-party providers or sector averages), are referred to where applicable in a corresponding location in this Sustainability Report.

In individual cases, rounding may result in individual figures not adding up to the totals shown and percentages may not add up exactly to the figures shown.

Changes in preparation or presentation of sustainability information

Bertelsmann makes use of the transitional provisions of ESRS with regard to the presentation of comparative information and dispenses with the presentation of the previous year's figures in the first reporting year.

Disclosures stemming from other legislation or generally accepted sustainability reporting pronouncements

In addition to the disclosure requirements of the CSRD and the associated ESRS, this Sustainability Report also covers the disclosure requirements of the EU Taxonomy Regulation. Further information is available in the EU Taxonomy section.

Incorporation by reference

Disclosure requirements included by reference to information outside this Sustainability Report are shown in the IRO-2 section in the table that provides an overview of the material disclosure requirements applicable to Bertelsmann.

Governance

GOV-1 The role of the administrative, management and supervisory bodies

Bertelsmann SE & Co. KGaA is a capital market-oriented but unlisted partnership limited by shares.

Executive Board

The general partner, Bertelsmann Management SE, represented by its Executive Board, is responsible for independently managing the Group. Its duties consist of determining the corporate objectives, the strategic direction of the Group, corporate planning, management, financing, and the executive development. Sustainability is taken into account in the Group's management and decision-making processes.

The Executive Board is responsible for the sustainability performance of Bertelsmann and, among other things, approves the material sustainability topics subject to mandatory reporting for the Group as well as the principles, actions and targets for addressing material impacts, risks and opportunities. Responsibility for compliance rests with the Chairman of the Bertelsmann Executive Board, without prejudice to the overall responsibility of the Bertelsmann Executive Board and the management bodies of the Group companies. The Chief Human Resources Officer (CHRO) is responsible for topics related to employees and the environment. He is responsible for the Group's HR agenda and heads the committee responsible for the management and strategic further development of Corporate Responsibility (CR), the CR Council. The CR Council prepares Executive Board decisions. It also manages the further development of Group-wide sustainability topics that support corporate strategy, including the management of impacts, risks and opportunities, sustainability reporting, and the cross-divisional coordination of sustainability activities. The Chief Financial Officer (CFO) has overall responsibility for external Group reporting and is responsible for Bertelsmann's financial and sustainability-related risk management and internal control system. The CHRO and CFO share joint responsibility for the preparation and further development of the legally mandatory sustainability reporting.

Supervisory Board

The Supervisory Board of Bertelsmann SE & Co. KGaA supervises the management of the business by the general partner and uses its extensive information and control rights for this purpose, including in relation to the sustainability of Bertelsmann. In addition, the Supervisory Board committees advise the Executive Board on strategic matters and significant transactions. The Executive Board and Supervisory Board work in close, trusting cooperation and are able to reconcile the demands of effective corporate governance with the need for rapid decision-making processes.

The Audit and Finance Committee assists the Supervisory Board in carrying out its monitoring tasks and in particular manages the accounting, accounting process, sustainability reporting process and effectiveness of the financial and sustainability-related risk monitoring and management system, the internal control system and the internal audit system. In addition, the committee is responsible for making preparations for the Supervisory Board's audit of the Sustainability Report.

The appropriate size of the Supervisory Board committees as well as the experience and professional expertise of their members, who are drawn from a broad range of industries and areas of activity, are key factors in the effectiveness and independence of the work carried out by the Supervisory Board. With the exception of Supervisory Board members who are also members of the Mohn family (Christoph Mohn, Liz Mohn, Dr. Brigitte Mohn) and the employee representatives on the Supervisory Board (Günter Göbel, Theonitsa Gosh-Roy (Kalispera), Jens Maier, Ilka Stricker) including the representative of the Bertelsmann Management Representative Committee (Núria Cabuti), the Supervisory Board considers all other members of the Supervisory Board (Dominik Asam, Prof. Dr.-Ing. Werner Bauer, Pablo Isla, Bernd Leukert, Gigi Levy-Weiss, Henrik Poulsen, Hans Dieter Pötsch, Bodo Uebber) to be independent as defined in the German Corporate Governance Code. Although Bertelsmann, as a media company, is free to determine its political direction as defined in the German "Works Constitutions Act" (Tendenzschutz) and therefore is not subject to statutory co-determination in the Supervisory Board, five employee representatives are currently appointed as members of the Supervisory Board on a voluntary basis. Accordingly, the Supervisory Board of Bertelsmann SE & Co. KGaA consists of 50 percent independent members and 31 percent employee representatives.

Diversity of the members of the administrative, management and supervisory bodies

| | Executive Board | Supervisory Board |
|---|-----------------|-------------------|
| Number of executive members | 5 | 0 |
| Number of non-executive members | 0 | 16 |
| Share of women/men (in %) | 0/100 | 31/69 |
| Gender diversity calculated as a ratio of female to male board members | 0:5 | 5:11 |

The members of the Supervisory Board and Executive Board are listed in the chapter “Boards/Mandates” of this Annual Report.

The members of the Supervisory Board and the Executive Board in their entirety are familiar with the sectors, products, services and the geographical locations where Bertelsmann SE & Co. KGaA operates. Their competency profile also includes expertise on the sustainability topics that are most relevant to the Group.

GOV-2 Information provided to and sustainability topics addressed by the undertaking’s administrative, management and supervisory bodies

All levels of the Group – from employees and managers to the Executive Board and Supervisory Board – are involved in sustainability topics that have material impacts, risks and opportunities for the Group.

Under the leadership of the CHRO, managers from the divisions and the Corporate Center meet three to four times a year in the CR Council to further develop the CR strategy, which includes making progress on the management of material topics and sustainability reporting. The achievement of division-specific targets in relation to the Bertelsmann 2030 Climate Target is discussed as part of annual meetings held between the Executive Board and divisional heads. The Corporate Compliance Committee (CCC) submits an annual Compliance Report to the Bertelsmann Executive Board. In the event of serious compliance violations, an ad hoc report is also submitted to the Executive Board. In addition, the Executive Board is given information on specific sustainability matters as required.

Every year, the CHRO provides the Supervisory Board with comprehensive information on progress in the field of sustainability with respect to adopted principles, targets, actions and metrics on material topics. Material topics in 2024 included:

- Implementation of the CSRD
- Implementation of the Bertelsmann ESG program (2021–2024), which came to an end in the reporting year, and the planning of a successor program based on the new material topics
- A Group-wide analysis of carbon reduction potential in all divisions to achieve the Bertelsmann 2030 Climate Target
- A pilot project to integrate ESG into the business strategies of select divisions (Penguin Random House and Riverty)
- Thematic and geographical realignment of health & well-being, development of a Group-wide management approach for occupational safety, and intensification of Group-wide cooperation

The Audit and Finance Committee receives regular updates on sustainability reporting by the CFO and CHRO in the presence of the auditor of the financial statements and the auditor of the Sustainability Report, KPMG AG. It also receives information on specific reporting topics as required. Material topics in 2024 included:

- Implementation of the CSRD
- The audit of the Sustainability Report

At the recommendation of the Audit and Finance Committee and after discussion with the auditor of the financial statements and the auditor of the Sustainability Report, and following its own audit, the Supervisory Board approved the Annual and Consolidated Financial Statements and the Combined Management Report of Bertelsmann, including the Sustainability Report. A compliance report is also submitted by the CCC to the Audit and Finance Committee on an annual basis. In the event of serious compliance violations, an ad hoc report is submitted to the committee.

The Group's management, decision-making and monitoring processes take the impacts, risks and opportunities of material sustainability matters into account at various levels. One of the ways this is implemented is in the Group strategy, in which ESG is an enabler (see section SBM-1 "General Information"), and in the incentive schemes (see section GOV-3 "General Information"). A globally binding control framework for the decentralized data collection processes for sustainability reporting and comprehensive controls at Group level is used to incorporate the corresponding IROs into the risk management and internal control system (see section GOV-5 "General Information").

GOV-3 Integration of sustainability-related performance in incentive schemes

Bertelsmann's remuneration system includes, among others, a short-term performance-based remuneration component, known as the STIP (short-term incentive plan). The STIP is evaluated on the basis of quantitative and qualitative targets, which are revised annually. As part of the qualitative targets, sustainability-related targets are also defined for the Group Executive Board as well as, in particular, management, the CHRO and the CFO for the divisions. The share of sustainability-related targets in the total STIP amounts to between roughly 5 and 10 percent depending on the employee category. For 2024, sustainability-related targets in the STIP were set in relation to the Bertelsmann 2030 Climate Target for the reduction of greenhouse gas emissions and the implementation of the CSRD. The targets are evaluated holistically by the overarching decision-making authority. The long-term remuneration component, known as the LTIP (long-term incentive plan), which exists at Group level and in some cases at the divisional level, does not include any sustainability-related targets, such as the Bertelsmann 2030 Climate Target. Bertelsmann plans to incorporate the reduction of greenhouse gas emissions (Scope 1 and 2) into the LTIP at Group level in 2025.

GOV-4 Statement on sustainability-related due diligence

The following table shows where information on the core elements of due diligence can be found in the Sustainability Report.

Core elements of sustainability-related due diligence

| Core elements of sustainability-related due diligence | Section in the Sustainability Report |
|--|--------------------------------------|
| Embedding due diligence in governance, strategy and business model | GOV-1 (General Information) |
| | GOV-1 – G1 |
| | GOV-2 (General Information) |
| | GOV-3 (General Information) |
| | GOV-3 – E1 |
| | SBM-1 (General Information) |
| | SBM-3 (General Information) |
| | SBM-3 – E1 |
| | SBM-3 – E3 |
| | SBM-3 – E4 |
| | SBM-3 – E5 |
| | SBM-3 – S1 |
| | SBM-3 – S2 |
| | SBM-3 – S4 |
| | SBM-3 – G1 |
| | Entity-specific Information |
| Engaging with affected stakeholders in all key steps of the due diligence | GOV-2 (General Information) |
| | SBM-2 (General Information) |
| | IRO-1 (General Information) |
| | S1-2 |
| | S2-2 |
| | S4-2 |
| | G1-1 |
| Entity-specific Information | |
| Identifying and assessing adverse impacts | IRO-1 (General Information) |
| | IRO-1 – E1 |
| | IRO-1 – E3 |

| | |
|--|-----------------------------|
| Identifying and assessing adverse impacts | IRO-1 – E4 |
| | IRO-1 – E5 |
| | IRO 1 – G1 |
| | SBM-1 (General Information) |
| | SBM-3 – E1 |
| | SBM-3 – E3 |
| | SBM-3 – E4 |
| | SBM-3 – E5 |
| | SBM-3 – S1 |
| | SBM-3 – S2 |
| | SBM-3 – S4 |
| | SBM-3 – G1 |
| | Entity-specific Information |
| | |
| Taking actions to address those adverse impacts | E1-1 |
| | E1-3 |
| | E3-2 |
| | E4-1 |
| | E4-3 |
| | E5-2 |
| | S1-3 |
| | S1-4 |
| | S2-3 |
| | S2-4 |
| | S4-3 |
| | S4-4 |
| | Entity-specific Information |
| Tracking the effectiveness of these efforts and communicating | E1-3 |
| | E1-4 |
| | E3-2 |
| | E3-3 |
| | E4-3 |
| | E4-4 |
| | E5-2 |
| | E5-3 |
| | S1-4 |
| | S1-5 |
| | S2-4 |
| | S2-5 |
| | S4-4 |
| | S4-5 |
| | MDR-T – G1 |
| | Entity-specific Information |

GOV-5 Risk management and internal controls over sustainability reporting

With the exception of the instances described below in connection with the initial double materiality assessment, at Bertelsmann, sustainability is largely integrated into the existing risk management and internal control system.

Sustainability-related risk assessments are undertaken as part of the double materiality assessment with the involvement of various stakeholders. The approach to risk assessment applied, including the risk prioritization method, is presented in section IRO-1 “General Information.” Identified impacts, risks and opportunities are outlined at the beginning of each topic and entity-specific section in this Sustainability Report. Bertelsmann addresses its material impacts, risks and opportunities through various policies, actions and targets. These are described in the sections below the tables that present the impacts, risks and opportunities. In 2024 and 2023, respectively, the annual risk assessment and the initial double materiality assessment were carried out independently of each other. However available information from the risk management process was used to identify risks as part of the double materiality assessment. The Group plans to explore how the processes involved in the double materiality assessment and risk management can

be interlinked even more closely in the medium term. Bertelsmann carried out a climate risk analysis for the first time in 2024, the methodology and results of which are described in detail in section IRO-1 of chapter E1. The results of the climate risk analysis were taken into account in the double materiality assessment.

Risks connected with sustainability reporting include the accuracy of the information and the completeness of reporting. A new minimum control framework has been defined for material data points to ensure that the information disclosed in the Sustainability Report is accurate and complete. Controls from the accounting-related internal control system for financial reporting that were already in place have been revised and, where appropriate, used for the new minimum control framework. New controls tailored to sustainability reporting have also been developed. A global mandatory control framework governing decentralized data collection processes for sustainability reporting is designed to ensure that the internal control system is set up in a standardized manner at the level of local fully consolidated Group companies. Implementation of the related controls at Group companies kicked off in 2024. A number of overarching controls for sustainability reporting are also in place at the Group level. Experts from Corporate Responsibility, Human Resources and Integrity & Compliance are responsible for the implementation of these controls and quality assurance on the topics of environmental, social and governance respectively in close coordination with decentralized contact persons. The system is subject to ongoing development through a documented change process. As part of this process, all participants involved share information to identify shortcomings and initiate targeted improvement measures. In addition, an annual self-assessment is conducted to review the quality of the internal control systems in place at material fully consolidated Group companies. The findings are discussed at the divisional level. Risks arising from sustainability reporting are incorporated into the regular reporting to the Executive Board and Supervisory Board through the risk management and internal control system. The internal control system associated with sustainability reporting cannot guarantee with absolute certainty that material misinformation can be prevented or identified.

Corporate Audit and the internal auditing departments of Group companies evaluate the processes for sustainability reporting on the basis of risk as part of their auditing work. As part of the auditing process, the Group auditor also reports to the Audit and Finance Committee of the Bertelsmann SE & Co. KGaA Supervisory Board about any material weaknesses of the internal control system that were identified during the audit.

Strategy

SBM-1 Strategy, business model and value chain

Business model

Bertelsmann is a global company that operates in the core business fields of media, services and education in around 50 countries worldwide with 74,607 employees. The total number of employees by country is presented in section S1-6. Its geographic core markets are Western Europe – in particular, Germany, France and the United Kingdom – and the United States. In addition, Bertelsmann is active in countries including Brazil, India and China. Please consult the section “Corporate Profile” in the Combined Management Report to learn more about the various divisions.

The overarching goal of Bertelsmann is to sustainably increase the Group's value. A number of resources are employed as input factors to achieve this goal. The main resources include a skilled, motivated and diverse workforce; financial capital; the use of information and other technology; business relationships; and the responsible use of materials and natural resources used in the production of Bertelsmann products and services. Results achieved by the use of these resources – outputs – include high-quality media and educational offerings as well as innovative service solutions, satisfied employees, customers, and suppliers in addition to the sustainable creation of a brand value and brand image for the Group and its divisions. Building on the Bertelsmann Essentials, which encompass the corporate values of creativity and entrepreneurship, as well as other Group-wide rules and regulations, Bertelsmann takes responsibility for its employees, for society and for the environment with the goal of making a positive difference. The success of Bertelsmann's business models is also supported through various cross-divisional platforms (e.g., the "Bertelsmann Collaboration Platform") and working groups (e.g., the "Freedom of the Press Working Group"), which promote ongoing collaboration and knowledge sharing between divisions and consequently drive innovation.

Value chain

Bertelsmann's business activities can be defined by three overarching value chains: Content creation and marketing, services, and venture capital activities. All three value chains are based on the aforementioned input factors and outputs.

Bertelsmann's business activities in the field of content creation and marketing, include researching and producing new content, and aggregating and modifying existing and externally purchased content and licenses. This includes the TV and magazine segment, motion picture production as well as the book, music, marketing and education segments. The generated, aggregated and modified content is converted into various formats such as videos, online texts, online learning formats, e-books, audio books, digital music streams, print books and brochures. Once ready for market, the content products are marketed and distributed through physical and digital channels to distributors such as telecommunications companies and commercial enterprises, and to end users such as media users, students and professionals. As media segments in particular thrive on the diversity of the content they produce and distribute, their success relies on creative talent. The business models employed in the education segment are primarily based on the combined use of highly qualified employees and innovative technology. In the printing segment, Bertelsmann processes paper and ink, among other things, from its suppliers to produce media and advertising products for its respective customers. Offset and digital printing presses are externally acquired and used for this purpose.

In terms of logistics, financial and IT services, Bertelsmann's business activities consist of developing innovative services, modifying purchased solutions to meet industry or customer requirements, marketing and selling its own services, implementing them within customers' companies and providing support during the contractual term. World-renowned companies from an array of different sectors – telecommunications providers and utility companies, banks and insurance companies, e-commerce, IT and internet providers – are customers of Bertelsmann's portfolio of services. These services are offered not only to Bertelsmann's customers but also to end users of these customers, otherwise known as business-to-business-to-consumer (B2B2C) services. The service business relies in particular on human resources, technology and the use of natural resources in the form of energy and materials. Hardware and standard software are purchased from external suppliers, while software for specific applications is also developed in-house.

Venture capital activities consist of identifying and investing in start-ups with upside potential, advising these start-ups on scaling up their business activities, and then selling the holding or increasing it.

Sustainability goals and anchoring in the corporate strategy

The Bertelsmann boards are obliged to secure the continuity and independence of the Group and to enhance the enterprise value in the long term through responsible and sustainable corporate management. Bertelsmann has set itself an ambitious climate target: The Group's greenhouse gas emissions accounted for in the 2018 base year are to be reduced by 50 percent by 2030. The three major action areas are employees, sites and products. Separate targets for Bertelsmann's divisions have been defined and corresponding actions derived on the basis of the Group's target. Furthermore, the Group's target has not been broken down into groups of products and services, customer categories or geographic areas. See sections E1-1 and E1-4 for more information on the Bertelsmann 2030 Climate Target.

Bertelsmann's strategic focus is to build a fast-growing, digital, international and diversified Group portfolio. In addition, ESG is an enabler for the corporate strategy – in addition to People, Tech & Data and Communication. The operationalization of ESG as an enabler in the Group's strategy took place in 2024 in the course of two projects, which are described below.

In the reporting year, the Executive Board addressed the status of implementation of the Group-wide climate target and the actions required for target achievement by 2030. The first step involved forecasting the development of greenhouse gas emissions up to 2030 based on the Group's long-term planning. Taking into account portfolio effects and applying scenarios regarding the future development of carbon pricing, the gap that remains to be closed to reduce greenhouse gas emissions by 2030 was identified and financially assessed. The financial assessment incorporated future costs for greenhouse gas emissions from regulated markets (including emissions trading systems, taxes and levies) as well as from voluntary markets for offsetting greenhouse gas emissions (carbon credits from climate protection projects). The second step involved working closely with the divisions to identify and assess the actions required for target achievement. Indirect Scope 3 greenhouse gas emissions from the upstream and downstream value chain posed a particular challenge due to the limited influence and existing dependencies on third parties. The individual actions were evaluated and prioritized in terms of their reduction potential in metric tons of CO₂ equivalents (CO₂e) and the cash value of the respective action by 2050. The results have made it possible to identify measures for achieving the Bertelsmann 2030 Climate Target, the implementation of which will be decided in the next step by the Executive Board once they have been prioritized.

Another pilot project involving Penguin Random House and Riverty focused on integrating ESG into their business strategies. In the next stage of this project, a guideline will be created to help all Bertelsmann divisions both to assess the current degree of progress of ESG integration with respect to their business strategy, business models and operations, and to define fields of action in which greater integration is required.

SBM-2 Interests and views of stakeholders

Bertelsmann comes into contact with a wide range of internal and external stakeholders. On the one hand, the Group maintains a dialogue with stakeholders who influence its sustainability performance or the corresponding regulatory framework. On the other hand, Bertelsmann is in contact with stakeholders affected by its economic, social or environmental impacts. Guided by a corporate culture based on participation and partnership, Bertelsmann's ongoing dialogue with its stakeholders contributes to a better understanding of their concerns and expectations. At the same time, it influences the Group's sustainability efforts, which aim to align its actions with the interests of its stakeholders.

The following table shows how Bertelsmann engages with its key stakeholders, the purpose behind the engagement, the topics that are important to the relevant stakeholder and examples of the results achieved.

Stakeholder engagement

| Stakeholder | Type of engagement | Purposes of engagement | Key topics | Examples of results |
|---|--|--|---|--|
| Employees and their representatives | Bertelsmann employee survey | Ongoing engagement of employees and their representatives in the Group's decision-making processes on material employee-related topics | Working conditions | Improving topic-specific indices (e.g., on creativity, entrepreneurship, learning culture) |
| | Personnel appraisals (e.g., performance and development dialogue, target agreement, team talk) | | Equal treatment and opportunities for all | Corporate culture based on participation and partnership |
| | Employee networks and topic-specific working groups | | Other work-related rights | |
| | Employee representatives (e.g., on the Supervisory Board) | | Environmental topics (e.g., climate change mitigation and resource consumption) | Determining material sustainability topics for Bertelsmann |
| | Materiality assessment | | | |
| | Speak-up channels | | | |
| | Provision of information on the website and intranet | | | |
| Consumers and end users | Customer service | Better understanding of the needs and expectations of consumers and end users | Information-related impacts | Improving and further developing the products and services offered |
| | Feedback options | | Personal safety | |
| | Provision of information on the website | | Social inclusion | Strengthening customer loyalty |
| Business partners | Review of business partners | Compliance with the Bertelsmann Supplier Code of Conduct | Working conditions | Minimizing risks and putting an end to violations |
| | Analyzing human rights and environmental risks | Protection of human and labor rights of workers in the value chain | Equal treatment and equal opportunities | Setting measures based on the results of the risk analysis and the grievances in the whistleblower system |
| | Speak-up channels | | Other work-related rights | |
| | Provision of information on the website | | Environmental topics (e.g., climate change mitigation and resource consumption) | Strengthening relations with business partners |
| Financial market participants (banks, investors, analysts, rating agencies) | Mandatory and voluntary financial market publications | Compliance with capital market obligations | Financial figures | Strengthening long-term trust |
| | | Provision of information useful for decision-making | Sustainability performance | Securing access to the capital market |
| | | Coverage of information requirements | | |
| | | Transparency toward the capital market | | |
| Political decision makers | Political dialogue formats and forums | Provision of information on Bertelsmann business models | Respect for and protection of intellectual property | Positions on political/regulatory proposals (see entries in the European Union Transparency Register and the German Bundestag Lobbying Register) |
| | Preparing and communicating positions, facts and further information | Raising awareness of the impacts of political/regulatory decisions on the Group | Media freedom and independence | |
| | | Compliance with regulatory requirements | Preserving cultural and journalistic diversity | |
| | | | Fair regulation of tech & data | |

| | | | | |
|--------------------------|--|---|---|--|
| Media | Social media posts | Coverage of information requirements | Current developments in Bertelsmann's businesses, including personnel details, financial figures and sustainability performance | Positive public perception of Bertelsmann |
| | Press releases | Ensuring transparency toward the public | | |
| | Press offices and service centers | | | |
| | Press briefings as part of financial communications | | | |
| | Provision of information on the website | | | |
| Non-profit organizations | Memberships in non-profit organizations with a sustainability focus (e.g., PROUT AT WORK Foundation, Responsible Media Forum, DIMPACT) | Support for sustainability-related projects | LGBTIQ+ Topics | Greater awareness within the Group of topics relevant to society |
| | Organizing joint exchange formats | Raising awareness and actively contributing to addressing material impacts, risks and opportunities | Content responsibility | |
| | | | Environmental topics (e.g., climate change mitigation and resource consumption) | |

The concerns and expectations of the listed stakeholders are incorporated into due diligence processes and Bertelsmann's materiality assessment (see section IRO-1 "General information") and the Group's associated management and decision-making processes. They are discussed at the meetings of the CR Council in relation to material sustainability topics. In addition, the Executive Board is given information on the concerns and expectations of relevant stakeholders as required by the respective experts in the company.

SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

The material topics determined as part of the double materiality assessment are shown in the table below. A detailed description of the associated impacts, risks and opportunities, including their characterization, localization and time horizons, is provided at the beginning of each topic and entity-specific section of this Sustainability Report.

Material impacts, risks, and opportunities

| Category | ESRS | Topic | Sub-topic | Sub-sub-topic | Material | |
|---------------|-----------------------------|---|---------------------------|---|---|---------|
| Environmental | E1 | Climate change | Climate change mitigation | | I | |
| | | | Energy | | I | |
| | E3 | Water and marine resources | Water | Water discharge | I (only in VC) | |
| | | | | Water withdrawal | I (only in VC) | |
| E4 | Biodiversity and ecosystems | Impacts on the extent and condition of ecosystems | Land degradation | I (only in VC) | | |
| Environmental | E5 | Resource use and circular economy | Resource inflows | | I | |
| Social | S1 | Own workforce | Working conditions | Secure employment | I, R | |
| | | | | Working time | I, R | |
| | | | | Adequate wages | I, R | |
| | | | | Social dialogue | I | |
| | | | | Freedom of association | I | |
| | | | | Collective bargaining | I | |
| | | | | Work-life balance | I | |
| | | | | Health and safety | I | |
| | | | | Equal treatment and opportunities for all | Gender equality and equal pay for work of equal value | I |
| | | | | | Training and skills development | I, R, O |
| | | | | | Measures against violence and harassment | I |
| | | | | | Diversity | I, O |
| | | | | Other work-related rights | Child and forced labor | I |

| | | | | |
|------------------------|----|----------------------------|--|---------|
| Social | S2 | Workers in the value chain | Working conditions | I |
| | | | Equal treatment and opportunities for all | I |
| | | | Other work-related rights | I |
| | S4 | Consumers and end users | Information-related impacts | I |
| | | | Personal safety | I |
| | | | Social inclusion | I |
| Governance | G1 | Business conduct | Corporate culture | I, R |
| | | | Protection of whistleblowers | I |
| | | | Political engagement and lobbying activities | I |
| | | | Management of relationships with suppliers including payment practices | I |
| | | | Corruption and bribery | I |
| Entity-specific | | | Content responsibility | I |
| | | | Creative/journalistic independence & freedom of expression | I |
| | | | (Digital) media literacy | I |
| | | | Artificial intelligence | I, R, O |
| | | | Handling of data | I |
| | | | Intellectual property | I, R, O |

I = impact, R = risk, O = opportunity, VC = value chain

Impact, risk and opportunity management

IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities

Material impacts, risks and opportunities were identified and assessed in a documented process in accordance with the double materiality principle. The double materiality assessment was prepared by a project team consisting of employees from the Corporate Responsibility and Corporate Financial Reporting & Accounting departments with the involvement of other managers and experts from the divisions and various central departments. The former process used to determine material sustainability topics subject to reporting was revised against the backdrop of the first-time application of the double materiality principle. The new process can be broken down into five steps:

Understanding the business context

Bertelsmann analyzed its corporate portfolio, encompassing its business activities, sites, resources, business relationships, products, and services across its value chain, including upstream and downstream value creation levels. Material stakeholders were identified, their roles in the valuation process defined, and potentially material sustainability matters mapped.

Key assumptions: Certain internal stakeholders were included in the double materiality assessment in order to represent the interests of relevant external stakeholders. They were selected on the basis of criteria such as their role in the Group, their expertise on certain topics and their relationship with the stakeholder they were representing. For example, the expectations of the financial market were accounted for with the involvement of the Investor Relations department and nature as a silent stakeholder through the involvement of the Corporate Responsibility department.

Identifying material topics and related impacts, risks and opportunities

A list of potential material topics was prepared on the basis of the sector-agnostic sustainability topics defined in ESRS 1 section AR 16. They served as a starting point for the analysis and were supplemented by sector-specific sustainability topics (e.g., from the Sustainability Accounting Standards Board or the Responsible Media Forum), other topics from previously conducted materiality assessments, existing voluntary sustainability reporting (e.g., the Global Reporting Initiative, the UN Global Compact), ESG ratings (e.g., EcoVadis, MSCI, Sustainalytics) and other internal regulations (e.g., the Bertelsmann Supplier Code of Conduct, the Bertelsmann Code of Conduct). The sustainability topics were then grouped and the value chain was initially mapped using a heat map in order to identify areas of particular relevance in the Group's own operations and in upstream or downstream business activities.

Potential and actual positive and negative impacts, risks and opportunities were determined for each sustainability topic based on interviews and online research. A total of around 50 managers, experts and employee representatives from the divisions and from corporate were involved in the process. The impacts, risks and opportunities were categorized according to their time horizons (short term: one year or less; medium term: one to five years; long term: more than five years).

Assessment

Using a qualitative scoring approach graded from 1 (lowest) to 5 (highest), the impacts were assessed in terms of their severity, expressed in terms of their scale, scope and irremediability, as well as their likelihood (depending on their classification as positive/negative and actual/potential). Risks and opportunities were assessed using an analogous scale according to their potential financial extent and probability of occurrence. The assessment was conducted by the project team based on the interviews and online research that were carried out and taking into account existing data (e.g., from the existing risk inventory).

Key assumptions: Impacts, risks and opportunities were assessed at different levels of aggregation, depending on the availability of information (e.g., sub-sub-topic levels for own workforce and sub-topic levels for workers in the value chain). In the case of a potential negative human rights impact, the severity of the impact took precedence over its likelihood. Sustainability topics were considered material if at least one impact, risk or opportunity was equal to or greater than the elected threshold of 4, either from the perspective of impact or financial materiality, or from both perspectives. Immaterial sustainability topics refer to those for which no impacts, risks or opportunities were identified and/or for which all impacts, risks or opportunities were below this threshold.

Completion and validation

Both the Executive Board and the Audit and Finance Committee of the Supervisory Board were involved in the double materiality assessment process and were regularly briefed and consulted on material adjustments. Once the assessment was complete, the results were consolidated and key disclosure requirements and metrics for reporting were derived. Following a review by the CR Council, the results were noted and validated by the Executive Board.

The double materiality assessment was based on existing due diligence processes, such as the climate risk analysis that was carried out for the first time in 2024, and data from the risk inventory. The annual risk assessment and the initial double materiality assessment were carried out separately. However available information from the risk management process was used to identify risks as part of the double materiality assessment. The Group plans to explore how the processes involved in the double materiality assessment and risk management can be interlinked even more closely in the medium term. Please refer to section GOV-5 "General Information" for more information on risk management.

Specific factors that may increase the risk of negative impacts for certain business models were taken into account through the separate involvement of all divisions. These factors include, for example, dependence on certain resources (e.g., wood products used in papermaking) that are significant to parts of Bertelsmann's businesses. Through the initial mapping of the value chain in the form of a heat map as well as follow-up interviews and online research, the process expressly incorporated the impacts in which Bertelsmann participates through its own business activities or business relationships.

Critical steps in the double materiality assessment process included, in particular, identifying suitable internal representatives from material external stakeholders, identifying the impacts, risks and opportunities, and the final assessment. As this was the first time the materiality assessment was conducted, the project team received support from an external consulting firm in order to ensure the methodology was sound. The process of the double materiality assessment and the identified impacts, risks and opportunities were also comprehensively documented. In the future, Bertelsmann plans to conduct the double materiality assessment at regular intervals. Material topics will be reviewed on an annual basis to account for changes in the Group's portfolio (e.g., acquisitions, disinvestments) or in its business relationships.

IRO-2 Disclosure requirements in ESRS covered by the undertaking's sustainability report

The following table lists all disclosure requirements included in the Sustainability Report based on the results of the double materiality assessment.

Overview of material disclosure requirements for Bertelsmann

| Category | ESRS | Section | Disclosure requirement | References outside of the Sustainability Report |
|----------------|---|--------------------|--|---|
| General | General information (ESRS 2) | BP-1 | General basis for preparation of the sustainability report | |
| | | BP-2 | Disclosures in relation to specific circumstances | |
| | | GOV-1 | The role of the administrative, management and supervisory bodies | |
| | | GOV-2 | Information provided to and sustainability topics addressed by the undertaking's administrative, management and supervisory bodies | |
| | | GOV-3 | Integration of sustainability-related performance in incentive schemes | |
| | | GOV-4 | Statement on sustainability-related due diligence | |
| | | GOV-5 | Risk management and internal controls over sustainability reporting | |
| | | SBM-1 | Strategy, business model and value chain | Management Report, "Corporate profile" section regarding ESRS 2.40 (a) i. |
| | | SBM-2 | Interests and views of stakeholders | |
| | | SBM-3 | Material impacts, risks and opportunities and their interaction with strategy and business model | |
| | | IRO-1 | Description of the processes to identify and assess material impacts, risks and opportunities | |
| | | IRO-2 | Disclosure requirements in ESRS covered by the undertaking's sustainability report | |
| | | Environment | Climate change (ESRS E1) | GOV-3 |
| SBM-3 | Material impacts, risks and opportunities and their interaction with strategy and business model | | | |
| IRO-1 | Description of the processes to identify and assess material climate-related impacts, risks and opportunities | | | |
| E1-1 | Transition plan for climate change mitigation | | | |
| E1-2 | Policies related to climate change mitigation and adaptation | | | |
| E1-3 | Actions and resources in relation to climate change mitigation and adaptation | | | |
| E1-4 | Targets related to climate change mitigation and adaptation | | | |
| E1-5 | Energy consumption and mix | | | |
| E1-6 | Gross greenhouse gas emissions (GHG) for scope 1,2 and 3 categories and total GHG emissions | | | |
| E1-7 | GHG removals and GHG mitigation projects financed through carbon credits | | | |

| | | | | |
|--------------------|---|---------------------------------------|---|--|
| Environment | Climate change (ESRS E1) | E1-8 | Internal carbon pricing | |
| | Water and marine resources (ESRS E3) | SBM-3 | Material impacts, risks and opportunities and their interaction with strategy and business model | |
| | | IRO-1 | Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities | |
| | | E3-1 | Policies related to water and marine resources | |
| | | E3-2 | Actions and resources related to water and marine resources | |
| | | E3-3 | Targets related to water and marine resources | |
| | | E3-4 | Water consumption | |
| | | Biodiversity and ecosystems (ESRS E4) | SBM-3 | Material impacts, risks and opportunities and their interaction with strategy and business model |
| | IRO-1 | | Description of the processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities | |
| | E4-1 | | Transition plan and consideration of biodiversity and ecosystems in strategy and business model | |
| | E4-2 | | Policies related to biodiversity and ecosystems | |
| | E4-3 | | Actions and resources related to biodiversity and ecosystems | |
| | E4-4 | | Targets related to biodiversity and ecosystems | |
| | Resource use and circular economy (ESRS E5) | SBM-3 | Material impacts, risks and opportunities and their interaction with strategy and business model | |
| | | IRO-1 | Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities | |
| | | E5-1 | Policies related to resource use and circular economy | |
| | | E5-2 | Actions and resources in relation to resource use and circular economy | |
| | | E5-3 | Targets related to resource use and circular economy | |
| | | E5-4 | Resource inflows | |
| | | EU Taxonomy | | EU Taxonomy disclosures in terms of eligibility and alignment |
| Social | Own workforce (ESRS S1) | SBM-2 | Interests and views of stakeholders | |
| | | SBM-3 | Material impacts, risks and opportunities and their interaction with strategy and business model | |
| | | S1-1 | Policies related to own workforce | |
| | | S1-2 | Processes for engaging with own workers and workers' representatives about material impacts, risks and opportunities | |
| | | S1-3 | Processes to remediate negative impacts and channels for workers to raise concerns | |
| | | S1-4 | Taking action on material impacts, risks and opportunities and effectiveness of those actions | |
| | | S1-5 | Targets related to managing material impacts, risks and opportunities | |
| | | S1-6 | Characteristics of the undertaking's employees | |
| | | S1-8 | Collective bargaining coverage and social dialogue | |
| | | S1-9 | Diversity | |
| | | S1-10 | Adequate wages | |
| | | S1-14 | Health and safety | |
| | | S1-16 | Equal pay for equal work (pay gap and total compensation) | |
| | | S1-17 | Incidents, complaints and severe human rights impacts | |
| | Workers in the value chain (ESRS S2) | SBM-2 | Interests and views of stakeholders | |
| | | SBM-3 | Material impacts, risks and opportunities and their interaction with strategy and business model | |
| | | | S2-1 | Policies related to value chain workers |
| | | | S2-2 | Processes for engaging with value chain workers about impacts, risks and opportunities |
| | | | S2-3 | Processes to remediate negative impacts and channels for value chain workers to raise concerns |
| | | | S2-4 | Taking action on material impacts, risks and opportunities and effectiveness of those actions |
| | | S2-5 | Targets related to managing material impacts, risks and opportunities | |

| | | | |
|------------------------|---|-------------------|--|
| Social | Consumers and end users (ESRS S4) | SBM-2 | Interests and views of stakeholders |
| | | SBM-3 | Material impacts, risks and opportunities and their interaction with strategy and business model |
| | | S4-1 | Policies related to consumers and end users |
| | | S4-2 | Processes for engaging with consumers and end users about impacts, risks and opportunities |
| | | S4-3 | Processes to remediate negative impacts and channels for consumers and end users to raise concerns |
| | | S4-4 | Taking action on material impacts, risks and opportunities and effectiveness of those actions |
| | | S4-5 | Targets related to managing material impacts, risks and opportunities |
| | | Governance | Business conduct (ESRS G1) |
| SBM-3 | Material impacts, risks and opportunities and their interaction with strategy and business model | | |
| IRO-1 | Description of the processes to identify and assess material impacts, risks and opportunities related to corporate governance | | |
| G1-1 | Policies related to corporate governance | | |
| G1-2 | Management of relationships with suppliers | | |
| G1-3 | Prevention and detection of corruption and bribery | | |
| MDR-T | Requirements for targets | | |
| G1-4 | Confirmed incidents of corruption or bribery | | |
| G1-5 | Political influence and lobbying activities | | |
| G1-6 | Payment practices | | |
| Entity-specific | | UN-1 | Content responsibility |
| | | UN-2 | Creative/journalistic independence & freedom of expression |
| | | UN-3 | (Digital) media literacy |
| | | UN-4 | Artificial intelligence |
| | | UN-5 | Handling of data |
| | | UN-6 | Intellectual property |

The following table lists all ESRS data points derived from other EU legislation (ESRS 2 Appendix B). It indicates where the corresponding data points can be found in the Sustainability Report and which data points have been classified as “material”, “only material in the value chain” and “not material” (in terms of the double materiality assessment and fulfilment of the disclosure requirements/applicability at Bertelsmann).

Overview of ESRS data points from other EU legislation

| Section | Data point | Sustainability disclosures Appendix B | SFDR reference ¹ | Pillar 3 reference ² | Benchmarks Regulation reference ³ | EU Climate Law reference ⁴ | Material |
|-------------------|----------------|--|-----------------------------|---------------------------------|--|---------------------------------------|-------------------------|
| ESRS 2 GOV-1 | 21 (d) | Gender diversity in administrative, management and supervisory bodies | X | | X | | Yes |
| ESRS 2 GOV-1 | 21 (e) | Percentage of independent board members | | | X | | Yes |
| ESRS 2 GOV-4 | 30 | Statement on sustainability-related due diligence | X | | | | Yes |
| ESRS 2 SBM-1 | 40 (d) i | Involvement in activities related to fossil fuel | X | X | X | | No |
| ESRS 2 SBM-1 | 40 (d) ii | Involvement in activities related to chemical production | X | | X | | No |
| ESRS 2 SBM-1 | 40 (d) iii | Involvement in activities related to disputed weapons | X | | X | | No |
| ESRS 2 SBM-1 | 40 (d) iv | Involvement in activities related to cultivation and production of tobacco | | | X | | No |
| ESRS E1-1 | 14 | Transition plan to reach climate neutrality by 2050 | | | | X | No |
| ESRS E1-1 | 16 (g) | Undertakings excluded from Paris-aligned EU benchmarks | | X | X | | No |
| ESRS E1-4 | 34 | GHG emissions reduction targets | X | X | X | | Yes |
| ESRS E1-5 | 38 | Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) | X | | | | Yes |
| ESRS E1-5 | 37 | Energy consumption and mix | X | | | | Yes |
| ESRS E1-5 | 40–43 | Energy intensity associated with activities in high climate impact sectors | X | | | | Yes |
| ESRS E1-6 | 44 | Gross Scopes 1, 2, 3 and Total GHG emissions | X | X | X | | Yes |
| ESRS E1-6 | 53–55 | Greenhouse gas intensity | X | X | X | | Yes |
| ESRS E1-7 | 56 | GHG removals and GHG mitigation projects financed through carbon credits | | | | X | Yes |
| ESRS E1-9 | 66 | Exposure of the benchmark portfolio to climate-related physical risks | | | X | | Phase-in ⁵ |
| ESRS E1-9 | 66 (a); 66 (c) | Disaggregation of monetary amounts by acute and chronic physical risk; location of significant assets at material physical risk | | X | | | Phase-in ⁵ |
| ESRS E1-9 | 67 (c) | Breakdowns of the carrying amount of properties by classes of energy efficiency | | X | | | Phase-in ⁵ |
| ESRS E1-9 | 69 | Degree of exposure of the portfolio to climate-related opportunities | | | X | | Phase-in ⁵ |
| ESRS E2-4 | 28 | Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil | X | | | | No |
| ESRS E3-1 | 9 | Concepts related to water and marine resources | X | | | | Only in VC ⁶ |
| ESRS E3-1 | 13 | Special concept for the undertaking's sites in an area of high water stress | X | | | | No |
| ESRS E3-1 | 14 | Concepts for sustainable oceans and seas | X | | | | No |
| ESRS E3-4 | 28 (c) | Total water recycled and reused | X | | | | No |
| ESRS E3-4 | 29 | Total water consumption in m ³ per net revenue from own operations | X | | | | No |
| ESRS 2 SBM-3 – E4 | 16 (a) i | List of sites with disclosure of the activities that negatively affect biodiversity sensitive areas | X | | | | No |

| | | | | | | | |
|-------------------------|-------------------|---|---|--|---|--|-------------------------|
| ESRS 2 SBM-3 – E4 | 16 (b) | Material negative impacts with regard to land degradation, desertification or soil sealing | X | | | | Only in VC ⁶ |
| ESRS 2 SBM-3 – E4 | 16 (c) | Activities affecting threatened species | X | | | | No |
| ESRS E4-2 | 24 (b) | Sustainable land/agriculture practices or policies | X | | | | Only in VC ⁶ |
| ESRS E4-2 | 24 (c) | Sustainable processes or policies in the oceans/seas sector | X | | | | No |
| ESRS E4-2 | 24 (d) | Policies to combating deforestation | X | | | | Only in VC ⁶ |
| ESRS E5-5 | 37 (d) | Non-recycled waste | X | | | | No |
| ESRS E5-5 | 39 | Hazardous waste and radioactive waste | X | | | | No |
| ESRS 2 SBM3 – S1 | 14 (f) | Risk of forced labor | X | | | | No |
| ESRS 2 SBM3 – S1 | 14 (g) | Risk of child labor | X | | | | No |
| ESRS S1-1 | 20 | Human rights policy commitments | X | | | | Yes |
| ESRS S1-1 | 21 | Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8 | | | X | | Yes |
| ESRS S1-1 | 22 | Processes and measures for preventing trafficking in human beings | X | | | | Yes |
| ESRS S1-1 | 23 | Workplace accident prevention policy or management system | X | | | | Yes |
| ESRS S1-3 | 32 (c) | Handling of grievances | X | | | | Yes |
| ESRS S1-14 | 88 (b); 88 (c) | Number of fatalities and number and rate of work-related accidents | X | | X | | Yes |
| ESRS S1-14 | 88 (e) | Number of days lost to injuries, accidents, fatalities or illness | X | | | | Phase-in ⁵ |
| ESRS S1-16 | 97 (a) | Unadjusted gender pay gap | X | | X | | Yes |
| ESRS S1-16 | 97 (b) | Excessive CEO pay ratio | X | | | | Yes |
| ESRS S1-17 | 103 (a) | Incidents of discrimination | X | | | | Yes |
| ESRS S1-17 | 104 (a) | Non-respect of UNGPs on Business and Human Rights and OECD guidelines | X | | X | | No |
| ESRS 2 SBM3 – S2 | 11 (b) | Significant risk of child labor or forced labor in the value chain | X | | | | Yes |
| ESRS S2-1 | 17 | Human rights policy commitments | X | | | | Yes |
| ESRS S2-1 | 18 | Policies related to value chain workers | X | | | | Yes |
| ESRS S2-1 | 19 | Non-respect of UNGPs on Business and Human Rights and OECD guidelines | X | | X | | No |
| ESRS S2-1 | 19 | Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8 | | | X | | Yes |
| ESRS S2-4 | 36 | Human rights issues and incidents connected to the upstream and downstream value chain | X | | | | Yes |
| ESRS S3-1 | 16 | Human rights policy commitments | X | | | | No |
| ESRS S3-1 | 17 | Non-respect of UNGPs on Business and Human Rights and OECD guidelines | X | | X | | No |
| ESRS S3-4 | 36 | Human rights issues and incidents | X | | | | No |
| ESRS S4-1 | 16 | Policies related to consumers and end users | X | | | | Yes |
| ESRS S4-1 | 17 | Non-respect of UNGPs on Business and Human Rights and OECD guidelines | X | | X | | No |
| ESRS S4-4 | 35 | Human rights issues and incidents | X | | | | No |

| | | | | | | |
|-----------|--------|--|---|--|---|-----|
| ESRS G1-1 | 10 (b) | United Nations Convention against Corruption | X | | | Yes |
| ESRS G1-1 | 10 (d) | Protection of whistleblowers | X | | | Yes |
| ESRS G1-4 | 24 (a) | Fines for violation of anti-corruption and anti-bribery laws | X | | X | No |
| ESRS G1-4 | 24 (b) | Standards on anti-corruption and anti-bribery matters | X | | | Yes |

1 Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (Sustainable Finance Disclosures Regulation).

2 Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (Capital Requirements Regulation "CRR").

3 Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014.

4 Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 ("European Climate Law").

5 Material data points not yet reported on in 2024 ("phase-in").

6 For topics that are only material in the value chain (VC), no reporting takes place on quantitative data points that relate to the undertaking's own business activities.

Environmental Information

With its various business models, Bertelsmann interacts with the environment in a number of ways. The Group therefore views environmental protection as an integral part of its corporate responsibility. Bertelsmann has been pursuing a Group-wide environmental policy since 2004 and has been collecting Group-wide environmental metrics, especially on paper, energy, and greenhouse gas emissions, since 2008. These metrics demonstrate the development of Bertelsmann's environmental impacts at different levels of the Group, supporting the assessment of risks and opportunities and reporting to business partners. In addition, they also serve as a basis of information for the Executive Board and the Supervisory Board as well as external ESG ratings.

E1 Climate change

Bertelsmann views climate change as a serious challenge faced by society and the economy. As stipulated in the Bertelsmann Policy Environment, the Group supports the target of the international community to limit global warming to well below 2 degrees Celsius. Against this backdrop, Bertelsmann is committed to sustainable procurement and production, as well as to the responsible and efficient use of energy. Bertelsmann regards digitalization as an opportunity to avoid and reduce greenhouse gas emissions in its value chains.

GOV-3 Integration of sustainability-related performance in incentive schemes

Bertelsmann's remuneration system includes, among others, a short-term performance-based remuneration component, known as the STIP (short-term incentive plan). For 2024, sustainability-related targets in the STIP were set in relation to the Bertelsmann 2030 Climate Target and the implementation of the CSRD. Further information can be found in section GOV-3 "General Information."

SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

The following table shows the material topics and their respective impacts, risks and opportunities ("IROs") related to climate change that have been identified as part of the double materiality assessment. Bertelsmann addresses its material IROs through transition plans, various policies, actions and targets. They are discussed in more detail in sections E1-1 to E1-4.

Material impacts, risks, and opportunities

| Topic/Sub-topic | Sub-sub-topic | Description of the IROs | Characterization of the IROs | Localization of the IROs | Time horizon of the IROs |
|----------------------------------|---------------|---|---|--------------------------|-----------------------------|
| Climate change mitigation | | With its Scope 1 and 2 emissions, Bertelsmann is an emitter of GHG into the atmosphere. Proportionally, the majority of direct emissions are generated in the printing plants operated by Bertelsmann Marketing Services. Bertelsmann has set itself the target of reducing its GHG emissions by 50 percent by 2030 compared with the base year 2018. Scope 1 and 2 emissions are decreasing due to the decline in printing activities. Bertelsmann also undertakes numerous measures to reduce direct emissions. | Impact Negative Actual and potential | Own operations | Short, medium and long term |
| | | Bertelsmann contributes to climate change with its Scope 3 emissions. The purchase of materials and services, including in particular paper, printing materials, packaging, external services and the production of film and TV content, make the largest contribution to Scope 3 emissions. | Impact Negative Actual and potential | Upstream value chain | Short, medium and long term |
| Energy | | Bertelsmann invests in photovoltaic installations at its sites. In addition, Bertelsmann is pursuing the target of sourcing all of its purchased electricity from renewable sources. The increased use of electricity from renewable sources is the greatest lever for reducing the Group's GHG emissions. In addition, the use of energy-saving and energy-efficient machinery and equipment helps to reduce electricity consumption. | Impact Positive Actual and potential | Own operations | Short, medium and long term |

| | | | | |
|---------------|---|---|---------------------------|--------------------------------|
| Energy | The energy consumption of Bertelsmann's own business activities stems in particular from its printing companies as well as its owned and leased logistics facilities, production studios for television and film content, data centers and offices. Using energy from fossil fuels leads to GHG emissions and contributes to global warming. | Impact Negative Actual and potential | Own operations | Short, medium and long term |
| | The energy consumption of Bertelsmann's products and services incorporates the transportation and delivery of printed books, magazines and advertising materials to distribution centers, retailers and end users. In addition, electricity is consumed during the transmission of Bertelsmann's digital content and advertising, and during consumption by end users on their digital devices such as smartphones, tablets and PCs (streaming). Energy consumption from the downstream value chain, such as transportation and use of products, is not included in the reported energy consumption data. | Impact Negative Actual | Downstream value chain | Short, medium and long term |
| | Replacing the use of printed content with digital content and advertising could contribute to reducing energy and resource consumption. If energy from renewable sources is employed for the use of digital media, this could also make a positive contribution to limiting climate change. | Impact Positive Potential | Downstream value chain | Short, medium and long term |
| | The operation of websites, digital advertising campaigns and other online marketing activities by customers using Bertelsmann's advertising services leads to higher indirect energy consumption. In addition, end user interactions with digital marketing content created or provided by Bertelsmann, such as when visiting websites or using mobile apps, result in higher energy consumption. | Impact Negative Actual and potential | Downstream value chain | Short, medium and long term |

Impact, risk and opportunity management

IRO-1 Description of the processes to identify and assess material climate-related impacts, risks and opportunities

As part of the implementation of the CSRD, Bertelsmann conducted a comprehensive analysis of climate-related risks and opportunities with external support in 2024. The analysis incorporates all divisions and relevant parts of the value chain. The analysis examined risks related to the transition to a low-emission economy and society (so-called transition risks) as well as risks from climate-related events, such as extreme weather events (so-called physical risks). The identification of the impacts is described in section IRO-1 "General Information."

Bertelsmann has selected the scenario SSP5-8.5 of the IPCC (Intergovernmental Panel on Climate Change) for the climate-related scenario analysis of physical risks. This scenario represents a worst case scenario with high emissions and strong global warming, which thereby ensures that serious physical climate risks are included in the analysis. The "Net Zero Emissions 2050" scenario from the International Energy Agency (IEA), which is widely recognized and used by leading institutions, was used to analyze transition risks. Geographical granularity and comprehensive data availability were also key factors behind the choice of the two scenarios. Both the analysis of transition risks and the analysis of physical risks were carried out for a short-term (until 2030), medium-term (until 2040) and long-term (until 2050) period. The three time horizons were defined in line with the established approaches and directives of the Task Force on Climate-Related Financial Disclosures (TCFD). The useful life of Bertelsmann's assets and the planning horizons for accounting purposes are sometimes shorter than the time horizons for the climate risk analysis.

The main sites of all Bertelsmann divisions were included in the analysis of physical climate risks. The focus in this regard was placed on economic activities that could potentially be affected by physical risks, for example, revenue losses due to interruptions to operations or high repair costs for buildings and equipment following extreme weather events. By contrast, risks from the value chains were assessed at an aggregate level, because Bertelsmann is not dependent on individual suppliers or customers. The climate risks to which Bertelsmann is exposed were identified on the basis of climate models and location data. Sensitivity was analyzed taking into account the nature of the economic activities at each selected location. The risks were not quantified in 2024. The analysis did not reveal any climate-related risks and opportunities that are relevant to the Risks and Opportunities Report.

The analysis of transition risks also incorporated all divisions and their value chains. The divisions RTL Group, Penguin Random House, Bertelsmann Marketing Services, and the logistics business Arvato were subjected to detailed analysis due to their financial and their potential impact on relevant GHG emissions, which could expose them to transition risks. The analysis included the assessment of the main cost drivers (e.g., energy costs, CO₂ costs, procurement costs for raw materials and supplies), assets, procurement activities and the markets in which the divisions operate. This comprehensive approach ensured that divisions with potential transition risks and opportunities could be identified and priorities set for further detailed analyses. A quantification has not been carried out in 2024. Bertelsmann assumes that climate change will not have a material impact on the estimates and assumptions used for accounting purposes as of December 31, 2024. The results of the analysis of climate-related risks can be summarized as follows:

| Risk type | Risk/Transition event | Description |
|--|---|---|
| Physical – wind | Acute: Storm, cyclone, tornado | Sites can potentially be affected by strong winds, which may damage buildings. In these scenarios, operations may be interrupted. |
| Physical – temperature | Acute: Heat waves, forest fires and wildfires Chronic: Heat stress | Some of the sites analyzed are at risk of heat waves, which can lead to higher energy costs for cooling and lower productivity levels among employees. In addition, some facilities are at risk of an increase in the number of days subject to heat stress, which can also lead to higher energy costs for cooling and lower productivity levels among employees. |
| Physical – water | Acute: Floods, droughts, heavy precipitation | Overall, the water-related risks are considered to be low. |
| Physical – sediment | Acute: Subsidence, landslides | At individual sites, ground subsidence may lead to structural damage, interrupting operations as a result. |
| Transitory – political and legal framework | Higher prices for GHG emissions, requirements and regulation of existing production processes | The pricing of GHG emissions is the most relevant transition risk in the divisions assessed. Compared with other divisions, the divisions with higher emissions (Penguin Random House, Bertelsmann Marketing Services, RTL Group, Arvato) are disproportionately affected by rising CO ₂ prices. Stricter energy efficiency requirements could pose a risk, especially for activities related to printing. |
| Transitory – technology | Replacing existing products and services with lower-emission alternatives, costs for transitioning to lower-emission technologies | Arvato's supply chain runs the risk of existing products and services potentially being replaced due to disruptive innovations in the logistics sector. This may lead to higher costs. |
| Transitory – procurement markets | Rising costs of raw materials | In particular, the lack of availability of recycled paper could lead to a risk of rising prices for Penguin Random House and Bertelsmann Marketing Services in the future. |

E1-1 Transition plan for climate change mitigation

As an international company, Bertelsmann is affected by the impacts of climate change and contributes to the increase in atmospheric greenhouse gas emissions through its business activities. Bertelsmann is firmly committed to its responsibility in the transition to a low-carbon economy and has been pursuing a climate strategy to reduce emissions since 2020.

Bertelsmann's existing, current and planned climate protection activities cover the period from 2018 to 2030. As a result, the Group does not pursue a long-term transition plan for full climate neutrality by 2050 in line with the Paris Climate Agreement and ESRS requirements.

According to the Bertelsmann Climate Target, the Group's greenhouse gas emissions accounted for in the 2018 base year are to be reduced by 50 percent by 2030. This ambition corresponds to the 1.5 degrees Celsius target set forth in the Paris Climate Agreement, as validated by the Science Based Targets Initiative (SBTi) in March 2021 (in relation to Scope 1 and 2 emissions). The inherent uncertainties in relation to the SBTi methodology are described in section E1-4. As part of the adjustments made to the Scope 3 reporting methodologies during the current reporting year, Bertelsmann has incorporated additional emission categories and additional emission sources into reported emission categories in its greenhouse gas balance sheet that were not included in the 2018 base year. Bertelsmann therefore plans to revise its climate target in 2025. In this context, the Group is also reviewing the development of a transition plan for climate change mitigation by 2050 in line with ESRS.

To achieve its climate target, Bertelsmann is pursuing various decarbonization levers regarding its business activities:

- The changes to the business portfolio brought about by the Group's corporate strategy and market changes are leading to a significant reduction in greenhouse gas emissions from the traditional printing business. These declines are being offset by substantial investments in other businesses that produce significantly lower carbon emissions.
- As the biggest lever for reducing its own emissions, Bertelsmann has set itself the target of sourcing all of its purchased electricity from renewable sources. In order to achieve this target, the Group selects market instruments such as contractual supply agreements (green electricity tariffs) or guarantees of origin. In addition, the expansion of the Group's production of green electricity through photovoltaic installations and heating using heat pumps at its facilities is contributing to decarbonization.
- The Group is also working with its suppliers to promote the use of renewable energies, increase energy and resource efficiency, and use bio-based and recycled materials. The focus is particularly on paper manufacturers, printing and transport service providers, IT manufacturers and cloud service providers.
- Bertelsmann also helps its business customers to increasingly use climate-friendly solutions. This includes optimizing packaging as well as selecting low-carbon printing papers and transport services, for example.

Additional actions required to achieve the Bertelsmann 2030 Climate Target were identified and economically evaluated as part of a Group-wide project in the reporting year. Decarbonization actions were identified as part of this project, in particular in the following categories, the implementation of which is expected to result in savings over the period 2025 to 2030:

- Expanding production and the use of renewable energies
- Increasing the energy efficiency of buildings, data centers and the fleet
- Using climate-friendly paper in the production of printed products
- Increasing energy and material efficiency among print service providers
- Reducing transport-related greenhouse gas emissions by switching modes of transport and using sustainable packaging solutions
- Reducing greenhouse gas emissions in TV and film productions (in-house and third-party productions)

As a media, services and education company, Bertelsmann is not exempt from the EU benchmarks aligned with the Paris Agreement in accordance with the exclusion criteria set out in Articles 12.1(d)-(g) and 12.2 of the Commission Delegated Regulation (EU) 2020/1818 (Regulation on standards for benchmarks for greenhouse gas emissions).

E1-2 Policies related to climate change mitigation and adaptation

Bertelsmann views environmental protection as an integral part of its corporate responsibility. This is particularly evident in its Policy and the Executive Board Guideline on Environment. In addition, the Bertelsmann Code of Conduct sets out further requirements, which Bertelsmann and its employees are obligated to uphold. In addition, the Bertelsmann Supplier Code of Conduct outlines the expectations and requirements for the Group's business partners. A detailed description of these rules and regulations can be found in sections S1 and S2 of this Sustainability Report.

Bertelsmann Policy Environment

The Bertelsmann Policy Environment sets out the Group's commitment to continually improving its environmental performance. Environmental topics addressed in the policy include, but are not limited to, the topics of climate change mitigation and energy, which were found to be material in relation to the E1 standard according to the double materiality assessment. The policy also takes the E1 topic climate change adaptation into account.

With regard to the topic of climate change, the policy outlines the Bertelsmann 2030 Climate Target, which is presented in detail in section E1-4 of this Sustainability Report. In terms of energy, saving energy, the efficient use of energy and the expansion of renewable energies have been prioritized as important levers for reducing greenhouse gas emissions. The procurement of renewable energies is a key requirement for all sites with annual power consumption in excess of 100 megawatt hours. In addition, the policy outlines requirements for expanding the generation of renewable energy, such as installing photovoltaic systems at Group facilities and promoting environmentally-friendly conduct among employees.

The Bertelsmann Policy Environment was updated in 2024 by the international, cross-divisional "be green" committee, which is made up of the environmental managers from the divisions and the Corporate Center. The Corporate Responsibility department is responsible for communicating the policy to all employees and other stakeholders in coordination with the Communications department. The policy is available on both the Bertelsmann website and the Bertelsmann intranet and is reviewed every two years. As the highest decision-making body in the Group, the Executive Board determines the content of this policy along with Group-wide targets. Responsibility for the implementation of the policy, the environmental targets and operational environmental management lies with the management of the divisions.

The Bertelsmann Policy Environment applies to Bertelsmann SE & Co. KGaA and Bertelsmann Management SE and all companies controlled by them (Group companies). Group companies for which this policy is not already directly applicable due to existing corporate governance rules (e.g., RTL Group) implement their own, equivalent policies based on this policy. Compliance with these principles is encouraged for other companies that are not controlled by Bertelsmann. Accordingly, the scope of the policy only directly covers

the Group's own business activities. Decisions and measures derived from the policy, such as procurement behavior or sustainable product offerings and references to other regulations such as the Bertelsmann Supplier Code of Conduct also have an indirect effect on upstream and downstream value creation levels.

Executive Board Guideline Environment

With the Executive Board Guideline Environment, the Executive Board sets the organizational framework for Group-wide environmental management, which includes all material environmental topics.

On the one hand, the guideline addresses the responsibilities and tasks related to Group-wide environmental management with regard to the Executive Board, the management of the divisions, the management and environmental officers of the Group companies as well as cooperation in the CR Council and the cross-divisional "be green" committee. On the other hand, the Executive Board guideline defines the targets and responsibilities related to environmental reporting.

The Bertelsmann Executive Board bears ultimate responsibility for this guideline. It was prepared with the involvement of various departments, the CR Council, and the "be green" committee. It applies to Bertelsmann SE & Co. KGaA and Bertelsmann Management SE and all companies controlled by them (Group companies). Group companies for which this guideline is not already directly applicable due to existing corporate governance rules (e.g., RTL Group) implement their own, equivalent guidelines based on this guideline. As a result, the scope of the Executive Board Guideline Environment encompasses all of the Group's business activities at its sites around the globe. The Executive Board guideline is available on the Bertelsmann intranet and the Corporate Responsibility department is responsible for monitoring and updating its content.

E1-3 Actions and resources in relation to climate change mitigation and adaptation

The Bertelsmann 2030 Climate Target prioritizes actions to prevent and reduce greenhouse gas emissions ahead of offsetting any residual emissions. Separate targets for Bertelsmann's divisions have been defined and corresponding actions derived on the basis of the Group's target. In 2024, the key climate protection actions related to the Group's own business activities included boosting energy efficiency, electrifying installations powered by fossil fuels, and expanding and using renewable energies. Many Bertelsmann companies have also optimized their products and services to reduce greenhouse gas emissions:

- In the reporting year, several Arvato Group and RTL Group sites in Germany pushed ahead with the implementation of energy management systems in accordance with the ISO 50.001 standard. The external certifications are expected to be completed in 2025.
- Energy efficiency measures implemented in the reporting year included optimizing the use of office space and switching to LED lighting. At the end of 2023, a heat recovery system was put into operation for the first time at RTL Group's data center in Luxembourg which led to significant savings in heat consumption and related greenhouse gas emissions in the reporting year. In addition, heat pumps were installed at RTL Hungary sites and at the Arvato sites in Düren and Hanover.
- In 2024, 97 percent of the electricity purchased by Bertelsmann around the globe was sourced from renewable energy sources using green electricity tariffs or guarantees of origin.
- The photovoltaic systems installed at the Group's own facilities generated more than 17,300 Mega-Watt hours of electricity in 2024, most of which was consumed by the Group itself. New photovoltaic systems were installed at companies including Groupe M6 in Neuilly-sur-Seine, RTL Nederland in Hilversum, Sonopress, and the Corporate Center in Gütersloh.
- RTL Group produced numerous TV and film productions that were certified in accordance with regional sustainability standards in the reporting year. For example, the RTL fundraising marathon and four UFA shows were awarded the "green motion" label by the "Green Shooting" working group in Germany. Several of M6 Groupe's productions have also been awarded the comparable "Ecoprod" seal in France.
- The number of productions for which the greenhouse gas footprint involved was determined on the basis of regional industry initiatives such as "green motion" (Germany), "albert" (United Kingdom and the Netherlands), and "Carbon'Clap" (France) has significantly increased. At RTL Nederland, for example, "albert"-certified programming hours saved over 1,600 tons of CO₂e.

- Other product-related actions to improve resource efficiency (see section E5-2) were carried out among others at Arvato Group, Bertelsmann Marketing Services, and Penguin Random House, which also contributed to the reduction of greenhouse gas emissions.

Targets and metrics

E1-4 Targets related to climate change mitigation and adaptation

As set out in the Bertelsmann Policy Environment, Bertelsmann supports the target of the international community to limit global warming to well below 2 degrees Celsius in line with the Paris Climate Agreement. By 2030, the Group plans to reduce its direct and indirect greenhouse gas emissions (Scope 1 to 3) by 50 percent compared with the base year 2018. The reduction target refers to greenhouse gas emissions of 2.5 million tons of CO₂ equivalents (CO₂e) accounted for in the base year 2018. The target was defined by the Corporate Responsibility department together with the divisional environmental managers and other stakeholders and approved by the Group Executive Board. It was validated by the Science Based Targets Initiative (SBTi) using the V4.1 criteria in March 2021. SBTi is an organisation that supports companies in setting science-based climate targets. The SBTi methodology is subject to inherent uncertainties regarding the underlying scientific evidence and forward-looking assumptions on the reduction of greenhouse gas emissions. The SBTi methodology is currently being revised. More recent scientific findings on the course of climate change could lead to a change in the SBTi methodology and the assessment of whether the ambition level of the targets is sufficient to limit global warming to 1.5 degrees Celsius.

The Bertelsmann 2030 Climate Target concerns all (market-based) Scope 1, 2, and 3 greenhouse gas emissions in their entirety. The target covers 100 percent of Scope 1 and 2 emissions and 74 percent of Scope 3 emissions reported in 2024. Adjustments were made to the methodology used for greenhouse gas accounting in 2024. In Scope 3 category 3.1 “Purchasing of goods and services”, certain other costs were initially quantified using an expenditure-based calculation method. Additional Scope 3 emissions categories (Scope 3 category 2 “Capital goods” and Scope 3 category 15 “Investments”) were also included for the first time (see section E1-6). In the reporting year, these adjustments led to the first-time disclosure of additional emissions in the amount of 578,081 tons of CO₂e. Due to the methodological adjustments to Scope 3 reporting and changes to the Group’s portfolio, an adjustment to the 2018 base year values and a revision of the reduction target are planned for 2025.

Targets related to climate change mitigation

| | Retrospective | | Milestones and target years | |
|---|---------------|-----------|-----------------------------|----------------------------------|
| | 2018 | 2024 | 2030 | Annual % of target/ base year |
| in tons CO ₂ e | | | | |
| Scope 1, 2, and 3 (combined) – GHG emissions according to the currently valid target definition | 2,500,000 | 1,758,109 | 1,250,000 | 4.2 % |
| Difference from the Scope 3 GHG emissions sources included for the first time in 2024 | | 578,081 | | |
| Scope 1, 2 and 3 (combined) – GHG emissions (market-based) according to ESRS E1-6 | | 2,336,190 | | |

In terms of the greenhouse gas emission sources accounted for in the base year 2018, Bertelsmann succeeded in achieving a 30 percent reduction. In addition to effects from the actions outlined in section E1-3, the decline in the printing business in Germany as well as the sale of Majorel contributed to this decline.

Unavoidable emissions related to the Group's own facilities, employee mobility and the Group's products are to be offset by 2030. With this, the Group plans to achieve "climate neutrality" by offsetting the amount of emissions produced each year. The scope of emissions covered by the voluntary offsetting commitment amounted to 1.3 million tons of CO₂e in the base year. The remaining emissions are to be offset through carbon credits from a portfolio of voluntary climate protection projects. The projects are carefully selected on the basis of defined criteria. For example, projects must be long-term and ensure to the greatest possible extent that offset carbon emissions are not released back into the atmosphere. Information on the scope of compensatory measures in the reporting year can be found in section E1-7.

E1-5 Energy consumption and mix

Energy consumption and the energy mix are crucial when it comes to achieving the Bertelsmann 2030 Climate Target. While increasing digitalization makes the Group less dependent on finite natural resources, it also increases energy consumption caused by data use. In addition to improving energy efficiency, Bertelsmann is also focusing on increasing the use of renewable energies in all divisions.

Bertelsmann aims to further increase energy efficiency at its sites around the globe, for example by consistently using energy-saving and energy-efficient equipment and by environmentally conscious conduct on the part of its employees. Bertelsmann can influence demand for climate-friendly options with its purchasing behavior when it comes to energy procurement. The transition of energy procurement to green electricity is one of the key levers for decarbonizing the Group's own business activities. In addition to the transition of electricity procurement, local in-house generation of electricity and heating will also be expanded with the help of renewable energies. Transparency regarding energy consumption on the green.screen IT platform supports energy data management at site level and facilitates cross-site comparisons and exchanges.

§ Reporting principles

Energy consumption relates to the Group's owned and leased printing and logistics facilities, office locations, the Group's own data centers, production studios for television and film content, and the Group's own vehicle fleet. It was largely determined based on meter readings, reports from energy suppliers, confirmations from lessors or fuel receipts. For companies with fewer than 50 employees whose business activities are not considered to be energy intensive, energy consumption is calculated using estimation methods. The data per employee recorded by comparison sites is used for the estimate and extrapolated based on the employee headcount of the companies not included in the data collection. At less than 1 percent, the share of energy consumed as estimated by estimation methods contributes only insignificantly to Bertelsmann's total energy consumption.

The energy consumption report is based on the contractual supply agreements and guarantees of origin (market-based). Accordingly, the majority of electricity consumption is reported as electricity from renewable energies. The electricity mix of the respective site (location-based) is not reported.

Energy intensity per net revenue is calculated as the total consumption in high climate impact sectors relative to the net revenue from activities in those high climate impact sectors. Bertelsmann operates in the following high climate impact sectors: "Production of printed products", "Warehouse logistics and other transport services" and "Reproduction of recorded audio, video and data media."

Energy consumption and mix

| in Mega-Watt hours (MWh) | 2024 |
|---|----------------|
| Fuel consumption from coal and coal products | 0 |
| Fuel consumption from crude oil and petroleum products | 44,156 |
| Fuel consumption from natural gas | 516,961 |
| Fuel consumption from other fossil sources | 7,627 |
| Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources | 59,454 |
| Total fossil fuel energy consumption | 628,198 |
| Share of fossil sources in total energy consumption (in %) | 63 |
| Consumption from nuclear sources | 0 |
| Share of consumption from nuclear sources in total energy consumption (in %) | 0 |
| Fuel consumption from renewable sources, including biomass | 218 |
| Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources | 347,084 |
| Consumption of self-generated non-fuel renewable energy | 17,303 |
| Total renewable energy consumption | 364,606 |
| Share of renewable sources in total energy consumption (in %) | 37 |
| Total energy consumption | 992,803 |

In 2024, total energy consumption was 992,803 Mega-Watt hours. The ongoing conversion to renewable energies using green electricity tariffs and guarantees of origin and the expansion of photovoltaic installations at the Group's own sites as well as the declining trend of printing in Germany made a significant contribution to the increase in the share of renewable sources in total energy consumption, bringing the figure to 37 percent. In the reporting year, almost all of the electricity purchased was sourced from renewable sources through contractual supply agreements and guarantees of origin. As a result, the share of green electricity purchased came to 97 percent at all of the reporting sites.

Energy intensity based on revenue from high climate impact activities

| in Mega-Watt hours (MWh) / € millions | 2024 |
|---|------|
| Production of printed products | 699 |
| Storage and provision of other services for transport | 85 |
| Reproduction of recorded audio, video and data media | 15 |

Revenue from business activities in high climate impact sectors corresponds to the proportionate revenue reported in the consolidated financial statements in accordance with IFRS 15.

Reconciliation of revenue from high climate impact activities

| in € millions | 2024 |
|---|---------------|
| Net revenue from activities in high climate impact sectors used to calculate energy intensity | 3,401 |
| Net revenue (other) | 15,587 |
| Total net revenue (Financial statements) | 18,988 |

E1-6 Gross greenhouse gas emissions (GHG) for Scope 1, 2 and 3 categories and total GHG emissions

§ Reporting principles

GHG emissions are accounted for in accordance with the Corporate Accounting and Reporting Standard, the Scope 2 Guidance, and the Corporate Value Chain (Scope 3) Standard of the Greenhouse Gas Protocol (GHG Protocol). In accordance with the GHG Protocol, emissions are reported in three different categories: Scope 1, Scope 2 and Scope 3.

Scope 1: The category Scope 1 is assigned to all GHG from sources owned by Bertelsmann or its consolidated Group companies, or over which Bertelsmann Group companies have operational control. Scope 1 refers to direct emissions produced by Bertelsmann, resulting, for example, from the Group's own on-site electricity and heat generation and from the production of process energy in the operation of printing plants.

Scope 2: Scope 2 emissions include GHG emissions related to the production of purchased energy (electricity or district heating). These emissions are generated during the production of the energy by the supplier and are therefore only indirectly attributable to Bertelsmann's business activities. Bertelsmann recognizes electricity purchased, heating purchased, steam and cooling along with energy from on-site installations, which are billed by the lessor based on consumption, as Scope 2 emissions. Scope 2 emissions attributable to purchased energy are calculated according to both the location-based and the market-based methods. Bertelsmann uses the national emission levels published by the IEA for the location-based method. Contractually agreed instruments such as guarantees of origin and green electricity tariffs or supplier-specific emission factors are used to determine market-based GHG emissions. In contrast to the location-based method, the market-based method gives Bertelsmann the opportunity to influence the GHG factor. For this reason, Bertelsmann uses market-based GHG emissions as part of its climate objective.

Scope 3: Relevant indirect (Scope 3) emissions from the value chain are also taken into account. In accordance with the Corporate Value Chain (Scope 3) Standard, this includes both upstream emission sources such as the purchase of goods and services, transporting of materials and products and the mobility of employees, as well as downstream emissions sources such as the distribution of printed products. Scope 3 emissions are categorized into 15 categories according to the GHG Protocol. The materiality of each of the 15 Scope 3 categories was determined on the basis of an expenditure-based materiality assessment. The categories included in the calculation are listed in the GHG emissions table. Only four categories were excluded from the calculation – the processing of sold products, the use of sold products, downstream leased assets and franchises – as they were assessed as not material to Bertelsmann.

When calculating GHG emissions, Bertelsmann takes into account the climate-changing GHGs carbon dioxide (CO₂), methane (CH₄), nitrous oxide (N₂O), and fluorinated gases (F-gases). The amounts are reported in CO₂ equivalents (CO₂e), taking into account the global warming potentials published in the Fifth Assessment Report from the IPCC (GWP 100 AR 5 IPCC).

Data on activities and operations used for the calculation are taken from Group internal systems, in particular from the production, transport management and accounting systems. In order to calculate GHG emissions, Bertelsmann uses specific emission factors from suppliers (where reliably available), industry-wide benchmarks or data from internationally recognized data sources. Bertelsmann uses the following data sets in particular:

- International Energy Agency (IEA): country-specific data for Scope 2 emissions from electricity purchases and Scope 3 emission factors for upstream emissions
- UK Department for Energy Security and Net Zero (2024): emissions data for transport, waste, or waste logistics (Scope 3)
- Process-oriented basic data for environmental management instruments published by the German Federal Environment Agency: selected energy or material-related data (Scope 1 and Scope 3)
- Ecoinvent (V3.9.1): selected emission factors for materials (Scope 3)
- German Federal Environment Agency (March 2024): Global Warming Potentials (GWP100) for hydro(chloro)fluorinated and perfluorinated hydrocarbons (HFCs, HCFCs and HFCs) and other perfluorinated compounds
- The French Agency for Ecological Transition: select emission factors from "Base Carbon (V23.2)"

Specific emissions of suppliers are used if they have been determined on the basis of product-related GHG accounting standards, such as ISO 14067 or GHG Protocol, and standard industry practices. For example, Bertelsmann uses GHG emissions data from paper manufacturers according to the Ten Toes of the Confederation of European Paper Industries (CEPI) and Paper Profile, as well as emissions data from printing service providers according to the Intergraf Roadmap published by the European association of national printing industry stakeholders. Data from regional industry initiatives such as green motion (Germany), albert (United Kingdom, Netherlands), and Carbon'Clap (France) are used to determine GHG data from TV and film productions.

Due to the complexity of Group-wide greenhouse gas accounting and the involvement of numerous Group companies, the volume of primary data used by suppliers or other partners in the value chain cannot be reliably determined and is estimated by the Group to constitute under 30 percent. In cases where activity-related data were not available for certain emission sources, data from the internal financial systems as well as emission factors from a multi-regional, environmentally extended input-output database (CEDA by Watershed) were used. This was the case in particular in Scope categories 3.1, 3.2, and 3.15. The calculations are partly based on assumptions and estimates. Inherent uncertainties cannot be ruled out.

For companies with fewer than 50 employees, whose business activities are not considered to be emissions intensive, GHG emissions are calculated using estimation methods. At less than 1 percent, the share of GHG emissions as estimated by estimation methods contributes only insignificantly to Bertelsmann's total emissions.

GHG emissions

| in tons CO ₂ e | 2024 |
|--|-----------|
| Scope 1 GHG emissions | |
| Gross Scope 1 GHG emissions | 125,837 |
| Percentage of Scope 1 GHG emissions from regulated emission trading schemes (in %) | 73 |
| Scope 2 GHG emissions | |
| Gross location-based Scope 2 GHG emissions | 111,335 |
| Gross market-based Scope 2 GHG emissions | 12,267 |
| Scope 3 GHG emissions | |
| Gross Scope 3 GHG emissions | 2,198,086 |
| 1 Purchased goods and services | 1,168,778 |
| 2 Capital goods | 55,901 |
| 3 Fuel and energy-related activities (not included in Scope 1 or Scope 2) | 56,618 |
| 4 Upstream transportation and distribution | 115,828 |
| 5 Waste generated in operations | 7,220 |
| 6 Business traveling | 102,186 |
| 7 Employee commuting | 58,651 |
| 8 Upstream leased assets | 27,121 |
| 9 Downstream transportation | 248,768 |
| 10 Processing of sold products | — |
| 11 Use of sold products | — |
| 12 End-of-life treatment of sold products | 109,584 |
| 13 Downstream leased assets | — |
| 14 Franchises | — |
| 15 Investments | 247,430 |
| Total GHG emissions | |
| Total GHG emissions (location-based) | 2,435,259 |
| Total GHG emissions (market-based) | 2,336,190 |

In 2024, total direct and indirect GHG emissions (Scope 1, 2, and 3, market-based) amounted to roughly 2.3 million tons of CO₂e. This figure can be broken down into 5 percent direct (Scope 1) emissions and 95 percent indirect (Scope 2 and 3) emissions.

GHG intensity based on revenue

Greenhouse gas intensity based on revenue is calculated as the total GHG emissions in relation to Bertelsmann revenue posted in the consolidated income statement. In 2024, it amounted to 128 tons of CO₂e/€ millions (location-based) and 123 tons of CO₂e/€ millions (market-based).

E1-7 GHG removals and GHG mitigation projects financed through carbon credits

Bertelsmann provides its Group companies with a portfolio of carbon credits to offset any GHGs they emit. To facilitate this, Bertelsmann acquires carbon credits from various project developers. Currently, the portfolio only comprises climate protection projects certified in accordance with the Verified Carbon Standard (VCS), a quality standard established by the non-profit organization Verra.

Once the carbon credits have been purchased, they are transferred to an account held by Bertelsmann in the carbon registry maintained by Verra. Bertelsmann cancels the credits in the carbon registry when it settles the offsetting payments with the Group companies.

The carbon credits purchased by Bertelsmann involve reforestation projects in Central America and a peatland forest conservation project that contributes to biodiversity conservation in Indonesia.

In 2024, the scope of GHG emissions reductions or removals attributable to climate change mitigation projects outside the Group's own operations and the value chain financed by the purchase of carbon credits came to 52,259 tons of CO₂. In the reporting year, carbon credits amounting to 42,409 tons of CO₂ have already been cancelled. The remaining carbon credits amounting to 9,850 tons of CO₂ will be cancelled in the first quarter of the following year once the GHG balance has been drawn up.

GHG removals and GHG mitigation projects

| in tons CO ₂ | 2024 |
|--|--------|
| Total GHG removals in own operations and in upstream and downstream value chain | 0 |
| Total GHG removals and reductions outside own operations and outside upstream and downstream value chain | 52,259 |
| Total amount of GHG removals and GHG reduction projects | 52,259 |
| Carbon credits cancelled in the reporting year | 42,409 |
| Share of biogenic sinks (in %) | 0 |
| Share of technological sinks (in %) | 0 |
| Share of removal projects (in %) | 0 |
| Share of reduction projects (in %) | 100 |
| Share of quality standard VCS (in %) | 100 |
| Share issued from projects in the EU (in %) | 0 |

Carbon credits planned to be cancelled in the future

| in tons CO ₂ | 2025 |
|-------------------------|-------|
| Total | 9,850 |

E1-8 Internal carbon pricing

Bertelsmann uses its own scenario analyses to identify potential future costs from GHG emissions emitted by the Group in the future. These analyses are based on projections of future GHG emissions for the various segments based on long-term business planning.

The Group uses pricing scenarios from the IEA and other sources to determine price trends, from which it derives internal carbon shadow prices for the years 2025 to 2050, differentiated by different regions. In addition to internal carbon shadow prices for regulated markets (emissions trading systems or taxes), Bertelsmann also uses internal assumptions to determine price trends for carbon credits (offsetting measures, see section E1-7).

These internal carbon prices are used by Bertelsmann to simulate the potential costs of future GHG emissions (Scope 1 to 3) and to take these into account when assessing the economic viability of any decarbonization measures required to achieve its climate targets (see section E1-4). In the consolidated financial statements, these are not considered, neither in the determination of the useful life and residual value of assets nor in the impairment of assets or the measurement of the fair value of assets acquired through business combinations.

E3 Water and marine resources

Water and marine resources are of secondary importance when it comes to Bertelsmann's own business activities. Bertelsmann extracts water for cooling buildings, sanitary facilities, green plant maintenance and the printing process at certain printing plants. Most of this water is extracted from public pipe networks and occasionally from the Group's own wells. Water consumption plays a bigger role in elements of the upstream value chain, especially in papermaking.

SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

The following table shows the material topics and their respective impacts, risks and opportunities ("IROs") related to water and marine resources that have been identified as part of the double materiality assessment. To the extent that Bertelsmann addresses its material IROs through various policies, actions and targets, these are discussed in greater detail in sections E3-1 through E3-4.

Material impacts, risks and opportunities

| Topic/Sub-topic | Sub-sub-topic | Description of the IROs | Characterization of the IROs | Localization of the IROs | Time horizon of the IROs |
|-----------------|-------------------|---|--|--------------------------|-----------------------------|
| Water | Water discharges | The goods and services purchased by Bertelsmann are not associated with high water consumption, with the exception of paper and cardboard. Paper is one of the most important resources for the printing and publishing business. Although the paper manufacturing process relies heavily on water, most of the water is reused and returned to the natural water cycle after wastewater treatment. | Impact Negative Actual and potential | Upstream value chain | Short, medium and long term |
| | Water withdrawals | As water consumption is far upstream in the value chain, Bertelsmann does not have complete transparency about the water catchment areas from which the wood for the paper originates. High water consumption in paper production can have a negative impact on the local water balance. | Impact Negative Actual and potential | Upstream value chain | Short, medium and long term |

Impact, risk and opportunity management

IRO-1 Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities

As part of the implementation of the CSRD, Bertelsmann conducted an analysis of impacts, risks and opportunities related to water and marine resources. The analysis incorporated all divisions and relevant parts of the value chain. No material impacts, risks or opportunities were identified within the Group's own operations in the analysis. The analysis also involved investigating impacts related to water withdrawals and discharges in the upstream value chain attributable to paper production.

Bertelsmann extracts water for cooling buildings, sanitary facilities, green plant maintenance and the printing process at certain printing plants. Most of this water is extracted from public pipe networks and occasionally from the Group's own wells.

On the whole, the impacts of Bertelsmann's business activities on water and marine resources are low.

E3-1 Policies related to water and marine resources

Bertelsmann Policy Environment

In addition to fundamental requirements for environmental protection, the Bertelsmann Policy Environment also defines general requirements for the protection of water resources. Along with the resource-efficient use of water by employees, the policy also requires suppliers to use water in a responsible, efficient manner. The pollution of water with hazardous substances and substances of concern must be minimized. This applies in particular to paper manufacturers when using chemicals. Detailed information on the objectives, scope, responsibilities, availability and monitoring of the policy can be found in section E1-2. The Executive Board Guideline Environment also provides the organizational framework for Group-wide environmental management. The content of this Executive Board guideline is described in section E1-2.

E3-2 Actions and resources related to water and marine resources

Due to the low relevance of the topic, the Group does not report on any actions stipulated in MDR-A (Minimum Disclosure Requirements – Actions) in relation to water and marine resources at its own sites. In light of the first-time materiality of the topic, there are no Group-wide actions in place with respect to the value chain.

Targets and metrics

E3-3 Targets related to water and marine resources

Due to the low relevance of the topic, the Group does not pursue any targets stipulated in MDR-T (Minimum Disclosure Requirements - Targets) in relation to water and marine resources at its own sites. In light of the first-time materiality of the topic, there are no Group-wide targets in place with respect to the value chain.

E3-4 Water consumption

Due to the lack of materiality of the topic at its own sites, the Group does not report any water consumption metrics as defined in MDR-M (Minimum Disclosure Requirements – Metrics).

E4 Biodiversity and ecosystems

Like every company, Bertelsmann relies on the existence of intact ecosystems. This applies in particular to the business activities of the divisions Penguin Random House and Bertelsmann Marketing Services. In these divisions, paper is indispensable as the most important bio-based raw material in the value chain. Bertelsmann therefore pursues a sustainable procurement strategy to avoid negative impacts on forests and other ecosystems in its value chains.

SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

The following table shows the material topics and their respective impacts, risks and opportunities (“IROs”) related to biodiversity and ecosystems that have been identified as part of the double materiality assessment. To the extent that Bertelsmann addresses its material IROs through various policies, actions and targets, these are discussed in greater detail in sections E4-1 through E4-4.

Material impacts, risks and opportunities

| Topic/Sub-topic | Sub-sub-topic | Description of the IROs | Characterization of the IROs | Localization of the IROs | Time horizon of the IROs |
|--|------------------|--|---|--------------------------|-----------------------------|
| Impacts on the extent and condition of ecosystems | Land degradation | Sustainable procurement practices can reduce negative impacts. Bertelsmann sources paper from various regions of the world. Diversified procurement means that paper production does not focus exclusively on individual regions, which can avoid or reduce local impacts on forestry. | Impact Positive Actual and potential | Upstream value chain | Short, medium and long term |
| | | With a share of over 90 percent, paper is the most important material in Bertelsmann's material consumption. Paper production is closely linked to forestry. Negative impacts on ecosystems therefore arise at the beginning of the upstream value chain. The direct environmental impacts of resource use include the degradation of fertile soil as land use expands. In addition, indirect environmental impacts, e.g., in connection with changes in land cover, can have an impact on ecosystem services. | Impact Negative Actual and potential | Upstream value chain | Short, medium and long term |

Impact, risk and opportunity management

IRO-1 Description of the processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities

As part of the implementation of the CSRD, Bertelsmann conducted an extensive analysis of impacts, risks and opportunities related to biodiversity and impacts on ecosystems. The analysis incorporated all divisions and relevant parts of the value chain. No material impacts, risks or opportunities were identified within the Group's own operations in the analysis. The analysis also involved investigating risks related to the extent and condition of ecosystems, in particular due to land degradation in the upstream value chain attributable to paper production.

With its in-house operations, Bertelsmann does not operate in a high priority sector as defined by the Taskforce on Nature-related Financial Disclosures (TNFD). Due to the nature of its business activities, its own sites do not have any direct, significant negative impacts on biodiversity and ecosystems. The business models of Penguin Random House and Bertelsmann Marketing Services are linked to the forest management risk sector listed in accordance with TNFD due to the supply of paper products. Direct potential impacts in the upstream supply chain may arise from the use of forest land, in particular impacts concerning a loss of biodiversity.

On the whole, the impacts of Bertelsmann's business activities on biodiversity and ecosystems are low.

E4-1 Transition plan and consideration of biodiversity and ecosystems in strategy and business model

Due to its diversified Group portfolio, Bertelsmann is only substantially dependent on ecosystems in certain business segments. Given its high paper consumption, the Group has actual and potential impacts on ecosystems and dependencies on wood, a renewable raw material, particularly at Penguin Random House and Bertelsmann Marketing Services.

Bertelsmann's strategic focus on the continued digitalization, internationalization and diversification of its Group portfolio means that its dependencies on paper and paper-based materials such as packaging are likely to continue to decline. This is due, on the one hand, to investments in other businesses that are not dependent on timber or forests and, on the other hand, to the expansion of digital business models, especially at Bertelsmann Marketing Services. With its existing digital products such as e-books and audio books, Penguin Random House also offers its business customers and end users equivalent alternatives to paper-based publishing.

Bertelsmann also minimizes actual and potential negative impacts on forests and ecosystems by procuring paper that has been verified to contain recycled fibers or be sourced from responsible forestry. Physical impacts, such as damage to forests from storms or droughts, are mitigated by Bertelsmann's diversified procurement policies.

E4-2 Policies related to biodiversity and ecosystems

Bertelsmann Policy Environment

In the Bertelsmann Policy Environment, the Group sets out its voluntary commitment to environmental protection as well as the preservation and protection of ecosystems. A key element in this regard is sustainable forest management for the paper used by Bertelsmann and its suppliers.

Bertelsmann uses paper made from recycled fibers and sourced from verifiably well managed forests to produce books, magazines and other printed materials. In order to protect biodiversity and particularly sensitive ecosystems, logging is not permitted in old, endangered forests or high conservation value forests. Bertelsmann has established a code of conduct for its business partners, the Bertelsmann Supplier Code of Conduct, to ensure these standards are upheld. Detailed information on the objectives, scope, responsibilities, availability and monitoring of the Bertelsmann Policy Environment can be found in section E1-2. The Executive Board Guideline Environment also provides the organizational framework for Group-wide environmental management. The content of this Executive Board guideline is described in section E1-2.

Bertelsmann Supplier Code of Conduct

In addition to social topics, the binding standards laid down for business partners in the Bertelsmann Supplier Code of Conduct also address requirements relating to the protection of natural resources, the environment and climate change mitigation. Accordingly, suppliers must avoid any environmental impacts that could adversely affect the condition of ecosystems and biodiversity. In the context of paper-based forestry, the Bertelsmann Supplier Code of Conduct specifies that the unlawful removal and conversion of natural forests, and the illicit trade in timber products, is not tolerated. In the event of an increased level of risk, Bertelsmann expects its suppliers to carry out adequate checks along the supply chain, including the sustainability certifications specified in the Bertelsmann Policy Environment. Stakeholder engagement, availability and the scope of the Supplier Code of Conduct are discussed in detail in section S2-1.

Bertelsmann has established a comprehensive range of communication channels through which human rights or environment-related violations and grievances can be reported. Indications of potential compliance violations against the Bertelsmann Supplier Code of Conduct can be raised on site to contact partners or reported via the company's own whistleblower system ("Speak Up") (see sections S1-3 and S2-3).

E4-3 Actions and resources related to biodiversity and ecosystems

In order to verify compliance with the aforementioned requirements pursuant to the Bertelsmann Policy Environment and the Bertelsmann Supplier Code of Conduct, the procurement volumes of paper and paper-based packaging and the sustainability criteria applied are recorded as part of environmental reporting. In addition to the use of recycled paper, the reports also include the volumes of paper and products manufactured and certified according to established standards such as the Forest Stewardship Council (FSC®), the Programme for the Endorsement of Forest Certification Schemes (PEFC™) or the Sustainable Forest Initiative (SFI®). The share of recycled fiber or sustainably certified paper used has exceeded 90 percent for several years.

Targets and metrics

E4-4 Targets related to biodiversity and ecosystems

Due to the low relevance of the topic, the Group does not pursue any targets stipulated in MDR-T (Minimum Disclosure Requirements – Targets) in relation to biodiversity and ecosystems at its own sites. In light of the first-time materiality of the topic, there are no Group-wide targets in place with respect to the value chain.

E4-5 Impact metrics related to biodiversity and ecosystems change

Due to the lack of materiality of the topic at its own sites, Bertelsmann does not report any metrics related to biodiversity and ecosystems as defined in MDR-M (Minimum Disclosure Requirements – Metrics).

E5 Resource use and circular economy

Bertelsmann uses a wide variety of materials for the production and logistics of its physical products. In addition to paper and cardboard, this includes, for example, printing inks, varnishes and adhesives, granules for the production of CDs and DVDs, and plastic-based films and packaging. Materials are also purchased as part of products and services. Paper is particularly relevant to Bertelsmann as the Group's most important resource in the printing and publishing business. Sustainable forest management, resource conservation, climate change mitigation and waste prevention play a major role for Bertelsmann along the entire paper value chain. In order to protect forests, which are valuable to the climate and biodiversity, Bertelsmann has issued an environmental policy to supplement the Executive Board Guideline Environment, which also contains regulations governing paper procurement.

SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

The following table shows the material topics and their respective impacts, risks and opportunities ("IROs") related to resource use and circular economy that have been identified as part of the double materiality assessment. Bertelsmann addresses its material IROs through various policies, actions and targets. They are discussed in more detail in sections E5-1 to E5-3.

Material impacts, risks and opportunities

| Topic/Sub-topic | Sub-sub-topic | Description of the IROs | Characterization of the IROs | Localization of the IROs | Time horizon of the IROs |
|--------------------------|---------------|--|--|--------------------------|-----------------------------|
| Resources inflows | | The largest resource inflow at Bertelsmann is paper consumption, which accounts for around 90 percent of total material consumption. The wood used to manufacture paper is taken from forests. The level of negative impact on local flora and fauna is significantly influenced by the type of forestry practised. The use of recycled paper can significantly reduce the consumption of virgin fibres and water in paper production. The negative impact of logging can be limited by procuring certified virgin fibre papers. | Impact Negative Actual and potential | Own operations | Short, medium and long term |

IRO-1 Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities

As part of the implementation of the CSRD, Bertelsmann conducted an analysis of impacts, risks and opportunities related to resource use and circular economy. The analysis incorporated all divisions and relevant parts of the value chain. In particular, the analysis examined risks associated with the transition to fully abandoning the use of non-renewable resources (transition risks) and risks associated with the depletion of natural resources, in particular with regard to wood (physical risks). Identification of the impacts is described in section IRO-1 “General Information.”

E5-1 Policies related to resource use and circular economy

Bertelsmann has a policy in place that articulates the Group’s stance on a wide range of material environmental topics. The following section only outlines the content of the Bertelsmann Policy Environment that is relevant to the topic of resource use and circular economy. It addresses the topic of resource inflow, which has been identified as material according to the double materiality assessment, in relation to the E5 standard.

The policy outlines Bertelsmann’s efforts to treat natural resources such as energy, water, land and raw materials in a responsible manner when procuring materials, manufacturing and distributing products and services. The aim behind this is to support the necessary shift to a circular economy by using renewable raw materials, designing products and processes for recycling, and preventing and minimizing waste. In addition, relevant environmental topics such as the use of renewable energies, guarantees of origin for critical raw materials, GHG emissions, and evidence of certified energy and environmental management systems must be taken into account when selecting suppliers and materials. Detailed information on the objectives, goals, responsibilities, availability and monitoring of this policy can be found in section E1-2. In addition, the Executive Board Guideline Environment defines the organizational framework for Group-wide environmental management. The content of this Executive Board guideline is described in section E1-2.

E5-2 Actions and resources related to resource use and circular economy

Bertelsmann employs various actions to reduce and address the negative impacts of its actions on resource use and the circular economy, and to promote positive impacts. These actions are identified and evaluated through discussions in the cross-divisional “be green” committee or as required. In the medium term, the actions will also be determined in the successor program to the Bertelsmann ESG program (2021-2024), which came to an end in the reporting year. Selected actions are summarized below in terms of material impacts, risks and opportunities.

- For the past ten years, Arvato Systems, Riverty, Bertelsmann Corporate Center and other Bertelsmann companies have employed the services of a non-profit service provider for the restoration and marketing of used IT hardware (e.g., laptops, mobile phones and monitors). Reusing devices has saved both resources (e.g., energy, raw materials and water) and GHG emissions. Almost 15,000 units have been refurbished for Arvato Systems alone since 2014.
- In the reporting year, Arvato implemented paper-saving initiatives at a number of its logistics sites. More than 100 tons of paper were saved through digitalizing packing lists, delivery notes, invoices and return slips.
- In the United States, Penguin Random House launched an initiative to optimize the selection of paper for book production. This initiative aims to achieve an annual reduction in resource consumption and GHG emissions.
- At Bertelsmann Marketing Services, Sonopress started production of its environmentally friendly “EcoRecords.” The production of this new form of LP record uses recyclable polyethylene terephthalate (PET) instead of polyvinyl chloride (PVC) as the base material. Due to high demand, production capacities for the “EcoRecords” label were expanded at the end of the reporting year.

Targets and metrics

E5-3 Targets related to resource use and circular economy

The Bertelsmann Policy Environment requires Group companies to contribute to nature conservation and to fighting deforestation through responsible paper procurement. Sustainably procured paper refers to paper made of recycled fibers and paper of certified origin that meets the requirements of FSC®, PEFC™, SFI® or comparable standards. Beyond this, Bertelsmann does not pursue any targets stipulated in MDR-T (Minimum Disclosure Requirements – Targets) in relation to resource use and circular economy.

E5-4 Resource inflows

The vast majority of Bertelsmann's resource inflows can be attributed to paper consumption in the business activities of Penguin Random House and Bertelsmann Marketing Services for the production of books, magazines and other printed products. These factors constitute 90 percent of material and product inflows at Bertelsmann. Other purchased materials include printing inks, varnishes and adhesives, granules for the production of CDs and DVDs, and plastic-based films and packaging. These materials are largely plastic-based and are derived from fossil raw materials.

§ Reporting principles

The data on resource inflows was provided by all consolidated Group companies as part of the Group-wide collection of environmental data.

Volumes are determined using data from local production databases or financial systems and are largely based on measured weight data. Data on resource inflows for companies with fewer than 50 employees are estimated to a minor extent. The disclosures on biological resource inflows include all paper-based printed products such as books, magazines and advertising materials or paper-based packaging. This is based on the assumption that paper-based printed products are largely manufactured from natural and renewable cellulose fibers. Bertelsmann's biological resource inflows also include printing inks made from plant-based raw materials and bio-based plastic packaging.

The calculations are partly based on assumptions and estimates. Inherent uncertainties cannot be ruled out.

Resource inflows

| in tons or percent | 2024 |
|---|---------|
| Total resource inflows | 781,881 |
| Purchased materials | 436,378 |
| Product inflows | 214,773 |
| Material supplied by customers | 130,729 |
| Biological resource inflows | 500,190 |
| Share of biological resource inflows of total resource inflows (in %) | 64 |
| Recycled or secondary reused resource inflows | 146,555 |
| Share of recycled or secondary reused resource inflows of total resource inflows (in %) | 19 |

The total weight of the technical and biological materials resource inflows used in 2024 was 781,881 tons. This figure includes purchases of materials (e.g., printing paper and materials), the procurement of products (e.g., books at Penguin Random House) and material orders from business customers, especially in the printing business. In 2024, 64 percent of the resource inflows came from biological materials. Recycled and reused resource inflows comprised 19 percent.

§ Reporting principles

Reported volumes of paper used in the value chain include all volumes of paper used to produce printed products. Waste rates from individual manufacturers and, where these are not reliably available, average waste rates were used to calculate the volumes of paper in the value chain of books and magazines. Due to the waste volumes accounted for in production processes, the value of paper use in the value chain is greater than the actual inflow of resources to the Group.

Double-counting when classifying paper made from recycled and certified materials is avoided to ensure that paper made from recycled fibers (>90 percent) is exclusively designated as recycled. This also applies if these papers bear labels from certification systems such as FSC® or Blue Angel.

The calculations are partly based on assumptions and estimates. Inherent uncertainties cannot be ruled out.

Paper use in the value chain

| in tons | 2024 |
|-----------------------|---------|
| Certified fresh fiber | 597,926 |
| Recycling | 131,408 |
| Other | 87,905 |
| Total paper | 817,239 |

In 2024, 817,239 tons of paper were used in the Bertelsmann value chain. In contrast to the resource inflows described above, this also includes paper that was generated as paper waste during the production of purchased products and is therefore no longer included in the product. 73 percent (597,926 tons) of the paper was sustainably certified virgin fiber paper; 16 percent (131,408 tons) was made of recycled paper. This represents 89 percent of the total paper used.

EU Taxonomy

With EU regulation 2020/852 (hereinafter “EU Taxonomy”), the EU Commission describes what qualifies as an “environmentally sustainable activity” and the criteria for classifying an economic activity as environmentally sustainable. For the environmental objectives 1 “Climate Change Mitigation” and 2 “Climate Change Adaptation,” the EU Taxonomy reporting includes information on the proportion of Taxonomy-eligible and Taxonomy-aligned economic activities in revenues, investments (CapEx) and operating expenses (OpEx). For 2024, compulsory reporting includes not only the share of Taxonomy-eligible revenues, CapEx and OpEx in relation to the other environmental objectives (3 “Sustainable Use and Protection of Water and Marine Resources,” 4 “Transition to a Circular Economy,” 5 “Pollution Prevention and Control,” and 6 “Protection and Restoration of Biodiversity and Ecosystems”) but also disclosures on the taxonomy-aligned share of economic activities in revenue, CapEx and OpEx.

Economic activities are deemed to be Taxonomy-eligible when they are listed in the EU Taxonomy. They are deemed Taxonomy-aligned when they (a) make a substantial contribution to implementing one or more environmental targets, (b) do no significant harm (DNSH) to any of the other environmental objectives as well as (c) are being conducted in compliance with the minimum safeguards for labor and human rights.

Bertelsmann is a media, services and education company that operates with a variety of business models in around 50 countries worldwide. The identification and analysis of Taxonomy-eligible economic activities is carried out at the Group level together with the corporate divisions in order to ensure the completeness of the Taxonomy-eligible economic activities. Bertelsmann has reviewed the application of the EU Commission’s delegated regulation 2022/1214 (hereinafter “Complementary Climate Delegated Act”) with regard to individual economic activities in certain energy sectors. Bertelsmann operates CHP plants to generate electricity predominantly for internal purposes. The revenues, investments and operating expenses related to these CHP plants are immaterial for Bertelsmann. Moreover, in Bertelsmann’s view, the economic activities described in Annex XII of the Complementary Climate Delegated Act are not congruent with Bertelsmann’s economic activities in connection with the CHP plants.

Taxonomy eligibility

With regard to the environmental objective “Climate Change Mitigation,” Bertelsmann reports on the Arvato Group division’s revenues from the economic activities “8.1. Data processing, hosting and related activities” and “8.2. Data-driven solutions for reducing greenhouse gas emissions.” Regarding the environmental objective “Climate Change Adaptation,” Bertelsmann analyzed the following economic activities with respect to their Taxonomy eligibility: “8.3 Programming and broadcasting activities,” “11 Education” and “13.3. Production, distribution and sale of films and television programs, cinemas, recording studios and music publishing activities.” These economic activities represent an “enabling activity” as defined in the EU Taxonomy, and they relate to the corporate divisions RTL Group, BMG and Bertelsmann Education Group. In Bertelsmann’s opinion, these economic activities are not enabling activities within the meaning of the EU Taxonomy. According to the wording of the EU Taxonomy, economic activities are an enabling activity if they enable third parties to make a substantial contribution to the environmental objective of “Climate Change Mitigation” themselves. However, the services provided by Bertelsmann and the resulting revenues in connection with the economic activities “8.3 Programming and broadcasting activities,” “11 Education” and “13.3 Production, distribution and sale of films and television programs; cinemas; recording studios and music publishing” are not directly aimed at enabling third parties to make a substantial contribution to the environmental objective of “Climate Change Mitigation.” This also applies to Bertelsmann’s investments in connection with these economic activities, in particular the acquisition of intangible assets such as film, music and publishing rights. According to the requirements of the Commission Notices of the EU Commission on questions regarding interpretation of the EU Taxonomy, a climate risk and vulnerability assessment is a prerequisite for the respective enabling activities in order to disclose revenues, investments and operating expenses as Taxonomy-eligible. A corresponding climate risk and vulnerability assessment was carried out for the first time by Bertelsmann in 2024 for its material sites. The analysis of the economic activities listed for the environmental objectives 3 to 6 in the EU Taxonomy did not result in any additional economic activities relevant to Bertelsmann. As part of its disclosures on investments, Bertelsmann reports on other economic activities that can be found in the section “EU Taxonomy Indicators.”

Taxonomy alignment

Bertelsmann does not report Taxonomy-aligned revenues, investments and operating expenses in relation to the environmental objectives 1 “Climate Change Mitigation” and 2 “Climate Change Adaptation” for 2024. The technical screening criteria for a substantial contribution in order to implement both environmental objectives or the DNSH criteria set out in Appendix A to Annex I or Annex II of the EU Taxonomy are not complied with for the economic activities relevant to Bertelsmann. In view of the need for cumulative compliance with the requirements of the technical screening criteria for a substantial contribution, of the DNSH criteria, and the minimum safeguards for Taxonomy alignment, no further checks were made to determine whether other Taxonomy criteria were met.

EU Taxonomy indicators

Reporting is based on the indicators for Taxonomy-eligible revenues, investments (CapEx) and operating expenses (OpEx) defined in Article 8 of the EU Taxonomy. If revenues, investments or operating expenses in connection with an economic activity can be assigned to more than one environmental objective, they are allocated in full to the “Climate Change Mitigation” objective to avoid double counting. The calculation of the indicators for Taxonomy-eligible economic activities was carried out taking into consideration the FAQ documents published by the EU Commission and the publication “Particularities in reporting according to Article 8 of the Taxonomy Regulation” of the IDW (Institute of Public Auditors in Germany), which address questions on interpretation relating to the EU Taxonomy.

Revenues: The basis for the revenues is the revenues reported in the consolidated financial statements in accordance with IFRS 15.

CapEx: Investments comprise additions to intangible assets (IAS 38), property, plant and equipment (IAS 16), and leases (IFRS 16). Apart from investments in music, film and broadcasting rights at RTL Group and BMG, as well as capital expenditure in intangible assets of the Bertelsmann Education Group, specifically for online education, Bertelsmann invests in modernizing and improving energy efficiency at its sites. In this context, investments were made, e.g., in photovoltaic systems. In 2024, Taxonomy-eligible investments totaled €330 million. This figure includes, in particular, investments in data centers of €48 million, additions from leases for land, land rights and buildings of €218 million, renovation of existing buildings of €25 million, construction of new buildings of €17 million and acquisitions of buildings of €10 million. Bertelsmann does not report any Taxonomy-aligned investments for 2024. Please refer to the following sections of the Notes to the Consolidated Financial Statements for total investments:

- Note 9 “Intangible Assets”: “Additions from business combinations” as well as “Other additions” in “Other intangible assets”;
- Note 10 “Property, Plant and Equipment and Right-of-Use Assets”: “Additions from business combinations” as well as “Other additions” in “Property, plant and equipment” as well as “Additions” from “Changes in Right-of-Use Assets.”

OpEx: Operating expenditures within the meaning of the EU Taxonomy comprise operating repair and maintenance expenditures (including maintenance expenses for Taxonomy-eligible software) and expenditures arising from short-term leases. Other expenses in connection with the daily operation of property, plant and equipment are not included under operating expenses. Expenditure from operating repair and maintenance expenses and short-term leases amounted to €274 million in 2024 (OpEx denominator in accordance with EU Taxonomy). Operating expenditures for 2024 as defined by the EU Taxonomy account for an immaterial share (1.7 percent) of total operating expenses (cost of materials, royalties, licenses and personnel costs as well as other operating expenses) in the consolidated income statement. For this reason, Bertelsmann forgoes the calculation of the OpEx numerator, as the operating expenses as defined by the EU Taxonomy are not material to the Group's business models. In application of the exemption option granted by the EU Commission (Second Commission Notice dated December 19, 2022), Bertelsmann therefore reports Taxonomy-eligible operating expenses of €0 million or 0 percent.

The tables in the following section provide an overview of the required EU taxonomy indicators for 2024.

EU Taxonomy Indicators

Revenues

| Financial year 2024 | | | Substantial contribution criteria | | | | | | | | DNSH criteria ("Does Not Significantly Harm") | | | | | | | | |
|---|---------|------------------------------|---|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|---|-------|-----------|------------------|--------------|--------------------|--|----------------------------|--------------------------------|
| Economic Activities | Code | Revenues in € millions | Proportion of revenues, 2024 in % | Climate Change Mitigation | Climate Change Adaptation | Water | Pollution | Circular Economy | Biodiversity | Climate Change Mitigation | Climate Change Adaptation | Water | Pollution | Circular Economy | Biodiversity | Minimum Safeguards | Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) revenues, 2023 | Category enabling activity | Category transitional activity |
| | | | | Y; N; N/ EL ^{1,2} | Y; N; N/ EL ^{1,2} | Y; N; N/ EL ^{1,2} | Y; N; N/ EL ^{1,2} | Y; N; N/ EL ^{1,2} | Y; N; N/ EL ^{1,2} | Y; N; N/ EL ^{1,2} | Y; N; N/ EL ^{1,2} | Y/N | Y/N | Y/N | Y/N | Y/N | Y/N | Y/N | % |
| A. Taxonomy-eligible activities | | | | | | | | | | | | | | | | | | | |
| A.1. Environmentally sustainable activities (Taxonomy-aligned) | | | | | | | | | | | | | | | | | | | |
| Revenues of environmentally sustainable activities (Taxonomy-aligned) (A.1) | | 0 | 0 | | | | | | | | | | | | | | 0 | | |
| Of which enabling activities | | 0 | 0 | | | | | | | | | | | | | | 0 | E | |
| Of which transitional activities | | 0 | 0 | | | | | | | | | | | | | | 0 | | T |
| A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) | | | | | | | | | | | | | | | | | | | |
| | | | | EL; N/EL | EL; N/EL | EL; N/EL | EL; N/EL | EL; N/EL | EL; N/EL | | | | | | | | | | |
| Data processing, hosting and related activities | CCM 8.1 | 201 | 1 | EL | N/EL | N/EL | N/EL | N/EL | N/EL | | | | | | | | | | |
| Data-driven solutions for GHG reductions | CCM 8.2 | 13 | 0 | EL | N/EL | N/EL | N/EL | N/EL | N/EL | | | | | | | | | | |
| Revenues of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2) | | 214 | 1 | 1 | 0 | 0 | 0 | 0 | 0 | | | | | | | | | | |
| A. Revenues of Taxonomy-eligible activities (A.1+A.2) | | 214 | 1 | 1 | 0 | 0 | 0 | 0 | 0 | | | | | | | | | | |
| B. Taxonomy-non-eligible activities | | | | | | | | | | | | | | | | | | | |
| Revenues of Taxonomy-non-eligible activities | | 18,774 | 99 | | | | | | | | | | | | | | | | |
| Total (A+B) | | 18,988 | 100 | | | | | | | | | | | | | | | | |

1 Y – Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective, N – No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective, N/EL – Not eligible, Taxonomy-non-eligible activity for the relevant environmental objective.

2 Taxonomy-eligibility and -alignment per environmental objective:

| Environmental objectives | Proportion of Revenues/Total Revenues | |
|---------------------------------------|---------------------------------------|---------------------------------|
| | Taxonomy-aligned per objective | Taxonomy-eligible per objective |
| Climate Change Mitigation: CCM | 0% | 1% |
| Climate Change Adaptation: CCA | 0% | 0% |
| Water and Marine Resources: WTR | 0% | 0% |
| Circular Economy: CE | 0% | 0% |
| Pollution Prevention and Control: PPC | 0% | 0% |
| Biodiversity and ecosystems: BIO | 0% | 0% |

Investments

| Financial year 2024 | | | Substantial contribution criteria | | | | | | | DNSH criteria ("Does Not Significantly Harm") | | | | | | Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) CapEx, 2023 | | Category enabling activity | Category transitional activity |
|--|---------|---------------------------|-----------------------------------|--|--|--|--|---|---|---|----------------------------------|--------------|------------------|-------------------------|---------------------|---|---|----------------------------|--------------------------------|
| Economic Activities | Code | CapEx in € millions | Proportion of CapEx, 2024 in % | Climate Change Mitigation Y; N; N/ EL ^{1,2} | Climate Change Adaptation Y; N; N/ EL ^{1,2} | Water Y; N; N/ EL ^{1,2} | Pollution Y; N; N/ EL ^{1,2} | Circular Economy Y; N; N/ EL ^{1,2} | Biodiversity Y; N; N/ EL ^{1,2} | Climate Change Mitigation Y/N | Climate Change Adaptation Y/N | Water Y/N | Pollution Y/N | Circular Economy Y/N | Biodiversity Y/N | Minimum Safeguards Y/N | % | E | T |
| A. Taxonomy-eligible activities | | | | | | | | | | | | | | | | | | | |
| A.1. Environmentally sustainable activities (Taxonomy-aligned) | | | | | | | | | | | | | | | | | | | |
| CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1) | | 0 | 0 | | | | | | | | | | | | | | | | |
| Of which enabling activities | | 0 | 0 | | | | | | | | | | | | | | | E | |
| Of which transitional activities | | 0 | 0 | | | | | | | | | | | | | | | | T |
| A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) | | | | | | | | | | | | | | | | | | | |
| | | | | EL; N/EL | EL; N/EL | EL; N/EL | EL; N/EL | EL; N/EL | EL; N/EL | | | | | | | | | | |
| Transport by passenger cars and light commercial vehicles | CCM 6.5 | 2 | 0 | EL | N/EL | N/EL | N/EL | N/EL | N/EL | | | | | | | | | 0 | |
| Construction of new buildings | CCM 7.1 | 17 | 1 | EL | N/EL | N/EL | N/EL | N/EL | N/EL | | | | | | | | | 1 | |
| Renovation of existing buildings | CCM 7.2 | 25 | 2 | EL | N/EL | N/EL | N/EL | N/EL | N/EL | | | | | | | | | 1 | |
| Installation, maintenance and repair of energy efficiency equipment | CCM 7.3 | 2 | 0 | EL | N/EL | N/EL | N/EL | N/EL | N/EL | | | | | | | | | 1 | |
| Installation, maintenance and repair of renewable energy technologies | CCM 7.6 | 5 | 0 | EL | N/EL | N/EL | N/EL | N/EL | N/EL | | | | | | | | | 0 | |
| Acquisition and ownership, and lease, of buildings | CCM 7.7 | 228 | 16 | EL | N/EL | N/EL | N/EL | N/EL | N/EL | | | | | | | | | 15 | |
| Data processing, hosting and related activities | CCM 8.1 | 48 | 3 | EL | N/EL | N/EL | N/EL | N/EL | N/EL | | | | | | | | | 3 | |
| Data-driven solutions for GHG reductions | CCM 8.2 | 3 | 0 | EL | N/EL | N/EL | N/EL | N/EL | N/EL | | | | | | | | | 0 | |
| CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2) | | 330 | 23 | 23 | 0 | 0 | 0 | 0 | 0 | | | | | | | | | 21 | |
| A. CapEx of Taxonomy-eligible activities (A.1+A.2) | | 330 | 23 | 23 | 0 | 0 | 0 | 0 | 0 | | | | | | | | | 21 | |
| B. Taxonomy-non-eligible activities | | | | | | | | | | | | | | | | | | | |
| CapEx of Taxonomy-non-eligible activities | | 1,087 | 77 | | | | | | | | | | | | | | | | |
| Total (A+B) | | 1,417 | 100 | | | | | | | | | | | | | | | | |

1 Y – Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective, N – No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective, N/EL – Not eligible, Taxonomy-non-eligible activity for the relevant environmental objective.

2 Taxonomy-eligibility and -alignment per environmental objective:

| Environmental objectives | CapEx Proportion/Total CapEx | |
|---------------------------------------|--------------------------------|---------------------------------|
| | Taxonomy-aligned per objective | Taxonomy-eligible per objective |
| Climate Change Mitigation: CCM | 0% | 23% |
| Climate Change Adaptation: CCA | 0% | 0% |
| Water and Marine Resources: WTR | 0% | 0% |
| Circular Economy: CE | 0% | 0% |
| Pollution Prevention and Control: PPC | 0% | 0% |
| Biodiversity and ecosystems: BIO | 0% | 0% |

Operating Expenses

| Financial year 2024 | | | Substantial contribution criteria | | | | | | | | DNSH criteria ("Does Not Significantly Harm") | | | | | | Minimum Safeguards | | Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) OpEx, 2023 | | Category enabling activity | Category transitional activity |
|--|------|--------------------------|-----------------------------------|--|--|--|--|---|---|----------------------------------|---|--------------|------------------|-------------------------|---------------------|-----|--------------------|---|--|--|----------------------------|--------------------------------|
| Economic Activities | Code | OpEx in € millions | Proportion of OpEx, 2024 in % | Climate Change Mitigation Y; N; N/ EL ^{1,2} | Climate Change Adaptation Y; N; N/ EL ^{1,2} | Water Y; N; N/ EL ^{1,2} | Pollution Y; N; N/ EL ^{1,2} | Circular Economy Y; N; N/ EL ^{1,2} | Biodiversity Y; N; N/ EL ^{1,2} | Climate Change Mitigation Y/N | Climate Change Adaptation Y/N | Water Y/N | Pollution Y/N | Circular Economy Y/N | Biodiversity Y/N | Y/N | % | E | T | | | |
| A. Taxonomy-eligible activities | | | | | | | | | | | | | | | | | | | | | | |
| A.1. Environmentally sustainable activities (Taxonomy-aligned) | | | | | | | | | | | | | | | | | | | | | | |
| OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1) | | 0 | 0 | | | | | | | | | | | | | | 0 | | | | | |
| Of which enabling activities | | 0 | 0 | | | | | | | | | | | | | | 0 | E | | | | |
| Of which transitional activities | | 0 | 0 | | | | | | | | | | | | | | 0 | | T | | | |
| A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) | | | | | | | | | | | | | | | | | | | | | | |
| | | | | EL; N/EL | EL; N/EL | EL; N/EL | EL; N/EL | EL; N/EL | EL; N/EL | | | | | | | | | | | | | |
| OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2) | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | | | | | | 0 | | | | | |
| A. OpEx of Taxonomy-eligible activities (A.1+A.2) | | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | | | | | | | | 0 | | | | | |
| B. Taxonomy-non-eligible activities | | | | | | | | | | | | | | | | | | | | | | |
| OpEx of Taxonomy-non-eligible activities | | 274 | 100 | | | | | | | | | | | | | | | | | | | |
| Total (A+B) | | 274 | 100 | | | | | | | | | | | | | | | | | | | |

1 Y – Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective, N – No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective, N/EL – Not eligible, Taxonomy-non-eligible activity for the relevant environmental objective.

2 Taxonomy-eligibility and -alignment per environmental objective:

| Environmental objectives | OpEx Proportion/ Total OpEx | |
|---------------------------------------|--------------------------------|---------------------------------|
| | Taxonomy-aligned per objective | Taxonomy-eligible per objective |
| Climate Change Mitigation: CCM | 0% | 0% |
| Climate Change Adaptation: CCA | 0% | 0% |
| Water and Marine Resources: WTR | 0% | 0% |
| Circular Economy: CE | 0% | 0% |
| Pollution Prevention and Control: PPC | 0% | 0% |
| Biodiversity and ecosystems: BIO | 0% | 0% |

Social Information

Bertelsmann is aware of its responsibilities to its workers, value chain workers, consumers and the end users of its products and services. Bertelsmann makes a contribution to reducing and mitigating the negative impacts and risks of its actions and to promoting positive impacts and opportunities.

S1 Own workforce

People are the most important resource for Bertelsmann's success. Bertelsmann's workforce includes own employees who maintain an employment relationship with the Group as well as third-party workers ("non-employees") who work as self-employed people, freelancers or temporary workers hired through agencies for Bertelsmann.

SBM-2 Interests and views of stakeholders

The shareholders, Group management and employees work together in a respectful, trustful manner on the basis of shared, identity-forming core values and goals, and they assume joint responsibility for the Group. Bertelsmann relies on a skilled, motivated and diverse workforce to provide its customers and end users with first-class media content and innovative service solutions. This applies all the more in an age of rapid technological change and constantly changing framework conditions in the international markets and in the world of work. The Group's workforce ("people") is defined as an enabler of the Bertelsmann Group's strategy. Implementation of the Group's strategy is supported by the Group-wide HR agenda of the CHRO.

Processes for engaging the interests and viewpoints of employees and their representatives on material impacts, risks and opportunities are described in detail in section S1-2.

SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

The following table shows the material topics and their respective impacts, risks and opportunities ("IROs") for Bertelsmann's workforce that have been identified as part of the double materiality assessment.

The identified IROs apply, unless otherwise specified, to Bertelsmann's workforce. However, the individual scale and scope vary depending on the country and type of business activity (e.g., logistics or digital content creation and distribution). Certain impacts (e.g., regarding work-life balance, measures against violence and harassment, gender equality, and equal pay for equal work) affect specific groups of people such as women in particular. Furthermore, Bertelsmann sees no significant actual risk of child and forced labor among its own employees, either in relation to its operations or to the countries in which the company operates. Bertelsmann addresses its material IROs through various policies, engagement procedures, speak-up channels for raising concerns and reporting compliance violations, as well as through actions and targets. These are discussed in more detail in sections S1-1 to S1-5.

Material impacts, risks and opportunities

| Topic/Sub-topic | Sub-sub-topic | Description of the IROs | Characterization of the IROs | Localization of the IROs | Time horizon of the IROs |
|---------------------------|-------------------|--|--|--------------------------|-----------------------------|
| Working conditions | Secure employment | Bertelsmann regards the employment of its workforce on the basis of a permanent employment relationship as the standard to be pursued where possible and typical for the business model in question. Job security has a positive effect on employee loyalty and their motivation, and contributes to workplace satisfaction and to the well-being of their personal environment as a whole. | Impact Positive Actual and potential | Own operations | Short, medium and long term |
| | | By contrast, a lack of or low job security can lead to higher stress levels with negative impacts on workplace productivity and employees' private lives. If workforce reductions are unavoidable due to site closures or restructuring, Bertelsmann is aware of its social responsibility towards the affected employees and upholds its duties in this regard. This also includes providing affected employees with information in good time and exploring internal options for new or continued employment. At the same time, Bertelsmann introduces measures to provide training and placement services in order to improve the opportunities of those affected in the internal and external labor market. | Impact Negative Actual and potential | | |
| | | Restructuring costs may arise if workforce reductions are required due to economic necessity. | Risk | | |
| | Working time | Bertelsmann's working culture is more driven by results than employee office attendance. Flexible working time arrangements aim to harmonize and optimally reconcile employees' needs with the Group's interests, in turn promoting employee health and well-being while simultaneously supporting their performance. | Impact Positive Actual and potential | Own operations | Short, medium and long term |
| | | Bertelsmann creates an environment that allows employees to complete the tasks assigned to them during their normal working hours. However, workforce reductions and labor shortages in addition to the characteristics of some of Bertelsmann's businesses (e.g., shift patterns and seasonal demand), can still lead to longer working hours and limited flexibility when it comes to time off in lieu. These factors can adversely affect employee performance (greater chance of making errors) and well-being (fatigue, burnout). | Impact Negative Actual and potential | | |
| | | Limited flexibility with regard to working time and location can reduce the attractiveness of an employer, making it harder to attract new talent and, ultimately, hampering the Group's ability to innovate, transform and succeed. | Risk | | |
| | Adequate wages | At Bertelsmann, offering adequate wages is viewed as a key expression of fair working conditions. It has a positive impact on worker satisfaction, motivation, and quality of life, and reduces the risk of poverty. | Impact Positive Actual and potential | Own operations | Short, medium and long term |
| | | A lack of adequate wages can cause financial difficulties for the Group's own workforce and, in the worst-case scenario, jeopardize the Group's ability to continue as a going concern. At Bertelsmann, remuneration complies with the pertinent regulations as a minimum requirement and is paid when due. In addition, Bertelsmann ensures that the salary level of full-time employees is sufficient to cover basic human needs and ensure decent living conditions. | Impact Negative Potential | | |
| | | Failure to comply with regulations covering adequate wages carries legal risks in connection with the loss of reputation and financial penalties. | Risk | | |
| | Social dialogue | At Bertelsmann, maintaining an ongoing dialogue with employees and their representatives is key to cooperation. This approach to communication has shaped the Bertelsmann corporate culture, which prioritizes participation and partnership. The Group's social dialogue increases participation in decision-making processes, offers a variety of perspectives, and fosters a sense of affiliation with the Group. At the same time, it gives the Group the opportunity to strike a balance between employer and employee interests, shows respect for the rights of the various parties, and has a positive impact on the organization of a wide range of other topics related to employees. | Impact Positive Actual and potential | Own operations | Short, medium and long term |
| | | An inadequate social dialogue can negatively impact the ability of employees to identify with the Group, employee satisfaction and morale owing to a lack of participation and transparency in key decision-making processes and the resulting lack of trust in the employer. | Impact Negative Potential | | |

| | | | | | |
|--|---|---|---|--------------------------------------|-----------------------------|
| Working conditions | Freedom of association, the existence of works councils | <p>Bertelsmann respects the right to freedom of association. Although Bertelsmann, as a media company, is free to determine its political direction as defined in the German "Works Constitutions Act" (Tendenzschutz) and therefore is not subject to statutory co-determination in the Supervisory Board, five employee representatives are currently appointed as members of the Supervisory Board on a voluntary basis. Freedom of association allows employees and representatives of their interests to actively help shape the conditions for their workplace. This right contributes to greater mutual understanding and to faster, more transparent problem-solving and solution-finding.</p> <p>Disregarding the right to freedom of association can negatively impact the ability of employees to identify with the Group, employee satisfaction and morale. It can also hamper their ability to openly discuss issues and find solutions.</p> | Impact Positive Actual and potential | Own operations | Short, medium and long term |
| | Collective bargaining | <p>Bertelsmann guarantees the right to collective bargaining. Collective bargaining contributes to stable labor relations and reduces the likelihood of strikes. Partnership-based negotiations can help ensure fair working conditions and adequate wages, among other things, all of which have a positive impact on employee satisfaction, loyalty and turnover.</p> <p>Some Bertelsmann companies operate in countries where collective bargaining is not common practice. This can lead to differences in terms of workers' rights, working conditions and pay. Bertelsmann acknowledges its responsibility for ensuring fair working conditions for all employees, regardless of collective bargaining.</p> | Impact Positive Actual and potential | Own operations | Short, medium and long term |
| | | Work-life balance | <p>Bertelsmann provides the framework conditions to help employees reconcile their professional commitments with their private lives on the basis of mutual trust. Particular attention is given to challenges inherent to specific life stages such as caring for children or dependents.</p> <p>A lack of work-life balance can negatively impact employee health and their private lives. The requirements involved in certain business models (e.g. shift patterns or seasonal demand) can make it difficult to achieve a satisfactory balance. With the exception of cases where operational processes do not permit these approaches, Bertelsmann relies on flexible working and part-time models to help employees balance work and their private lives.</p> | Impact Positive Actual and potential | Own operations |
| | Health and safety | <p>Providing a safe and healthy work environment that protects the physical and mental well-being of employees enhances their performance at work and also has a positive impact on their private lives and quality of life.</p> <p>Shortcomings in Group-wide occupational health and safety can lead to physical harm (accidents, illness) with potentially irreversible consequences, including fatalities, and/or that could adversely affect the mental health of employees. Bertelsmann adheres to the pertinent laws and regulations regarding health and safety and aims to create a healthy work environment.</p> | Impact Positive Actual and potential | Own operations | Short, medium and long term |
| Equal treatment and opportunities for all | | <p>Bertelsmann treats all individuals working for the Group equally and without distinction, and without prejudice or discrimination of any kind. The principle is that employees receive equal pay for equal work and work of equal value, regardless of gender or other characteristics unrelated to performance. Equal treatment and equal opportunity can increase the attractiveness of the workplace and have positive impacts on the productivity, creativity and well-being of employees while also helping to attract new talent.</p> <p>By contrast, inequality can lead to income inequalities and employee dissatisfaction as a result. Any discriminatory pay gaps identified are eliminated by Bertelsmann.</p> | Impact Positive Actual and potential | Own operations | Short, medium and long term |
| | Training and skills development | <p>Profound changes such as the transformation of the working environment through digitalization and the use of artificial intelligence require a qualified, motivated and diverse workforce. By offering targeted learning and skills development opportunities, Bertelsmann aims to enable its employees at all levels to adapt to the challenges of a rapidly changing world and to continually learn with and from one another. As this approach contributes to maintaining and acquiring competencies critical to success and preserving employability, it has a positive effect on employees.</p> | Impact Positive Actual and potential | Own operations | Short, medium and long term |

| | | | | | |
|--|---|--|--|----------------|-----------------------------|
| Equal treatment and opportunities for all | Training and skills development | <p>Bertelsmann regards attracting, developing and retaining a qualified, motivated and diverse workforce as an opportunity to improve the Group's ability to innovate and transform, which is crucial to its economic success.</p> <p>Without a qualified, motivated and diverse workforce capable of handling profound changes, there is a risk that the Group's ability to innovate and transform, and thus its economic success, could be adversely affected.</p> | <p>Opportunity</p> <p>Risk</p> | Own operations | Short, medium and long term |
| | Measures against violence and harassment in the workplace | The working environment at Bertelsmann is based on mutual trust and appreciation. Sexual harassment, discrimination, racism, bullying, abuses of power, intimidation or threats and other forms of harassment are not tolerated. Bertelsmann raises awareness among employees, provides training and offers various ways to seek advice or raise concerns about possible misconduct in a confidential and secure manner. This has a positive impact on corporate culture and contributes to a work environment in which psychological safety is a high priority. | Impact Positive Actual and potential | Own operations | Short, medium and long term |
| | Diversity | <p>At Bertelsmann, diversity and variety of employees is a fundamental prerequisite for creativity, innovation and therefore the Group's lasting success. A diverse, inclusive work environment in which each individual feels heard and supported leads to a higher level of motivation and a greater sense of belonging within the Group.</p> <p>A work environment that does not value diversity can lead to discrimination, a poor work environment, and damage employee mental health and motivation levels.</p> <p>Bertelsmann views the diversity of its employees as an opportunity to enhance its ability to innovate and transform through new content, products and services, and to tap into new business potential, models and markets. In addition, diversity strengthens the Group's employer brand and helps attract new talent.</p> | <p>Impact Positive Actual and potential</p> <p>Impact Negative Actual and potential</p> <p>Opportunity</p> | Own operations | Short, medium and long term |
| Other work related rights | Child and forced labour | Child labor, forced labor, all forms of modern slavery and human trafficking, and any form of exploitation are strictly prohibited at Bertelsmann. Any violations of these principles can have serious consequences for the health and development of individuals, especially if they belong to vulnerable groups. | Impact Negative Potential | Own operations | Short, medium and long term |

S1-1 Policies related to own workforce

People are the most important resource for creativity and entrepreneurship and thus for Bertelsmann's success. This corporate identity – anchored in the corporate constitution and the Bertelsmann Essentials – forms the basis for the Executive Board guidelines and policies related to the company's workforce.

Bertelsmann Essentials

The two corporate values of creativity and entrepreneurship, the Bertelsmann Essentials, are at the heart of the daily activities of Bertelsmann employees. Through their interaction, they reinforce each other and thereby form the cornerstones of the Bertelsmann corporate culture, which relies on participation and partnership.

Bertelsmann Code of Conduct

Building on the Bertelsmann Essentials, the Bertelsmann Code of Conduct aims to raise sufficient awareness of applicable laws and principles among all employees in the Group and raise awareness of risks in everyday work. As a binding guideline, it sets the standard for responsible conduct towards business partners and the public, as well as in interactions within the Group. It contains principles for the following material employee-related topics: Working hours, adequate wages, freedom of association and collective bargaining, health and safety, diversity, measures against violence and harassment, and other work-related rights. Among other things, the Bertelsmann Code of Conduct enshrines respect for human and personal rights and the dignity of each individual, and formulates Bertelsmann's commitment to the principles of the UN Universal Declaration of Human Rights and the UN Global Compact. The Bertelsmann Code of Conduct also emphasizes the importance of open discussion, and respectful and trusting conduct in a work environment that foster diversity and equal opportunity and does not tolerate harassment or discrimination.

The Executive Board bears ultimate responsibility for the Group-wide implementation of the Code of Conduct. The material scope of application for the S1 standard includes Bertelsmann's employees, who are required to comply with the principles enshrined in the Bertelsmann Code of Conduct. The Bertelsmann Code of Conduct is available in 12 languages on both the Bertelsmann website and the Bertelsmann intranet. Bertelsmann employees are required to take mandatory training on the Bertelsmann Code of Conduct (see section G1-1). The implementation is monitored with the Bertelsmann Compliance Survey and the Bertelsmann Compliance Report. In addition, the Bertelsmann Employee Survey is used to check whether employees are aware of the Bertelsmann Code of Conduct and the ways in which violations of the Code of Conduct can be reported.

Executive Board Guideline Health and Safety

The Executive Board Guideline Health and Safety sets the organizational framework for Group-wide health and safety management. On the one hand, the main content of the guideline addresses the responsibilities and tasks related to Group-wide health and safety management with regard to the Executive Board, management of the divisions, management of the Group companies and cooperation in the CR Council, and in the cross-divisional health & well-being and safety working groups. On the other hand, the Executive Board guideline defines the targets and responsibilities related to health and safety reporting.

The Executive Board bears ultimate responsibility for the guideline. It sets Group-wide priorities and targets for health and safety topics. The Executive Board guideline was prepared with the involvement of the CR Council, the HR Committee, and the existing working groups. It applies to Bertelsmann SE & Co. KGaA and Bertelsmann Management SE and all companies controlled by them (Group companies). Group companies for which this guideline is not already directly applicable due to existing corporate governance rules (e.g., RTL Group) implement their own, equivalent guidelines based on this guideline. The Executive Board guideline is available on the Bertelsmann intranet and the department Corporate Responsibility is responsible for monitoring and updating its content.

Bertelsmann Policy Health & Well-being

The Bertelsmann Health & Well-being Policy aims to achieve healthy and safe working conditions and a culture of mutual support for all employees. The focus of this policy is on continually improving the management of health & well-being. The principles set forth in the policy concern the establishment of a management approach to health & well-being (roles and responsibilities, processes to minimize and eliminate risks to mental, physical and social health, and the implementation of actions) as well as the establishment of working groups to address this topic in a holistic, systematic manner. Another focus of the policy lies in enabling managers to create a healthy and safe work environment and corporate culture, and helping all employees to develop a healthier lifestyle and safer work habits. Employees are able to access voluntary health training and services, such as occupational social counseling or the Employee Assistance Program (EAP) for free.

The Executive Board bears ultimate responsibility for this policy. The policy was prepared with the involvement of the CR Council, the HR Committee, the Corporate Works Council in Germany and the existing working groups. The Corporate Responsibility department is responsible for communicating the policy to all employees and other stakeholders in coordination with the Communications department. The policy is also available on the Bertelsmann website and on the Bertelsmann intranet. The Bertelsmann Health & Well-being Policy applies to employees of Bertelsmann SE & Co. KGaA as well as Bertelsmann Management SE and all companies controlled by them (Group companies). Group companies for which this policy is not already directly applicable due to existing corporate governance rules (e.g., RTL Group) implement their own equivalent policies based on this policy. The policy is reviewed every two years.

Bertelsmann Policy Safety

The Bertelsmann Safety Policy defines the common understanding of workplace safety at Bertelsmann. The safety of employees in the work environment is given top priority. According to the policy, all Bertelsmann employees should be protected against work-related injuries and illness. To achieve this, the Group strives to continuously improve its occupational health and safety performance. The policy enshrines Bertelsmann's commitment to providing safe and healthy working conditions. The principles set forth in the policy concern the Group-wide management approach (roles and responsibilities, requirements placed on local health and safety management systems, alignment with external standards such as ISO 45001), regular risk assessments and effective controls for risks and hazards, emergency preparedness, safety awareness, competency and training. The proactive contribution to achieving a safe working environment by managers and all employees, regardless of their position, as well as close cooperation with employee representatives, are also integral elements of the policy.

As stakeholder engagement, responsibilities, availability, monitoring and the scope of the policies are the same in both the Bertelsmann Health & Well-being Policy and the Bertelsmann Safety Policy, this information can be found in the preceding section.

Bertelsmann Policy related to inclusion

The Bertelsmann Policy related to inclusion states that diversity and variety among employees are decisive for creativity. The policy primarily addresses the following topics that were found to be material according to the double materiality assessment: Diversity and measures against violence and harassment. The principles set forth in the Bertelsmann Policy related to inclusion underscore the common understanding of inclusion at Bertelsmann. The goal is to foster diversity and variety across the Group at all levels, where legally permitted. Bertelsmann aims to create a working environment based on fairness and participation as well as mutual understanding and appreciation that takes into account the individual needs of employees.

Bertelsmann does not tolerate discrimination based on ethnic, national or social background, skin color, age, gender, gender identity or expression, sexual orientation, pregnancy, marital status or parenthood, disability, religion or worldviews, political or other beliefs, or for other reasons prohibited by any ban on discrimination. LGBTIQ+ discrimination, racism, anti-Semitism, religious intolerance, sexism, sexual harassment, bullying abuse of power, intimidation, threats, and any other form of harassment are not tolerated. Every report of a potential compliance violation is handled based on a defined procedure in line with the Executive Board's Guideline for Handling Reports of Compliance Violations and the Procedure for Compliance Violations as outlined in section G1-1. Additionally, contact persons for the German "General Equal Treatment Act" (AGG) are available at sites in Germany.

The Executive Board bears ultimate responsibility for the Bertelsmann Policy related to inclusion. It applies to employees of Bertelsmann SE & Co. KGaA and Bertelsmann Management SE and all companies that are controlled by them (Group companies). Group companies for which this policy is not already directly applicable due to existing corporate governance rules (e.g., RTL Group) implement their own, equivalent policies based on this policy. The policy is available on both the Bertelsmann intranet and the Bertelsmann website and is reviewed every two years. Principles on this topic applicable to employees are also enshrined in the Bertelsmann Code of Conduct, the Bertelsmann Policy on Human Rights and Fair Working Conditions, the Bertelsmann Creativity Principles, and the Executive Board Guideline on Staffing Policy. In addition, the Bertelsmann Action Plan for Inclusion (2019–2024) aims to improve participation for employees with disabilities in the German Bertelsmann companies and is evaluated annually.

Bertelsmann Policy Human Rights and Fair Working Conditions

The aim of the Bertelsmann Policy on Human Rights and Fair Working Conditions is to create a common Group-wide understanding of the Group's standards with regard to these topics. It serves as a compass for ethically and socially responsible conduct based on the principles of fairness, respect and trust. The policy addresses or references all employee-related topics classified as material in the double materiality assessment. The content of this policy concerning material impacts, risks and opportunities for Bertelsmann can be found in the IROs table at the beginning of this chapter (see section SBM-3). Global conventions on human rights and working conditions are referenced as frameworks in the policy. These include the UN Guiding Principles on Business and Human Rights, the UN Free & Equal Standards, the International Labour Organization's (ILO) Core Labour Standards and the Organization for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises.

The Bertelsmann CHRO is responsible for the implementation of this policy and initiates the dialogue with the heads of HR from the divisions. For their part, the divisions report to the Group Executive Board on the status of policy implementation. The Bertelsmann Policy on Human Rights and Fair Working Conditions was developed in a cross-divisional working group and finalized with the heads of HR from the divisions, employee representatives and experts. It is available on both the Bertelsmann website and the Bertelsmann intranet. The principles set forth in the policy concern all own employees of Bertelsmann SE & Co. KGaA and Bertelsmann Management SE and all companies controlled by them (Group companies). The engagement of non-employees is governed by a separate paragraph in this policy. Group companies for which this policy is not already directly applicable due to existing corporate governance rules (e.g., RTL Group) implement their own equivalent policies based on this policy.

Commitment to respect human rights

Bertelsmann's activities are guided by international human rights standards, which are referenced in the regulations mentioned above.

Respect for and observance of human rights, including the prohibition of forced and child labor, any form of slavery and human trafficking, and any form of exploitation, are explicitly enshrined in the Bertelsmann Code of Conduct, the Bertelsmann Policy on Human Rights and Fair Working Conditions, the Bertelsmann Declaration of Principles on the Observance of Human Rights, and the Bertelsmann Slavery and Human Trafficking Statement (see section S2).

In order to ensure compliance with these principles and guidelines, the Executive Board has established a compliance organization with an Integrity & Compliance program and appointed a Corporate Compliance Committee (CCC). The Integrity & Compliance (I&C) department is responsible for implementing the human rights strategy, and is subordinate to the CCC in the organization. The head of the Group Legal department, who is also the Human Rights Officer of Bertelsmann, oversees the implementation of the human rights strategy. It is the task of I&C to inform employees about the key legal provisions and internal company guidelines, including those concerning respect for human rights. Local compliance officers act as local contacts at each of the Group companies. Please consult section G1 for more information on the governance structure at Bertelsmann.

As part of an annual analysis, risks related to human rights and the environment are identified and assessed, and, based on the results, appropriate preventative and remedial actions are taken. The internal control system monitors the effectiveness and adequacy of the established actions in the divisions on the basis of risk. The analysis is carried out for Bertelsmann's own business divisions and direct suppliers, and is described in more detail in section S2-3.

S1-2 Processes for engaging with own employees and employees' representatives about material impacts, risks and opportunities

The ongoing engagement of employees and their representatives in decision-making processes on material employee-related topics forms an integral part of the Bertelsmann corporate culture. Based on a culture of participation and partnership, employees and their representatives work together for the common good and therefore for the good of Bertelsmann. Various communication channels and dialogue formats are in place for discussion, addressing common issues and raising concerns. At Group level, the Bertelsmann CHRO bears overall responsibility for the engagement of employees and their representatives.

Employees from the respective departments regularly discuss actual and potential impacts, risks and opportunities posed by certain material topics in cross-divisional working groups.

- **Training and skills development:** The learning strategy is implemented by Bertelsmann University and in Germany by the Bertelsmann vocational school. Representatives from the divisions meet with Bertelsmann University every two months in the international Talent & Learning Committee to jointly evaluate employee-related learning needs and promote the development of learning opportunities. In addition, the ongoing development of talent management processes and HR tools such as the performance and development dialogue is implemented by the Top Executives and Talent Management department with the support of the cross-divisional Talent Management Committee.
- **Health and safety:** The Corporate Responsibility department is working with two international cross-divisional working groups on the topics of health & well-being as well as safety to develop the strategic framework for a safe and healthy work environment at Bertelsmann. In addition to directly engaging with employees through mutual exchanges in the working groups, information is provided and consultations held with employee representatives three to four times each year (e.g., Group works councils or the Group representatives for severely disabled employees in Germany). The collaboration is governed by the Executive Board guideline on this topic described in section S1-1.

- **Diversity:** The Group-wide strategy to foster inclusion is implemented by the Corporate Responsibility department with the involvement and consultation of representatives from the divisions in an international working group and through the provision of information to other committees in the divisions, to the extent permitted by law. In 2024, the aforementioned working group met for a three-day in-person meeting and virtual meetings were held on a monthly basis. A variety of employee networks, including the cross-divisional LGBTIQ+ employee network “be.queer,” are active in the company, open to all employees. In addition, employee representatives (e.g., Supervisory Board employee representatives, Group representatives for severely disabled employees, and the Bertelsmann Inclusion Officer in Germany) are kept informed or consulted on a topic-specific basis.

Employees and their representatives are consulted as required about other important decision-making processes. This happens, for example, when conducting the double materiality assessment in order to determine Group-wide, material sustainability topics, or when preparing and revising Executive Board regulations (e.g., the Bertelsmann Code of Conduct, the Bertelsmann Policy on Human Rights and Fair Working Conditions, the Health & Well-being Policy, the Safety Policy, or the Executive Board Guideline Health and Safety).

In addition to the engagement of employees and their representatives as required and regular discussions in topic-specific working groups, all employees are regularly consulted in the Bertelsmann Employee Survey and in various personnel meetings. The Bertelsmann Employee Survey contains questions about material employee-related topics such as working hours, work-life balance, diversity, adequate wages, and health and safety, among others. The findings from the Bertelsmann Employee Survey are presented to the Supervisory Board, the Executive Board, decision-makers at Group and division level, and the Chairman of the Group Works Council. All employees are then informed of the findings. Based on the findings, areas for improvement are identified, corresponding actions derived, and evaluated on the basis of topic-specific indices (e.g., on creativity, entrepreneurship and empowerment, learning culture, health & well-being, and ESG as a whole).

In 2024, around 300 managers shared their views on the framework conditions and foundations for successful entrepreneurship with the Executive Board at the Leading Entrepreneurship Conference in Amsterdam. There are also additional formats available for addressing overarching Group topics such as the Bertelsmann Group Dialogue Conference, which serves as a forum for regular discussions between the Chairman of the Executive Board, the Bertelsmann CHRO and Group Works Council members from divisions in Germany, and the Annual Meeting of the Disabled Employee Representative Bodies in Germany. Although Bertelsmann, as a media company, is free to determine its political direction as defined in the German “Works Constitutions Act” (Tendenzschutz) and therefore is not subject to statutory co-determination in the Supervisory Board, five employee representatives are currently appointed as members of the Supervisory Board on a voluntary basis.

S1-3 Processes to remediate negative impacts and channels for workers to raise concerns

Speak Up is Bertelsmann's whistleblower system. It gives employees various opportunities to seek advice or raise concerns about possible misconduct through confidential and secure channels. Reports of potential compliance violations can be communicated either electronically or by telephone, and anonymously on request. External ombudspersons appointed by Bertelsmann are also available to contact. Concerns can also be raised with local contacts (e.g., supervisors, management, local compliance officers, HR, Legal, and Finance/Audit departments, or – where available – employee representatives) or with the Integrity & Compliance (I&C) department. Bertelsmann provides its employees with information on the available options for submitting reports through these channels and on the next steps. Information about the speak-up channels is available in various languages on the Bertelsmann intranet, the Bertelsmann website, and in the Bertelsmann Code of Conduct. I&C is responsible for the provision of speak-up channels, receiving reports, and coordinating investigations or other follow-up actions. Each report is handled in accordance with the procedure for compliance violations described in section G1. Following an initial evaluation of the report, the investigation team conducts a review, which results in the introduction of actions in the event of substantiated violations. The corresponding findings are documented by I&C. The effectiveness of the grievance process is reviewed at least once a year with regard to its functionality and guaranteed access by I&C. The effectiveness of the process is assessed, among other methods, by the number of grievances received, information about the groups of individuals from whom grievances were received, the proportion of grievances resolved and grievances that could not be resolved, if any, and the length of time it took to handle grievances. This provides insight into how to improve the quality of the grievance process, communication and adequate resources for the grievance process.

When developing the grievance process, particular importance was attached to ensuring employee access and actions were taken to counteract potential obstacles such as a lack of resources, lack of information and language barriers. Group works councils in Germany were involved in the introduction of the grievance process and in every major change to the system since. As part of the regular Bertelsmann Employee Survey, Bertelsmann employees are asked to comment on issues related to the grievance process. Feedback is incorporated into the process of improving the procedure. Bertelsmann has ensured that any language or other barriers are removed by providing the system in multiple languages, free of charge, based on the local languages spoken at Bertelsmann sites. The rules of procedure for the Bertelsmann Speak Up procedure are available in various languages and will be supplemented by additional languages as required.

S1-4 Taking actions on material impacts, risks and opportunities and effectiveness of those actions

Bertelsmann introduces appropriate and effective actions to reduce and mitigate the negative impacts of its actions on workers and risks, and to promote positive impacts and opportunities. These actions are identified and evaluated through discussions in cross-divisional working groups on material topics or as required, as described in section S1-2. Actions managed centrally and across the Group in relation to material impacts, risks and opportunities are summarized below.

- **Training and skills development:** The three-year Bertelsmann Tech & Data Scholarship initiative (2023–2025) with more than 50,000 scholarships includes both the Udacity technology stipend program “Next Generation Tech Booster” for external candidates as well as the “Employee Scholarship” program with Udacity, Coursera and Harvard Online for Bertelsmann employees. The second round of both programs was completed and a third round launched in 2024. Furthermore, the learning format “Your Growth Booster” took place in order to promote a culture of learning. Alongside the digital program series “BeReady,” for example, the strategy program “Managing Strategy for Action” was held at Harvard Business School to empower and network top executives. A review of the Performance and Development Dialogue was also launched to update core competencies and improve user-friendliness. Tech & Data roles critical to success are reviewed on a regular basis to identify and fill any skill gaps. The results of the analyses of divisional skills gaps are presented at least once a year as part of strategy meetings between the Executive Board and divisional heads. The completion rate of the scholarship programs is used to evaluate the success of the Bertelsmann Tech & Data Scholarship initiative. Participant feedback is evaluated for the remaining programs for managers and learning formats that are offered to all employees. The learning culture at Bertelsmann is also assessed based on the results of the employee

survey. With regard to the Performance and Development Dialogue, Bertelsmann plans to review the effectiveness of the revised tool based on the number of dialogues held and the feedback from respondents.

- **Health and safety:** In 2024, awareness of mental health among employees was promoted as part of a Group-wide initiative. In addition, an international “Fit for Work” sporting campaign was held in which over 3,000 employees took part around the world. Actions (e.g., in-person workshops, online training, preparing digital course collections and knowledge sharing) were also launched to foster a leadership style that promotes health in the divisions. Suitable health and safety actions are determined through regular coordination in the cross-divisional, international working groups. The effectiveness of the actions carried out is reviewed based on participation rates and usage data for the information provided (e.g., click numbers, downloads) as well as a qualitative evaluation with the support of the working groups. Findings from the employee survey are also used to identify opportunities for improvement.
- **Diversity:** Further progress was made on the topic in terms of strategy in 2024. As part of the latest development, a set of proposals was produced to foster diversity at certain stages of the employee life cycle and the development of a framework document was initiated to support cross-divisional employee networks. In addition, actions to raise awareness and develop skills involving training and presentations were implemented, including as part of International Women’s Day. The cross-divisional LGBTQ+ employee network “be.queer” contributed to raising awareness with activities related to Pride Month. Suitable actions are defined and evaluated, in particular, in regular discussions held in the cross-divisional working group. The employee survey is also being evaluated to obtain an overall assessment of this topic.
- **Measures against violence and harassment:** In 2024, the Group developed a new mandatory antidiscrimination training course with the goal of improving the basic understanding of employees on the topic of antidiscrimination and familiarizing all employees with their related rights and obligations. The effectiveness of the training will be evaluated on the basis of participation rates after its launch in 2025. In addition, employees at the Group’s sites in Germany are able to get in touch with contact persons for the “German Equal Treatment Act” (AGG). Employees have been informed of their rights in this regard.
- **Social dialogue and freedom of association, including the existence of employee representatives:** The Bertelsmann Group Dialogue Conference was held in 2024. It brought together the Chairman of the Executive Board, the Bertelsmann CHRO, and Group Works Council members from the divisions in Germany. The focus of this year’s conference was artificial intelligence.
- **Other work-related topics:** In 2024, both Bertelsmann and individual Group companies issued their own statements in accordance with the “UK Modern Slavery Act” and the “Canadian Fighting Against Forced Labour and Child Labour in Supply Chains Act,” condemning all forms of modern slavery, forced and child labor, as well as exploitation and discrimination, and presenting actions to prevent these human rights violations.

In line with the principle of subsidiarity, the implementation of the Group's strategy and operational business responsibility as part of the implementation of entity-specific actions are largely delegated to the corporate divisions and Group companies. Against this backdrop and as part of the first-time implementation of the double materiality assessment, no centrally managed Group-wide actions as defined by the requirements under MDR-A (Minimum Disclosure Requirements – Actions) were introduced in 2024 on material topics such as secure employment, working hours, work-life balance, collective bargaining, adequate wages and gender equality, and equal pay for equal work. The Group-wide ambition on these topics is codified or referenced in the Bertelsmann Policy on Human Rights and Fair Working Conditions. The adoption of a successor program to the Bertelsmann ESG program (2021–2024), which came to an end in the reporting year, including targets and actions, is planned for the medium term.

Targets and metrics

S1-5 Targets related to managing material impacts, risks and opportunities

Bertelsmann's ambition regarding all material employee-related topics is codified or referenced in the Bertelsmann Policy on Human Rights and Fair Working Conditions. In line with the principle of subsidiarity, the implementation of the Group's strategy and operational business responsibility as part of the implementation of entity-specific targets are largely delegated to the corporate divisions and Group companies. Against this backdrop and in the context of the first-time implementation of the double materiality assessment, there are currently no Group-wide targets as defined by the requirements under MDR-T (Minimum Disclosure Requirements – Targets) with respect to all material employee-related topics. At the Group level, mechanisms are used in certain cases to ensure the effectiveness of policies and actions, as described in sections S1-1 and S1-4. The adoption of a successor program to the Bertelsmann ESG program (2021–2024), which came to an end in the reporting year, including targets and actions, is planned for the medium term.

S1-6 Characteristics of the undertaking's employees

§ Reporting principles

The metrics in section S1-6 to be disclosed regarding the total number of employees at Bertelsmann are reported as a headcount as of the cut-off date December 31. These metrics do not include interns or apprentices.

The breakdown by country is based on the domicile of the legal entity that employs employees. Germany, the United States and Brazil are disclosed separately in the report because they exceed the size criteria of 50 or more employees as specified in ESRS and represent more than 10 percent of the total number of employees.

The breakdown by gender is based on the genders stated by employees. Currently, employees cannot enter genders other than male or female in all local HR master data systems. In light of this, Bertelsmann gives all employees the opportunity to voluntarily insert or correct their gender in the Group-wide HR IT system "peoplenet." If employees have reported a gender other than male or female, they are recorded under the category "other." Employees without gender entry and employees that do not wish to disclose their gender are recorded under the category "not specified."

The breakdown by contract term is based on the respective local HR master data. Where employees have a permanent or temporary employment relationship without guaranteed working hours, they are reported as both permanent or temporary, and as non-guaranteed hours employees.

Divestments are excluded from the calculation of employee turnover. Employee turnover is categorized as "voluntary" or "involuntary." Voluntary turnover includes, among other scenarios, employees who initiated the termination of their contract or employees who have retired. Involuntary turnover includes, but is not limited to, employees who have been let go or who have passed away. The denominator for calculating employee turnover is the average number of employees for the year.

No estimates were made when the metrics of section S1-6 were recorded.

Total number of employees by gender

| Total number | 2024 |
|--------------|---------------|
| Male | 34,046 |
| Female | 40,537 |
| Other | 17 |
| Not reported | 7 |
| Total | 74,607 |

Total number of employees by country

| Total number | 2024 |
|-----------------|---------------|
| Germany | 28,800 |
| United States | 11,152 |
| Brazil | 8,844 |
| Other countries | 25,811 |
| Total | 74,607 |

Total number of employees by contract type

| Total number | Male | Female | Other | Not reported | 2024 |
|--|---------------|---------------|-----------|--------------|---------------|
| Permanent employees | 30,601 | 35,747 | 15 | 6 | 66,369 |
| Temporary employees | 3,445 | 4,790 | 2 | 1 | 8,238 |
| Total | 34,046 | 40,537 | 17 | 7 | 74,607 |
| thereof non-guaranteed hours employees | 59 | 13 | 0 | 0 | 72 |

As of December 31, 2024, a total of 74,607 employees were employed at Bertelsmann, of whom 89 percent had permanent employment contracts. The total number of employees corresponds to the disclosure in section 33 of the Notes to the Consolidated Financial Statements "Additional Disclosures in Accordance with Section 315e of the German Commercial Code (HGB)." Temporary employment models are limited to circumstances in which they are necessary in order to respond to specific business requirements.

Metrics on employee turnover

| Total number or percent | 2024 |
|---|--------|
| Total number of employees who have left the undertaking | 21,198 |
| Rate of employee turnover (in %) | 27 |

A total of 21,198 employees left the Group in 2024. The overall employee turnover rate was 27 percent and includes all employees with permanent and temporary employment contracts who left the Group in the reporting year, either voluntarily or involuntarily. The rate can be explained in particular by employees with temporary employment contracts and, for business reasons, especially by RTL Group's content business Fremantle. The turnover rate for employees with permanent employment contracts was 17 percent.

S1-8 Collective bargaining coverage and social dialogue

§ Reporting principles

Coverage rates are calculated based on the total number of employees in accordance with ESRS S1-6, as a headcount in the European Economic Area (EEA) calculated as of the cut-off date December 31. Germany is shown separately in the reporting on coverage by collective bargaining agreements and by employee representatives, as it meets the size criteria of 50 or more employees and more than 10 percent of the total number of employees as specified in ESRS. Collective agreements such as works agreements are also included under collective bargaining agreements for the purposes of this metric.

No estimates were made when the metrics of section S1-8 were recorded.

As of December 31, 2024, a total of 78 percent of Bertelsmann employees were covered by collective bargaining agreements in the EEA. The following table shows the rates of coverage by collective bargaining agreements and employee representatives in countries in the EEA that meet the size criteria specified in ESRS. For 2024, these criteria were only met in Germany.

Metrics on collective bargaining coverage and social dialogue

| Coverage rate as of 12/31/2024 | Collective bargaining coverage in the EEA | Social dialogue Employee representatives in the EEA |
|--------------------------------|---|---|
| 0–19 % | | |
| 20–39 % | | |
| 40–59 % | | |
| 60–79 % | | |
| 80–100 % | Germany | Germany |

In Germany, the share of employees covered by collective bargaining agreements was 86 percent in 2024. 95 percent of employees in Germany were represented by employee representatives. In addition, relevant agreements have been concluded with the Group Works Council at Bertelsmann to promote a dialogue and partnership with employee representatives at the European level.

S1-9 Diversity

§ Reporting principles

The breakdown by age group is based on the total number of employees in accordance with ESRS S1-6, as a headcount calculated as of the cut-off date December 31.

The breakdown by gender at top management level also takes divisional managing directors and board members of stock corporations into account. This deviation from the scope of ESRS S1-6 was made due to the fact that they are included in the Group's definition of the top management as set out below.

Bertelsmann's top management is made up of both the Group Executives and Senior Executives and comprises positions that are of particular importance because of their success-critical function and their strategic relevance for the achievement of the Group's strategic targets. The Group Executive positions also include the positions represented on the Group Management Committee (GMC), but not the Executive Board positions. The GMC advises and supports the Executive Board on important issues related to Group strategy and development as well as other overarching Group topics.

No estimates were made when the metrics of section S1-9 were recorded.

Total number of employees by age

| Total number | 2024 |
|--------------------|--------|
| Under 30 years old | 14,306 |
| 30 to 50 years old | 41,412 |
| Above 50 years old | 18,889 |
| Total | 74,607 |

As of December 31, 2024, over 56 percent of all employees at Bertelsmann were between 30 and 50 years old. 19 percent were under 30 years old and 25 percent were 50 years old or over.

Top management by gender

| Total number or percent | Male | Female | Other | Not reported | 2024 Total |
|-------------------------|------|--------|-------|--------------|---------------|
| Number | 330 | 160 | 0 | 0 | 490 |
| Percentage | 67 | 33 | 0 | 0 | 100 |

As of December 31, 2024, 160 (33 percent) of the Group Executives and Senior Executives were female and 330 (67 percent) were male.

S1-10 Adequate wages

§ Reporting principles

The coverage rate for adequate wages is calculated based on the review of all employees working for Bertelsmann in 2024 (for more than one day of employment in the reporting year). Wage adequacy is verified locally by comparing wages with a centrally provided, continuously updated list of applicable indicative values for the countries (or further subdivided grouping levels such as regions, sectors, etc.) in which Bertelsmann was active as of December 31.

No estimates were made when the metrics of section S1-10 were recorded.

In 2024, all Bertelsmann employees worldwide were adequately remunerated in accordance with the applicable indicative values.

S1-14 Health and safety

§ Reporting principles

The coverage rate of a health and safety management system is calculated based on the total number of employees in accordance with ESRS S1-6 as a headcount calculated as of the cut-off date December 31.

In contrast to accidents, the calculation of fatalities includes not only Bertelsmann employees, but also other workers who work at the Group's sites, such as employees of maintenance and repair companies or employees of transport service providers during loading and unloading.

The rate of recordable work-related accidents per one million hours worked is calculated on the basis of an estimate of 208.9 working days per year*, multiplied by eight hours per day and full-time workers, and the total number of employees as per ESRS S1-6, expressed in full-time equivalents as of the cut-off date December 31.

*The estimate of working days is based on the total number of calendar days in 2024 minus weekends (total of 262 days) and minus the following paid absences: 11 statutory public holidays (estimated on the basis of the number of official holidays in the five countries with the most employees: Germany, United States, Brazil, United Kingdom, France), 30 days of paid leave (estimated on the basis of standard leave entitlements in these five countries), and 12.1 days of paid sick leave (estimated on the basis of the average number of annual paid sick leave days for employees in Germany between 2017 and 2023).

Metrics on health and safety

| | |
|--|-------|
| Total number or percent | 2024 |
| Coverage of own workforce by health and safety management systems (in %) | 62 |
| Number of fatalities due to work-related injuries and ill-health | 0 |
| Number of cases of recordable work-related accidents – own employees | 1,338 |
| Rate of recordable work-related accidents – own employees | 11.9 |

As of December 31, 2024, a total of 62 percent of Bertelsmann's workforce were covered by a health and safety management system. In the reporting year, there were no reported fatalities and the number of recordable work-related accidents according to ESRS was 1,338. The rate of recordable work-related accidents according to ESRS therefore came to 11.9 per one million hours of work performed.

S1-16 Equal pay for equal work (pay gap and total compensation)

§ Reporting principles

The compensation metrics are calculated based on employees who, as of December 31, have an active employment relationship with Bertelsmann in accordance with ESRS S1-6. Their remuneration data is processed through payroll in Germany, France, the United States, Brazil and the United Kingdom, covering 73% of all employees.

The actual total gross income (e.g., in Germany in accordance with the "Pay Certification Ordinance") and the annual contractual working time as well as gender are recorded to calculate the unadjusted gender pay gap. Unpaid absences and changes in the level of employment during the year are corrected by adjusting the annual contractual working time. The effective hourly wage is calculated on this basis.

Actual total gross income is also used to calculate the ratio of the total remuneration of the highest-paid individual to the median annual total remuneration.

Values denominated in foreign currencies are translated into euros using the exchange rate as of December 31 and are put in relation.

Metrics on remuneration

| | |
|--|------|
| Total number or percent | 2024 |
| Gender pay gap (unadjusted) | 14 |
| Annual total remuneration ratio of the highest paid individual to the median annual total remuneration for all employees (excluding the highest-paid individual) | 285 |

As of December 31, 2024, the unadjusted gender pay gap was 14 percent. The ratio of the actual total gross annual income paid to the highest paid individual to the median actual total gross annual income for all employees came to 285:1.

S1-17 Incidents, complaints and severe human rights impacts

§ Reporting principles

Data on incidents and complaints is provided by Bertelsmann case management. Afya, Alliant, AppLike, and Groupe M6 all have their own compliance management systems and make their data available for Bertelsmann Group reporting in accordance with the Bertelsmann definition. The data are included in the metrics presented below.

No estimates were made when the metrics of section S1-17 were recorded.

Metrics on incidents and complaints

| | |
|---|------|
| Total number | 2024 |
| Number of complaints filed | 339 |
| Total number of incidents of discrimination, including harassment | 80 |
| Total number of severe human rights incidents | 0 |

In 2024, 339 complaints were filed by workers of Bertelsmann. The total number of incidents of discrimination, including harassment, reported was 80. Of these, 51 incidents were confirmed, 27 unconfirmed and 2 still under investigation in the reporting period. No severe human rights incidents took place. As a result, no fines, sanctions or compensation payments were levied in the reporting period.

S2 Workers in the value chain

Bertelsmann undertakes to comply with human rights due diligence obligations in its value chain and expects this from its business partners in turn with regard to compliance with all applicable laws and regulations as well as the standards set out in the Bertelsmann Supplier Code of Conduct.

SBM-2 Interests and views of stakeholders

Beyond the speak-up channels described in section S2-3, which are available to both Bertelsmann employees and third parties, Bertelsmann does not have a systematic, Group-wide process in place for engaging with workers in the value chain. Bertelsmann focuses on targeted communication with potentially affected parties in cases where there are substantial grounds to believe a violation may have occurred. Value chain workers are not accounted for in Bertelsmann's corporate strategy as an enabler, and do not directly influence Bertelsmann's business models or strategy. Bertelsmann commits its business partners to respecting human rights and ensuring fair working conditions with respect to value chain workers in the Supplier Code of Conduct.

SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

The following table shows the material topics and their respective impacts, risks and opportunities ("IROs") related to workers in the Bertelsmann value chain that have been identified as part of the double materiality assessment.

The identified IROs apply to workers in the upstream value chain unless otherwise indicated. However, the scale and scope of the IROs vary depending on the country and type of business partner (e.g., transport and logistics companies, paper and energy suppliers, creative or service work provided by humans). Certain impacts (e.g., equal treatment and equal opportunity) may particularly affect specific groups of people (such as women) for example. In addition, social audits have revealed indications of an increased risk of debt bondage as a possible form of modern slavery in relation to a supplier in the upstream value chain in Malaysia. Actions have been taken to address this risk, which are discussed in greater detail in section S2-4.

Bertelsmann addresses its material IROs through various policies, engagement procedures, speak-up channels for raising concerns and reporting compliance violations, and actions and targets. They are discussed in more detail in sections S2-1 to S2-5.

Material impacts, risks, and opportunities

| Topic/Sub-topic | Sub-sub-topic | Description of the IROs | Characterization of the IROs | Localization of the IROs | Time horizon of the IROs |
|--|---------------|---|---------------------------------|--------------------------|-----------------------------|
| Working conditions | | Bertelsmann requires its business partners to respect human rights and ensure fair working conditions. By setting standards in the Supplier Code of Conduct, the company indirectly contributes to ensuring that business partners guarantee a healthy and safe working environment, treat their employees fairly, pay them appropriately and on time, and respect the right to freedom of association and collective bargaining. | Impact Positive Potential | Upstream value chain | Short, medium and long term |
| | | Inadequate implementation of the Bertelsmann Supplier Code of Conduct by business partners and the potentially resulting poorer working conditions for their employees (e.g., inadequate pay, long working hours without rest breaks or inadequate occupational health and safety) can range from excessive physical and mental fatigue to serious health problems and financial difficulties. All of this can affect the quality of life and well-being of those affected and their families, make it difficult to reconcile work and private life and increase poverty. | Impact Negative Potential | | |
| Equal treatment and opportunities for all | | Through the standards set out in the Bertelsmann Supplier Code of Conduct, Bertelsmann indirectly promotes fair and transparent remuneration of workers in the value chain. Bertelsmann's business partners are also obliged to ensure a non-discriminatory working environment and to provide workers with adequate training on protective measures. This can improve the working environment, increase satisfaction and thus lead to greater employee loyalty to the business partners. | Impact Positive Potential | Upstream value chain | Short, medium and long term |
| | | Negative effects on workers in the value chain can arise if business partners implement the standards set out in the Supplier Code of Conduct inadequately. Or if local conditions in individual countries mean that it is only possible to exert very limited influence on material topics, such as gender equality. This can have a negative impact on the working environment, lead to a reduction in productivity and cause stress among those affected. | Impact Negative Potential | | |
| Other work related rights | | A social audit revealed a violation of the Bertelsmann Supplier Code of Conduct. The workers concerned were employees of a supplier in Malaysia who were hired through an employment agency. The agency's demand for high fees led to negative impacts on the financial situation of the workers concerned | Impact Negative Actual | Upstream value chain | Short term |

S2-1 Policies related to value chain workers

Bertelsmann is aware that its responsibility for human rights extends beyond its own business activities. The obligation placed on business partners to respect the human rights of their workers is expressed, in particular, in the Bertelsmann Supplier Code of Conduct and in the Declaration of Principles on the Observance of Human Rights. In addition, the Bertelsmann Slavery and Human Trafficking Statement contains measures for preventing forms of modern slavery and human trafficking. These regulations were created with the involvement of the Executive Board, the responsible departments in the Corporate Center, the Corporate Compliance Committee and – where necessary – the Group Works Council.

Bertelsmann Supplier Code of Conduct

The Bertelsmann Supplier Code of Conduct aims to establish mandatory standards for business partners in order to ensure responsible and ethical conduct toward workers, business partners, society and the environment. It primarily addresses the following topics that have been found to be material for workers in the value chain according to the double materiality assessment: Working conditions (adequate wages, freedom of association and collective bargaining, health and safety), equal treatment and equal opportunities for all (measures against violence and harassment), and other work-related rights (child and forced labor, privacy, water and sanitation). In this context, respect for universally recognized human rights, rules to ensure fair working conditions and the protection of privacy as well as a responsible approach to people's natural livelihoods are laid down. The Supplier Code of Conduct also emphasizes the importance of a healthy and safe work environment, open discussion, and respectful and dignified conduct whereby harassment or discrimination are not tolerated. Global conventions on human rights and working conditions are referenced as frameworks. These include the Universal Declaration of Human Rights, the UN Global Compact, UN Guiding Principles on Business and Human Rights, the UN Free & Equal Standards, the OECD Guidelines for Multinational Enterprises, the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights adopted on 19 December 1966 and the ILO Core Labour Standards.

The Bertelsmann Supplier Code of Conduct requires its business partners to ensure the standards set out therein are implemented within their companies and complied with. The Group expects its business partners to pass on the values and standards laid down Code of Conduct to their employees who perform work on behalf of Bertelsmann and to encourage them to comply with them. The Group also requires its business partners to take reasonable measures to identify and mitigate risks and violations of the standards set out in the Bertelsmann Supplier Code of Conduct. Business partners must inform Bertelsmann without undue delay of any violations that have been identified unless they are immediately remedied. Bertelsmann reserves the right to audit compliance with the standards set out in the Bertelsmann Supplier Code of Conduct. To this end, the Group may require its business partners to submit a written self-assessment once a year and to provide information on their compliance with these standards. If a risk is identified, additional on-site inspections (e.g., a visual inspection of the contractor's premises, interviews of workers in the value chain, inspection of relevant documents and structures) may be conducted, either by Bertelsmann itself or by expert external third parties. The Bertelsmann Executive Board bears ultimate responsibility for the Bertelsmann Supplier Code of Conduct. The Supplier Code of Conduct is available on the Bertelsmann intranet and Bertelsmann website and forms part of Bertelsmann's contracts with its business partners. It applies to all workers in the upstream value chain within the scope of the S2 standard.

Bertelsmann Declaration of Principles on the Observance of Human Rights

In its Declaration of Principles concerning its human rights strategy, Bertelsmann commits to respect and protect human rights and undertakes to fulfil its human rights due diligence obligations both within the Group and in its supply chains. The Declaration of Principles primarily addresses the following topics that were found to be material according to the double materiality assessment: Working conditions (adequate wages, freedom of association and collective bargaining, health and safety), equal treatment and equal opportunities for all (measures against violence and harassment), and other work-related rights (child and forced labor, water and sanitation). It outlines measures for identifying and prioritizing risks to Bertelsmann's own divisions and supply chains, preventive and remedial action, reviewing effectiveness and adequacy, reporting and documentation. The Declaration of Principles refers to the Universal Declaration of Human Rights, the UN Global Compact, the UN Guiding Principles on Business and Human Rights, the UN Free & Equal Standards, the OECD Guidelines for Multinational Enterprises and the ILO Core Labor Standards. In addition, Bertelsmann uses the recommendations of the German Corporate Governance Code as a reference for good and responsible corporate governance. The Bertelsmann Executive Board bears ultimate responsibility for the Declaration of Principles. The Declaration of Principles is available on the Bertelsmann intranet and Bertelsmann website and applies to both Bertelsmann employees and Bertelsmann business partners with regard to the implementation of remedial measures.

Bertelsmann Slavery and Human Trafficking Statement

The Bertelsmann Slavery and Human Trafficking Statement outlines the measures taken by Bertelsmann to prevent forms of modern slavery and human trafficking. With the statement, Bertelsmann fulfils its obligations under sections 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."

The statement covers the measures taken by Bertelsmann SE & Co. KGaA and its Group companies. These measures include implementing directives to identify and assess risks related to modern slavery and human trafficking in the supply chains, the provision of regular training to employees and the establishment of grievance mechanisms to allow affected individuals to anonymously report violations.

In cases where Group companies subject to the reporting requirements of the aforementioned statutory provisions have taken additional measures, these are documented in the respective statement issued by the Group company and are available on the website of the respective company. The Bertelsmann Slavery and Human Trafficking Statement from the Chairman of the Executive Board is available on the Bertelsmann website.

Commitment to respect human rights

Bertelsmann's activities are guided by international human rights standards, which are referenced in the regulations mentioned above.

Respect for and observance of human rights, including the prohibition of forced and child labor, any form of slavery and human trafficking, and any form of exploitation, are explicitly enshrined in the Bertelsmann Supplier Code of Conduct, the Bertelsmann Policy on Human Rights and Fair Working Conditions (see section S1-1), the Bertelsmann Declaration of Principles on the Observance of Human Rights, and the Bertelsmann Slavery and Human Trafficking Statement.

In order to ensure compliance with these principles and guidelines, the Executive Board has established a compliance organization with an Integrity & Compliance program and appointed a Corporate Compliance Committee (CCC). The Integrity & Compliance (I&C) department is responsible for implementing the human rights strategy, and is subordinate to the CCC in the organization. The head of the Group Legal department, who is also the Human Rights Officer of Bertelsmann, oversees the implementation of the human rights strategy. It is the task of the I&C department to inform employees about the key legal provisions and internal company guidelines, including those concerning respect for human rights. Local compliance officers act as local contacts at each of the Group companies. Please consult section G1 for more information on the governance structure at Bertelsmann.

S2-2 Processes for engaging with value chain workers about material impacts, risks and opportunities

Beyond the speak-up channels described in section S2-3, which are available to both Bertelsmann employees and third parties, Bertelsmann does not have a systematic, Group-wide process in place for engaging with workers in the value chain. Bertelsmann focuses on targeted communication with potentially affected parties in cases where there are substantial grounds to believe a violation may have occurred. In addition, the Group ensures that the barrier to using the speak-up channels is as low as possible by offering these channels in various languages and via various transmission channels based on the relevant target groups.

S2-3 Processes to remediate negative impacts and channels for value chain workers to raise concerns

A comprehensive range of communication channels are available through which human rights or environment-related violations and grievances can be reported. Indications of potential compliance violations against the Bertelsmann Supplier Code of Conduct can be raised on site to contact partners or reported via the company's own whistleblower system ("Speak Up"), which is available in several languages and can be reached both by phone and online. It is available to both Bertelsmann employees and third parties, including workers in the value chain, and makes it possible to discuss potential violations in a confidential, encrypted, and, if requested, anonymous manner with the Integrity & Compliance (I&C) department. Workers in the value chain can also turn to an external ombudsman appointed by Bertelsmann, whose role is to provide advice and assistance in resolving any suspicion of material compliance violations as a neutral and independent body. The ombudsman treats communications with whistleblowers as confidential and only passes on the facts of the case and identity of the whistleblower to Bertelsmann with the whistleblower's consent. Bertelsmann provides a wide range of information on the available options for submitting reports through these channels and on the next steps. The Bertelsmann website, the Bertelsmann intranet, the Bertelsmann Code of Conduct, and the Bertelsmann Supplier Code of Conduct all contain information on how to contact the Bertelsmann speak-up channels in different languages.

Each grievance triggers a review and action process that ends with putting a stop to the reported violation or minimizing an identified risk. First, designated experts from the I&C department assess whether the report received contains sufficient concrete information to permit further investigation. If the investigation confirms that a compliance violation has taken place, appropriate measures are taken, including disciplinary measures against the persons responsible. The outcome of the objective examination of all relevant facts determines the appropriate disciplinary measures in each individual case. In coordination with the I&C department, the Group company concerned is responsible for ensuring that suitable measures are taken in accordance with the applicable law in confirmed cases of compliance violations. The I&C department documents the outcome of the initial review and – if required – the findings from the investigation and the measures taken in compliance with data protection requirements in a central, secure case management system. The documentation is retained for the period required by the relevant data protection and other legal requirements. Both the Bertelsmann Code of Conduct as well as the Bertelsmann Supplier Code of Conduct, and the procedure for compliance violations state that any attempts to intimidate and seek reprisals against persons who report confirmed or suspected misconduct in good faith are not tolerated. Compliance concerns regarding intimidation or reprisals due to a compliance report are also investigated in accordance with the principles outlined above.

The effectiveness of the grievance process is reviewed at least once a year with regard to its functionality and accessibility. If violations of the due diligence obligations set out in the "German Supply Chain Due Diligence Act" are detected within the supply chain, an ad hoc assessment is carried out in addition to the regular review of the grievance process as explained in section S1-3. In addition to the aspects cited therein, a review is conducted to determine whether the grievance process was accessible (internally or externally) to the affected individuals. One way to determine this is by interviewing the affected individuals. If the grievance process is not sufficiently publicized, measures are taken to improve the provision of information to those affected. If a grievance has been filed but remains unresolved, the relevant handling process is tracked, reviewed and optimized.

As part of the implementation of the “German Supply Chain Due Diligence Act,” Bertelsmann set up a risk management that is used to regularly identify and assess risks related to human rights and the environment within the Group and among direct suppliers, and to take appropriate preventive and remedial measures. This risk analysis is supported by a software solution that systematically records all relevant Bertelsmann suppliers. These suppliers are assessed and prioritized based on defined criteria and internationally recognized indices with respect to risks related to human rights and the environment. As another measure for identifying risks or human rights violations, Bertelsmann occasionally engages in discussions with potentially affected individuals if a particularly high risk has been identified for them.

The respective purchasing departments take into account the relevant environmental and human rights standards when selecting suppliers. Risk mitigation measures are implemented on a risk basis. When entering into a contract with new suppliers, compliance with Bertelsmann’s human rights and environmental standards is agreed in writing. Where possible, previously agreed-upon standards are raised to a stricter level with existing suppliers in the event of an increased risk profile. Suppliers are also required to pass these standards on to their suppliers. Suppliers for which the potential for risk remains high after weighing up and taking into account the defined screening criteria are subjected to further preventive measures such as the use of information from external data sources (adverse media screenings), voluntary disclosures, and information on their own risky supply relationships, training courses or audits.

Where human rights or environmental violations occur, Bertelsmann immediately introduces remedies to put an end to the violations. If Bertelsmann becomes aware of human rights or environment-related violations of its obligations by one of its suppliers, the Group works with the supplier to eliminate the violations. If the violations cannot be brought to an end within a reasonable period of time, Bertelsmann will try to increase its influence over the supplier or temporarily suspend the business relationship. A termination of the business relationship is considered if there is no alternative way to put an end to the violation that can be considered appropriate and promising.

S2-4 Taking actions on material impacts, risks and opportunities and effectiveness of those actions

Bertelsmann carried out the analysis of risks related to human rights and the environment as defined in the “German Supply Chain Due Diligence Act” described in section S2-3 for both the Group and its direct suppliers. In relation hereto, in December 2023, a social audit identified indications of a human rights violation in connection with the upstream value chain of Penguin Random House UK. To remedy the negative effect described in section SBM-3 of this chapter, in 2024, Penguin Random House UK worked with the affected supplier to immediately develop a course of action to end this human rights violation and prevent further violations. In this context, the cooperation with the employment agency was also terminated. Please consult Penguin Random House UK’s Modern Slavery and Human Trafficking Statement (March 2023 to April 2024) for more information.

Bertelsmann has developed an internal list of actions to identify and mitigate risks and to end violations. When selecting suitable actions for a particular incident, criteria such as the severity and probability of the risk or violation occurring, the own influence, the nature and size of the company, and its contribution to causing the violation are considered. The internal control system monitors the effectiveness and adequacy of the established actions in the Group companies on the basis of risk. The effectiveness of the internal control system is reviewed regularly by Group Internal Audit and the internal audits of Group companies. In addition, the effectiveness of the actions is reviewed and ensured by the Integrity & Compliance (I&C) department and the persons responsible for the Group companies. This involves, in particular, ensuring that resources and necessary expertise are available to meet the challenges described above.

S2-5 Targets related to material impacts, risks and opportunities

In line with the principle of subsidiarity, the implementation of the Group's strategy and operational business responsibility with the implementation of business-specific targets are largely delegated to the corporate divisions and Group companies at Bertelsmann. Against this backdrop and in the context of the first-time implementation of the double materiality assessment, there are currently no Group-wide targets related to workers in the value chain as defined by the requirements under MDR-T (Minimum Disclosure Requirements – Targets) with respect to the material topics specified in the S2 standard. At the Group level, certain mechanisms are used to ensure the effectiveness of policies and actions, as described in more detail in section S2-1 with regard to upholding the defined standards in the Bertelsmann Supplier Code of Conduct and S2-4 with regard to the effectiveness actions.

S4 Consumers and end users

As a media, services and education company, Bertelsmann stands for creativity and entrepreneurship. This combination promotes first-class media content and innovative service solutions that inspire people around the world. The Group provides access to high-quality information, products and services, and is committed to respecting privacy and to freedom of expression.

SBM-2 Interests and views of stakeholders

Bertelsmann values and considers the interests of consumers and end users. Beyond the speak-up channels described in section S4-3, which are available to both Bertelsmann employees and third parties, Bertelsmann engages with its consumers and end users in a number of ways, including through its social media presence and by offering feedback and support options. This helps the company gain a better understanding of their needs and expectations, allowing it to continually improve its products and services, and strengthen its relationships with consumers and end users.

SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

In its content businesses, Bertelsmann offers consumers and end users various content products (e.g., books, digital music streams, online learning content) through various channels. In the services business, services are offered not only to Bertelsmann's customers but also to end users of these customers, otherwise known as business-to-business-to-consumer (B2B2C) services.

As the double materiality analysis process led to the identification of impacts, risks and opportunities in Bertelsmann's content and services business in particular, related information can be found in the entity-specific section of this Sustainability Report. The individual scale and scope vary depending on the country and type of consumer and end users (e.g., media users, students, professionals). Certain impacts (e.g., personal safety) are particularly relevant to certain groups of people (e.g., children and young people).

Material impacts, risks and opportunities

| Topic/Sub-topic | Description of IROs |
|------------------------------------|---|
| Information-related impacts | The description of all information-related impacts, risks and opportunities in relation to freedom of expression, access to (quality) information and privacy is provided in the entity-specific sections related to content responsibility, creative/journalistic independence & freedom of expression, (digital) media literacy and handling of data. |
| Personal safety | The description of all safety-related impacts, risks and opportunities in relation to mental health, safety, and child protection is provided in the entity-specific sections related to content responsibility, creative/journalistic independence & freedom of expression and (digital) media literacy. |
| Social inclusion | The description of all impacts, risks and opportunities in relation to non-discrimination, access to products and services, and responsible marketing practices are described in the entity-specific sections related to content responsibility, creative/journalistic independence & freedom of expression and (digital) media literacy. |

Bertelsmann addresses its material IROs through various policies, engagement procedures, speak-up channels for raising concerns and reporting potential compliance violations. They are discussed at Group level in sections S4-1 to S4-3. Please consult the entity-specific sections (UN-1, UN-2, UN-3, UN-5) of this Sustainability Report for more information on the management of these IROs.

Impact, risk and opportunity management

S4-1 Policies related to consumers and end users

Bertelsmann is aware of its responsibility toward consumers and end users. A commitment which is particularly evident in the Bertelsmann Code of Conduct.

Bertelsmann Code of Conduct

In addition to the employee-related topics described in section S1, the Bertelsmann Code of Conduct also includes principles on material information-related impacts, personal safety and social inclusion related to consumers and end users.

As a binding guideline, the Bertelsmann Code of Conduct enshrines the observance of human and personal rights, and the dignity of employees and all third parties, including consumers and end users. It requires the utmost care and strict confidentiality with respect to customer data in compliance with applicable laws and rules. With regard to content created and distributed, the Bertelsmann Code of Conduct requires that privacy is respected and information, opinions and images are handled in a correct and responsible manner. In this context, the preservation of editorial and journalistic independence as well as the protection of children and young people in the creation and distribution of content are emphasized. The Group undertakes to develop and produce safe products that do not contain any defects or health-endangering elements. With respect to products and services, the Bertelsmann Code of Conduct emphasizes the relevance of truthful disclosures in marketing and advertising. Detailed information on the requirements as defined under MDR-P (Minimum Disclosure Requirements – Policies), such as the scope, responsibility and availability of the Bertelsmann Code of Conduct, can be found in section S1-1.

In addition, the Bertelsmann Supplier Code of Conduct outlines the expectations and requirements for Bertelsmann business partners with regard to these topics. Specific regulations regarding privacy are also set out in data protection regulations, which are described in the entity-specific section UN-5 on the handling of data.

S4-2 Processes for engaging with consumers and end users about material impacts, risks and opportunities

Beyond the speak-up channels described in section S4-3, which are available to both Bertelsmann employees and third parties, Bertelsmann engages with its consumers and end users in a number of ways, including through its social media presence and by offering feedback and support options. This helps the Group gain a better understanding of their needs and expectations, allowing it to continually improve and further develop its products and services, and strengthen its relationships with consumers and end users. Beyond this, there is no Group-wide central process in place for engaging with consumers and end users in light of the decentralization and diversity of the Bertelsmann business models. In line with the principle of subsidiarity, the implementation of the Group's strategy and operational business responsibility for the implementation of a corresponding process are largely delegated to the corporate divisions and Group companies.

S4-3 Processes to remediate negative impacts and channels for consumers and end users to raise concerns

Consumers and end users also have access to the Bertelsmann speak-up channels described in sections S1-3 and S2-3, which make it possible to discuss potential violations in a confidential, encrypted, and, if requested, anonymous manner with the Integrity & Compliance (I&C) department. They are easily accessible on the Bertelsmann website. Each report submitted by consumers or end users on the speak-up channels is handled in accordance with the procedure for compliance violations described in section G1. The grievance mechanisms to remedy any negative impacts as described in the above sections also apply to consumers and end users.

S4-4 Taking actions on material impacts, risks and opportunities and effectiveness of those actions

In line with the principle of subsidiarity, the implementation of the Group's strategy and operational business responsibility as part of the implementation of entity-specific actions are largely delegated to the corporate divisions and Group companies. Against this backdrop and in the context of the first-time implementation of the double materiality assessment, there are currently no Group-wide actions as defined by the requirements under MDR-A (Minimum Disclosure Requirements – Actions) with respect to the material topics specified in the S4 standard. Please consult the entity-specific sections (UN-1, UN-2, UN-3, UN-5) of this Sustainability Report for more information on select actions at divisional level for the management of these IROs.

Targets and metrics

S4-5 Targets related to material impacts, risks and opportunities

In line with the principle of subsidiarity, the implementation of the Group's strategy and operational business responsibility as part of the implementation of entity-specific targets are largely delegated to the corporate divisions and Group companies. Against this backdrop and in the context of the first-time implementation of the double materiality assessment, there are currently no Group-wide targets as defined by the requirements under MDR-T (Minimum Disclosure Requirements – Targets) with respect to the material topics specified in the S4 standard.

Governance Information

The pursuit of responsible corporate governance is an indispensable part of the Bertelsmann identity and an important element of its corporate culture.

G1 Business conduct

Bertelsmann attaches great importance to the entrepreneurial freedom of its managers and employees and expects them to use this freedom in a responsible manner. Mutual respect and trust determine the relationship between employees and the relationships with business partners.

GOV-1 The role of the administrative, management and supervisory bodies

The Executive Board oversees the compliance management system (CMS) and ensures its ongoing development. Responsibility for compliance rests with the Chairman of the Bertelsmann Executive Board, without prejudice to the overall responsibility of the Bertelsmann Executive Board and the management bodies of the Group companies. The Audit and Finance Committee of the Supervisory Board is tasked with monitoring the effectiveness of the compliance organization. The committee's competency profile also includes expertise on the compliance topics that are most relevant to the Group.

The Corporate Compliance Committee (CCC), which comprises the heads of the Internal Audit, Corporate Information Technology, Finance, Legal, Accounting, Communications, HR Coordination & Share Services and Tax departments, submits an annual Compliance Report to the Bertelsmann Executive Board and the Audit and Finance Committee of the Supervisory Board. In the event of serious compliance violations, the Executive Board and the Supervisory Board receive ad hoc reports. The CCC chair is the head of the corporate legal department. He is also the Bertelsmann Human Rights Officer. The CCC is responsible for the effectiveness of actions taken to ensure compliance within the Group.

In addition, the CCC receives support from the Integrity & Compliance (I&C) department. It is responsible for ensuring compliance in day-to-day business, implements the initiatives specified by the Executive Board, is responsible for the provision and monitoring of the whistleblower system (speak-up channels), and coordinates the investigation of reported complaints. The I&C department maintains a regular dialogue with local and divisional compliance officers and assists them with fulfilling their roles. In addition, it coordinates the annual compliance dialogue with managers at the Group and division level.

Corporate Audit conducts reviews of certain compliance-related topics as part of independent audits. The Bertelsmann CMS is regularly subjected to a self-evaluation by the I&C department to identify potential for improvement and to make any necessary updates.

SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

The following table shows the material governance topics and their respective impacts, risks and opportunities ("IROs") for Bertelsmann that have been identified as part of the double materiality assessment.

Bertelsmann addresses its material IROs through various policies, speak-up channels for raising concerns and reporting compliance violations along with targets and actions for improving the corporate culture, protecting whistleblowers, and preventing and detecting corruption and bribery. They are discussed in more detail in sections G1-1 to G1-3 and MDR-T.

Material impacts, risks and opportunities

| Topic/Sub-topic | Sub-sub-topic | Description of the IROs | Characterization of the IROs | Localization of the IROs | Time horizon of the IROs |
|---|---------------|---|--|---|-----------------------------|
| Corporate culture | | The two corporate values of creativity and entrepreneurship, Bertelsmann Essentials, form the cornerstones of the corporate culture at Bertelsmann. Codes of conduct such as the Bertelsmann Code of Conduct and the Bertelsmann Supplier Code of Conduct guide the actions of employees and business partners and contribute to a corporate culture based on participation and partnership – with a positive impact on the trusting relationships held with various stakeholders. | Impact Positive Actual and potential | Own operations, upstream value chain | Short, medium and long term |
| | | A corporate culture that fails to sufficiently take into account the needs and requirements of different stakeholders, promote a dialogue and ensure that established principles in the aforementioned codes of conduct are adhered to can jeopardize the trust that has been built up over the years. This can have negative impacts on existing business relationships and lead to discontent and demotivation among employees. | Impact Negative Potential | | |
| | | Violations of Bertelsmann's codes of conduct can cause lasting damage to the corporate culture. They can result in a loss of reputation as well as the associated direct damage (e.g., blacklisting by customers, termination of business relationships, exclusion from tender procedures) and immaterial damage (e.g., loss of trust), with corresponding negative impacts on the Group's economic success. | Risk | | |
| Protection of whistleblowers | | At Bertelsmann, whistleblowers who report actual or suspected misconduct in good faith must not suffer any disadvantages. This principle, enshrined in the Bertelsmann Code of Conduct and Bertelsmann Supplier Code of Conduct, promotes open discussion and ensures that misconduct that adversely affects employees in the Group and value chain, consumers and end users, society or the environment can be prevented, detected and remedied. This helps to maintain a sustainable corporate culture, increases transparency, and strengthens confidence in the available speak-up channels. | Impact Positive Actual and potential | Own operations, upstream value chain downstream value chain | Short, medium and long term |
| | | Failure to adequately protect whistleblowers can have negative impacts on the health and safety of the affected individuals, and affect the workplace and the relationship of trust between the workforce and the company. Without adequate protection, future whistleblowers may be reluctant to report misconduct – with negative impacts on the corporate culture. Attempts to intimidate or seek reprisals against whistleblowers constitute a compliance violation at Bertelsmann. Each report is promptly processed in accordance with a defined procedure in line with existing Executive Board guidelines, and the identity of the whistleblowers is kept confidential. | Impact Negative Potential | | |
| Political engagement and lobbying activities | | Bertelsmann engages in an open dialogue with political, business and civil society stakeholders. Bertelsmann's public affairs officers grant political decision-makers access to interlocutors from the Group and convey positions and facts developed by internal working groups and associations, among other parties. | Impact Positive Actual and potential | Own operations | Short, medium and long term |
| | | A lack of sufficient transparency prevents stakeholders, such as non-profit organizations, business partners or society as a whole, from being able to scrutinize the Group's political engagement, which can negatively impact their relationship of trust with the company. Bertelsmann is registered in both the European Union Transparency Register and the German Bundestag Lobbying Register. | Impact Negative Potential | | |

| | | | | |
|---|--|--|---|-----------------------------|
| Management of relationships with suppliers including payment practices | Business partners can rely on Bertelsmann as a legally compliant partner. A joint dialogue, reasonable payment periods and transparent agreements are essential for ensuring the financial stability of business partners and fair working conditions for their workers, and to promote the prosperity of society as a whole. In addition, exchanging knowledge can make a positive contribution to both sides' ability to innovate and transform. | Impact Positive Actual and potential | Own operations, upstream value chain downstream value chain | Short, medium and long term |
| | Poor relationships with business partners can negatively impact the Group's own employees and business processes (e.g., production shutdowns) and jeopardize long-term cooperation with suppliers and customers. In addition, price pressure and unfair payment practices can cause financial instability among business partners and hamper their planning and investment capacity. It can also lead to increased workloads and poor working conditions for workers in the value chain. | Impact Negative Potential | | |
| Corruption and bribery | With an anti-corruption program consisting of training and communication measures, speak-up channels and a dedicated Executive Board guideline, Bertelsmann aims to prevent and detect any type of corruption. Preventing and detecting corruption contributes to the common good, strengthens trust in the legal system and supports fair competition. At the same time, it protects Bertelsmann, Group companies, governing bodies, executives and employees from the fallout of violations. | Impact Positive Actual and potential | Own operations, upstream value chain downstream value chain | Short, medium and long term |
| | Violations of anti-corruption regulations can trigger criminal and civil charges against Bertelsmann and Group companies (simultaneously in several countries). Individuals that violate anti-corruption regulations can also reckon with serious consequences. In addition to legal proceedings resulting in prison sentences and/or fines, other repercussions may include corporate disciplinary measures up to and including termination of employment. Management bodies and executives must also expect to be held liable for damage caused by the Group company or Bertelsmann. | Impact Negative Potential | | |

Impact, risk and opportunity management

IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities related to corporate governance

The identification of the impacts, risks and opportunities with regard to governance topics corresponds to the procedure described in section IRO-1 "General Information."

G1-1 Policies related to corporate governance

Compliance is the top priority for the Executive Board. The Group's commitment to compliance is manifested in the Bertelsmann Code of Conduct published for the first time in 2008 and updated twice since then, the Bertelsmann Supplier Code of Conduct, in various Executive Board guidelines as well as related internal and external communication measures. Executive Board guidelines that address material governance topics and related IROs are described in more detail below. Taking into account the requirements of the MDR-P (Minimum Disclosure Requirements – Policies), the material content of the Bertelsmann Code of Conduct and the Bertelsmann Supplier Code of Conduct is already described in detail in sections S1-1 and S2-1. Executive Board guidelines have been prepared on the topics of corporate governance and compliance with the involvement of the Executive Board, the responsible departments in the Corporate Center, the Corporate Compliance Committee (CCC), and – where necessary – the Group Works Council.

Executive Board Guideline for Handling Reports of Compliance Violations

The Executive Board Guideline for Handling Reports of Compliance Violations aims to ensure that all material violations are recorded through proactive management and that the control mechanisms in place are adequate. This is intended to minimize potential economic or reputational damage to the Bertelsmann Group and to strengthen trust in the Group's compliance management system. The Executive Board guideline primarily addresses the following topics that were found to be material according to the double materiality assessment: Corporate culture and the protection of whistleblowers.

It sets out how to deal with reports received on compliance violations, in particular with regard to the reporting obligations for certain employee groups, responsibilities for handling reports and rules for measures to be taken in cases of confirmed violations, including maintaining the confidentiality of reports and principles for protective measures for whistleblowers. The Executive Board bears ultimate responsibility for the Group-wide implementation of this guideline. The Integrity & Compliance (I&C) department manages and coordinates the handling of compliance violations and reports to the CCC. The CCC oversees the monitoring and response to material compliance violations. The Executive Board guideline applies to Bertelsmann SE & Co. KGaA and Bertelsmann Management SE and all companies controlled by them (Group companies). Group companies for which this guideline is not already directly applicable due to existing corporate governance rules (e.g., RTL Group) implement their own, equivalent guidelines based on this guideline. It requires all employees in managerial roles (employees with budgetary or personnel responsibility) and employees with special responsibility for ensuring compliance based on their role (employees who fall under certain nomination criteria, see list at the end of this section) to report compliance violations. Violations by board members (e.g., Supervisory Board members, Executive Board members, managing directors), employees, or third parties (e.g., business partners such as suppliers and customers) must be taken into account. Unless expressly included, persons without a direct business relationship with the Group are excluded from the Executive Board guideline. The Executive Board guideline is available to all employees on the Bertelsmann intranet.

Procedure for Compliance Violations

In addition to the Executive Board Guideline for Handling Reports of Compliance Violations, this guideline defines a standardized process for clarifying all reports of compliance violations received. The guideline is intended for members of the CCC, employees of the I&C department entrusted with case management and employees from departments of the Corporate Center or Group companies tasked with conducting compliance investigations. The procedure includes guidelines on the initial review of reports and commissioning of the investigating unit, adequacy checks, and documentation taking into account data protection requirements and statutory retention periods. Ultimate responsibility at Executive Board level, the monitoring of compliance violations and the accessibility of the process are the same as set out in the Executive Board Guideline for Handling Reports of Compliance Violations, as described above.

Executive Board Guideline on Anti-Corruption and Integrity

The Executive Board Guideline on Anti-Corruption and Integrity aims to ensure compliance with all applicable anti-corruption regulations and integrity requirements at Bertelsmann. It is intended to protect Bertelsmann, Group companies, governing bodies, executives and employees from the fallout of violations and from reputational damage. It primarily addresses the topic of preventing corruption and bribery, which has been found to be material according to the double materiality assessment and aligns with the United Nations Convention against Corruption. In particular, the Executive Board Guideline on Anti-Corruption and Integrity includes the establishment of a binding framework for the giving and receiving of gifts and invitations in dealing with business partners and public officials, the necessary due diligence obligations applicable to the engagement of third parties, preventing money laundering and terrorism financing, how to handle conflicts of interest and adhering to tax regulations. It is intended for all employees in managerial roles (employees with budgetary or personnel responsibility) and employees with special responsibility for ensuring compliance based on their role (employees who fall under certain nomination criteria, see list at the end of this section). The Executive Board bears ultimate responsibility for the Group-wide implementation of this guideline. The Executive Board guideline is available on the Bertelsmann intranet and applies to Bertelsmann SE & Co. KGaA and Bertelsmann Management SE and all companies controlled by them (Group companies). Group companies for which this guideline is not already directly applicable due to existing corporate governance rules (e.g., RTL Group) implement their own, equivalent guidelines based on

this guideline. To provide the Group's employees with comprehensive information on this topic, Bertelsmann has established an anti-corruption program based on this Executive Board guideline that includes training and communication measures as well as a whistleblower system (speak-up channels). In order to ensure Group-wide knowledge of and compliance with the Executive Board guideline, the management of each Group company is required to communicate the guideline to all managers and employees as soon as it has been adopted by the Executive Board, and to work toward compliance with it. Communication of the Executive Board guideline within the Group company must be documented by the respective management.

Executive Board Guideline on Donations, Sponsorships and Memberships

The Executive Board Guideline on Donations, Sponsorships and Memberships addresses the topic of political engagement and lobbying activities identified during the double materiality assessment. It ensures that incentive measures in the form of donations, sponsorships and memberships are both in line with the Group's communication strategy and comply with the applicable legal and tax requirements. It provides an internal framework for action and creates external transparency for the public, potential beneficiaries and sponsoring partners. The Executive Board guideline establishes a binding framework for the processes, documentation, principles, focal points and topics for engagement, awarding and exclusion criteria, and how to handle consideration and follow-up on funding measures. In addition, it is stipulated that Bertelsmann does not make donations to politicians, political parties, or organizations affiliated with political parties. Nor does it support organizations or institutions whose basic stances conflict with the liberal-democratic basic order or which permit or imply discrimination against people. The Executive Board bears ultimate responsibility for the implementation of this guideline. The Chairman of the Executive Board is given decision-making power regarding one-time donations and sponsorships in excess of €100,000 and regular engagements in excess of €50,000. The scope of this Executive Board guideline includes all employees at Bertelsmann who make donations and sponsorships. It is available to all employees on the Bertelsmann intranet.

Speak-up channels and the protection of whistleblowers

At Bertelsmann, employees, business partners and third parties are given various opportunities to seek advice or raise concerns about possible misconduct through confidential and secure channels. Indications of potential compliance violations can be discussed with local contact partners or using Group-level contact points (speak-up channels), which are available to both employees and third parties. External ombudspersons appointed by Bertelsmann are also available to contact. Information on the contact points and the handling of reports of violations can be found on the Bertelsmann website and on the Bertelsmann intranet.

Any attempts to intimidate and seek reprisals against employees who report confirmed or suspected misconduct in good faith are not tolerated at Bertelsmann. Such attempts constitute a compliance violation. Reports or indications of corresponding conduct are investigated in accordance with generally applicable standards for compliance violations. In addition, the identities of the whistleblowers are treated confidentially and diligently. Persons subject to disciplinary measures, as well as other persons who are in a position to take adverse measures against whistleblowers, are expressly informed that retaliation against whistleblowers is strictly prohibited.

When processing reports received, the rights of all affected individuals must be respected at Bertelsmann. Fairness, appropriateness, confidentiality and transparency must be taken into account when deciding on any disciplinary measures that may be necessary. Every indication of a potential compliance violation is handled immediately based on a defined process in line with the Executive Board Guideline for Handling Reports of Compliance Violations and the procedure for compliance violations. Bertelsmann is subject to the "Whistleblower Protection Act" (HinSchG), which entered into force on July 2, 2023. The "Whistleblower Protection Act" constitutes the implementation of Directive (EU) 2019/1937 into national law.

Training

Bertelsmann regularly holds various compliance training courses to provide employees with appropriate information about both the current legal situation and the Group's internal guidelines. The training is designed to raise awareness of appropriate conduct in risk areas and to familiarize employees with the available support offerings.

All employees receive training on the Bertelsmann Code of Conduct. This training is received when an employee first joins the Group, after an update to the Bertelsmann Code of Conduct training and one year after initial training on the Bertelsmann Code of Conduct has been successfully completed (refresher training). The training familiarizes the employees with the Bertelsmann Code of Conduct's basic principles and emphasizes the importance of openly addressing problematic issues (speak-up culture). The topics are illustrated with scenario-based examples. In addition, the participants receive further information on individuals and points of contact who they can contact to raise concerns and share indications of misconduct, based on examples of problem scenarios. Code of Conduct training is supplemented by training tailored to target groups in specific risk areas, such as training on anti-corruption and antitrust law. These courses are aimed at employees who fall under certain nomination criteria. The group of affected employees include:

- Management;
- Employees in the fields of governance, risk & compliance;
- Employees who maintain professional relationships with business partners, suppliers and customers and/or who handle property or the financial assets of Bertelsmann or of business partners/customers;
- Employees with contact to public officials;
- Employees in regulated industries.

G1-2 Management of relationships with suppliers

The Bertelsmann Supplier Code of Conduct requires all Bertelsmann business partners that act for, together with, or on behalf of the Group to uphold the standards under compliance law. These requirements are also to be passed on to third parties along the value chain by the business partners if the corresponding third parties are engaged in the business partners' work for Bertelsmann (e.g., subcontractors). The business partners must also make an appropriate effort to ensure compliance at the respective value creation level.

The specific requirements relate to:

- Integrity (e.g., compliance with the applicable law, anti-corruption, antitrust law, conflicts of interest);
- Treatment of employees (human rights, fair working conditions, anti-discrimination, and health and safety);
- Environment (responsible use of natural resources).

Adequately auditing and monitoring business partners (due diligence) is an indispensable part of the Bertelsmann CMS. The audit takes place in a risk-oriented manner when business relationships are established and before commissioning the third party. The scope and intensity of the audit may vary and depends on the risk profile of the Group company and the risk profile of the respective business partners. Responsibility for conducting and assessing due diligence lies with the Group company that plans to engage the third party or cooperate with them.

Detailed information on the approach to preventing late payments, in particular with regard to small and medium-sized enterprises, is provided in section G1-6.

G1-3 Prevention and detection of corruption and bribery

Bertelsmann actively combats corruption. As a participant in the United Nations Global Compact, the company is committed to taking a stance against all types of corruption, among other things.

Violations of the Executive Board Guideline on Anti-Corruption and Integrity represent a material compliance violation in accordance with the Executive Board Guideline for Handling Reports of Compliance Violations and therefore must be reported. All employees at Bertelsmann and Group companies in managerial roles and employees with special responsibility for ensuring compliance based on their role (employees who fall under certain nomination criteria, see list in section G1-1) are required to report violations. In addition, all other employees are also called on to report concrete indications or initial suspicions of violations of this guideline.

The Integrity & Compliance (I&C) department manages and coordinates the treatment of compliance violations (e.g., corruption) at Group level and ensures that any reports of violations are adequately investigated. The I&C department determines which body is commissioned to further investigate a report. This investigating body is then responsible for clarifying the content of the compliance reports it receives.

In addition, prior to commissioning, a check takes place to ensure that no conflicts of interest can be identified in the body designated for the investigation. If an appointed body has a conflict of interest, this conflict of interest must be disclosed to the I&C department. As a rule: All individuals who process reports and clarify the facts of the case are trained according to their role/task, are independent and are bound to secrecy and impartial action. Reports are processed on a case-by-case basis – possibly in cooperation with several departments (e.g., Internal Audit, Compliance, Data Protection, Finance, HR) – and any measures are taken depending on the situation. Employees and managers who are or could be involved in a process themselves are not allowed to be part of the investigating body.

The Group company concerned is responsible for introducing measures in response to identified compliance violations (e.g., corruption). At the Group level, reports received on material compliance violations are communicated by the I&C department directly to the Corporate Compliance Committee (CCC) under the Executive Board's authority (see GOV-1 – G1).

The requirements relevant to the anti-corruption risk area are communicated in particular through the aforementioned Executive Board guidelines and conveyed in the course of various measures, such as internal communication measures and corresponding compliance training, in order to familiarize employees with the topic of anti-corruption and to raise their awareness of the risk. All employees receive training on the Bertelsmann Code of Conduct. The training familiarizes employees with the Bertelsmann Code of Conduct's principles, including protection against corruption and bribery. In addition, a select group of nominated employees also completes the "Protection against Corruption" training (see list in section G1-1). In 2024, 82 percent of the 10,223 employees nominated during the reporting year completed the online training "Protection against corruption." The roll-out of this training program is an ongoing process that aims to reach all nominated employees and promote a culture of integrity and transparency. The training program is regularly updated and expanded to address emerging risks and increase employee engagement in corruption prevention.

Targets and metrics

MDR-T Requirements for targets

Bertelsmann's ambition with regard to all material governance topics is codified or referenced in the Bertelsmann Code of Conduct, Bertelsmann Supplier Codes of Conduct, and various Executive Board guidelines on corporate governance. In keeping with its culture of compliance and its corporate targets, Bertelsmann strives to

- ensure responsible conduct on the part of the Group toward its employees, business partners, government bodies, society and the environment in addition to compliance with laws, internal regulations and contractual commitments to avoid legal risks and their consequences for all parties involved in the various risk areas in the long term;
- promote a corporate culture consistent with the basic values and principles of Bertelsmann Essentials and the Group's codes of conduct;
- build and establish trust-based relationships with the Group's wide range of stakeholders (e.g., employees, employee representatives, gender equality officers and the representatives for disabled employees) and with the Group's business partners, the latter of which expect to be able to rely on Bertelsmann as a legally compliant partner.

Bertelsmann has a zero-tolerance policy toward violations of the law, harassment, discrimination and reprisals against whistleblowers. This applies to violations within the Group as well as violations by business partners. With regard to the anti-corruption risk, Bertelsmann aims to prevent and detect corruption of any kind.

Overall responsibility for defining and enforcing targets rests primarily with the Executive Board. Achievement of defined goals – in general and on the topic of anti-corruption – is measured in particular on the basis of the number of participants in the compliance training courses offered and in the context of the reporting of actual or potential compliance-relevant issues. It also involves any subsequent (internal) investigations by the compliance officers of the respective Group company, Integrity & Compliance (I&C) department and/or Internal Audit and, in the case of investigations by the authorities/public prosecutor.

G1-4 Confirmed incidents of corruption or bribery

§ Reporting principles

Data on convictions for violations of corruption and anti-bribery laws is provided by Bertelsmann case management. Afya, Alliant, Applike, and Groupe M6 all have their own compliance management systems and make their data available for Group reporting in accordance with the Bertelsmann definition. The data are included in the metrics presented below.

No estimates were made when the metrics of section G1-4 were recorded.

In 2024, there were no convictions for violations of corruption and anti-bribery laws, and consequently no fines were paid.

G1-5 Political influence and lobbying activities

§ Reporting principles

According to the Executive Board guideline, Bertelsmann does not permit donations to, memberships or sponsorships of politicians or political parties. Compliance with the Executive Board guideline is confirmed by local management with a signed declaration of integrity.

No estimates were made when the metrics of section G1-5 were recorded.

Bertelsmann engages in an open dialogue with political, business and civil society stakeholders. The most important goals include respecting and protecting intellectual property, freedom and independence of the media, the proportionate regulation of Tech & Data, and cultural and journalistic diversity.

Bertelsmann's public affairs officers grant political decision-makers access to expert interlocutors from the Group and convey positions and facts along with further information. Common positions are developed in internal working groups and through associations. In addition to their role as experts on various topics and a discussion platform, the representative bodies in Brussels and Berlin and the public affairs officers from the divisions introduce political decision-makers to Bertelsmann's various business models in the media, services and education sectors. This also includes the presentation of the Group's digital businesses and cultural activities. Bertelsmann SE & Co. KGaA is registered in the European Union Transparency Register under the ID number 26103486608-4 and has signed the register's code of conduct. In addition, Bertelsmann SE & Co. KGaA is entered in the German Bundestag Lobbying Register. The register number is R002001.

Bertelsmann does not make donations to, sponsor or conclude memberships with politicians, political parties or organizations affiliated to political parties in accordance with the Executive Board Guideline on Donations, Sponsorships and Memberships set out in section G1-1. Nor does it support organizations or institutions whose basic stances conflict with the liberal-democratic basic order or which permit or imply discrimination against people.

In 2024, no new members were appointed to the administrative, management and supervisory bodies of Bertelsmann who held comparable positions in public administration (including regulatory authorities) in the two previous years.

G1-6 Payment practices

§ Reporting principles

Standard payment practices are exercised in the form of royalty agreements, as these are largely determined by advance payments to artists and authors within the scope of a standardized process. Corresponding royalty agreements concern the divisions Penguin Random House and BMG in particular.

Bertelsmann also analyzed its payment conduct toward suppliers for supplier invoices paid and invoiced in the period from October 1, 2023, to September 30, 2024, on the basis of a representative spot check. There are no uniform standard payment terms in place for these business relationships. The business relationships analyzed cover trade payables (excluding liabilities from royalty agreements).

At Penguin Random House, authors generally receive advance payments in accordance with negotiated terms, which are made in three to four tranches. Once the book has been published, the authors receive royalties that are initially offset against the advance payments. Payments are made at regular agreed-upon royalty payment intervals.

At BMG, advance payments on the royalties to be distributed in subsequent periods are stipulated in the contract. Once the advance payments have been paid, the royalties are offset against the advance payments. As soon as the advance payment amount has been fully settled, the royalty payments are paid out at the stipulated royalty payment intervals.

Due to the heterogeneity of the Bertelsmann Group, Bertelsmann has neither a Group-wide payment policy nor Group-wide standard payment terms in place for suppliers. Local management are responsible for determining the individual payment terms with suppliers. This also applies to small and medium-sized suppliers. For this reason, the payment terms agreed with suppliers were analyzed based on the payment terms for the invoices issued and paid as documented in the analysis period.

Bertelsmann's analysis revealed the following payment terms and behavior agreed with the suppliers:

| Payment terms (percentage of invoices) | | | Payment behavior (average no. of days) |
|--|------------|----------|--|
| 0–30 days | 31–60 days | >60 days | |
| 86 | 11 | 3 | 28 |

The majority (86 percent) of invoices had payment terms between 0 and 30 days. The average time taken to settle an invoice was 28 days. Payments may be delayed in order to seek clarification in the multi-stage invoice approval process and as the result of non-daily, fixed-date payment runs. In 2024, the Bertelsmann Group was not involved in any pending lawsuits for late payment.

Entity-specific Information

Bertelsmann recognizes its responsibility in the creation and distribution of content and is committed to ensuring creative/journalistic independence & freedom of expression in its content businesses. The responsible use of artificial intelligence as well as the protection of data and intellectual property are high on the Group's agenda. Bertelsmann makes a contribution to reducing and mitigating the negative impacts and risks of its actions and to promoting positive impacts and opportunities.

Quantitative targets and metrics based on the MDR-T (Minimum Disclosure Requirements - Targets) and MDR-M (Minimum Disclosure Requirements - Metrics) are not disclosed for these entity-specific topics as Bertelsmann does not consider the data on these topics to be sufficiently classified, complete and measurable.

UN-1 Content responsibility

The following table shows the material impacts, risks and opportunities ("IROs") related to the topic of content responsibility that have been identified as part of the double materiality assessment. Bertelsmann addresses its material IROs through various policies, engagement procedures and actions. They are described in the section "Impact, risk and opportunity management" of this chapter.

Material impacts, risks and opportunities

| Topic/Sub-topic | Sub-sub-topic | Description of the IROs | Characterization of the IROs | Localization of the IROs | Time horizon of the IROs |
|-------------------------------|---------------|--|--|--|-----------------------------|
| Content responsibility | | Responsibility for content includes the intention to take into account impacts on various stakeholders associated with the creation and distribution of content. By providing entertainment, education and reporting, Bertelsmann's content-related divisions make a positive contribution to society by promoting understanding and tolerance, and upholding the rights and interests of vulnerable groups, in particular children and young people. | Impact Positive Actual and potential | Own operations, downstream value chain | Short, medium and long term |
| | | A lack of responsibility in the creation and distribution of content can lead to disinformation and the discrimination of vulnerable groups – combined with negative impacts on the mental well-being of the affected individuals and society as a whole. By incorporating people of different cultures, social backgrounds, ages and genders into Bertelsmann content, such as television shows, books, music and education material the Group avoids the negative impacts mentioned. | Impact Negative Actual and potential | | |

Impacts, risk and opportunity management

Content responsibility at Bertelsmann means reflecting on the repercussions of content creation and distribution to protect the rights and interests of media-users, customers and third parties as far as possible. Overriding principles and guidelines of media ethics are set by national and international laws governing the press, broadcasting and multimedia. These are complemented by voluntary commitments to external guidelines such as the ethics codes of national press councils and within the Group by the Bertelsmann Code of Conduct and the RTL Group Newsroom Guideline. The Bertelsmann Code of Conduct enshrines the duty to respect people's privacy and to treat information, opinions and images correctly and responsibly. In addition, the RTL Group Newsroom Guideline contains guiding principles on fair and impartial reporting, responsible conduct, employing restraint when reporting on violence and victims, sensitively handling the personal rights of minors, on not staging reality, and adopting a cautious and critical mindset toward news from third parties. RTL Group's Chairman of Corporate Responsibility bears ultimate responsibility for this guideline and it serves as a reference for the everyday work and management of complex situations that the editors at RTL Group often encounter.

As a result, the Group expects careful research, high-quality reporting and transparency in the case of errors – which is more important now than ever in the face of online disinformation (“fake news”) and artificial intelligence. All those involved in the creation of content have a journalistic, ethical and social responsibility. Cross-divisional verification teams provide their expertise in discerning between authentic and manipulated photos and videos, or those taken out of context. Furthermore, the topic of content responsibility is anchored in various ways in the corporate divisions, companies and editorial departments. For example, the music company BMG has established structured processes to preserve and protect artistic freedom. Clear requirements, including a dual control principle, help guide employees in the event of uncertainties when working with catalogs and artists. The divisional Corporate Responsibility department also carefully examines controversial content and makes recommendations. The generative AI tool “SafeSounds” developed by BMG assists with these checks by quickly analyzing large volumes of content and providing initial assessments so that experts can initiate more extensive checks of lyrics as required. As a rule, Bertelsmann adheres to the “Editor-in-Chief Principle”, according to which responsibility for media content lies solely with the managers in the editorial teams and creative departments. In addition, Bertelsmann adheres to the guidelines in place regarding separating advertising from editorial content.

As stated in the Bertelsmann Code of Conduct, Bertelsmann attaches great importance to the protection of children and young people in the creation and distribution of its content. In the area of youth media protection, content is monitored in accordance with different restrictions for each medium and region to see if it could adversely affect the development of children or young people. If there are indications of such, various restrictions come into force, such as broadcasting time restrictions or content and/or product labels. Through voluntary labeling systems, Bertelsmann corporate divisions and Group companies sometimes go beyond the existing EU and national regulations, particularly in the area of audiovisual media. In addition, they are continuously active in child and youth media protection organizations.

In 2024, numerous special programs and new formats in the magazine programs of RTL Deutschland featured the topic of sustainability. In its third “Diversity Week”, RTL Deutschland focused on the topic of generations in its content offerings as part of its “Diversity Connects” initiative. The goal was to build bridges between people of different ages and to overcome prejudices. As a project partner to the nationwide #UseTheNews media initiative, RTL Deutschland also drew attention to the importance of trustworthy news in light of young people’s social media usage patterns. BMG organized a creative and cultural festival showcasing and run by black artists in Germany. “The New Black” brought together creatives from the worlds of literature, music, art and fashion. The goal of the festival was to provide a platform for exchanges and inspiration. In addition, the Bertelsmann Content Alliance launched the new cross-media optimism initiative “Mein Grund für Zuversicht” (“My reason for confidence”) with the goal of promoting social cohesion and cooperation, and engaging positively with issues such as democracy, diversity, justice and anti-racism. The creative companies of Bertelsmann – RTL Deutschland, RTL Radio Deutschland, UFA, the publishing group Penguin Random House, BMG, and the studio and talent agency We Are Era – implemented the initiative with various content on their platforms and channels (e.g., on TV and radio, on social media, digitally, in podcasts and with various events).

UN-2 Creative/journalistic independence & freedom of expression

The following table shows the material impacts, risks and opportunities (“IROs”) related to the topic of creative/journalistic independence & freedom of expression that have been identified as part of the double materiality assessment. Bertelsmann addresses its material IROs through various policies, engagement procedures and actions. They are described in the section “Impact, risk and opportunity management” of this chapter.

Material impacts, risks and opportunities

| Topic/Sub-topic | Sub-sub-topic | Description of the IROs | Characterization of the IROs | Localization of the IROs | Time horizon of the IROs |
|---|---------------|---|--|--|-----------------------------|
| Creative/journalistic independence & freedom of expression | | Free and critical thinking as well as the sharing of different opinions are prerequisites for a democratic society and expressing creativity. Bertelsmann stands for editorial and journalistic independence in its content businesses, as well as for freedom of the press and artistic license. Enshrined in the Bertelsmann Code of Conduct, these principles permit the expression of a wide range of perspectives and ideas. They contribute to the promotion of a pluralistic media landscape that reflects the diversity of society. | Impact Positive Actual and potential | Own operations, downstream value chain | Short, medium and long term |
| | | In terms of its content business, Bertelsmann is facing major new challenges in the face of changing political, social and cultural parameters – from cancel culture and the banning of books to the threat posed to intellectual property by artificial intelligence. All of this can have a negative impact on the copyrights of creators and on the critical forming of opinions and co-determination in a democracy. | Impact Negative Actual and potential | | |

Impact, risk and opportunity management

Bertelsmann stands for editorial and journalistic independence in its content businesses, as well as for freedom of the press and artistic license. The Group publishes a wide variety of opinions and positions. Bertelsmann aims to ensure this creative/journalistic independence in two directions. Inside the Group, it means that the Group does not attempt to influence the decisions of artists, authors, editors and program managers, or to restrict their freedom. To the outside, this means that both content managers and company managers comply with existing laws regarding the separation of editorial content and commercial advertising and do not capitulate to political or economic influence in their coverage. In accordance with the Bertelsmann “Editor-in-Chief Principle,” editorial decisions are the sole responsibility of the content managers. The guidelines listed in sections S4-1 and UN-1 (Bertelsmann Codes of Conduct and the RTL Group Newsroom Guideline) also contain rules on the topic of creative/journalistic independence & freedom of expression.

Representatives from Bertelsmann’s corporate content divisions – RTL Group, Penguin Random House and BMG – collaborate in the context of the “Freedom of the Press” cross-divisional working group to discuss issues relating to this topic and to share information, current challenges and best practices.

One of the most important measures introduced in 2024 was the launch of the new Bertelsmann Creativity Principles adopted by the Executive Board: “Empower freedom of expression; Champion diversity; Respect the past, provide the context; Pause, reflect, respond; AI: Start with a human, end with a human”. They serve as a compass for the day-to-day work of creatives in particular. They are used, among other things, to balance freedom of expression against extremist speech, and for the publication of historical content that is no longer considered politically correct. Creative professionals from all divisions were involved in developing the Creativity Principles.

RTL Group’s channels continued their coverage of the war in Ukraine and Israel and the Gaza Strip, which was associated with great efforts in regard to protecting reporters on site. In addition, the members of the “Freedom of the Press” working group met regularly to exchange views. This year’s discussions focused on the treatment of hate speech against journalists and the accompanying “Verfolgen statt nur Löschen” (“Don’t Just Cancel – Prosecute”) initiative, the media’s handling of extremism, the limits to freedom of expression and the freedom of art and special challenges in war reporting. As in the previous year, Penguin Random

House's "Banned Wagon" toured the United States during "Banned Books Week" to raise awareness of the importance of free speech and the preservation of a diverse and inclusive literary landscape. The knowledge magazine "Geolino" and UNICEF also initiated a creative competition for children in Germany on the topic of "What freedom of speech looks like".

UN-3 (Digital) media literacy

The following table shows the material impacts, risks and opportunities ("IROs") related to the topic of (digital) media literacy that have been identified as part of the double materiality assessment. Bertelsmann addresses its material IROs through various policies, engagement procedures and actions. They are described in the section "Impact, risk and opportunity management" of this chapter.

Material impacts, risks and opportunities

| Topic/Sub-topic | Sub-sub-topic | Description of the IROs | Characterization of the IROs | Localization of the IROs | Time horizon of the IROs |
|---------------------------------|---------------|---|---------------------------------|--|--------------------------|
| (Digital) media literacy | | Media literacy is of paramount importance in an increasingly digital world. It enables people to take a critical look at media content and to make informed decisions about their own media consumption. In addition to distributing and producing content, Bertelsmann also supports initiatives that promote media and digital literacy, thereby contributing to individual and social development. | Impact Positive Potential | Own operations, downstream value chain | Short and medium term |
| | | In addition to the goal of promoting media literacy, related initiatives and their content may use potentially manipulative or opinion-forming techniques (e.g., using certain rhetorical means) that undermine people's ability to think critically. | Impact Negative Potential | | |

Impact, risk and opportunity management

As a key qualification, media literacy has a major impact on the educational and development opportunities of children and young people, as well as on maturity in an increasingly digital world. Bertelsmann contributes to social and individual development by a wide range of actions and engaging in initiatives to promote media and digital literacy. As stated in the Bertelsmann Code of Conduct, Bertelsmann attaches great importance to the protection of children and young people in the creation and distribution of its content.

For example, Bertelsmann supports Stiftung Lesen, a German-wide initiative that promotes reading among children and young people, including through book donations and reading days. RTL Group is a founding member of the EU's "CEO Coalition to make the Internet a better place for kids" initiative, which works to improve the protection of minors online. Super RTL also supports the non-profit educational initiative Media Smart e. V., which promotes the competent use of advertising and media by children and young people, and the online search engine "fragFINN", which enables children between the ages of six and twelve to search for topics of interest on safe, child-friendly websites.

In 2024, RTL Group's studio and talent agency We Are Era, in cooperation with the Vodafone Foundation in Germany, launched a transnational #MeMyselfAndAI campaign to empower young people to use artificial intelligence competently. In addition, RTL Hungary offered young people the opportunity to expand their media literacy, recognize the importance of fact-based reporting, and gain insight into the internal processes of newsrooms as part of a media camp.

UN-4 Artificial intelligence

The following table shows the material impacts, risks and opportunities (“IROs”) related to the topic of artificial intelligence that have been identified as part of the double materiality assessment. Bertelsmann addresses its material IROs through various policies, engagement procedures, and actions. They are described in the section “Impact, risk and opportunity management” of this chapter.

Material impacts, risks and opportunities

| Topic/Sub-topic | Sub-sub-topic | Description of the IROs | Characterization of the IROs | Localization of the IROs | Time horizon of the IROs |
|------------------------------|---------------|--|--|--|-----------------------------|
| Artificial Intelligence (AI) | | AI in general, and generative AI in particular, can make a valuable contribution to creativity, innovation and efficiency at Bertelsmann. Customer satisfaction can be improved through the personalization of products and services, and through greater interaction (e.g., quicker call handling by customer service, personal recommendations for books and programs on streaming services, and making music easier to find in searches). For employees, the use of AI can make their workplace more attractive, improve competency and knowledge growth, and help to gain time. In this context, it is possible, among other things, to relieve the burden incurred by simple or time-consuming tasks, including tasks involved in brainstorming or producing and analyzing content, with a positive impact on the focus on important topics and an improved work-life balance. | Impact Positive Actual and potential | Own operations, downstream value chain | Short, medium and long term |
| | | However, the use of AI can also adversely affect customers and employees. For customers, an excessive or intrusive focus on AI-driven personalization and interaction can result in a violation of their privacy (e.g., inadequate practices when handling sensitive customer data) or a negative user experience (e.g., stereotypes/discrimination in the presentation of content and in interactions with customers along with incorrect information in communications). Employees may also experience uncertainty and anxiety, including about possible job losses. In addition, the use of AI relies on the use of large volumes of data. Improper handling of this data due to a lack of expertise and the non-secure further processing or storage of data, for example, or unauthorized access can lead to an increase in data breaches, which can affect both customers and employees. | Impact Negative Potential | | |
| | | Bertelsmann views AI as an opportunity. With the improved use of resources, data analysis, the personalization of products and services and interactions with customers, the Group can increase its focus on value-added activities, combined with greater efficiency, innovative capability and transformative capacity, as well as the associated development of new sources of revenue for the Group. Examples of related activities include the establishment and operation of distribution centers or the production of premium creative content. | Opportunity | | |
| | | Improper use of AI carries legal risks and the risk of reputational damage and financial penalties, particularly in connection with data protection and copyright violations, or liability for AI-assisted content. In addition, storing and processing additional data without knowing its actual value can increase operating costs. | Risk | | |

Impact, risk and opportunity management

Bertelsmann has identified great opportunities in the use of AI to further improve its diverse business models, promote creativity, innovations and synergies, and increase efficiency. The Group is increasingly using AI in its businesses and is introducing its employees to the possibilities offered by new technologies in order to raise awareness of the use of AI in the Group and to train employees to become competent AI users. The bodies for the strategic development of the topic of AI and the implementation of the Group-wide tech & data agenda are the Tech & Data Advisory Board and the AI Council, which reports the CFO. The implementation of the tech & data agenda is based on the AI Hub for the implementation specific AI applications and realization of synergies, the cross-divisional “BeData” platform, and cooperation in the field of tech & data on the Bertelsmann Collaboration Platform (BCP). Specific data protection requirements are set out in the rules and regulations described in the entity-specific section UN-5.

In 2024, a global media campaign entitled “AI. And I can do more” was launched, accompanied by an invitation to the Bertelsmann Scholarship Initiative (2023–2025), which includes AI and machine learning elements, among others, and to which both employees and external parties were able to apply (see section S1-4). At this year’s Bertelsmann Tech & Data Summit, the focus was on Bertelsmann’s progress in the field of AI as well as insights into the latest research findings in particular. In addition, the activities of the newly established AI Hub were expanded over the course of this year, among other things through the implementation of synergistic AI projects and the conclusion of initial pilot and framework agreements with external partners and technology providers. In addition, the formation of an AI governance framework was initiated with a focus on specific use cases with risk potential.

UN-5 Handling of data

The following table shows the material impacts, risks and opportunities (“IROs”) related to the topic of the handling of data that have been identified as part of the double materiality assessment. Bertelsmann addresses its material IROs through various policies, engagement procedures and actions. They are described in the section “Impact, risk and opportunity management” of this chapter.

Material impacts, risks and opportunities

| Topic/Sub-topic | Sub-sub-topic | Description of the IROs | Characterization of the IROs | Localization of the IROs | Time horizon of the IROs |
|-------------------------|---------------|--|--|--|-----------------------------|
| Handling of data | | Bertelsmann processes the personal data of its employees and business partners (suppliers, customers and users) with due diligence and in compliance with the relevant laws. By using human resources and standardizing documented processing operations to protect this data, including preventing data loss, it creates a secure work environment for employees and strengthens trust among business partners. Comprehensive guidelines and protective actions have been implemented to ensure that sensitive personal information is handled in a confidential manner. Corresponding guidelines include the Data Protection Guideline, the Executive Board Guideline on Information Technology and Information Security, and, in addition, for the German Group companies, the Group Data Protection Manual. Protective actions involve data protection audits. | Impact Positive Actual and potential | Own operations, upstream value chain, downstream value chain | Short, medium and long term |
| | | Insufficient data protection can have economic, legal and psychological consequences for Bertelsmann business partners and employees, with financial losses along with uncertainty and a loss of trust. Employees responsible for handling personal data receive advice and support from the responsible legal departments and data protection officers. | Impact Negative Actual and potential | | |

Impact, risk and opportunity management

Bertelsmann attaches great importance to data protection. Data protection applies to the protection of personal data belonging to employees, customers and users, and personal data provided by business partners to Bertelsmann. Bertelsmann uses data from its customers when creating and distributing its media, service and educational offerings. In the service business in particular, many of the world's largest corporations entrust the Group with parts of their value chain, such as logistics or payment processes. Confidential and careful handling of personal data also plays a decisive role in the Group's dealings with media users and employees.

This includes only processing personal information in accordance with legal requirements, adequately protecting this information against unauthorized access, and enabling data subjects to exercise their rights as set out in law. When handling personal data, Bertelsmann acts in a highly regulated field. Protecting personal data is a legal obligation in all of the geographic core markets in which Bertelsmann operates. The primary goal is to protect the privacy rights of data subjects.

In addition to the Bertelsmann Code of Conduct and Bertelsmann Supplier Code of Conduct, data protection in the Group is addressed in the Data Protection Guideline, the Executive Board Guideline on Information Technology and Information Security, and, in addition, for the German Group companies, by the Group Data Protection Manual. Data subjects have different possibilities to get in touch with Bertelsmann, including using dedicated email inboxes set up for this purpose.

The effectiveness of the Bertelsmann data protection organization requires that everyone who processes personal data for Bertelsmann is aware of the importance of data protection. Responsibility for data protection lies decentrally with the management of the Group companies. In order to implement data protection requirements, management have a Group-wide data protection management system in place that, in particular, ensures the implementation of the documentation and accountability obligations stipulated in the "General Data Protection Regulation" (GDPR). In addition, a data protection organization consisting of central data protection officers and local data protection coordinators has been established for Group companies subject to the GDPR. The latter report to local management and the central data protection officers on an annual or ad hoc basis, who in turn report to the Executive Board on an annual or ad hoc basis. Other Group companies have a similar organization in place. An information security management system (ISMS) based on the industry standard ISO-27001 provides the technical and organizational framework for confidential data processing. The ISMS involves regular and structured documentation of relevant processes and procedures to ensure compliance with legal requirements for information security. It also systematically detects risks, and derives and monitors suitable actions to minimize risks.

In 2024, the most important measures in the field of data protection included preparing the Bertelsmann data protection organization for new technical challenges related to AI governance and expanding data protection reporting to include core markets not covered by the GDPR.

UN-6 Intellectual property

The following table shows the material impacts, risks and opportunities ("IROs") related to the topic of intellectual property that have been identified as part of the double materiality assessment. Bertelsmann addresses its material IROs through various policies, engagement procedures and actions. They are described in the section "Impact, risk and opportunity management" of this chapter.

Material impacts, risks and opportunities

| Topic/Sub-topic | Sub-sub-topic | Description of the IROs | Characterization of the IROs | Localization of the IROs | Time horizon of the IROs |
|------------------------------|---------------|---|--|--|-----------------------------|
| Intellectual property | | Protecting and safeguarding intellectual property is crucial for Bertelsmann's business. This applies in particular to the content divisions of Bertelsmann. They provide the basis for copyrights and the fair compensation of creatives involved in the creation and distribution of content (e.g., authors, artists, journalists). | Impact Positive Actual and potential | Own operations, downstream value chain | Short, medium and long term |
| | | Given the changing framework conditions and the threat to intellectual property associated with the growing importance of AI, Bertelsmann and its creatives are up against a number of particular challenges. Creators can be affected if their intellectual property is not adequately protected and their copyrights violated. In addition, users are liable to being deceived by inferior imitations of content. At the same time, copyright enforcement can require actions that limit user-generated content. | Impact Negative Actual and potential | | |
| | | Handling intellectual property with care ensures that original content created by Bertelsmann is protected. This allows the Group to maintain control over its content, retain its value and effectively monetize it. In turn, this has a positive impact on the Group's reputation and makes new licensing agreements and partnerships more attractive. It also provides an opportunity to expand the range of content available and to boost the Group's ability to innovate and transform – at the same time as tapping into new business potential. | Opportunity | | |
| | | Inadequate protection of intellectual property is associated with a risk of piracy, unauthorized distribution and possible manipulation of original content along with material damage (loss of value and revenue) and immaterial damage (loss of reputation and trust). | Risk | | |

Impact, risk and opportunity management

Bertelsmann's business also includes the development, creation, pre-financing, transfer, licensing and sale of products and services that are protected as intellectual property. Violation of protected intellectual property may include, for example, the performance, distribution, or exhibition of copyrighted works without permission or in exchange for payment, and the unauthorized reproduction or distribution of copies of protected intellectual property.

Protecting and safeguarding intellectual property is a key aspect of Bertelsmann's commercial success in both analog and digital business models. This is also embedded in the Bertelsmann Code of Conduct and the Bertelsmann Supplier Code of Conduct. Intellectual property is also protected by law (e.g., copyrights, trademarks, patents). The Group is therefore committed to achieving a high level of copyright protection worldwide, and to preserving strong exclusive rights and contractual freedom.

The Copyright Taskforce, which comprises representatives of the relevant German and international content businesses (RTL Deutschland, UFA, Fremantle, Penguin Random House and BMG), oversees current developments and legislative processes on copyright at the European Union and national level and develops joint Bertelsmann positions on this issue. In 2024, its work focused on monitoring the entry into force and implementation of the European Union regulation on harmonized rules for AI (AI Act), the first global set of rules governing the placement on the market, deployment and use of AI systems in the European Union.