



# 24/7

# Responsibility

# NEW-CHAPTER SEEKER

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YOUR  
OWN  
CAREER



**Sanyu Dillon**, Devoted New Yorker, nature seeker, purpose finder, energy bundler, living and working full-time. Mother of two, attentive listener, helping new books find their readers. MBA student and Executive Vice President, Director of Marketing, Penguin Random House, New York City.

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[www.createyourowncareer.com](http://www.createyourowncareer.com)

**BERTELSMANN**

## 24/7 Responsibility

Bertelsmann has changed over the years. We have become a faster growing, more digital and more international company. Alongside media and services, education has become the third pillar of our business. And we have established a new corporate structure with eight divisions, reflecting the strategic progress made in our work.

One thing, however, has not changed: As a company of creatives, we are continually developing new products and services. Day after day, around the clock, and all over the world, we reach more than 600 million people whose expectations are as high as the standards we set for ourselves.

These high standards determine our business conduct as well – toward our employees, our customers, and other stakeholders. Responsibility in action, 24/7, is a cornerstone of our corporate culture of partnership. That’s why we’ve headed our report on Bertelsmann’s commitment to sustainability with “24/7 Responsibility.”

Like our corporate strategy, our engagement is clearly and systematically focused and defined in cooperation with Bertelsmann’s stakeholders. On the following pages, we present these key areas of our corporate responsibility efforts. They are just as much a part of Bertelsmann as our company’s commercial offerings, and they are just as diverse.



**Thomas Rabe**

Chairman and Chief Executive Officer of Bertelsmann

As with all our products, we have designed these pages to maximize both their news and entertainment value.

I wish you an enjoyable and informative read!

Thomas Rabe

P.S. As a long-standing participant in the UN Global Compact, Bertelsmann fulfills its commitment by submitting an annual Communication on Progress through the publication of this report, which is complemented by the GRI reporting content posted on the Bertelsmann website.

# Contents

<b>Editorial</b>	03
<b>Partnership</b>	06
<b>The Company</b>	08
<b>Value Creation</b>	10
<b>Bertelsmann Essentials</b>	12
<b>CR Strategy &amp; Management</b>	14
<b>Ethics &amp; Compliance</b>	17

## About Our Corporate Responsibility Reporting

This publication provides information on the basic principles, strategic developments and focus topics in sustainability management at Bertelsmann and its companies during the 2015 financial year. It forms part of our extensive corporate responsibility communication and is supplemented with sustainability information and news on the Bertelsmann corporate website – where you will also find the GRI Index, an essential element in our CR reporting that systematically presents CR information by different categories. The Index follows the guidelines of the Global Reporting Initiative (GRI G4), the leading framework for sustainability reporting by international companies.

Our GRI reporting also fulfills our obligation, as a UN Global Compact (UNGC) participant, to produce an annual Communication on Progress. For purposes of transparency, references to relevant GRI and UNGC reporting content can be found in the **footnotes** to this publication.



**Bertelsmann GRI Index online:**  
<http://www.bertelsmann.com/corporate-responsibility/facts-and-figures/gri-index/>

## Our Topics

<b>Education</b>	18
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High-quality digital educational offerings for all employees worldwide. Chief Learning Officer Steven Moran explains the importance of education in and for the company and the rationale behind the realignment of Bertelsmann University.

<b>Press Freedom</b>	28
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No democracy without press freedom. This report from the Cologne-based news channel N-TV describes how journalists defend freedom of the press – in Germany and elsewhere, in matters large and small – each and every day.

<b>Fair Working Conditions</b>	36
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Chief Human Resources Officer Immanuel Hermreck talks about partnership, freedom and respect as prerequisites for a fair treatment of the people we work with.



## Protection of Media Users and Customers \_\_\_\_\_ 46

Data protection plays a crucial role in the production and dissemination of creative content and services, and in handling personal information. Four statements from different areas of business show what exactly this means for Bertelsmann.

## Diversity \_\_\_\_\_ 54

Bertelsmann sees diversity as opportunity – and the growth regions are no exception. A look at the fields of work of Shobhna Mohn, Executive Vice President of Growth Regions, and Annabelle Yu Long, CEO of Bertelsmann's China Corporate Center.

## Health \_\_\_\_\_ 62

Healthy employees are essential to the success of a company. Heribert Sangs and Lorena Israel Findley from Bertelsmann Health Management explain what it means to integrate occupational health into the workplace.

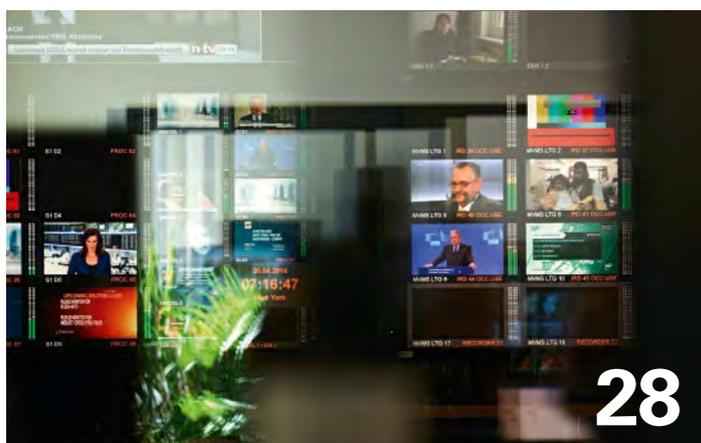
## Eco-Efficiency \_\_\_\_\_ 70

Economists and ecologists have something in common: they love efficiency, writes "GEO" Editor-in-Chief Christoph Kucklick in his essay. Bertelsmann experts explain how climate protection and environmentalism can work in a company.

## Corporate Citizenship \_\_\_\_\_ 84

## CR Online \_\_\_\_\_ 92

## Production Credits & Contact \_\_\_\_\_ 94



# Partnership Needs Strong Representation

**Dialog between employees and management is essential to effective partnership and a successful business. Employee participation is alive and well at Bertelsmann – well beyond the extent mandated by law. It requires strong representatives, clear rules, and mutual trust. That is why employees, executives, people with disabilities, and trainees have various platforms for exchanging ideas, advancing shared topics, and constructively contributing their concerns to the dialog with the company’s management. We present three of them in the following.**

## The Bertelsmann Works Councils

By following the principle of delegating responsibility, postwar founder Reinhard Mohn reinforced a key element of the Bertelsmann corporate culture: he gave managers and employees freedom and empowered them to contribute to the company’s success by entrusting them to act “as entrepreneurs within the enterprise,” taking responsibility for making their own decisions.

Today – in times of globalization and digital transformation – these cultural foundations are more important than ever.. For a successful transformation, it is of key importance that the management and employee representatives agree upon a common course. That is why the Bertelsmann works councils have a special responsibility: acting as equal partners, they support the implementation of the corporate strategy to ensure that employee interests are always taken into account and that decisions are explained and made comprehensible to them.

One proven format for the exchange between interest groups as partners is the “Bertelsmann Group Dialog Conference,” which was held for the fourth time in 2015. About 70 members from the Bertelsmann Corporate Works Council and the Mediengruppe RTL Deutschland, Prinovis, and Gruner + Jahr works councils met for two days at the Gütersloh Corporate Center to consult and discuss with Chairman & CEO Thomas Rabe and Chief HR Officer Immanuel Hermreck.



### Work Council Chairs

Bernd Bräuer (Prinovis), Elke Schanz (G+J), Kai Brettmann (RTL Group), Helmut Gettkant (Bertelsmann)

**What view do Bertelsmann’s works councils have of their company? And what questions do they ask themselves regarding matters of corporate responsibility?**

“As works council members, we play a decisive role in the transformation of Bertelsmann. The employees gave us this remit. But if we are to fulfill our role properly and help shape the transformation, we must know exactly where the company is headed and how the journey itself is to unfold.”

### Helmut Gettkant

Chairman of the Bertelsmann Corporate Works Council

“In the dialog among our works councils, the digital transformation of RTL Group is the primary strategic topic. What do growth targets in our online video businesses and online advertising markets mean for the employees? What qualifications and skills are necessary? What role does the age of the workforce play? We see it as our job to enter into a dialog with the management on this.”

**Kai Brettmann**

Chairman of the Mediengruppe RTL Deutschland Corporate Works Council and RTL Group’s European Works Council

“How can we strengthen G+J’s main business of printed products in a challenging market situation while also successfully achieving the transformation to digital? New lines of business, especially in the online domain, are changing the portfolio. What are the repercussions of the related reorganization of working environments? Our councils want to and will actively participate in this transformation.”

**Elke Schanz**

Chairwoman of the G+J Works Council

“For Prinovis’s works councils, the primary question is how we can jointly manage to stand our ground in our difficult market environment. Together, as the Bertelsmann Printing Group, what chances do we have to stabilize our business? How can we successfully tackle demographic change? We need to partner with the management to work on this.”

**Bernd Bräuer**

Chairman of the Prinovis Group Works Council



**Bertelsmann Management Representative Committee**

Max Dressendörfer (BMG), Ute Biernat (UFA), Andreas Krohn (Arvato), Günter Maschke (G+J) (top, left to right); Rachel Ji (Bertelsmann China), Bettina Wulf (Bertelsmann), Ian Hudson (DK), CHRO Immanuel Hermreck (Bertelsmann), Nuria Cabuti (Grupo Editorial PRH), Maya Mavjee (PRH) (bottom, left to right). Guest: Jan Witt (Bertelsmann Internal Communication) (top: fourth from left).

**The International Bertelsmann Management Representative Committee**

One important catalyst for the company’s further development is the International Management Representative Committee (BMRC). The BMRC was initiated in addition to the employee representation required by law, and complements the existing Spokespersons Committees in Germany. Its members come together from the different areas of the Bertelsmann world to discuss fundamental questions and trends, suggest new initiatives, and effectively advance them.

In fall 2015, the BMRC met in Gütersloh. Agenda items included the transformation of Bertelsmann, Group-wide development and transfer opportunities for employees, the new learning organization, discussions regarding the sense of purpose that unites all Bertelsmann employees, and the further development of corporate responsibility efforts at Bertelsmann. //

# The Company

**Bertelsmann is a media, services and education company that operates in about 50 countries around the world. It includes the broadcaster RTL Group, the trade book publisher Penguin Random House, the magazine publisher Gruner + Jahr, the music company BMG, the service provider Arvato, the Bertelsmann Printing Group, the Bertelsmann Education Group, and Bertelsmann Investments, an international network of funds.**

## BERTELSMANN



[www.bertelsmann.com](http://www.bertelsmann.com)

The company has 117,000 employees and generated revenues of €17.1 billion in the 2015 financial year. Bertelsmann stands for creativity and entrepreneurship. This combination promotes first-class media content and innovative service solutions that inspire customers around the world.

In the 2015 financial year, the following five business sectors were used for reporting purposes: RTL Group, Penguin Random House, Gruner + Jahr, Arvato and Be Printers (part of the Bertelsmann Printing Group since January 1, 2016). The Annual Report 2015 and the report “The New Bertelsmann” can be accessed online at [ar2015.bertelsmann.com](http://ar2015.bertelsmann.com). Both reports are also available as a free app on the Apple App Store and in Google Play.



Strengthening the Core



Digital Transformation



B

## The Four Strategic Priorities

Bertelsmann's strategy is a response to global trends that are changing media usage behavior and customer requirements: the digitization of all areas of life, the increasing role of emerging markets such as Latin America, China and India, and the rising demand for education services. In all its businesses, Bertelsmann relies strongly on the innovative power of creativity; after all, the Group's value creation revolves around it. Accordingly, the company is investing heavily in the creative substance of its businesses. //



Growth Platforms



Growth Regions

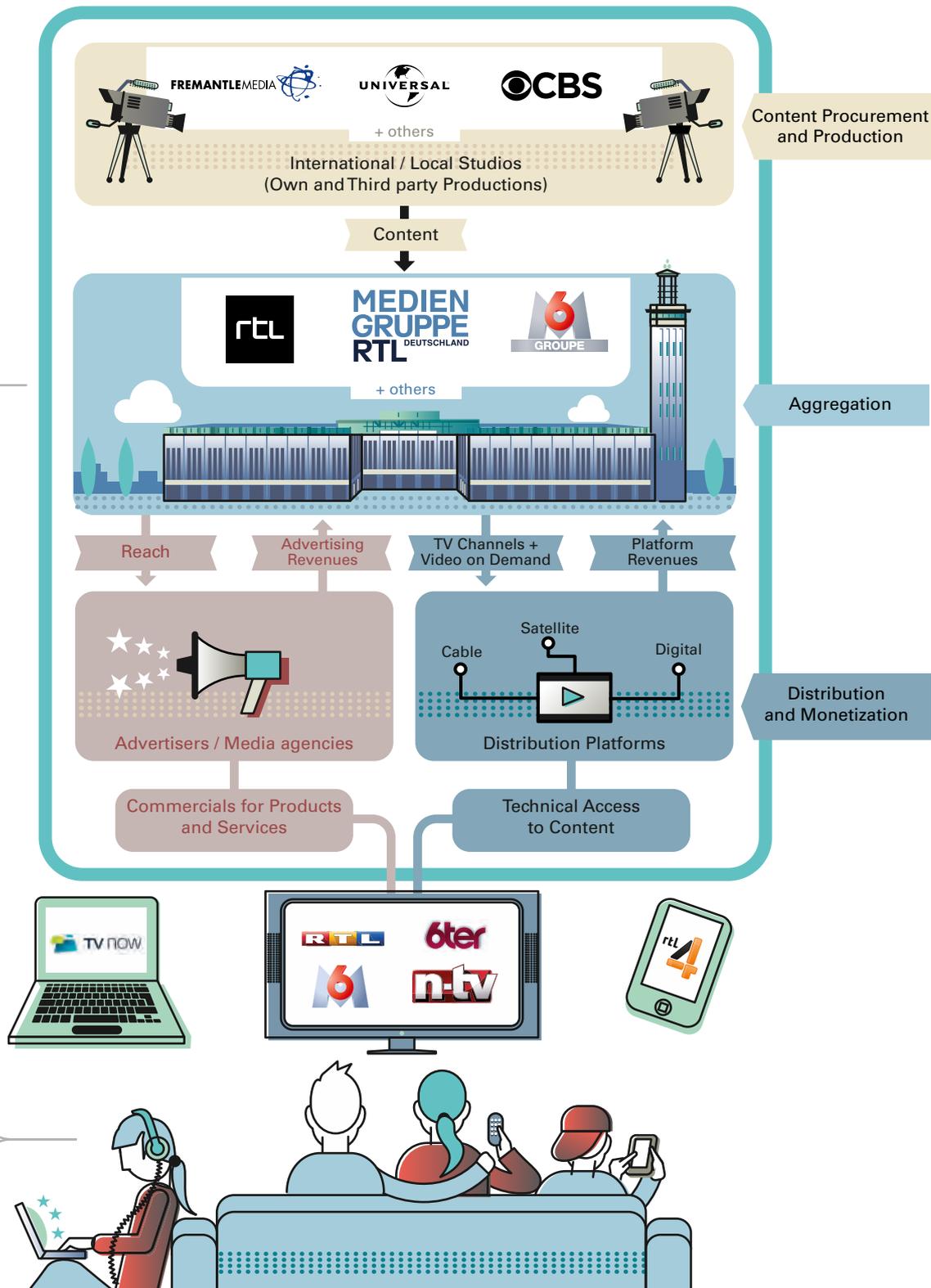
# Value Creation at Bertelsmann

In the 2015 financial year, Bertelsmann was active in three core lines of business: 1) media – through RTL Group, Penguin Random House, Gruner + Jahr and BMG (2015 as part of Bertelsmann Corporate); 2) services including print and CD/DVD replication – through Arvato and Be Printers (part of the Bertelsmann Printing Group since January 1, 2016); and 3) education – through the Bertelsmann Education Group (since September 10, 2015). Bertelsmann has its origins in the media sector, which today generates about two-thirds of its revenues. In all three segments, digitization is a driver of new trends, either through innovations in production technology, changes in media consumption, or changes in the way people learn and study.

**1 Media** Our media business is based on producing or acquiring high-quality information and entertainment content – from which books, TV channels, magazines, music products and online services are created. With the exception of books and music, these products contain advertising in addition to curated content. Advertising is an important source of funding beyond the sales and distribution revenues. All products are distributed physically or digitally, directly to the consumer or via service providers. Our media businesses live by the diversity of content that we produce and distribute. Good contacts with creative talents and producers such as journalists, photographers, authors of books, songwriters, performing artists and TV producers are a key success factor.

**2 Services** At the core of this segment are services we deliver to our clients' end customers ("B2B2C services"). Typical elements of these solutions include contact centers, marketing, IT, and logistics services as well as credit information and collection. These services mostly combine a variety of resources: staff resources, technology and the use of natural capital in the form of energy and materials. While hardware and standard software are sourced from third-party suppliers, software solutions for specialized applications are mostly developed in-house. In our print operations, we process materials like paper and ink to produce media and advertising products for our business customers – typically books, catalogs, magazines and brochures – using offset, gravure, and digital printing presses by third-party manufacturers. The most important raw material used in our CD, DVD and Blu-ray replication business is polycarbonate.

**3 Education** Bertelsmann's activities in the fast-growing sector of higher education are concentrated on three segments: universities with a focus on medical and human sciences, e-learning, and services. Like our services businesses, the business models in the education segment are based on the combined deployment of highly qualified employees, their knowledge and skills, and technology.



**Example: TV Broadcasting**

The production, aggregation, distribution and monetization of professionally produced video content is the core business of RTL Group. The goal is to offer content wherever the audience wants to watch it – on various platforms and devices. FremantleMedia, RTL Group’s content production arm, produces over 10,000 hours of programming every year for channels and digital platforms. Above and beyond this, RTL Group’s families of channels produce or commission local content. The channels shape their channel brands by developing and structuring their program lineup with different genre formats, including news, entertainment shows, fictional series, reality TV formats and live sport events. Their main source of income is the sale of advertising airtime, which is complemented with revenues from distribution platforms.

# Bertelsmann Essentials

**The Bertelsmann Essentials convey the goals and basic values of our company's employees, executives and shareholders and build on the Corporate Constitution. It is the responsibility of our executives to spread and epitomize these values and to serve as role models. The Bertelsmann Essentials reflect the common understanding of our corporate culture and are subject to constant review, revision and improvement.**

**Last updated: 2008**

## Our Mission

Bertelsmann is an international media corporation. We provide information, entertainment and media services to inspire people's daily lives. We aspire to make a valuable **contribution to society**. We strive to be leaders in our markets and to achieve returns on capital employed that guarantee the growth and continuity of our corporation. Our joint efforts focus on creative content and customer relations. We seek to provide working conditions that are equitable and motivating for our employees. We commit ourselves to ensuring the continuity and ongoing progress of our corporation.

## Our Core Values

### Partnership

Our corporate culture is based on a mutually beneficial partnership between our employees and the company. Motivated individuals who identify with the company and its values are the driving force behind quality, efficiency, innovation and growth within our corporation. The hallmarks of our participatory leadership approach are mutual trust and respect as well as the principle of delegation of responsibilities. Our employees enjoy autonomy to the greatest extent possible. They receive comprehensive information and participate in decision-making and our financial success. We are committed to the professional development of our employees and seek to provide long-term employment.

### Entrepreneurship

The principle of decentralization is at the heart of Bertelsmann's management philosophy. It enables our employees to act with flexibility, responsibility, efficiency and entrepreneurial freedom. Our operating businesses are run by managers who act as entrepreneurs. They enjoy considerable independence and bear full responsibility for the performance of their companies. Our executives act not only in the best interests of their individual businesses, but are also committed to the interests of the Group as a whole.

### Creativity

We provide a home for artists, authors and creative talents in all of our fields of business, promoting their creative development and commercial success. We advocate and strive for the protection of intellectual property on a worldwide basis. We promote artistic freedom and freedom of thought, the protection of democracy and human rights, and the respect of traditions and cultural values. Consequently, the content we provide reflects a wide range of viewpoints and opinions. Continuous innovation and improvement, guided by customer needs and interests, are the cornerstones of our success.

### Citizenship

The continuity and development of Bertelsmann as an independent entity is ensured by the Verwaltungsgesellschaft's (Bertelsmann Management Company) control of the majority of voting rights. In the view of our shareholders, the possession of property creates an obligation to the community. They believe that, in a market economy, a corporation derives its legitimacy from making a valuable contribution to society. The work of the Bertelsmann Stiftung – to which the majority of Bertelsmann shares has been contributed – is also guided by this principle. Our businesses are managed in accordance with the spirit and the letter of the law. They maintain high standards of ethical conduct and act responsibly toward society and the environment.

## Our Commitment

We expect everyone at Bertelsmann to adhere to this mission and these core values. //

# CR Strategy & Management

**We seek to act as responsible entrepreneurs – in our business activities, toward our employees, in society, and in our treatment of the environment. This is an integral part of Bertelsmann’s corporate culture – which is why the Bertelsmann Essentials codify social responsibility as a core value for all the company’s employees, executives and shareholders. Our aim is to reconcile the Group’s economic interests with social and environmental concerns, in dialog with all relevant stakeholders.**

## Corporate Responsibility Topics

What are the most relevant social and environmental topics for Bertelsmann and its divisions, for our businesses and stakeholders?

In 2014, an analysis conducted with internal stakeholders identified answers to this question. Twelve social and environmental topics with more than 30 subtopics were presented to over 130 executives and employee representatives from around the world to rate on a four-point scale. Their relevance for the business was surveyed in the categories of risk potential, direct financial impact, efficiency and optimization potential, differentiation and growth potential, and future orientation. Stakeholder relevance was assessed in terms of employees, B2B and B2C customers, and optionally other stakeholders.

Seven topics were identified as especially relevant: education, press freedom, fair working conditions, protection of media users and customers, education, diversity, health and eco-efficiency.

## Strategic Development

Bertelsmann continually pursues the strategic development of its sustainability management. Cross-divisional coordination and collaboration are on the agenda, as are Group-wide targets and the Group’s transparency in the corporate responsibility topics identified as relevant.

In 2015, international, cross-divisional CR working groups were set up for this purpose. Under the heading “Advancing CR at Bertelsmann,” the working groups analyzed the status quo and requirements, and derived needs for action based on this. The interim results of this process were

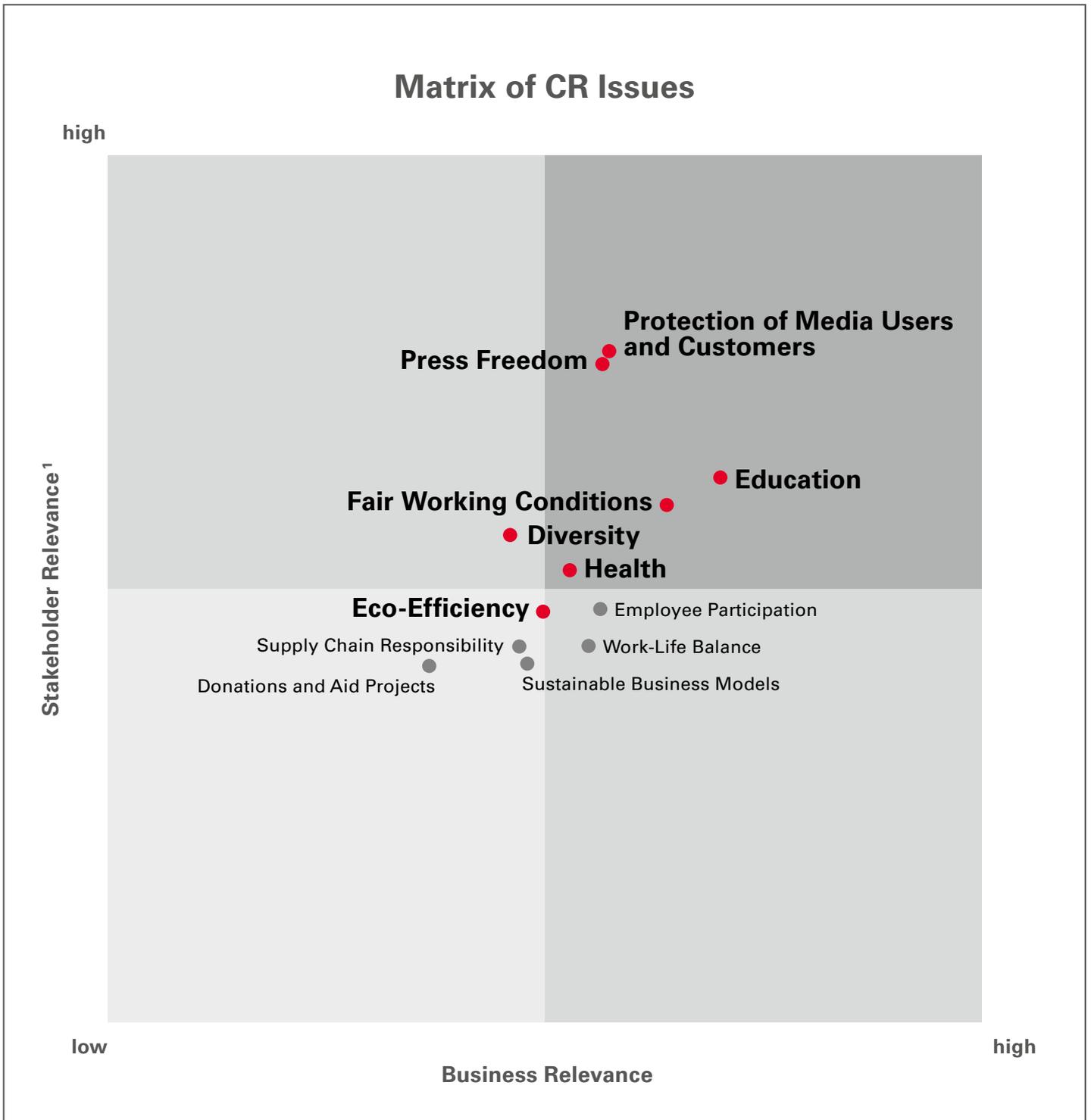
presented to the Bertelsmann Group Management Committee at year-end. The “Advancing CR at Bertelsmann” project will be continued in 2016.

## Organizing Corporate Responsibility

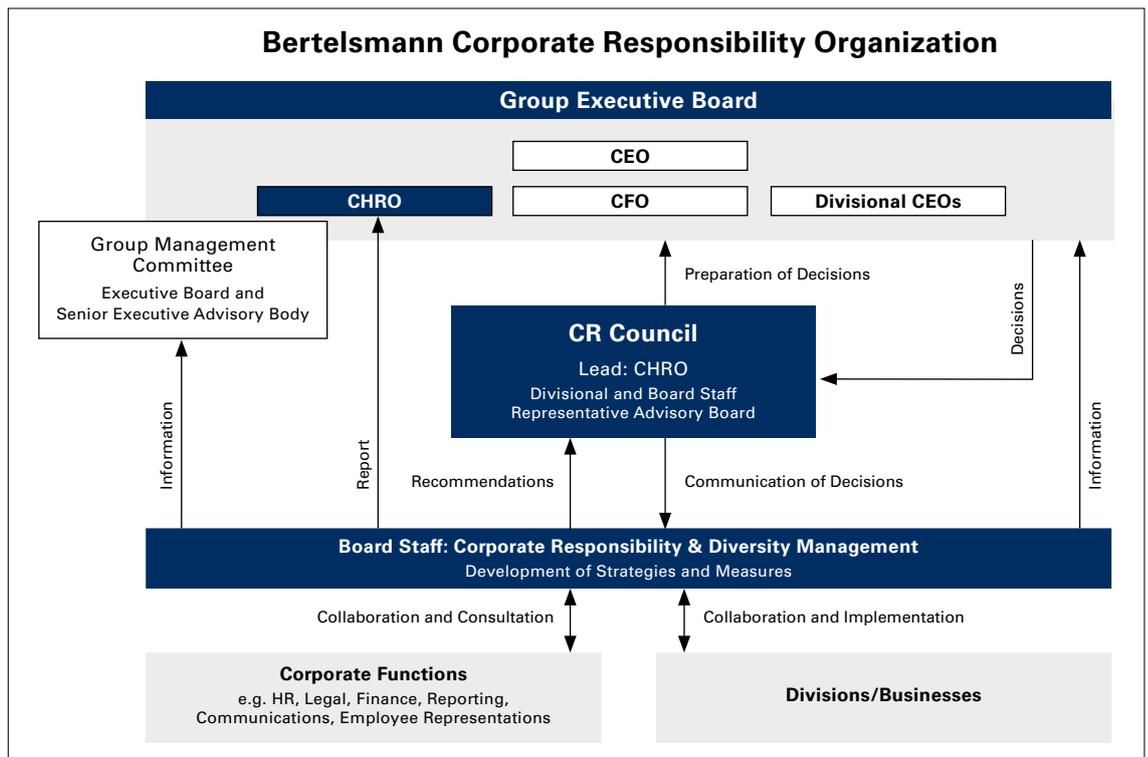
Since March 2015, high-ranking representatives of the divisions have been meeting regularly in Bertelsmann’s Corporate Responsibility Council under the leadership of the Group’s Chief Human Resources Officer. Together, they advance the strategic development of CR at Bertelsmann and bring an operational perspective from the businesses. Each CR Council member also heads a CR working group.

At Group level, the Corporate Responsibility and Diversity Management department coordinates and supports the work of the CR Council, reporting to the Group Chief Human Resources Officer. The department also manages the Group’s corporate responsibility reporting, the stakeholder dialog on sustainability, internal consulting projects, and Group-wide environmental and climate management. Coordination and close collaboration with other corporate functions such as Corporate Reporting, Risk Management, Finance, Ethics & Compliance, Human Resources, Corporate Communications and employee representatives play an important role. In the area of diversity management, the department supports the divisions in promoting workforce diversity, especially with a view to developing division- and company-specific strategies and measures.

In the spirit of a decentralized corporate culture that has evolved over decades, Bertelsmann’s



<sup>1</sup> Internal Analysis; Note: Especially in light of the increasing reporting requirements, eco-efficiency and diversity were determined as relevant Bertelsmann CR topics. Further topics such as anti-corruption, antitrust, foreign trade, business partner compliance and protection of intellectual property, were not part of the assessment of social and environmental topics shown here.



local managing directors know their businesses and their ecological and social environment best. In accordance with the principle of delegating responsibility, specific corporate responsibility projects and actions are therefore executed in a decentralized manner. Bertelsmann's divisions and companies develop their own CR activities, and are responsible for implementing their own structures and processes according to their local needs.

### Guidelines and Partnerships

In its corporate responsibility reporting, since 2011 Bertelsmann has followed the international guidelines of the Global Reporting Initiative (GRI), which are regarded worldwide as a central benchmark for businesses' voluntary sustainability reporting. More information on this is provided in the "About Our Corporate Responsibility Reporting" section on page 4.

Since 2008, Bertelsmann has supported the ten principles of the United Nations Global Compact as an active participant. The company is thus committed to the goal of promoting continuous and sustainable progress in the areas of labor standards, human rights, environmental protection and anti-corruption together with its employees, customers and suppliers at its international locations. An annual Communication on Progress reports on what has been achieved and what are planned activities in these areas. This report has been integrated into the company's GRI reporting since the financial year 2015.

In addition to a variety of strategic partnerships and alliances at Group, divisional and company level, Bertelsmann has also been a member of [econsense](#), the forum for sustainable development of the German economy, since 2015. Furthermore, Bertelsmann is involved at Group and divisional level in the international [Media CSR Forum](#) network. //

# Ethics & Compliance: Rules Are for Everyone

**There are rules that apply to everyone, whether you work for us or not. At Bertelsmann though, additional rules are in place to ensure integrity throughout the company. This may sound complicated, but it really isn't. Common sense and the Code of Conduct provide further assistance – and of course, the Ethics & Compliance Department.**

The subject of ethics doesn't concern the company only, and it is not just for ethicists and philosophers. It concerns everyone. And what's true for ethics is particularly true for compliance: everyone is expected to comply with the existing laws and conduct themselves properly. At Bertelsmann, there are additional binding rules that apply without mitigation to each and every employee. The Code of Conduct lays the foundations for responsible and legally compliant conduct. Details are regulated in other guidelines.

The Executive Board is responsible for taking organizational measures to prevent misconduct, monitoring compliance with the rules on an ongoing basis, and following up on substantiated indications of misconduct. The Bertelsmann Executive Board has entrusted the Corporate Compliance Committee (CCC) with these tasks. The CCC reports regularly to the Executive Board and to the Supervisory Board's Audit and Finance Committee.

The Ethics & Compliance Department handles the operational work. It further develops compliance instruments and initiates staff training in all the areas that are relevant for them. The department is responsible for the Group's whistleblowing systems (traditional channels, online system, ombudspersons), and follows up on any reports received. Violations will not be tolerated!



## **Bertelsmann Code of Conduct**

[www.ethics.bertelsmann.com](http://www.ethics.bertelsmann.com)

Compliance risks that are relevant for the Group are regularly analyzed, and work priorities are then determined based on this. Corruption, anti-trust law and business partner compliance are the current priorities. The Ethics & Compliance Department coordinates cooperation with the Group's divisions and will continue to intensify this collaboration.

All employees, as well as third parties, can contact the department at any time – for questions concerning compliance or to report wrongdoing. Compliance at Bertelsmann can only be ensured if we work together! //

HOW CAN WE LEARN TO  
ACTIVELY SHAPE INNOVATION?

WHY IS  
LIFE-  
LONG  
LEARNING  
IMPORTANT?

## Q&A // Education

Education is a major emerging topic – including at Bertelsmann. What skills will employees need in the future? And how can companies implement future-oriented corporate training? Answers to these and other questions can be found on the following pages.

WHAT SKILLS WILL  
I NEED TOMORROW?

WHY IS CHANGE  
NECESSARY?

HOW CAN I BENEFIT  
FROM DIGITAL  
LEARNING CONCEPTS?

IS WATCHING VIDEOS  
REALLY LEARNING?

WILL THE NEW WORLD OF LEARNING  
AND EDUCATION BE PURELY DIGITAL?

AND WHY DOES BERTELSMANN PLACE SUCH  
A PRIORITY ON ITS EMPLOYEES' CONTIN-  
UED TRAINING AND LEARNING ANYWAY?

IS EDUCATION ON THE AGENDA  
OF THE TOP MANAGEMENT?

# No Future without Education

**From newspapers to e-journals, from window shopping to online shopping, from gravure to digital offset printing – the transformation to digital is changing everything and in the process calls many things into question. In particular, a shift in attitude regarding change and education is required. With the recent reorganization of Bertelsmann University, the company is making lifelong learning more accessible to all employees. A conversation with Chief Learning Officer Steven Moran, responsible for the Group’s learning strategy.**

At Bertelsmann, education is spoken of in conjunction with “learning innovation.” What exactly is meant by this: Learning to handle innovation? Or “innovation in learning”?

**Steven P. Moran** – Both are good descriptions, actually. In a narrower sense, it’s about working with the employees to make our own transformation possible. To do this, we have to make the necessary changes that promote innovation and learn how to handle it. We want to enable – empower – each and every employee around the world to help shape the transformation of the company, our products and services, and our working environment. This is the starting point for education at Bertelsmann: We have to become even more proactive and creative when it comes to innovation, and integrate it into our business in a value-adding way. And for this we need skills. Already in the mid-term, the skills we’re talking about will be very different from what they are today or tomorrow. Companies and their employees need to be more responsive and flexible. In short, Bertelsmann is striving to establish sustainable change in the company’s learning culture.

Why does the learning culture need to change now?

**SPM** – Bertelsmann learned an early and painful lesson in how quickly entire industries change in the digital age. The catchphrase for such upheaval is “digital transformation.” It is accompanied by changes in the world of work, a world that increasingly requires complex IT skills. But it also involves new products, whose design and production require specific skills.

To give you an example: I was working at BMG when the transformation hit the music industry with full force. The music business changed fundamentally, and BMG had to radically adapt itself and its business model. The company moved away from the “traditional” music recording business and toward music rights management. Why? Because the market had fundamentally changed from the sale of physical products to ensuring that rights be administered as comprehensively as possible and monetized accordingly. Being part of shaping that transformation was a formative experience for me. And since then, I know that no one

“

‘Digital First!’ doesn’t mean ‘digital only’: If an educational offering works better in a physical world, it will not be randomly replaced with a digital one.”

**Steven Moran**





### Leadership Is a Craft

Targeted programs, complemented by individual coaching, support managers in the “Leadership Campus” of the new Bertelsmann University in reflecting on their own leadership and expanding opportunities for action.

can ever legitimately claim to have “finished learning” – at any point in their life.

And it isn’t just our employees who have to change their learning behavior and accept change. As a company, we also have to develop and provide appropriate – and innovative – learning opportunities that reflect the very individual needs of employees

### What do you mean by innovative learning opportunities?

**SPM** \_ Digitization is our challenge. But it’s also a big part of our solution. In these digital times, learning has become so much more flexible in terms of time and place.

### An example?

**SPM** \_ Let’s say I need to learn about a specific tool for Excel. I could book an Excel course scheduled for eight weeks from now. And on the third day of the course, just before the coffee break, the tool I’m interested in is covered, for say, half an hour. This is how training worked in the past: not particularly effective. Today, I can use an online tutorial tailored to my specific needs on Lynda.com. There are over 8,000 courses on the site – and the number is growing all the time. This is the

kind of new learning platform I’m talking about, and it’s already available – for free – to more than 60,000 Bertelsmann employees worldwide. It’s a great new way of learning.

### Why does Bertelsmann care so much about education and about training its employees?

**SPM** \_ As a media company, Bertelsmann was caught in the digital transformation very early on. And we were able to draw conclusions from its effects much earlier than other companies. The transformation to digital requires a new attitude regarding both change and education, which are firmly interlinked. And to establish a new learning culture at Bertelsmann, the necessary impetus has to come from the center. And if we take education seriously, we can’t sit by and wait to see what happens. We have to be proactive.

### How much of a priority are education-related topics for top management?

**SPM** \_ Bertelsmann has always recognized education as an important factor in its success. Twenty-five years ago, we were one of the first German companies to launch a dual work/study program. And today, with the complete realignment of Bertelsmann University, we’ve created a central learning platform for employees and managers.

### How has Bertelsmann University changed?

**SPM** \_ Bertelsmann was a real pioneer in the area of “corporate universities.” For nearly 20 years now, Bertelsmann University has been an important think tank for our Group. This underscores the fact that education is part of our company’s DNA. At the beginning of 2015, we sat down with a blank piece of paper and thought about how education needs to be organized at Bertelsmann in order to realize our aspiration to make “learning innovation” sustainable and active across the Group – for every employee, on every level. The “new” Bertelsmann University is set up in such a way as to include much of our already successful in-house training programming under a shared roof.

### Strategic Learning Platform

The “Function Campus” helps business functions implement strategic objectives – for specific subjects, across divisions and based on networks.

### Could you describe the setup in more detail?

**SPM** \_ The new Bertelsmann University is comprised of four “campuses”: Individual, Function, Leadership and Strategy.

Individual means that I have a specific need as an employee. For example, I want to use the Excel tool mentioned earlier. These course offerings are usually available digitally and video-based.

The Function campus systematically advances the professional development of our employees in specific business functions: human resources, finance or IT, for example.

The Leadership campus revolves around individual leadership skills, often using coaching. The Bertelsmann Employee Survey is integrated into this campus, as it primarily evaluates employees’ satisfaction with the management.

Finally, the Strategy area handles the classic think-tank functions: identifying and communicating, as an organization, the competencies and capabilities that are our long-term strategy focus.

### So, will this new world of learning and education be entirely digital?

**SPM** \_ Our orders are clear: “Digital First!” But that doesn’t mean “digital only.” If an educational offering works better in a physical world, it will not be randomly replaced with a digital one. Take coaching – just as an example – or in other circumstances when personal interaction and reflection are called for.



We’ve also seen that for learning groups – such as those at the online academy Udacity, in which Bertelsmann owns a stake – meeting offline at certain junctures in the learning process can be very useful. Younger employees, for instance, tend to manage the transition from online to offline and back very smoothly. For them, there is no longer any separation between the analog and digital worlds. Here they are far ahead of some of us more seasoned folks.

**Training at Bertelsmann is to be “more efficient, more effective and more flexible than ever before,” thanks to digitization.**

### What are the main advantages of the new structure?

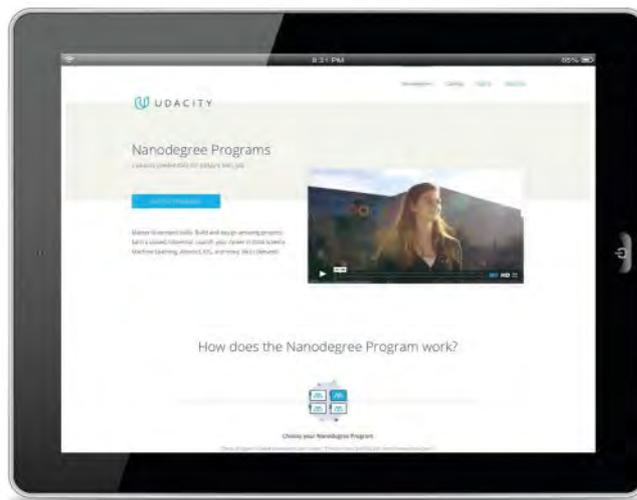
**SPM** \_ It really is impressive just how quickly we can provide high-quality learning opportunities once we’ve identified a new need. This is in great contrast to the much more complex and lengthy process of organizing a seminar somewhere every time we have a new issue. You need a venue, a fixed date and locally available instructors – all of which have nothing to do with the actual learning.

### What are the most sought-after vocational training topics among employees?

**SPM** \_ Some of the most popular digital courses in the Group currently include such diverse topics as “Customer Service Fundamentals,” “Learning to Be Assertive,” “Outlook 2010: Effective Email Management” and “Time Management Fundamentals.”

### Who is allowed to use the services, and how often? Are the offers intended exclusively for professional development?

**SPM** \_ The resources of Lynda.com can also be used privately. And here, the



**Udacity**  
Education for the digital age

boundaries are blurred between professional and private life, for instance with language training. At the end of the day, a company always benefits when employees seek further training.

#### **What role does the Bertelsmann “peoplenet” play in corporate training?**

**SPM** \_ All our additional educational offers are centralized and bundled on the Bertelsmann “peoplenet,” our Group-wide HR IT platform. Employees can apply to their supervisor for authorization via “peoplenet” to use the desired measures and also book the courses directly.

#### **What have you learned about education in the company in the last year?**

**SPM** \_ Education is fundamentally critical for the future success of Bertelsmann – fundamental in identifying and delivering the necessary skills and competencies for putting our business strategies into action. And other companies also need many of the solutions we’ve identified for our Group – we’re not the only ones who are confronted with substantial structural change. So, if we create products that support our flexibility and sustainability, they’ll probably help others as well. And of course, as a media company, Bertelsmann has excellent access to education-related topics and formats. So, it’s very exciting that this market has opened up for us – internally and externally. And we intend to be at the forefront of shaping its future. //

#### Udacity

### **Education for the Digital Age**

Since 2015, Bertelsmann has been one of the largest shareholders in [Udacity](#), an online learning provider that makes high-quality education accessible and affordable for the digital age. Its interactive, practical online courses teach the latest state of knowledge in the technology sector and are used by more than four million students, young professionals and working people around the world. In addition to free courses, Udacity offers Nanodegrees in Web and Mobile Development, Machine Learning, and Data Analytics. These subject-specific additional qualifications can be obtained in six to nine months. The course content was developed in cooperation with technology companies including Google, Facebook, Amazon and Github. Udacity is based in Mountain View, California.

#### Lynda.com

### **Free Online Courses for All**

[Lynda.com](#) is the free online-learning offering that Bertelsmann makes available to employees on its HR IT platform “peoplenet.” Users can choose from more than 8,000 e-learning courses on Lynda.com. The catalog covers subjects ranging from office software to leadership and management training, from interview and presentation techniques to marketing. Lynda.com gives employees worldwide the opportunity to learn about new subjects for free, anytime and anywhere.



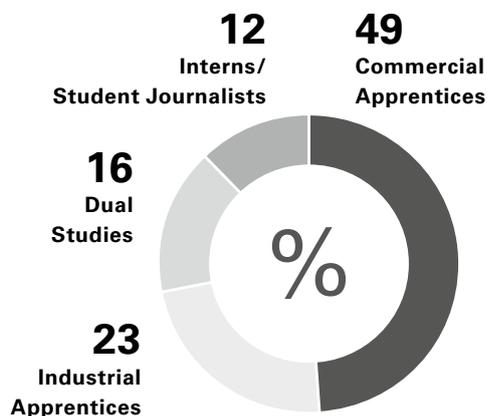
Bertelsmann China

## Equal Education for All

The Bertelsmann Corporate Center China (CCC) has supported “Teach for China” since 2015. The nonprofit educational organization aims to give every child in China, regardless of their background, equal access to education. Specifically, the CCC funds Yunnan Xinhe Primary School in the village of Xinhe in Yunnan Province. Four volunteer teachers were funded and a school library was built. Nearly 500 pupils have already benefited from this engagement.

# 1,217

**Apprentices** did their vocational training at Bertelsmann in 2015. Just over 70 percent of the apprentices were subsequently hired.



Bertelsmann Corporate Center

## Take a Book

“Give and take” is the principle behind the “Public Bookshelves” donated to the City of Gütersloh by Bertelsmann. Residents and visitors can simply take books out of the cabinets and return them again later. They can even keep a book if they return another book – new or used – to the cabinet instead.



Penguin Random House Foundation US

**From the Story to the Stage**

Each year dozens of life-changing moments are captured during the Penguin Random House Creative Writing Awards show and Summer Writers Retreat, empowering the recipients of more than US\$100,000 in scholarship awards to share their unique voices. Through stories, memoirs, graphic novels, and poetry, young New York City public school student writers work with dedicated Penguin Random House publishing professionals to celebrate their creativity with impactful and powerful productions for parents, teachers, siblings and friends.

Penguin Random House Foundation US

**Promoting Literacy**

The annual Penguin Random House Teacher Awards for Literacy program recognizes the nation’s most resourceful teachers who use their creativity to successfully instill a love of reading in students. In 2015, Maurna Rome from the Evergreen Park World Cultures Community School in Blaine, Minnesota, won the US\$10,000 first place award for her unique after-school program called Literacy L.I.F.T. Club (Linking Imagination, Fun and Text), which offers diverse literary activities, including collaboration with college students.

RTL Radio Deutschland

**The Program Directors of Tomorrow**

“Next Generation PD” is a special program launched by the RTL Radio ACADEMY in the beginning of 2015 to train aspiring program directors. RTL Radio Deutschland CEO Gert Zimmer says, “A lot of demands are placed on the channels’ program managers – our ‘Next Generation PD’ program teaches precisely those skills that are especially important in a changing radio market. We are pleased with the great response from our channels’ talents.” The RTL Radio ACADEMY offers talented employees from RTL Radio Deutschland holdings a platform for personal and professional development. Leadership, strategic thinking and organizational techniques are taught in various seminars and workshops.



Arvato Financial Solutions

**A Way Out for Debtors**

To point out new approaches to dealing with debt, and supplement existing services the Diakonisches Werk deaconry set up its debt counseling center in the Baden-Baden/Rastatt/Bühl region for this purpose in 2009. Arvato Financial Solutions has supported the project from the beginning and in 2015 renewed its financial support of the debt counseling center for another three years. Besides providing €10,000, the company also contributes its expertise in dealing with debtors. Advice seekers receive immediate relief, extensive assistance, and support in negotiations with creditors. Kai Kalchthaler, Executive Vice President of Risk Management at Arvato Financial Solutions, explains that the company’s efforts are one way to demonstrate corporate citizenship in an area that is one of its key competencies.

Gruner + Jahr

**Innovation Journey**

How do new ideas arise? Wanting to get to the bottom of this question, employees at Gruner + Jahr in Hamburg set out on a “Learning Journey” in September. The expedition to deeper insights took place in small groups focused on observing, probing and questioning. How do others develop innovations? How do others handle change? To find out, each group visited companies from entirely different industries. One participant’s conclusion: “It’s incredibly inspiring to extract yourself from the day-to-day business for an evening and a day, to gain a broader view and new ideas that can be transferred directly into one’s own workaday routine.”

## “ A Quick Question

# Why is Bertelsmann investing massively in education?”



**Kay Krafft**  
CEO of Bertelsmann  
Education Group

“The education market has a global volume exceeding five trillion US dollars. The private sector accounts for nearly one-fifth of this, with a rising trend. Demand for education is increasing all over the world, and digitization is making education more accessible and more affordable. That is why Bertelsmann will progressively and gradually establish education as its third mainstay of business alongside media and services in the years ahead, with a medium-term revenue target of around one billion euros. To achieve this goal, we have analyzed the global education market and identified promising segments: e-learning in healthcare and in the technology sector, and online services for universities. Both segments are seeing rapid growth. After several investments, primarily in the United States, we have already taken the first steps. Relias Learning makes us the market leader in e-learning for the healthcare industry; Udacity sets global standards in the field of online training for technology professions; and our online education platform HotChalk supports leading universities in the United States in developing online degree programs.”

## Mediengruppe RTL Deutschland

### Tools for Change

To seize the opportunities of the changing media and to address challenges at an early stage, Mediengruppe RTL Deutschland has offered all executives the two-day “Our Way of Change” training course since 2015. The training is supported with extensive accompanying material from the “Change Management Toolbox.” “The workshop empowers people to handle change processes with greater awareness,” says Frank Hoffmann, Managing Director of Programming at RTL Television. “Thanks to the seminars, our management team now uses the same tools.”



“You Are Your Future IV”: Participants during a training session

## Bertelsmann España

### Prospects for Unemployed Youth

Creating new prospects for young people without a job or training is the goal of “Tú eres tu futuro” (“You Are Your Future”). The Bertelsmann España corporate responsibility project promotes employment opportunities for unemployed youth in Spain and entered its fourth round in October 2015. The initiative offers young people with little education and no job experience a work and training program to improve their chances on the labor market.

“In times of globalization and digital change, education is a megatrend. As a company, we rely on first-class educational opportunities — for our employees, for our customers and for society.”

1

#### What do we mean?

When we talk about education, we mean three things: our own employees' access to lifelong learning and vocational training; our education businesses as a strategic growth platform; and our social responsibility as a media, services and education company, which we fulfill with a variety of educational initiatives among other things.

2

#### Why is it important?

Education is a basic human right. Education contributes to the development of children, companies and countries – and, of course, it also broadens our employees' skill sets. Today's rapidly changing economic environment constantly requires new skills. Our remit and our aspiration are to provide innovative learning concepts for this.

3

#### What's in it for us?

Training and education supports creativity and innovation and enables us to deal with market changes and organizational transformation. In our education businesses we invest in segments with high growth rates. In the medium term we aim to generate one billion euros in this field.

4

#### What are the opportunities and challenges?

A fundamental challenge in the education business is simultaneously combining premium content and excellent service. Bertelsmann and its business fields provide the best conditions to combine both areas and create high-quality internal and external learning formats.

5

#### How are we taking action?

Bertelsmann University with its four different “campuses” – Strategy, Function, Leadership and Individual – is the central learning institution for our employees and managers. It is under the management of the Chief Learning Officer, who reports to the CHRO. Our external education businesses are pooled into the Bertelsmann Education Group, which forms an independent division.

64,000

#### Extensive Range of Offers

In 2015, e-learning and many other training offers were already available to over 64,000 Bertelsmann employees in 13 countries.

86,609

#### Training and Education

Bertelsmann employees completed 86,609 training courses through the HR IT platform “peoplenet” in 2015.

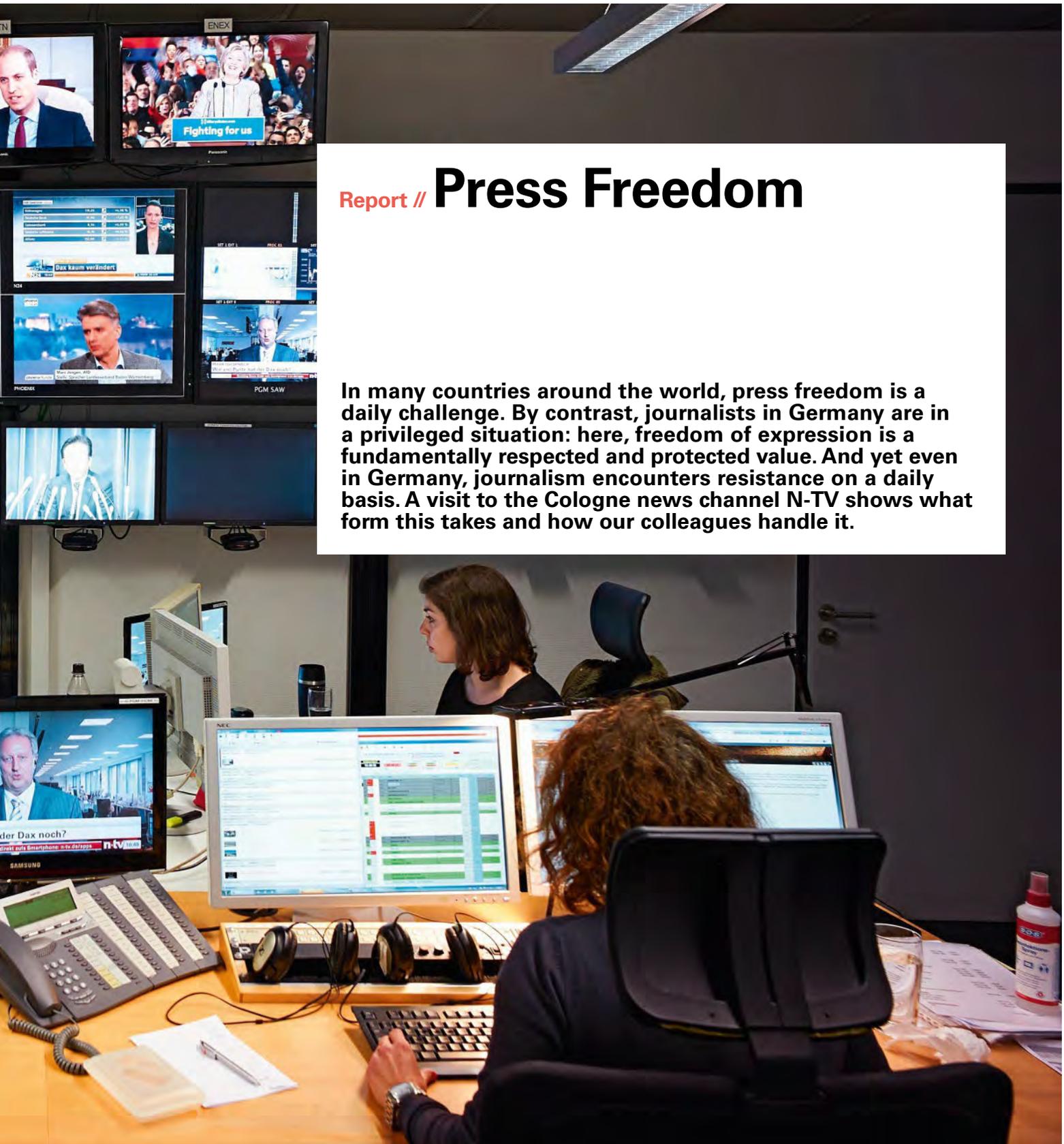
&gt; 50%

#### Our Employee Training Is Going Digital

Corporate training is being digitized. Well over half of the 11,500 training offers available are e-learning courses.

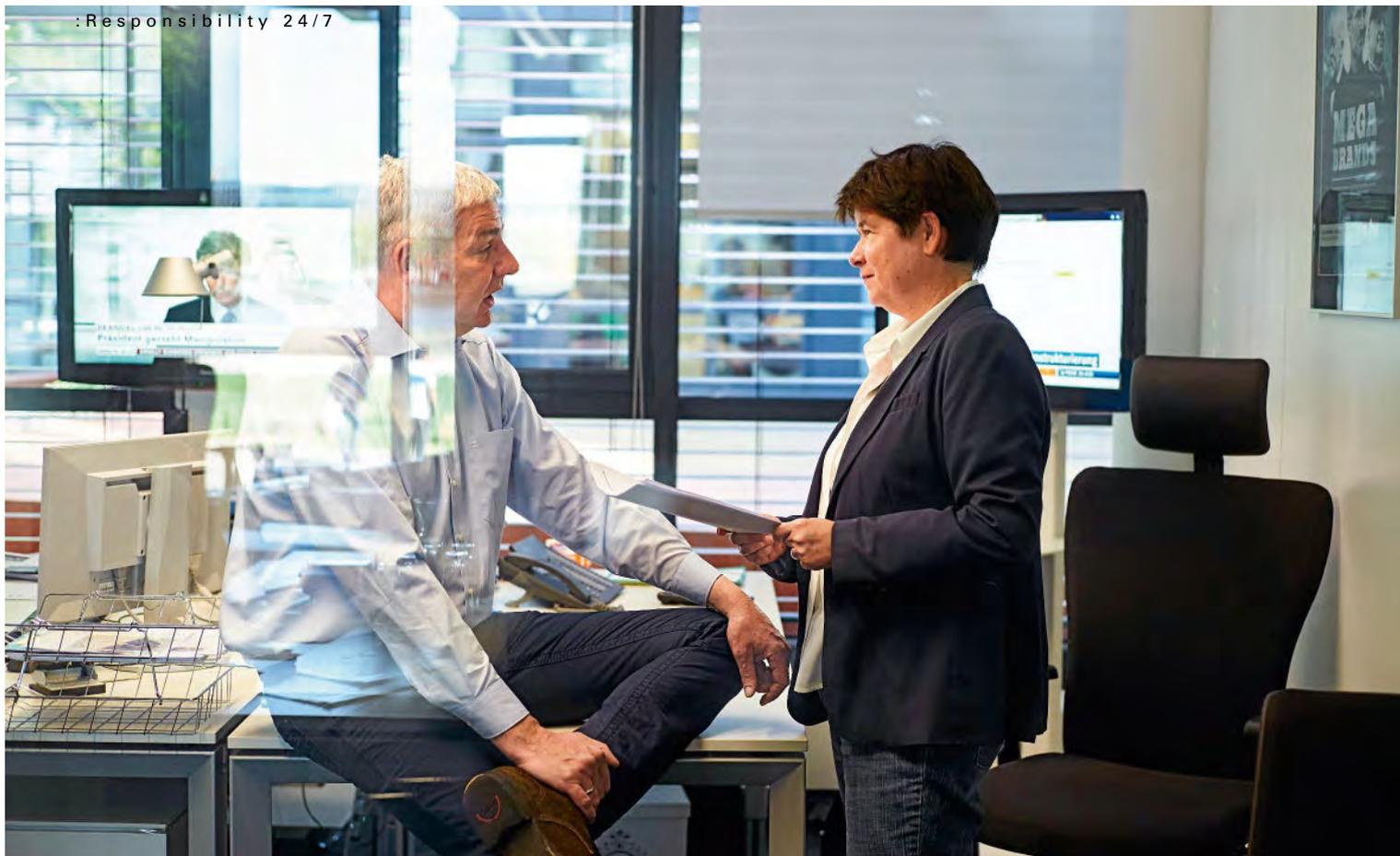


**On the "Bridge"**  
 TV journalism is about  
 juggling with time.  
 Decisions about content  
 are made by the second.



## Report // Press Freedom

In many countries around the world, press freedom is a daily challenge. By contrast, journalists in Germany are in a privileged situation: here, freedom of expression is a fundamentally respected and protected value. And yet even in Germany, journalism encounters resistance on a daily basis. A visit to the Cologne news channel N-TV shows what form this takes and how our colleagues handle it.



### Staying Objective

Head of News Renate Friedrich in conversation with Carsten Lueb, a frontline reporter (and her husband).

**L**ate one afternoon, N-TV Editor-in-Chief Sonja Schwetje is sitting at her desk in Cologne in an office with a picture window overlooking the Rhine and the Cologne Cathedral. The river flows slowly and turbidly from left to right; pedestrians, dogs and strollers dot the shore; but Sonja Schwetje is focused on her screen, her mouse flitting back and forth when six men in black suits appear before her glass door.

In some other countries, this might be a moment when your heart skips a beat. In China, say, or Turkey, Mexico, Saudi Arabia or the many other countries worldwide that Reporters without Borders have recently accused of serious violations of press freedom. Kidnapping, prison, torture and even murder – these are all occupational hazards for colleagues working around the globe.

Sonja Schwetje and the freedom of her editorial team are not in danger this afternoon. It is a visit by a group of priests from Cologne's Domradio (Cathedral Radio). They wear black shirts with dog collars and friendly smiles, and spend an hour fully engrossed in the mechanics of the news channel,

which is part of Mediengruppe RTL Deutschland. N-TV broadcasts 24 hours a day, 365 days a year. Its average viewer is male, in the prime of life and has a successful career.

The Editor-in-Chief is wearing jeans, a blazer and sneakers. She gestures when speaking, as if to give her words extra impetus. For Press Freedom Day, she tells us, she has written a text that includes the line: "Sometimes you are almost ashamed at how comfortable life as a journalist is in Germany, where freedom and the expression of opinion are fundamentally respected and protected values." And precisely therein lies the danger, she says: "We must not become lazy or negligent in our permanent vigilance."

### Permanent Vigilance

Just a few steps away, across the hallway, is the office of Renate Friedrich, Head of News. At 8:15 a.m. the news day began with the morning conference, with over a dozen participants crammed into its 160



### Always in Focus

Reporter Nadja Kriewald films all over the world, often under difficult conditions. She frequently experiences harassment of foreign colleagues and says: "Germany is a paradise in comparison."

square feet. In the conference they are discussing what they are going to show the channel's five million viewers that day.

The day's lead story was not in the schedule and appeared overnight. According to the tabloid "Bild," Islamist terrorists are planning attacks on European tourist resorts. "We have to run it," the Berlin studio says over the phone. "The paper usually has excellent information. I'll check my sources."

The conference participants want to make the terrorist story the lead item for the lunchtime special bulletin. Sonja Schwetje suggests opening with a judgment on paternity tests at the Federal Constitutional Court: Can children force putative fathers to take a test? After a discussion, they jointly opt for the terrorism story. "I have good people with experience and a sense of responsibility," says Sonja Schwetje. "I don't have to decide everything alone."

### Freedom and Responsibility

The principle of freedom and responsibility is alive at all levels at Bertelsmann. Reinhard Mohn, Bertelsmann's postwar founder, gave the editorial teams of his media empire extraordinary freedom. At Bertelsmann the "editor-in-chief principle" is still iron-clad: editors decide what content they research and how they evaluate, produce and disseminate it, autonomously and independently of CEOs and commercial ownership.

"This is true even for the reporters on the ground, whom we encourage to have opinions and to represent them professionally," says Sonja Schwetje. "Everyone has this freedom, but also feels the responsibility they have to do sound jour-

nalistic work. All of us here live and breathe this, and younger or new colleagues get it very quickly."

The conference is over, the team swarms out, including Managing Editor Elke Grohs, who is responsible for the news special on potential terrorism against tourists, which will air at 12:30 p.m.. The various facets of the current news will be addressed in several two-and-a-half-minute items and interviews with studio guests such as terrorism experts Michael Lüders and Michael Ortman. "Stay objective, don't stir up panic!" are Renate Friedrich's instructions.

The work begins: Reporting teams are dispatched to gather interviews on the street, and phone lines at the Berlin office are running hot as the team gets background information about the threats. At the same time, the archives are scoured for suitable short items that can be updated.



### Teamwork

"I don't have to decide everything. I have good people with experience and a sense of responsibility," says Editor-in-Chief Sonja Schwetje.

Creating a 30-minute program in less than four hours is not an easy task, but Elke Grohs is a very experienced TV professional. She goes over to her desk in the large production area called the “Bridge” and starts making phone calls.

### Juggling with Time

The area is probably called the Bridge because it resembles the bridge or command center of a ship. Numerous screens display global news streams: copy from wire services, public service broadcasters, international news channels, and also the channel’s own program. Presenter Isabelle Körner sits alone behind glass in the big, empty digital studio, which is painted light green.

On the Bridge, the Managing Editors are in command. Today, Jochen Peutz is responsible for the business items of the news program broadcast every 30 minutes throughout the day. Business takes up about half of the program. Next to Jochen Peutz is Andrea Tönnißen, responsible for the rest of the world events, broken down into politics, entertainment and sports.

The Managing Editors “drive” their channel. “It’s like juggling with time,” says Jochen Peutz, and you can hear the quiet pride in his voice. The structure of the program shifts constantly, presentations are made longer, then shorter again, new reports are finished, old, no-longer-current or less important ones must give way: “The Texas flood has been cut,” shouts the Managing Editor and scrolls through the items on the running order.

The day’s events are now unfolding at full tilt: The paternity test judgment is in; in Freital the GSG-9 anti-terrorism unit has stormed the homes of an alleged Nazi cell; Pegida (an anti-Islam, far-right political movement) organizer Lutz Bachmann is on trial in Dresden, where reporter Benjamin Geese stands holding a microphone; he will later head to Freital to report on the events there.

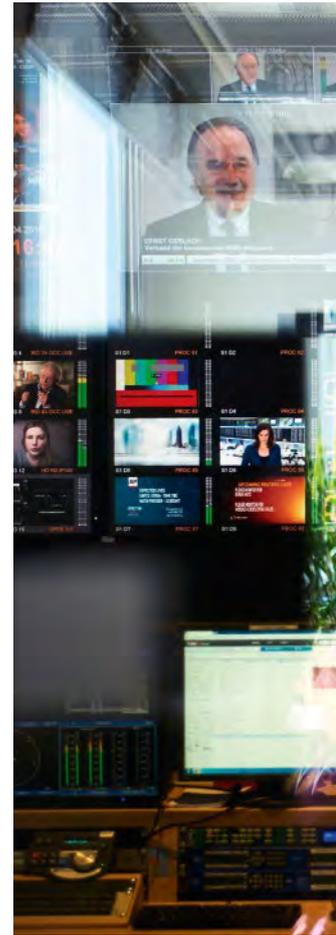
That’s not always a problem-free job. Especially in connection with Pegida and the like, German journalists do encounter strong resistance. The “lying press” accusation is making the rounds: journalists supposedly exploit their freedom to manipulate the news to serve the government.

In Germany, the amount of hostility, threats and insults against journalists has increased by leaps and bounds: Reporters without Borders counted at least 39 violent attacks in 2015. Violence mostly occurs at right-wing demonstrations – or during left-wing counter-demonstrations.

### Increasingly Hostile

“Sometimes we journalists get thumped, too,” says reporter Carsten Lueb, who is popping in to see his wife, Head of News Renate Friedrich, at the station in the early afternoon. “I’m over 6 foot 3, with a fighting weight of 220 pounds,” he adds. “No one’s in a hurry to attack me.”

But the reporter experiences other, less massive obstacles to freedom of reporting every day, for instance when he can’t even get to the place he wants to report from: “Germans have a mania for putting up barriers.” This is not as widespread in any other Western democracy, he says: “When something





### In an Emergency...

All the news comes together in the main broadcast studio (above). Breaking news is presented directly in front of screens showing live footage. Elke Grohs (left) is putting together a half-hour news special on potential terrorism at tourist destinations – she has four hours to do it.

happens, I want to go there and see what's going on. I tell the police at the red and white barrier tape that I am the free German press!" Usually, professional persistence helps, he says. And you can tell by looking at him that Carsten Lueb is very capable of being persistent.

Later, the editorial team receives more news related to the topic via the DPA (German Press Agency) news ticker: Broadcaster ARD's foreign correspondent Volker Schwenck was denied entry into Turkey. The situation is unclear, but for Sonja Schwetje it is a reminder of her concerns about foreign correspondent Nadja Kriewald: "Every time Nadja flies to Istanbul, I have a bad feeling."

Nadja returned from Turkey today and is in the process of putting together an item for the "Foreign Report" – captioning, voiceovers, editing. She has produced a longer piece on the situation of journalists in Turkey – and the situation is depressingly bad: "Ninety percent of the media today are loyal to the government. Anyone who reports critically risks a long prison sentence. In comparison, Germany is a paradise."

Nadja Kriewald regularly faces obstacles when working in Turkey: "The security services stop us, and policemen hold their hands in front of the camera. If I just stoically keep going, they eventually leave me alone." She says that every time she enters the country, she expects trouble. "The cameraman and I check in separately. He has a list of phone numbers to notify our editors and my family in case I get detained. But what I'm threatened with – deportation, a few days in prison – is nothing compared to what Turkish colleagues have to fear."

The reporter has to return to the editing room. That evening she has to catch a plane to Berlin: "My child doesn't just want to see me only on TV, after all."

### Germany Ranked #16

The next morning at 7:00 a.m., one of the first news items on the wires is a story about the Reporters without Borders press freedom ranking. Paradise or not, Germany didn't make the top ten: "Germany is ranked 16th in this year's Press Freedom Index (2015: 12th), which puts it in the mid-range of the EU countries," the news release says. In places one to five are Finland, the Netherlands, Norway, Denmark and New Zealand. Germany's downgrading is owed, among other things, to the numerous attacks on journalists at Pegida demonstrations. Reporters without Borders also say that journalists and their sources in Germany are increasingly being "targeted by the judiciary and intelligence services."

"You don't have to perform heroic deeds to fight for press freedom in Germany, thank heaven! But that's why we must never let up," says Sonja Schwetje, adding that the struggle for press freedom continues to be part of the everyday journalistic routine in 2016: "When experienced press officers take young interns for fools. When the authorities knowingly or unknowingly disregard their duty to provide information. When editorial staff are kept waiting for hours because the contact knows exactly when their deadline is. When interviewees are fobbed off with empty phrases even after a stubborn grilling. When reporters become targets of aggression during demonstrations."

Dealing with this professionally requires "a lot of backbone and backing," says Sonja Schwetje, and she's relying fully on the next generation in this: "In job interviews the most exciting moments are when aspiring trainees realize that they can make a difference even when they're just starting out in the profession. They don't have to put their lives at risk, but they should be persistent, skeptical and courageous. Freedom inseparably entails the responsibility to make use of it." //



A Quick Question

## How important is press freedom for Gruner + Jahr?"



**Julia Jäkel**

Chief Executive Officer  
Gruner + Jahr

"'You can write whatever you want. As long as it is accurate.' Gruner + Jahr founder John Jahr Sr. summed up his philosophy for the editors with these remarkable words half a century ago. He and co-founders Gerd Bucerius and Richard Gruner shared this fundamental belief: they wanted a free press in Germany. Gruner + Jahr lives by their journalistic legacy to this day. What makes our company unique is a free-spirited character that is liberal in the best sense of the word, and sometimes even rebellious. And we have no intention of abandoning this character. The heart of G+J will continue to beat for journalism."



EUROPEAN CENTRE FOR  
PRESS & MEDIA  
FREEDOM

Gruner + Jahr

## A Beacon of Press Freedom

Representatives from 20 European journalist's associations, publishing houses and trade unions, as well as media scientists and media rights experts from numerous European countries, established the European Centre for Press and Media Freedom (ECPMF) in Leipzig in 2015. G+J also supports the project, and Hans-Ulrich Jörges, a member of the Editorial Board of "Stern" magazine, was especially involved in its development. In Leipzig, six full-time employees will now coordinate the activities of European initiatives to promote freedom of the media. The center, billed as a "beacon of press freedom," will also document violations of press freedom and the persecution of journalists across Europe. It follows the European Charter for Press Freedom, which was signed at Gruner + Jahr in Hamburg in 2009 and which serves as the basis for the ECPMF's work. "We are very happy about this hard-won success," says Hans-Ulrich Jörges. As the project's initiator, he was elected Vice Chair of the ECPMF.

Penguin Random House Grupo Editorial

## The Cradle of Discerning Authorship

Aspiring Spanish-language authors can now learn creative writing from the pros at "Cursiva," a school for creative writing and publishing established by Penguin Random House Grupo Editorial. It aims to make a contribution to diversity of opinion in society by training the next generation of discerning authors and encouraging them to participate actively in the public discourse. The courses primarily take place online and can be used by Spanish-speaking users all over the world.

Penguin Random House

## Publishers' Pledge on Chinese Censorship of Translated Works

Twelve major US publishers – among them Penguin Random House – have joined a PEN American Center pledge to monitor and address incidents of censorship in the translations of their authors' books in the Chinese market. The pledge follows a May 2015 PEN report that US publishers, agents and authors are often unaware of changes made to their books when they are translated for the Chinese book market.



“Editorial and journalistic independence is the foundation of our publishing, broadcasting and news reporting activities.”

Bertelsmann Code of Conduct

1

#### What do we mean?

We believe press freedom has two aspects: Internally, it means that our management does not interfere with editorial decision-making or the independence of our editorial personnel. Externally, we do not succumb to political or economic influence in our journalistic coverage. We comply with existing laws, regulations and corporate policies regarding the separation of editorial content and commercial advertising.

2

#### Why is it important?

Our business hinges on customer focus. We are aware of and treat with care the responsibility that we, as opinion makers, have toward the public. For our media brands, credibility, reliability and diversity are also important factors in the competition for the audience's attention.

3

#### What's in it for us?

Editorial freedom means diversity of opinion, positions and content. This makes us attractive not only for customers but also for employees, authors, artists and creative talents. This creates immediate benefits for us.

4

#### What are the opportunities and challenges?

We see censorship and attempted political interference in the markets we operate in internationally as a risk to our business; and resolute action against it as an opportunity. In maintaining independence from advertisers, we see economic pressures as an ongoing challenge.

5

#### How are we taking action?

Bertelsmann guarantees in-house press freedom with its “editor-in-chief principle,” under which editorial decisions are made solely by our program managers, free from influence from the Group's owners or management. Many companies and editors have also implemented further statutes for safeguarding journalistic independence in the day-to-day business. They focus primarily on duty of care, respect for individual rights, dealing with representations of violence, and the protection of minors. These topics are also part of our editorial teams' education and training.

# 3.4 BILLION

#### No Press Freedom

3.4 billion people live in countries ranked “not free” according to “Freedom of the Press 2015”

Source: Freedom House

# 16

#### European Spirit

In 2015, 25 representative organs of the media, university sector and trade unions in 16 countries founded the European Centre for Media Freedom in Leipzig.

# 687

#### Journalist Students

687 young people have been trained at the Henri Nannen School\* for independent journalists to date.

\*Journalist school run by the German publishers G+J, Zeit and Spiegel



The collaboration among the shareholders, management and employees is of crucial importance. For us, fair working conditions means sharing responsibility.”

## **Interview // Fair Working Conditions**

**Working as partners, mutual trust, freedom and job security are key topics in ensuring fair working conditions at Bertelsmann. An interview with Chief Human Resources Officer **Immanuel Hermreck**.**

# “It’s All about Freedom, Trust and Respect”

**In an interview with Thomas Ammann, Deputy Editor-in-Chief of the news magazine “Stern,” Immanuel Hermreck, CHRO of Bertelsmann, explains how the Group sets “multi-local” company standards for the fair treatment of its employees.**

**You have stated fair working conditions to be a central task for Bertelsmann. Why is this issue so important to you?**

**Immanuel Hermreck** \_ For Bertelsmann, employees are at the center of our success, not least because we are in the business of creativity. Our 117,000 employees around the world develop new ideas and products every day. This is true for media, services and our new education division alike. And that’s why we put a lot of thought into the most useful and most important employee conditions, in order to support our people in being successful, creative and innovative – and standing up to the competition.

**What does this mean in everyday practice?**

**IH** \_ We want to give our employees as much freedom as possible. We are not looking for people who just fit into an assignment like a jigsaw piece, but for people who come into the company to work toward self-fulfillment by putting their ideas into action – and to be successful

with them, of course. This requires collaborative partnership, as well as trust and respect. There are many things you have to consider in order to create ideal conditions, and this is especially true for a company that operates in over 50 countries and under very different cultural, legal, economic and social conditions.

**How do you approach this pragmatically?**

**IH** \_ We are an international company, but more a “multi-local” than a global corporation. And that’s a good thing, because our diversity is essential to having a wide range and variety of ideas. To some, “fair working conditions” may sound like finding a uniform definition for every job worldwide – what it looks like, how it’s paid. Of course, that wouldn’t work. It would be the wrong approach.

We can, however, identify the important motivational factors for each location, and what the people who work at our companies are looking for. This is what we have to ensure as basic workplace condi-

tions, worldwide – including the freedom I mentioned earlier, as well as the respect we show our employees.

**Is this a one-way street, a line dictated from above?**

**IH** \_ Absolutely not! The collaboration among the shareholders, management and employees is of crucial importance. For us, fair working conditions means sharing responsibility. We give top priority to it. Partly, by the way, because, in my experience, it is demanded. Employees want to take responsibility.

**What role does the management level play when it comes to fair working conditions?**

**IH** \_ The management level is decisive regarding how we organize our tasks and shape the working conditions. And by regularly surveying our employees worldwide, we are able to get very clear feedback on management behavior.

“Bottom-up feedback” is an important principle, and the Executive Board

“

We want to give  
our employees  
as much freedom  
as possible.”

**Immanuel  
Hermreck**





and I are by no means exempt. At many of our companies, we also have the annual “January Talk,” which enables staff to evaluate their bosses. We’re all about strong, people-oriented leadership that demonstrates care and respect, while, at the same time, granting trust and responsibility. This is very important to us. Our bonus calculations also contain a leadership component that considers the conduct of our managers. This is also taken into account when it comes to promotion and development processes.

**To what extent does remuneration play a role in the topic of fair working conditions?**

**IH** \_ Remuneration plays a key role. Our aspiration is for all our employees – everywhere – to be paid fairly. Now you’ll probably ask, “What’s fair?” There are, of course, great differences between the various regions and sectors. In Germany, for example, we were in favor of introducing a minimum wage very early on, long before it was required by law. Precisely because we are convinced that we do

good quality work, and our employees make highly valuable contributions that should be remunerated accordingly. And we feel it is important that our employees participate in the company’s success. Bertelsmann has a profit participation scheme, and there are various similar, individualized success and profit participation schemes in place at many sites and at many companies.

**And yet, for many employees, job satisfaction is no longer measured by money alone.**

**IH** \_ Yes, that’s right. Having a clear “purpose” in one’s job is crucial. And long before it was fashionable to talk about it, Bertelsmann had its Essentials, which – together with our business strategy – describe how we do what we do. Just now, we are very focused on our “sense of purpose” at Bertelsmann. Why do people work for us? Why do we do what we do? What is it that connects us? Not the what – our products and services. Not the how – our strategy and corporate culture. But the why.

So many fantastic people work at Bertelsmann – I meet them every day – very special people. And there’s something that unites us. That “something” is the freedom to be able to develop ideas and make meaningful contributions. It’s about empowerment and creativity and inspiring other people. Our employees feel it as they create great products and services, and our customers feel it when they’re empowered and inspired by our employees. So, why do we do what we do at Bertelsmann? To empower, to create, to inspire. I think this is a great description of the purpose we share – the purpose that unites us – as a Group. And having this greater sense of purpose is particularly important for the generation of younger people who are joining us.

**What are newcomers looking for?**

**IH** \_ The goals and values of this generation have changed a bit compared to its predecessors. Many young people no longer look to be promoted at any and all costs. For many, they’re more interested in knowing what a company does. What impact does it have on society? How will they be treated? Will they have a say? What about their work-life combination? If we want to attract and keep the best people, we have to have answers to these kinds of questions.

**Safeguarding one’s future and job security have become more important than ever. An important catchphrase here is the “transformation to digital.”**

**IH** \_ Correct. And we have a clearly defined strategy, with four priorities: to strengthen our core, advance the digital transformation of our businesses, invest in new businesses such as education, and expand our activities in growth regions such as Brazil, China and India. Naturally, transforming our businesses also involves restructuring some traditional businesses: we are downscaling or making changes in some areas and expanding

or building in others. It all demands a lot from the employees.

**Is this also changing employees' perception of what fair working conditions are?**

**IH** \_ Absolutely! That's why we're shaping our transformation together with our employees. For example, we had to close our printing plant in Itzehoe. It was a difficult step. But throughout the process our efforts were always in close consultation with employee representatives – down to the last detail. And we involved employees as early as possible in the process to identify the best solutions. In the end, everyone understood that the plant could no longer be maintained. And wherever possible, we identified new jobs for those

affected. Among our most basic principles is informing employees as early as possible about the management's plans, the rationale and strategies behind them, and the direction we want to develop in.

**In what other ways is Bertelsmann supporting its employees through the transformation?**

**IH** \_ One good example is the Development and Transfer Center (ETC) we've established in Gütersloh. It was created in close cooperation with the works councils to prepare affected employees for new tasks within the Group at an early stage, if their current job is at risk due to a structural decline in their business. This is our way of showing that positive

change is possible. Our business forecast for the Gütersloh location has shown that our workforce will stay relatively stable over the next few years. But the job requirements are changing. We need people with IT skills who speak multiple languages, who have additional business and technical skills. Our idea is to address these issues early on and individually advise employees: In what direction might they develop? In what direction is their company heading? And what offers can we make available – in the Group or even outside it?

**One last question: Are you able to enforce minimum standards in countries like India or China?**

**IH** \_ We are, and I don't just mean the basics as described in our Code of Conduct. These are standards that our company and the entire management team stand for – no matter where we operate. Our long-term goal must be that every employee in every country is paid a fair living wage. And to offer jobs that provide a certain measure of stability and perspective for individual development. The fact that we want to implement these basic standards everywhere is ultimately a matter of demonstrating appreciation. Only employees who feel appreciated will give one hundred percent and be creative and innovative. If we want to prevail in the long term internationally, then our path must be a fair one. //



**Concentrated Dialog**

Immanuel Hermreck answering questions from "Stern" Deputy Editor-in-Chief Thomas Ammann

## The Bertelsmann Employee Survey

Since 1977, the Employee Survey has served as a key element of our corporate culture of partnership. Approximately 70,000 employees in 50 countries participated in the last survey in 2013. The Employee Survey serves to gauge the staff's satisfaction with important aspects of working life, such as the leadership conduct of their supervisors, opportunities for training and development, cohesion and

collaboration on the teams, and the business strategy. The aim of the survey is to enter into a dialog with the employees and jointly derive measures for improvement based on the results. The next survey will take place in November 2016. Our infographic illustrates the various steps in the process of the project, which has been carried out worldwide since 2002.

Number of Company Representatives + Survey Assistants:

approx.  
400

Start

### Concept Stage

5 months

01. The Divisional Heads of HR nominate the Division Representatives (DRs).

02. Corporate Data Protection reviews the systems for data security.

03. The Managing Directors of the companies nominate their Company Representatives (CRs) and Survey Assistants (SAs).

01

28. The teams use the next team talk/“January Talk” as an opportunity to discuss the progress made with the measures.

27. The executives document the progress of their follow-up process online.

26. The teams start putting the measures into action.

25. The executives coordinate the action plans with their supervisors.

18. The data from the paper and online questionnaires are analyzed.

### Communication of Results

1 month

19. The Group Executive Board, Supervisory Board and Corporate Works Council receive information about the results at Group level.

### Follow-up Process

4 months

24. The teams discuss their results with their supervisors and develop plans for action.

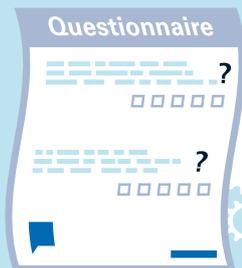
peoplenet

23. The executives receive support from the CRs for planning the follow-up processes. Training offers are available on the HR IT platform “peoplenet.”

22. Executives and their supervisors receive their results reports.

21. The results are communicated via print and online reports.

20. The Group Executive Board informs the employees about the Group-level results.



**04.** The central Survey Team revises the core questionnaire in coordination with

- Division Representatives,
- Corporate Works Councils,
- and other Stakeholders.

**05.** The central Survey Team plans the design and content of the marketing and communications campaign.



**06.** The Divisions define additional division-specific questions for the questionnaire.



**07.** The various versions of the questionnaire and the marketing materials are translated into 15 languages and proofread by native speakers in the Divisions.

**08.** The questionnaires are set up in the survey system and assigned to the Divisions.



### Preparation Stage

1 year, at company level 1/2 year

**09.** All over the world, Kick-off Workshops are held to prepare the Company Representatives and Survey Assistants.

**17.** Executives with three or more employees have the opportunity to take part in a predictive survey in order to reflect on their team's results.



### Kick-off Workshops

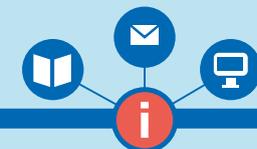


**10.** The CRs define their companies' organizational structure and specify the evaluation units.

Number of participating companies:

approx. **500**

**16.** The CRs empty the boxes daily and forward the paper questionnaires to an external data processing company.



**11.** The DRs and CRs carry out complementary communications measures at the divisional and company level.

**12.** The survey materials are shipped to the companies from the printers.

Overall participation across the Group in 2013:

**86.9%**



### Execution of the Survey

2 weeks

**15.** Employees complete the paper or online questionnaires.

**14.** The employees receive their survey materials.

**13.** The CRs distribute flyers and posters at their company and set up boxes for the completed questionnaires.





BMG

## Fair Treatment of Songwriters

“Our mission is to support your career and to help you achieve your full potential.” The new BMG has a very clear message to artists: “fairness” and “transparency” are the hallmarks of its service. “We’ve made it our business to offer all our clients clear, openly formulated contracts,” says CEO Hartwig Masuch. “The important difference between BMG and traditional music companies is that we realize we work for musicians and songwriters – not the other way around.”

Bertelsmann

## How to Retain Top Talent

Interns never replace full-time employees at Bertelsmann, and they receive support from a personal mentor throughout their several months of practical training. They also receive appropriate compensation, because Bertelsmann is a member of “Fair Company,” Germany’s largest and best-known employers’ initiative for students and young professionals. Outstanding junior staff can also participate in the “Student Challenge” retention program at Bertelsmann, which enables up to 15 top international talents to participate in high-profile workshops at the company over two to three years.

GRI G4-10; UNGC VI

“ A Quick Question

## Is freelance work really fair?”



**Stefan Waschatz**

Head of Human Resources  
G+J Germany

“Gruner + Jahr has a five-decade tradition of working in partnership with freelance journalists – entrepreneurs in matters of words and pictures. Salaried editorial staff and freelance journalists work in tandem in many newsrooms. Our magazines and websites live by curiosity, a variety of perspectives, experience and knowledge horizons. A small permanent editorial team on its own cannot usually describe this diversity in words or reflect it in photos. Journalism without freelance journalists and photographers is therefore hardly conceivable. Gruner + Jahr expresses its appreciation toward freelancers by providing stable business relationships, good fees by industry standards, and recognition. And if ever this should not be the case, we make every effort to improve the situation.”

Prinovis Nürnberg

## Social Pact Signed

The “P” in Prinovis clearly stands for “partnership” – as Prinovis employees and management in Nuremberg agreed on a new “Company Alliance” in September 2015. The social pact covers consensual wage settlements, holiday season bonuses, and working hours, among other things. More than 80 percent of the workforce voted in favor of the agreement.

## Award-Winning Top Employers

+++ RTL Group was named the most desirable employer in the greater Luxembourg region at the “**Randstad Awards 2015.**” The awards are based on a survey of employee satisfaction at Luxembourg’s 30 largest companies.

+++ The French Groupe M6, an RTL Group subsidiary, was the recipient of a “**Victoires des leaders du Capital Humain**” award in 2015. It was presented by the business magazine “Décideurs” (Decision Makers) to distinguish especially fair and team-oriented employers. Groupe M6 is France’s second-largest commercial TV broadcaster.

+++ The Bertelsmann subsidiaries Arvato Systems and Arvato CRM Solutions have once again been included in the exclusive circle of Germany’s **top employers.** The “Top Employers Institute” recognized them for outstanding HR management.

+++ Arvato Systems is exceptionally popular among employees in Malaysia as well, according to an “HR Asia” magazine survey. The IT services provider won in the category “**Best company to work for in Asia 2015.**”

“Ensuring fair working conditions is an integral part of our corporate culture.”

Bertelsmann Code of Conduct

1

#### What do we mean?

Partnership and a trustful cooperation with our employees and their representatives, a fair share of benefits, a high level of job security and the protection of our employees' privacy are our key topics in ensuring fair working conditions.

2

#### Why is it important?

Employees are the most important resource for a creative company like Bertelsmann. Creating good conditions for their work, along with providing support and guidance, is a top priority for us.

3

#### What's in it for us?

Fair working conditions pay off – for our attractiveness as an employer, for the satisfaction of the employees, and for their identification with the company. Employees who identify with the company and its strategic objectives will actively promote their implementation and ensure that we achieve our goals.

4

#### What are the opportunities and challenges?

Bertelsmann is in a process of transformation. This leads to big changes in tasks and some working conditions. We see this as an opportunity for the company and the employees, but also as a challenge. We work to minimize friction in the change process and to shape it together with the employees. We feel it is important to provide timely information, along with close support and assistance, to employees affected by restructuring.

5

#### How are we taking action?

The responsibility for ensuring fair working conditions lies with the local businesses. At Group level, we create the framework conditions necessary for fulfilling this responsibility.

# 117,249

#### Workforce

117,249 employees worked for Bertelsmann in 2015.

# 1977

#### Employee Survey

Since 1977, Bertelsmann has surveyed employees on their opinions about important aspects of working life.

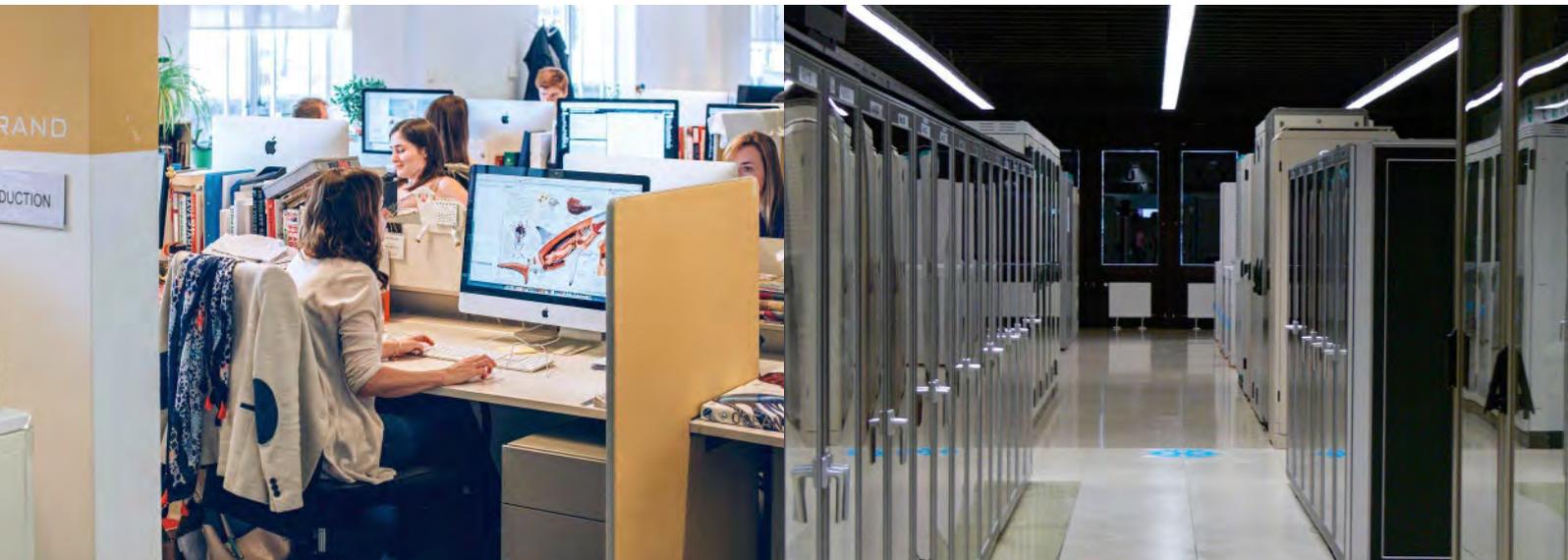
# 85 million

#### Profit Participation

85 million euros in profit participation was paid out to employees in 2015.

## Statements // **Protection of Media Users and Customers**

**Bertelsmann wants to reach as many people as possible with its creative content and services. This gives rise to a special duty to reflect on repercussions and protect the rights and interests of users and customers to the best possible extent. Four statements from various lines of business show how seriously the Group takes this responsibility.**



DKFindout! offers safe spaces for children and teenagers to surf the net (left). The security of customer information is a key issue for AZ Direct.



The following program is  
not suitable for viewers **under 16 years** of age!



Every day, Gruner + Jahr's editors weigh up what readers should and shouldn't be exposed to (left). RTL Television takes the protection of minors very seriously.

## Television // **Reliable** **Protection of Minors**

The following program is  
not suitable for viewers **under 16 years** of age!

**RTL**

The object is to protect children and teens from such things as disturbing portrayals of violence or excessively sexualized content and thus to ensure their unencumbered personal development.



**Dieter Czaja**

Youth Protection Officer at Mediengruppe  
RTL Deutschland

“

When children and teens tune into our programs, they and their parents can count on one thing: Mediengruppe RTL Deutschland's programs have been reviewed in advance for their suitability for the various age groups in line with the legal requirements. The object of this review is to protect children and teens from such things as disturbing portrayals of violence or excessively sexualized content and thus to ensure their unencumbered personal development. In Germany, one of the ways we achieve this is by approving programs only for a specific broadcast time slot.

For example, television programs aired during primetime after 8:00 p.m. must be appropriate for all viewers over the age of 12 years. If these programs are to be broadcast during daytime, the welfare of young children must be taken into account when choosing the broadcast time. Programs deemed appropriate for ages 16 and older may not be aired until 10:00 p.m. – unless the RTL Protection of Minors department has created an abridged version to apply for an exemption. For German commercial channels, this review is handled by the Self-Regulation Body of the Television Industry (Freiwillige Selbstkontrolle Fernsehen, FSF). Mediengruppe RTL Deutschland channels were instrumental in the establishment of this institution in 1993.

I have been Chairman of the Freiwillige Selbstkontrolle Fernsehen Board since 1995. The FSF's expert opinions were given a more robust legal basis in 2003, with the Interstate Treaty on the Protection of Minors from Harmful Media. TV channels and production companies equally rely on the FSF's judgment. The FSF's expert opinions give channels planning certainty regarding their desired exploitation on TV and protect the company from subsequent admonishments by the supervisory bodies.”

## Children's Media // Venturing Online – But with a Safety Net



We feel a special responsibility, particularly toward our young media users. This has enabled us to build trusted relationships with our consumers.



**Sophie Mitchell**  
DK Children's Publishing  
Director



As a publishing house that specializes in highly visual, photographic non-fiction and works of reference for children and adults, DK always gives top priority to ensuring that our products do not harm people or the environment. We feel a special responsibility, particularly toward our young media users. DKfindout! allows children to search, learn about and explore age-appropriate information on a safe and secure website ([www.dkfindout.com](http://www.dkfindout.com)). When we developed DKfindout!, it was important for us to create a space for children, parents and teachers to access reliable, trusted educational resources.

With the infinite expanse of the Internet, security and protection cannot always be guaranteed – especially for young users. This makes it all the more important for children, and their parents of course, to have a reliable resource with the highest safety standards – fully in line with the fundamental values we bring to producing DK media for children.

DKfindout! is certified by the kidSAFE Seal Program and meets the highest standards of online safety and privacy protection, including complying with COPPA – Children's Online Privacy Protection Act. We never collect personal data from children. Only teachers and parents are asked for data, should they choose to register with the site, and this is optional. This approach ensures the complete protection of all our users and has enabled us to build trusted relationships with our consumers."

## Magazine Journalism // **Watchdog and Gatekeeper**



This photograph – like no other – is a symbol of the refugee crisis and the failure of international politics. It is historically comparable to the world-famous image of the young girl running from a napalm attack in the Vietnam War.



**Kirsten von Hutten**  
Lawyer and Legal Advisor  
Gruner + Jahr



The protection of media users plays an important role in the legal consultation of our editorial departments and is expressed in extremely diverse ways. Media – especially in times of unlimited dissemination options on the Internet – are both watchdog and gatekeeper. These days, gatekeepers face particular challenges: How, in these politically turbulent times of terrorism and humanitarian disasters, can media accomplish the task of providing comprehensive and impartial information to the public? What can media dare to inflict on their users during times like these? What may they even have to inflict on them?

This is a difficult balancing act for the editorial desks. The discussion surrounding a picture that went around the world, of the drowned Syrian refugee boy Ailan Kurdi on the beach in Bodrum, Turkey, showed just how difficult. Is it really necessary to show such a photo? Isn't it too disturbing? Or is it perhaps necessary for us to be disturbed? At the end of the controversial discussion, we ultimately had to make the decision whether to publish the picture, in "Stern" magazine and on Stern.de. Was it an imposition on the viewer? Probably, and likely very hard to bear. And yet this photograph – like no other – is a symbol of the refugee crisis and the failure of international politics. It is historically comparable to the world-famous image of the young girl running from a napalm attack in the Vietnam War. The public needs to be informed about this – including with pictures. However, in the case of such pictures, the media's gatekeeper function extends not only to publishing them, but also to providing the right context and commentary."

## Data Management // **Data Security** as a Key Topic



We work with very sensitive data, and must be able to protect it at all times against internal and external misuse and theft – both during storage and while in transit.



**Dirk Kemmerer**  
CEO of Arvato Digital  
Marketing

“

Every day, AZ Direct GmbH processes hundreds of thousands of datasets provided by customers or partners. Handling all aspects of smart data is our core business: in the digital marketing sector, the AZ Direct colleagues are Arvato's specialists for data-driven multi-channel marketing as part of solutions for customer acquisition, customer development and customer loyalty. We work with very sensitive data, and must be able to protect it at all times against internal and external misuse and theft – both during storage and while in transit. To guarantee this, we have developed and patented our own Data Secure<sup>TTP</sup> process and the “DataSec” data encryption/decryption tool. We operate Data Secure<sup>TTP</sup> together with TÜV Rheinland, an independent body that functions as the “Trusted Third Party,” or TTP, which forms part of the name of this process. Each dataset is “hashed,” i.e., cryptically encoded at various levels before the exchange. Only TÜV Rheinland has the key to interconnect the data. “Cleartext data” is not exchanged at any point. By decoupling the personal information and traits – such as details about purchases or the customer's age – Data Secure<sup>TTP</sup> ensures full compliance with the provisions of the German Federal Data Protection Act (BDSG). It also makes it possible to share data with third parties. The possible applications for Data Secure<sup>TTP</sup> are extremely diverse, from evaluations of target group segments and cross-selling potential, to individual selections, augmentation with traits, cookie matching and more. They help us to conveniently resolve a wide range of compliance requirements. All for the benefit and protection of the customer, who doesn't even notice the digital protective mechanism doing its work in the background.”



**Fernando Carro**

Member of the Bertelsmann Executive Board, CEO of Arvato

#### Arvato CRM Solutions

### **Certified Information Security**

In 2015, Arvato's Customer Relationship Management division gained two certifications in the area of information security – in accordance with the international standards ISO 27001 and PCI DSS (Payment Card Industry Data Security Standard). From Monterrey, Mexico, to Clark and Manila in the Philippines, to Tallinn in Estonia, the certifications cover a total of nine locations from where Arvato handles customer relationship management for Microsoft. Arvato CRM solutions established the prerequisite for this by introducing a system for information security management (ISMS) and – for the PCI DSS certification – by fulfilling 330 defined security requirements. These are binding for all providers that process, transmit or store credit card data.

## Data: A Matter of Trust

Handling data in a trustworthy way is the foundation of Arvato's work. Many of the world's largest companies entrust parts of their value chain – such as the management of their customer communications – to us, only because we have ensured this for decades. At Arvato, we prove daily that our

customers' confidence in us is justified, by complying with the highest privacy protection standards and systematically implementing all legal requirements – worldwide, for every solution and every project. Handling data responsibly is a key investment in our relationship of trust with our business customers.

#### Bertelsmann

### **Competent and Safe on the Web**

Bertelsmann's media providers have many initiatives in place to promote the online media skills of minors – because beyond being passively protected, children also need to learn to actively and competently handle the online world. RTL Group, for instance, is a founding member of the EU's "CEO Coalition to make the Internet a better place for kids" initiative, which develops specific recommendations for the use of digital media. The German TV channel Super RTL supports the EU initiative [klicksafe.de](http://klicksafe.de), which works to build public awareness for the safe use of the Internet by providing practical services and materials. Super RTL also supports the online search engine [fragFINN.de](http://fragFINN.de), which allows children between the ages of six and twelve to search within a secure environment of approximately 10,000 child-friendly websites. In 2015, [fragFINN.de](http://fragFINN.de) won an award in the education category of the "Deutschland – Land der Ideen" (Germany – Land of Ideas) innovation contest. The Penguin Random House publisher Dorling Kindersley offers a similar platform called [DK FindOut!](http://DK FindOut!)

## Fast Read — Protection of Media Users and Customers

“As a media, services and education company, Bertelsmann has a responsibility to protect the rights and interests of readers, viewers, listeners, users and customers in the dissemination of its offers.”

1

### What do we mean?

Safeguarding customer privacy and data security, fair marketing, and the protection of media users, especially of minors, are important priorities for us.

2

### Why is it important?

When handling customer data and disseminating offerings to potentially vulnerable groups, we operate in a highly regulated area. Compliance with legal requirements and the highest quality standards is a matter of course for us.

3

### What's in it for us?

Our commitment to protecting the data of media users and customers pays off: it is an investment in building trust among our business partners and end customers, which strengthens an important foundation of our economic success.

4

### What are the opportunities and challenges?

We see it as both a challenge and an opportunity to keep pace with the steadily evolving and different local requirements and regulations – and to remain flexible and competitive in the market at the same time.

5

### How are we taking action?

Responsibility for protecting media users and customers and complying with the attendant regulatory requirements, standards and commitments, is decentralized and rests with the managements of our companies. Across the Group, our conduct is informed by the principles of the Bertelsmann Code of Conduct. Additional Group-wide policies and procedural and technical management systems have been implemented in the area of privacy and data security.

# 600 million

### Reach

More than 600 million people are reached by Bertelsmann's offerings day after day.

# 74,073

### Information

74,073 inquiries about stored personal information were answered by our companies in 2015 in Germany alone.

# 750,000

### Safe Online

Each month, 750,000 users visit more than 12,000 child-safe Internet pages via the children's search engine fragFINN.de.\*

\* The TV channel Super RTL is a member of fragFINN e.V., and Super RTL's Managing Director Claude Schmit is the Chairman of its Management Board.



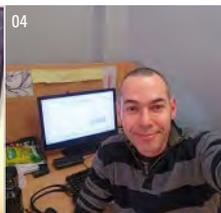
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14



15



05



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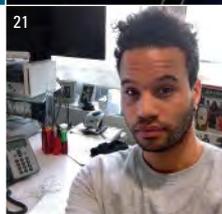
26



34

# Profiles // Diversity

**With more than 117,000 employees around the globe, Bertelsmann has many faces. Diversity in action, with a myriad of talents, experiences, perspectives and ways of life, is a key to success. More diversity means more creativity and more innovation.**



21



22



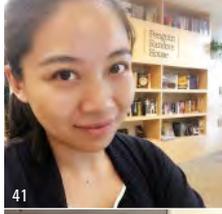
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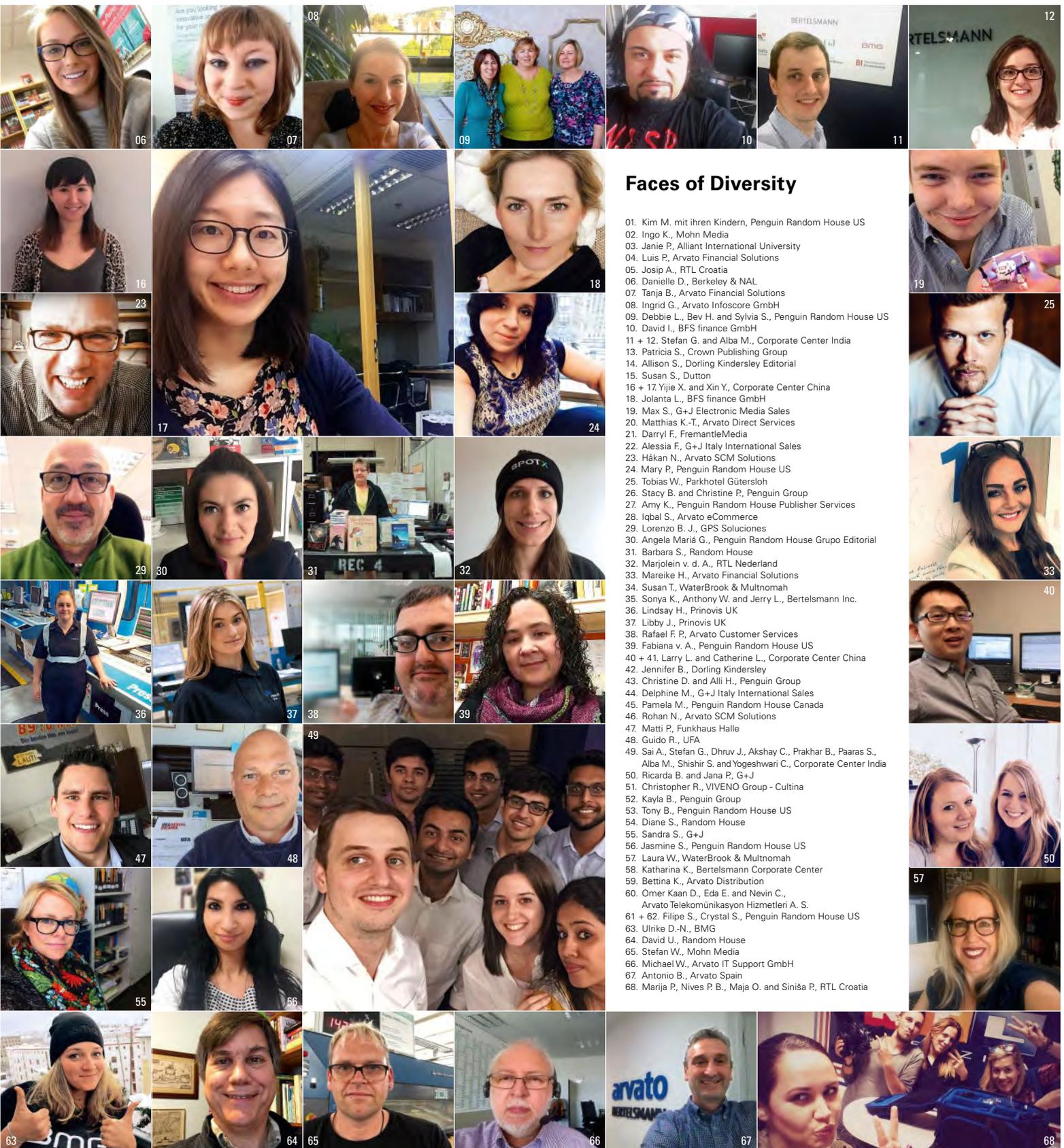
59



60



62



## Faces of Diversity

01. Kim M. mit ihren Kindern, Penguin Random House US
02. Ingo K., Mohn Media
03. Janie P., Alliant International University
04. Luis P., Arvato Financial Solutions
05. Josip A., RTL Croatia
06. Danielle D., Berkeley & NAL
07. Tanja B., Arvato Financial Solutions
08. Ingrid G., Arvato Infoscore GmbH
09. Debbie L., Bev H. and Sylvia S., Penguin Random House US
10. David I., BFS finance GmbH
- 11 + 12. Stefan G. and Alba M., Corporate Center India
13. Patricia S., Crown Publishing Group
14. Allison S., Dorling Kindersley Editorial
15. Susan S., Dutton
- 16 + 17. Yijie X. and Xin Y., Corporate Center China
18. Jolanta L., BFS finance GmbH
19. Max S., G+J Electronic Media Sales
20. Matthias K.-T., Arvato Direct Services
21. Darryl F., FremantleMedia
22. Alessia F., G+J Italy International Sales
23. Håkan N., Arvato SCM Solutions
24. Mary P., Penguin Random House US
25. Tobias W., Parkhotel Gütersloh
26. Stacy B. and Christine P., Penguin Group
27. Amy K., Penguin Random House Publisher Services
28. Iqbal S., Arvato eCommerce
29. Lorenzo B. J., GPS Soluciones
30. Angela Mariá G., Penguin Random House Grupo Editorial
31. Barbara S., Random House
32. Marjolien v. d. A., RTL Nederland
33. Mareike H., Arvato Financial Solutions
34. Susan T., WaterBrook & Multnomah
35. Sonya K., Anthony W. and Jerry L., Bertelsmann Inc.
36. Lindsay H., Prinovis UK
37. Libby J., Prinovis UK
38. Rafael F. P., Arvato Customer Services
39. Fabiana v. A., Penguin Random House US
- 40 + 41. Larry L. and Catherine L., Corporate Center China
42. Jennifer B., Dorling Kindersley
43. Christine D. and Alli H., Penguin Group
44. Delphine M., G+J Italy International Sales
45. Pamela M., Penguin Random House Canada
46. Rohan N., Arvato SCM Solutions
47. Matti P., Funkhaus Halle
48. Guido R., UFA
49. Sai A., Stefan G., Dhruv J., Akshay C., Prakhar B., Paaras S., Alba M., Shishir S. and Yogeshwari C., Corporate Center India
50. Ricarda B. and Jana P., G+J
51. Christopher R., VIVENO Group - Cultina
52. Kayla B., Penguin Group
53. Tony B., Penguin Random House US
54. Diane S., Random House
55. Sandra S., G+J
56. Jasmine S., Penguin Random House US
57. Laura W., WaterBrook & Multnomah
58. Katharina K., Bertelsmann Corporate Center
59. Bettina K., Arvato Distribution
60. Omer Kaan D., Eda E. and Nevin C., Arvato Telekomünikasyon Hizmetleri A. S.
- 61 + 62. Filipe S., Crystal S., Penguin Random House US
63. Ulrike D.-N., BMG
64. David U., Random House
65. Stefan W., Mohn Media
66. Michael W., Arvato IT Support GmbH
67. Antonio B., Arvato Spain
68. Marija P., Nives P. B., Maja O. and Siniša P., RTL Croatia

# Cultural Diversity – Business in Growth Regions

**How can business success be achieved in diverse cultures such as Brazil, China and India? Talking to Shobhna Mohn, Executive Vice President of Growth Regions, and Annabelle Yu Long, CEO of Bertelsmann China Corporate Center (CCC), Founding & Managing Partner of Bertelsmann Asia Investments (BAI) and member of the Bertelsmann Group Management Committee, sheds some light on Bertelsmann’s business activities in the growth regions.**

**S**ince 2012, Bertelsmann has defined the expansion in growth regions as a strategic priority, with a focus on Brazil, India and China (BIC). Corporate Centers were opened in Beijing, São Paulo and New Delhi, to support the Group’s businesses in tapping the BIC markets with their enormous economic potential.

Shobhna Mohn is responsible for these growth markets in her role as Executive Vice President of Growth Regions at Bertelsmann. A mathematics graduate who grew up in India and studied at the Business School of Columbia University in New York, she sees geographical and cultural diversity to be a key component for the Group’s current and future development: “Alongside our core markets in Europe and the United States, Brazil, China and India are among the ten largest economies in the world. For an international company like Bertelsmann, these markets are a must for long-term growth and for driving innovation.”

**“These markets are key for long-term growth and innovation”**

The demand for digital media, services and education is rapidly increasing in these countries, driven by demographic trends, a growing middle class, and the thriving purchasing power. Accordingly, Bertelsmann is aiming at significantly expanding



**Shobhna Mohn**

Executive Vice President of Growth Regions

## 3 Questions for Shobhna Mohn

**When an internationally established group like Bertelsmann grows beyond its core markets into growth regions, what role does corporate culture play?**

For a large, international and family-owned group as Bertelsmann with a history of more than 180 years, corporate culture plays a key role. Our core values – creativity, entrepreneurship, partnership and citizenship – always travel with us, also to the growth regions. These values form the basis for building partnerships with local entrepreneurs and employees.

**Do people have special expectations of Bertelsmann as a “German company” in, say, India?**

Even though Bertelsmann is deeply rooted in Germany, it is today a truly international Group. Due to our long-term perspective, know-how and our focus on partnership, we are able to successfully collaborate with the new generation of entrepreneurs. In most cases, we can see a clear value-add through our commitment, diligence and focus on good corporate governance.

**What do you see as the success factors for intercultural cooperation in the Group?**

Trust and clear guidance are important. To achieve the shared goals, it is necessary to align the strategic priorities and at the same time keep the flexibility and openness to address the fast-paced market dynamics. Furthermore, communication is key: we have a regular exchange with our BIC teams on market, deal pipeline and portfolio developments and also share our insights with other colleagues across the Bertelsmann Group.

its business presence in China, India and Brazil in the years ahead. Mobile Internet and e-learning offerings play a key role in these growth plans. “In just four years, we have positioned Bertelsmann as an active player in the relevant market segments, especially thanks to our excellent local management,” explains Shobhna Mohn. “It is great to drive the buildup of new business activities by investing in innovative businesses and to see the entrepreneurial passion our managing directors have for discovering and pursuing these business opportunities.”

It is also important to be aware of country specifics and cultural differences, says Mohn: “Across all the countries, there are three main challenges: selecting suitable partners sharing our values and corporate governance; dealing with sometimes unclear regulatory frameworks for foreign investments; and finding local top management as well as retaining them long-term.”

Attracting and retaining talent is a top priority for Bertelsmann in the growth regions. It can work, as shown by the career of Annabelle Yu Long, CEO of Bertelsmann China Corporate Center (CCC), Founding & Managing Partner of Bertelsmann Asia Investments (BAI) and member of the Bertelsmann Group Management Committee. Long was named as one of China’s top ten investors in the TMT Industry in 2015 by China Venture. Together with her team, she has made investments in many innovative companies in China through BAI since its establishment in 2008, with a focus on digital media, services and education.

Annabelle Long has a great affinity to media: She began her career in 1994 as an anchor at the Chengdu People’s Broadcasting Group. In 2005, she worked for FremantleMedia and Random House in New York as part of the Bertelsmann Entrepreneurs Program (see info box). Only a few select candidates a year are accepted to this 18-month development program for top talents with entrepreneurial experience. They are given the opportunity to build a broad network at Bertelsmann locations around the world.

### “A strong and very visible player in China”

In 2007, Long was appointed to head Bertelsmann Digital Media Investments in Beijing; the following year, she was named Managing Director of Bertelsmann Asia Investments (BAI). She is one of the company’s very successful home-grown talents, focusing on a highly attractive market: with 1.3 billion inhabitants, China is the most populous country on Earth, and will soon be its largest economy.

“Bertelsmann is a strong and very visible player in China,” declares Annabelle Long. “Rapidly increasing consumption, the growing services sector, and the modernization of the manufacturing sector are the key drivers of progress in this growth market. The BAI fund is a driving force for Bertelsmann’s development in China. Not just because of its presence in a dynamic market, but also through the exchange it fosters with the new world of innovation and technology.” //



**Annabelle Yu Long**  
CEO of Bertelsmann China  
Corporate Center

### The Bertelsmann Entrepreneurs Program

#### **Real-Life Test for Top Talent**

“Create Your Own Career” is especially true for the BEP: In the 18-month Bertelsmann Entrepreneurs Program, participants are given an opportunity to develop new strategic lines of business and in the best case build their own business at Bertelsmann. Each year, a few select candidates are accepted from the world’s best business schools into the program under the patronage of Bertelsmann’s Chairman & CEO. Unlike a traditional graduate program, there is no prescribed path through the division. Candidates build a broad network at various Bertelsmann locations around the world. The idea is to accelerate their development into executives who will eventually head a department or a larger project within the Group – ideally one they themselves have created.



**Anke Schäferkordt**

Member of the Bertelsmann Executive Board, Co-CEO of RTL Group

## Greater Authenticity Means Greater Diversity

Managers are first judged by the success they achieve in business. That's an essential criterion, and I would make no distinction between male and female managers. One thing that's very important to me, though, is that we managers should live by our own values and rules. Authenticity has always played a

prominent role in my career. When I'm asked for my opinion, I give it. Greater authenticity means greater diversity. Emerging talents often believe they have to work through a career plan or study a specific course. But in a rapidly changing sector such as ours, we need diversity and flexibility, not stereotypes.

### FremantleMedia UK

## Entry Positions for Underrepresented Groups

As an equal opportunities employer, FremantleMedia UK strives for diversity across all aspects of its business, both on- and off-screen. Therefore, FremantleMedia UK offers young talents of underrepresented groups the opportunity to participate in the Indie Diversity Scheme of PACT, the trade association of the UK's leading media companies ("Indies"). Throughout the six-month work experience, a FremantleMedia UK trainee benefits from comprehensive training and personal mentoring while getting to know the TV business. Kristina Wade, current participant of the scheme, is working at the Thames Label: "I can easily say that this scheme has been life-changing – it will be the backbone to my ambitions in the TV world."

### Bertelsmann

## Employee Swap

Under the new "Bertelsmann Exchange Initiative," Bertelsmann employees can gain new professional experience elsewhere within the Group for up to three months. Designed as a pilot project for now, it involves a temporary exchange between the Corporate Center in Gütersloh and the divisions. A reciprocal exchange between the Corporate Center in Gütersloh and another Corporate Center in New York (United States), Beijing (China), New Delhi (India) or São Paulo (Brazil) is also possible. This exchange across different divisions and countries is meant to support the personal development of the participants as well as to promote Group-wide cooperation and innovation.



Kristina Wade

Bertelsmann

**Strategies Related to Demographic Change**

Demographic change creates major challenges for Bertelsmann, especially in Germany. Against this backdrop, pilot projects on analyzing age structures have been carried out at the Bertelsmann Corporate Center and at AZ Direct in Gütersloh since 2014. In these analyses, first the current age structure is determined, and future changes in the age structure and the jobs and skills of employees are forecast. Measures for dealing with demographic change are then derived based on this. For example, if

a given department has employees with key skills or valuable experience and knowledge who will be retiring for age in the near future, an early transfer of knowledge can be effected. "The results of an age structure analysis are an important foundation for a life phase-oriented HR policy and targeted personnel development, to maintain the work ability and employability of employees of all ages," explains Aline Hohbein, Director of Diversity Management at Bertelsmann.

Groupe M6

**Different, so what?!**

In November 2015, the French media company Groupe M6 teamed up with the staff services company Adecco for an initiative under the heading "One day, one profession in action." Job seekers with a disability were given the opportunity to spend one working day at Groupe M6. Later, during "Disabled Persons Employment Week," the Group's channels M6, W9 and 6ter broadcast six films in a series titled "Différent, et alors?!" (Different, so what?!). Each of the episodes documented the meeting between a competitive athlete with a disability and a Groupe M6 presenter.



Arvato SCM Solutions

**A Reputation as an "Inclusive Employer"**

Arvato SCM Solutions attracted a lot of attention in the Hanover region in summer 2015 with a widely acclaimed inclusion campaign. For the first time in Germany, a job campaign was targeted directly at people with disabilities. Marina Maurer, the famous German wheelchair model, was recruited as the campaign's figurehead. Promoted by the magazine "HandicapX," in job listings and poster campaigns at inclusion training centers or sports clubs for people with disabilities, and also disseminated through the social networks, Arvato SCM Solutions made a name for itself around Hanover as an inclusive employer. "And we gained great new colleagues who are highly motivated," says Stefanie Rheker, Head of Human Resources at Arvato SCM Solutions.



Gruner + Jahr Spain

**There Is a Way Out**

At the end of June 2015, over 3,000 participants crossed the starting line in Madrid for a run dedicated to the protection of women. The event was organized by the Gruner + Jahr Spanish women's magazine "Mia" and the Spanish Ministry of Health, Social Services and Equality. "Hay Salida" – which more or less means "There is a way out" – was the motto of the solidarity run, which was taking place for the second time in the Spanish capital. The goal of the run is to raise awareness for the issue of violence against women and to promote equality and respect. State Secretary Susana Camarero Benítez was enthusiastic about the event: "Sports have the ability of translating values like solidarity and coherence into deeds."



Dorling Kindersley

## Diversity through Partnership

**Ian Hudson, CEO of DK, talks about the Bertelsmann Management Representative Committee, diversity management at Bertelsmann, and the role of employee diversity at DK.**

**Ian Hudson, in addition to being CEO of DK, you are also a member of Bertelsmann's Supervisory Board and Chair of the Bertelsmann Management Representative Committee (BMRC). First of all, what exactly is the BMRC and what is its function?**

**Ian Hudson:** Reinhard Mohn established the BMRC in 1974. It was an expression of his inclusive and comprehensive philosophy of partnership between the company and its employees. The role of the BMRC is to function as a cross-divisional and international interface between shareholders, the Executive Board and our business leaders on key issues regarding corporate culture, corporate policy, corporate strategy and general management.

**And how would you describe the BMRC's activities?**

**IH \_** As a management representative committee, we've always been a sounding board for the CEO and Board members, as well as actively promoting projects which directly benefit and are in the interest of management.

**And what about diversity issues?**

**IH \_** The BMRC is a real champion of diversity, which we feel is no longer a business option, but a strategic business imperative! We played a key role in bringing the issue back to center stage in 2009. While at the time there were no full-time resources allocated to the topic – and it wasn't featured on the corporate agenda – still, the Executive Board needed to properly understand how diverse the company actually was, how well it benchmarked against other media groups, and how we could fully realize the benefits of a more diverse company.

**And since 2009?**

**IH \_** We've seen significant progress. The issue of diversity was given priority by Thomas Rabe with Immanuel Hermreck taking the lead. The creation of quite a diverse General Management Committee (GMC), for example, and the appointment of Anke Schäferkordt to the Executive Board have been important steps. Another turning point was the implementation of the Diversity Management department,

under the leadership of Marie-Luise Kühn von Burgsdorff, in 2011.

**What role does diversity management play for the publishing business at DK?**

**IH \_** At DK we focus on meeting the needs and desires of all consumers. Our team is made up of people from different backgrounds with different perspectives, and this allows us to publish the best books that appeal to readers across the globe, while at the same time contributing to a richer, more creative working environment. DK has always had a forward-thinking approach when it comes to recruitment and our workplace culture, and we prioritize getting the right person with the right skill set for the job. We have a strong female, multinational and multicultural presence across our global businesses. Diversity is embedded in everything we do as a company and is of fundamental importance to our success. //

“Our employees are the driving force behind Bertelsmann’s creativity and innovation. With their diverse talents, experiences, perspectives and lifestyles, they optimally develop their potential and shape the success of our company.”

1

**What do we mean?**

Diversity management means managing diversity for the benefit of the company and its employees, with a focus on appreciation and the promotion of individual potential. Our current diversity action areas are gender, generations and internationality.

2

**Why is it important?**

We understand diversity management to be a business case. For the sustainable success of Bertelsmann in its transformation, we need all kinds of talent – regardless of their age, gender or background.

3

**What’s in it for us?**

In our lines of business, heterogeneous teams are often more creative and innovative than homogeneous ones. They can respond more flexibly to changes in the market, and open up new markets. We see a close connection between diversity, employee retention and development, and employer branding.

4

**What are the opportunities and challenges?**

A diverse workforce is a key competitive advantage in a rapidly changing, globalized market. The challenge lies in making the business case for diversity visible and tangible. Internationally, Bertelsmann’s decentralized organizational structure requires very differentiated solutions.

5

**How are we taking action?**

The Diversity Management department reports to the Chief Human Resources Officer. It serves as impulse generator, in-house consultancy and change agent, with the support of a Group-wide Diversity Working Group. The divisions and companies are responsible for actually taking measures in the areas of action.

50

**Internationality**

Bertelsmann has business operations in about 50 countries around the world.

5/17

**Female Quota**

Five out of the 17 members of the Bertelsmann Group Management Committee are female.

47%

**Male Quota**

Nearly one in two (47%) Bertelsmann employees is male.

92

**Diversity**

In Germany alone, people of 92 different nationalities work for Bertelsmann.



## Feature // Health

Globalization, technologization, digitization: fundamental developments like these leave traces in people's lives – including their working lives. Accelerated workflows, heavier workloads and steadily growing pressure from international competition impact our well-being. Many people feel they have to be constantly “on” and available these days. Add to that demographic change and an aging workforce. Due to the later retirement age, employees have to stay in the working world longer, and find themselves facing ever more complex demands.

In tandem with these social and economic changes, the range of illnesses is also changing. Actual on-the-job hazards are generally much less damaging than they were 100 years ago, because of the reduction in physical demands. Infectious diseases have also become less dominant. However, there has been an increase in the number of people with chronic symptoms that can largely be attributed to changing living conditions. Mental illness is also increasing significantly.

Well-managed companies respond to this by establishing an integrated health management scheme, which treats health not merely as the absence of disease, but as a complex system of requirements; physical, psychological and social resources; and personal expectations and goals.

The following feature tells you more about how Bertelsmann tackles these challenges. //

## Health as a Resource

**How does occupational health management work? And what are the critical success factors?**

**A visit at the Bertelsmann Health Department gives insights into preconditions and opportunities of a healthy work environment.**

**A**n appointment with Bertelsmann's health management team at the Corporate Center in Gütersloh: Team leader Lorena Israel Findley is the host of the standing reception. "We could sit, of course – but a change is good for our locomotor system, so we like to take every opportunity to walk or stand," she explains. There are many actions you can take – large and small – to influence occupational health.

One larger measure is on the agenda today: the next meeting of Bertelsmann's Health Community, which is scheduled for fall in Berlin. The Health Community is the steering body for Bertelsmann's health management in Germany. It is comprised of health experts from all the divisions, works council chairs, supervisory board members, HR officers and the representative body for employees with disabilities. It meets twice a year.

But why does Bertelsmann take such a thorough approach to the health of its employees? "Because people spend most of their time at work today,

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Ultimately, healthy employees are the basis of a company's success and its most important resource.”



**Heribert Sangs**

Senior Vice President of Vocational Training, Dual Study Programs and Health Management at Bertelsmann

the company they work for has a big influence on their health,” says Heribert Sangs, who is responsible for the overall management of Bertelsmann’s health management and is Lorena Israel Findley’s supervisor. “Our company recognized this great need many years ago, and in 2013 set up a separate department for developing an integrated Bertelsmann health management scheme.”

This department now develops and coordinates health strategies throughout Germany, for Sangs believes that Bertelsmann can only be a successful and future-proof company with healthy framework conditions and healthy employees. “Ultimately, healthy employees are the basis of a company’s success and its most important resource,” he says, adding that ensuring healthy employees also directly supports the achievement of a company’s goals and targets.

How does modern health management actually work? And what exactly does “integrated” mean? Lorena Israel Findley gives an example: “Studies and our own experience have shown that measures only bring significant changes if they are part of a

coordinated overall concept. By the ‘integration of measures’ in occupational health management we mostly mean not just attending a gym course during your lunch break or working day, but making work itself a healthier experience.” She says the goal is to integrate health into work processes in a “systematic, goal-oriented and holistic” way.

### **Mainstreaming Health in the Corporate Culture**

Heribert Sangs feels that there is one particularly important prerequisite for putting this into practice throughout the organization with long-term effects, and for creating a comprehensive awareness of health: “We want and need to mainstream this in the corporate culture.”

So for an effective implementation of health management, he says it is important to first build awareness for the issue among a company’s management. Due to their influence on work processes and social interaction, executives have a key role in ensuring a health-friendly workplace. Their position enables them to identify their employees’

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It is about making work itself a healthier experience.”



**Lorena Israel Findley**  
Director of Bertelsmann  
Health Management

potential and skills, as well as when they are over- or under-challenged. And they have the ability to change work processes, reduce stress and strengthen resources in order to help promote the well-being of their employees.

“You don’t have to reinvent the wheel” to establish a health management scheme, says Israel Findley. The idea is to build on existing schemes and link them with other areas where it makes sense, thereby furthering the integrative approach to health management. “Here in Gütersloh, the issue of health has been dealt with in various departments for many years: by the company doctor, the occupational safety department, the Bertelsmann BKK company health insurance, in-house social services and our varied company sports offer.” She explains that here as well as at sites across Germany, networking and exchange with protagonists from the HR, vocational training and operational departments, and with employee representatives, are essential to holistic health management. And, she adds, all participants benefit from the synergies.

Online networking in Germany takes place especially on the newly launched health website ([www.bertelsmannhealth.de](http://www.bertelsmannhealth.de)). In the offline world, the many stakeholders come together in the aforementioned Health Community. “This body is so important because it not only gives all the health experts an opportunity to take another look at the topics, but also ensures that the various company representatives give their input from different angles and disseminate the topics in the Group,” says Heribert Sangs.

Another important step toward integrating the topic of health was the joint development of four

minimum standards, which were agreed upon by the Corporate Works Councils and CHRO in March 2015 and apply to every German company in the Group. The first minimum standard states that “health-related competence” is a necessary component of the management skill set at all German Bertelsmann companies. Moreover, a permanent Health task force is to be set up at each Group company. Access to information about health services offered by the company is to be ensured for all employees. And in the future, everyone will have access to social counseling.

### **Analysis and Evaluation**

Beyond this, several pilot projects are being run with the aim of showing examples for establishing and developing integrated health management. The participating companies proceed in six distinctive phases: initialization; analysis and identifying fields of action; measures planning; implementation; evaluation; and long-term integration into the company’s structures.

A thorough analysis is of particular importance, as all further steps build on this and it allows for deriving demand-driven goals. “However, any data about absenteeism and turnover are lagging indicators in this process,” explains Israel Findley. It is more important to also consider framework factors that indicate the state of health at the company, such as productivity, job quality and satisfaction, trust in management, psychosocial well-being, and attitudes to health.

In order to make health a visible, tangible part of the corporate culture and to anchor it firmly in a company’s overall strategy, Israel Findley says it

**Bernd Hirsch**

Chief Financial Officer of Bertelsmann

## Health Is a Management Task

A company can only be successful in business if its employees are both willing and able to deliver performance. Our offerings depend on the creativity and commitment of my more than 110,000 colleagues. For us, health is about more than reducing absenteeism. We want to create an en-

vironment for our employees that enables them to have fun and be motivated as they work on the evolution of Bertelsmann in times of change and digitization. This kind of productive environment is not only important – it can be planned and created, which makes it a task for management.

is also crucial that a representative of a company's management commission the establishment of occupational health management.

And when purposeful measures to improve health and productivity are then carried out at the company, they should always take their cue from the local needs and circumstances as analyzed. "When putting measures into action, it is particularly important to keep communicating with the staff," says Israel Findley. Especially with long-

term measures, ongoing monitoring is also recommended, she says. The results of the evaluation can then serve as guidance for others. The spectrum of possible measures is wide, ranging from workshops and the optimization of workflows to providing armchairs and couches for relaxing, consultation hours with executives, and even the laying of soundproofing carpets – which have already proven useful in reducing stress and noise pollution. //

### Arvato CRM Healthcare

## Preventive Checkup with the All-Rounder

“High vitality people,” an Arvato CRM Healthcare initiative, is an inexpensive prevention program for companies that recognize health management as a success and competitive factor. An innovative screening with the newly developed “Preventometer” screening device forms the core of the initiative. The product also includes the “Health Cockpit” user software and follow-up coaching by specially trained prevention coaches. Arvato’s new development guarantees the comprehensive and effective measurement of all key parameters needed to identify health risks within forty-five minutes. “We measure weight, blood pressure, body fat and blood levels. At the same time, a high-quality wireless ECG and optical, hearing and venous tests are carried out,” explains Emek Altun, Head of Prevention and Health Promotion at Arvato CRM Healthcare. This all-rounder is already used by companies such as Wolfsburg AG and health insurance companies like AOK Nord. Arvato Healthcare uses the Preventometer itself at its “An der Autobahn” site in Gütersloh, where a number of Arvato Solution Group companies are based. Instead of being examined on a bed by a medical officer, employees go on a virtual bike ride with the Preventometer. The company doctor then evaluates the key data in the Health Cockpit, Arvato’s custom software. If there is a need to take action in specific areas, the prevention coaches have face-to-face conversations or video chats with the subjects to develop specific suggestions for improvement. Bertelsmann’s company medical service supported the trial period leading up to the launch with its medical expertise and conducted more than 700 examinations with the Preventometer at Arvato’s Cottbus and Gütersloh sites in the 2015 business year. “We’re seeing a high level of staff acceptance,” summarizes the head company doctor, Sebastian Köhne. “And after coaching, we also found significant improvements in key medical data, such as blood pressure, blood sugar and body weight.”



### RTL Group

## Cycling for Cancer Research

In March 2015, RTL Group employees in Luxembourg participated in the eleventh “Télévie Challenge” indoor cycling event, organized by RTL Group to raise money for the “Télévie” fundraising campaign. A total of 230 cyclists in 34 teams took turns on indoor bikes for eight consecutive hours in the RTL Group fitness gym. For each kilometer pedaled, RTL Group donated €5. Almost €45,000 was raised from the nearly 9,000 kilometers pedaled. RTL Group generously rounded up the sum to €60,000 for cancer research. Another €14,000 was raised by the “Télévie Challenge on Tour,” a cycling race over 180 kilometers to various pledge fundraising centers in Luxembourg.

### Prinovis Liverpool

## Minimized Risks

In July 2015, Prinovis Liverpool had its operational health and safety management recertified in accordance with OHSAS 18001 (Occupational Health and Safety Assessment Series). The idea is to minimize accident and health risks that are typical for the printing industry. As part of the certification, risks in the company’s operations are identified and reduced. Progress on the prevention of accidents and work-related illnesses is then repeatedly reviewed in further audits. The company and its employees have benefited from the effects of this certification since 2010.

“The health of our employees is a valuable asset and an essential part of our social responsibility. We see it as our special mandate to ensure good conditions for workplace health and safety, and to offer effective measures.”

1

#### What do we mean?

By health, we no longer mean merely the absence of disease, but a complex system of requirements; physical, psychological and social resources; and a person's own aims and objectives.

2

#### Why is it important?

Employees need skills and resources to deal with the heavier workloads of an increasingly globalized and digitized world while still maintaining their health long-term. A health-promoting environment and the prevention of work-related health risks are crucial here.

3

#### What's in it for us?

Motivated and healthy employees are indispensable for a company's success. People who feel good at work can access their creative potential and make the best contribution for Bertelsmann. Another factor is productivity and the possible reduction of absenteeism.

4

#### What are the opportunities and challenges?

Today, chronic ailments prevail and mental disorders are on the increase. Bertelsmann meets these challenges by developing and expanding a health management scheme that systematically integrates health into the work processes. Executives serve as role models and can influence the conditions. And each employee also bears responsibility for his or her own health.

5

#### How are we taking action?

The Bertelsmann Health Management unit is responsible for the Germany-wide health strategy and coordinates health-related activities in Germany. The Health Community, composed of health experts from all the divisions, works council chairs, supervisory board members, HR officers and the representative body for employees with disabilities, is meant to serve as a network to facilitate the implementation of uniform standards across all sites. The medium-term goal is to internationalize the Group's health management.

400

#### Range of Activities

More than 400 health offers are available and listed on the Bertelsmann Health website.

35

#### Exchange

35 company representatives meet twice yearly, representing the German Bertelsmann Health Community.

4

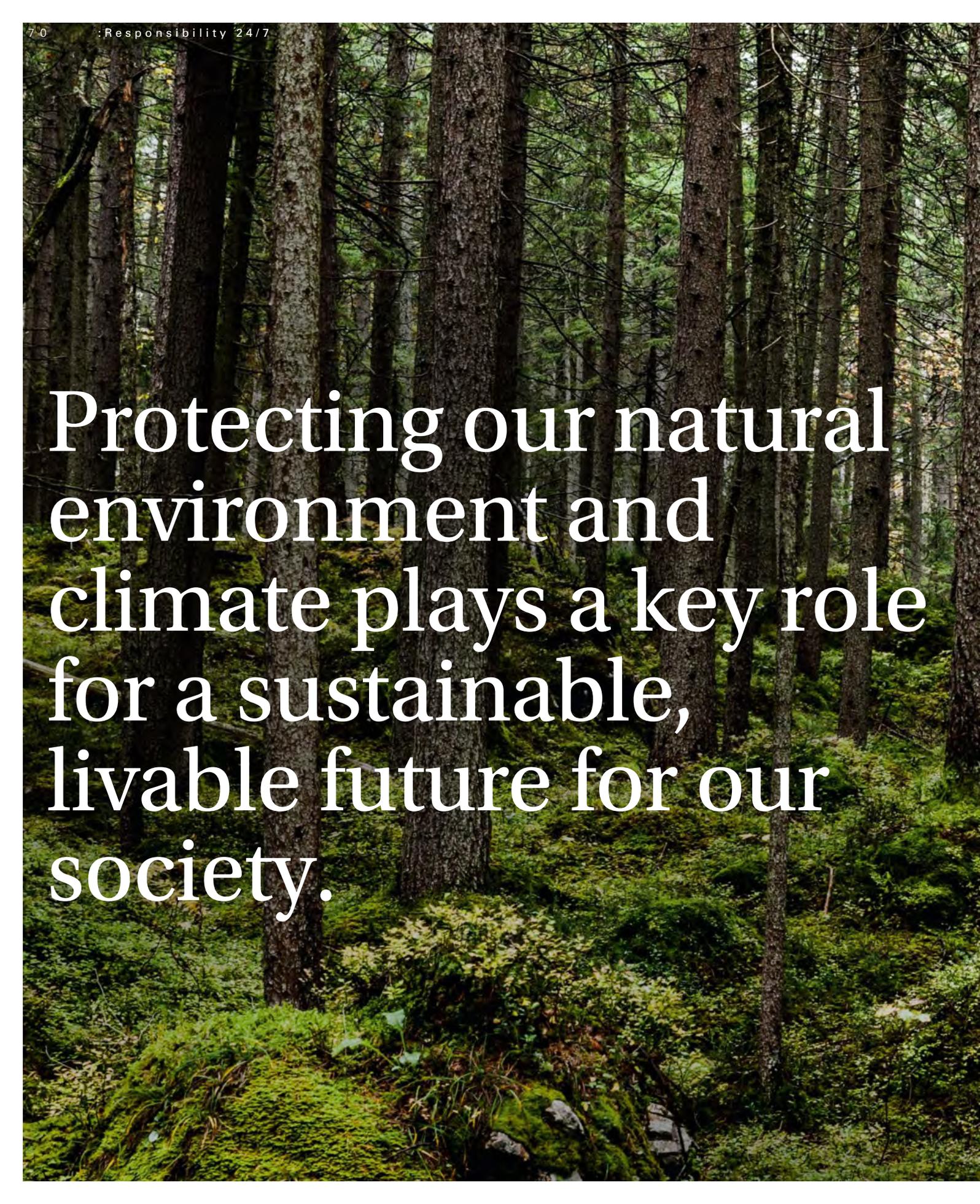
#### Quality Management

Four Germany-wide minimum standards for health were adopted in 2015.

3

#### Pilots

Three pilot projects for occupational health management are currently ongoing in three lines of business (TV, Financial Solutions and CRM/SCM Solutions).

A dense forest of tall, thin trees with a lush green undergrowth of moss and ferns. The text is overlaid on the image in a large, white, serif font.

Protecting our natural environment and climate plays a key role for a sustainable, livable future for our society.

## Essay // **Eco-Efficiency**

**Environmental management at Bertelsmann revolves around global climate protection and responsible use of natural resources. On the following pages, read about which processes and measures are effective.**

# Acting Responsibly Means Reducing Emissions!

Economy and ecology - can they coexist? Yes, says "GEO" Editor-in-Chief Christoph Kucklick, even if it is difficult to calculate nature in economic terms.

**E**conomists and ecologists have something in common: they both love the efficient use of resources. From an environmental point of view, such efficiency is nothing more than the anticipation of a good future by showing respect for our earth. So it's a myth that the rationality of business conflicts with the needs of nature. An entrepreneur who cuts fewer trees for a product is as satisfied as the forest whose trees are spared (assuming that the forest has a consciousness, which according to the latest research it may well have).

And yet it can be difficult to reconcile economic production and nature's reproduction. Just how difficult, "GEO" found out some years ago. Before ecological management and carbon footprints, we were probably the first magazine to calculate our own environmental footprint. How many trees are cut down for our magazines? How much energy is required in paper production, and what pollutants result from the process? Does the ink contain hidden pollutants? How much CO<sub>2</sub> is produced by delivery trucks on the way to newsstands - and how much by our editorial staff in carrying out research trips?

With the ambition - among others - of demonstrating to less environmentally aware companies that calculating such an imprint could be mastered, our team dove into the task. Months passed. Our colleagues dug deeper and deeper into the petrochemical details of the ink-manufacturing process, the pollutant behavior of different types of trucks, the peculiarities of Finnish forest management.

Eventually it became apparent that a clear result would be impossible to identify. Too many factors were involved in the calculation, too many unknowns. For example, the CO<sub>2</sub> emissions of a newsstand delivery ultimately depend on such factors as the carburetor setting of the specific truck - and how does one record that precisely without looking under the hood every morning?

At the time, a solution was agreed to, which would at least offset the relatively easy-to-measure emissions, namely research trips at Gruner + Jahr. The "GEO schützt den Regenwald" (GEO Protects the Rainforest) association has since reforested an area in Nepal. And today, 300,000 more trees are on the planet.



**Christoph Kucklick** is Editor-in-Chief of "GEO". The Bertelsmann publishing house Gruner + Jahr has published the reportage magazine since 1976, and every issue also carries stories on ecological topics.

Such offsetting measures are popular, but they can only compensate for damage, not prevent it; and they cannot hide the fundamental difficulty in including nature into our calculations.

This is not because companies are unwilling, or lack the necessary knowledge. It is because economists and ecologists speak different languages. Business has developed a particularly ingenious – and singular – vocabulary to communicate its dynamics: price. It is unambiguous, the same for everyone, and communicates change without delay. Nature has nothing like that. It speaks through hidden effects, long-term disruptions and multilayered consequences: land requirements, greenhouse gases, toxins, raw material consumption and much more. And all attempts notwithstanding, its language cannot be translated into – or calculated with – a single handy metric that can compete with the informational impact of price. The efficiency of information is thus greater in economy than it is in ecology.

Therefore, as humans and in our own best interest, we must serve as translators between the spheres. There must be a convergence between the simplicity of price and the complexity of nature. Fortunately, we are getting better at doing this every day. Carbon footprinting is now more standardized than in those early days when "GEO" made its first ventures. There are significantly more pollutant calculations available, and the dramatically rapid increase in digital sensors help to measure pollution in real time. Nevertheless, the cost of ecological controlling remains high.

And practically every survey is full of surprises and often confounds common sense. For instance, a food manufacturer wanted to find out how much CO<sub>2</sub> was created in the production of their prepared meal "noodles and wild salmon." Efficiency engineers examined the ships leaving harbor to fish, the storage freezers, and the energy consumption of the hatcheries – only to find that the most serious culprit was the cream from the local dairy, used in the recipe. Another example is the promotion of "local" apples. After six months in cold storage, they are more environmentally questionable than fruit flown freshly in from the southern hemisphere.

In all of these studies it becomes obvious that improving eco-efficiency is a multifaceted task. It must be carried out at any number of steps in the process and in many ways. Such "micro-greening" doesn't make the matter any less important, only less glamorous. Working with the adage "the devil is in the detail" is probably the most significant - and practical - necessity in rescuing our earth. Modifying an entire supply chain to make it more sustainable means giving attention to literally thousands of details, from heat generation and insulation in distribution warehouses, to LED lighting and reducing the paper volume involved in invoicing. Yet this revolution of efficiency through many small steps is subject to criticism. Making more with less is a great idea, the objections go - but if "more" continues to increase, the benefits of "less" become negligible. Aircraft engines now consume 70 percent less fuel than 40 years ago, but global air traffic has actually risen by 70 percent during this same time period. Today, there are fewer cows in the United States than in the 1950s, but they produce more than twice as much meat and accompanying pollutants.

On the other hand, there is also some good news: For the first time in about two centuries, the last 24 months have seen the global economy manage to grow without increasing CO<sub>2</sub> emissions to the same extent. This "eco-economic de-coupling" is our only hope in continuing to increase the world's prosperity without consuming the resources of 1.5 earths, as has previously been the case.

Such silver linings are joined by the attempt to use not only fewer, but different resources: limiting consumption to materials that can be recycled, for instance. The cradle-to-cradle principle - the idea that the components of a product will become the source material of a new product - focuses on full recyclability and total biodegradability. The number of such ecologically neutralized goods is still very small. But the idea of making more of the right stuff, rather than efficiently making less of the harmful stuff, is gaining popularity.

Digitization has sparked another hope for dematerialization. The efficiency gains from digital technologies are spectacular in some cases. Processes that previously required days can now be done in minutes. Digital precision agriculture optimizes the fertilization of our farming land down to the square inch; and in industrial production, errors have been minimized. Despite all the prejudices, online shopping also supports dematerialization: a T-shirt that is delivered to a home by parcel generates 35 percent less CO<sub>2</sub> than going to the store to buy it. The reason is simple and, like most things, has to do with our mobility: most buyers drive to stores by car and therefore pollute the atmosphere much more than a single parcel-delivery driver.

However, advanced technologies can also lead to counterproductive effects. Drivers of hybrid cars in Japan, for instance, drive 1.6 times as many kilometers as they previously did in conventional cars, therefore eliminating the positive environmental effect of their investment. Once again: less of a "bad thing" quickly becomes more of a thing that is far from good.

Respect for our planet must then be based on more than technical efficiency measures alone. It must also include an awareness of our own behavior. This is perhaps the hardest - but most effective - part of saving our planet.

# Environmental Management and Climate Protection

**Bertelsmann's business activities involve the company in a complex interrelationship with the environment. This gives rise to a special ecological responsibility. Together with its employees, and in dialog with its stakeholders, Bertelsmann promotes the responsible and efficient use and sustainable sourcing of energy and natural resources.**

Just as varied as the lines of business in Bertelsmann's various divisions are the decentralized challenges and priorities of environmental management. Protecting our global climate and a responsible use of natural resources such as paper are shared elements in the efforts to minimize the overall environmental impact of our business activities.

## Cross-Divisional Cooperation

The "be green" environmental initiative is Bertelsmann's platform for promoting cross-divisional environmental efforts and dialog with external stakeholders. Representatives from the divisions – e.g., paper buyers, energy and environmental managers, logistics (SCM) experts and controllers – use it to regularly share information about current environmental issues. Beyond this, the "be green" experts coordinate the collection of environmental data and develop Group-wide measures.

## Survey of Environmental Indicators

By drawing up the annual Bertelsmann carbon footprint, we record the environmental impact of

our business activities in a given year. Besides direct and indirect greenhouse gas emissions, other environmental indicators are also reported. These include the companies' energy and water consumption, as well as the volume of paper used and waste generated.

The data is collected locally by the sites and companies and reported to Bertelsmann through the "be green" experts in each division. In 2015, the data collection process was reorganized, and further developed by revising the guidelines. A successive expansion of the network of local contacts also allowed for the inclusion of additional sites.

## Support from the Scientific Sector

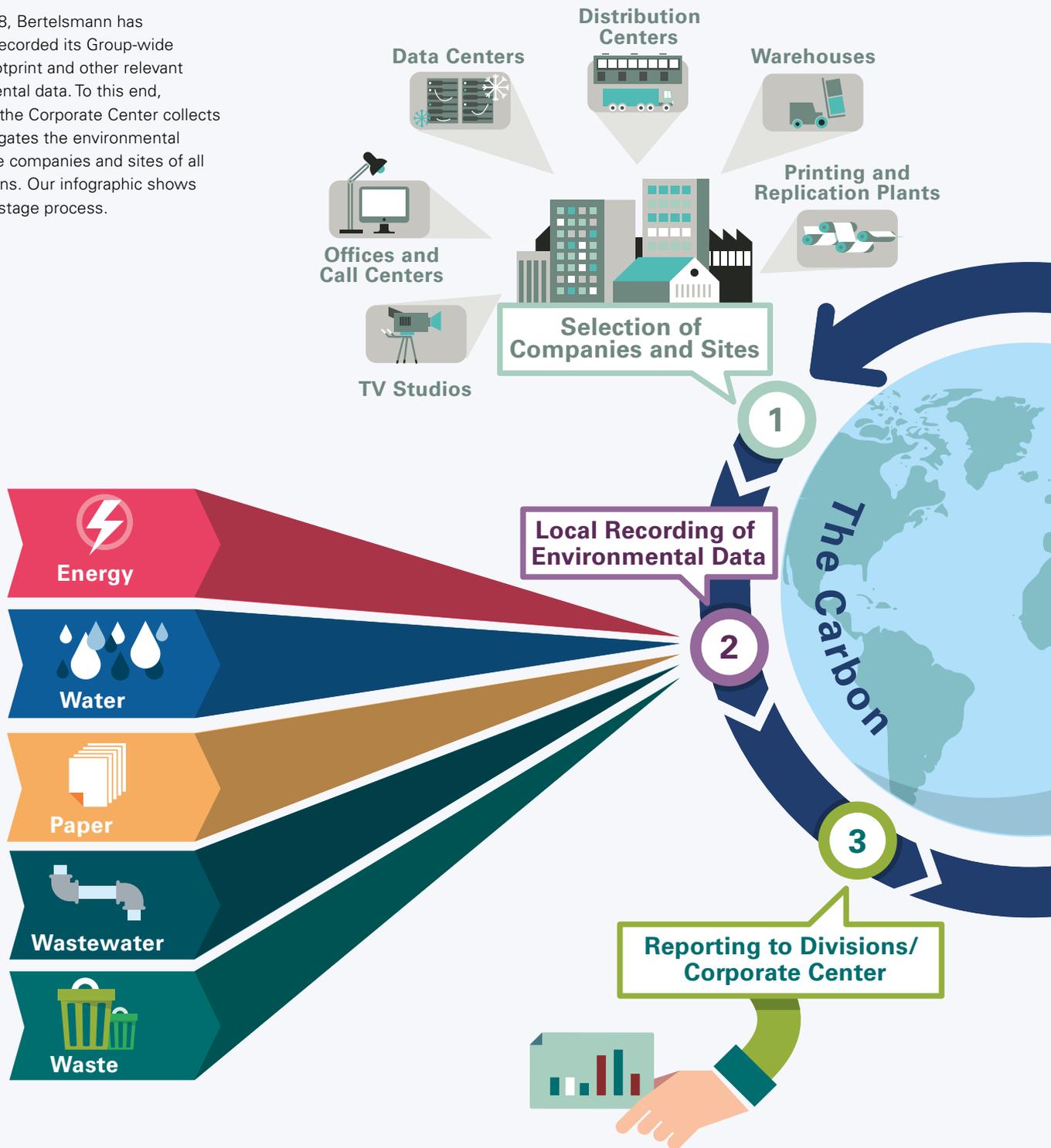
The independent IFEU Institute for Energy and Environmental Research in Heidelberg provides support in Bertelsmann's environmental reporting. Their scientists carry out plausibility checks, assist in the calculation of greenhouse gas emissions, and make suggestions for further developing the Group-wide survey. //

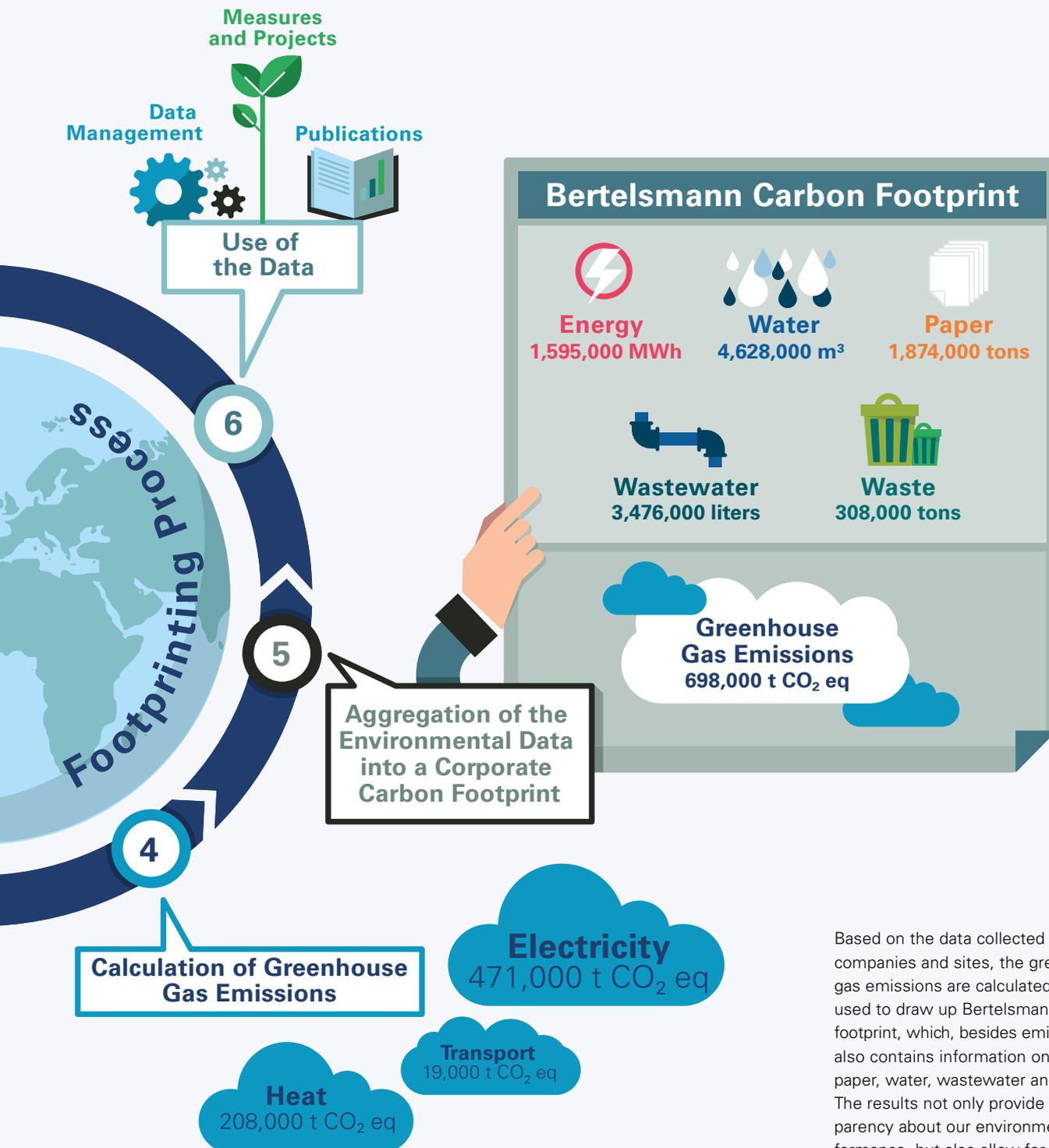


Bertelsmann's carbon footprint is posted online for download:  
<http://www.bertelsmann.com/corporate-responsibility/environment/carbon-footprint/>

# How Is the Carbon Footprint Calculated?

Since 2008, Bertelsmann has regularly recorded its Group-wide carbon footprint and other relevant environmental data. To this end, each year the Corporate Center collects and aggregates the environmental data of the companies and sites of all the divisions. Our infographic shows this multi-stage process.





Based on the data collected by the companies and sites, the greenhouse gas emissions are calculated and used to draw up Bertelsmann's carbon footprint, which, besides emissions, also contains information on energy, paper, water, wastewater and waste. The results not only provide transparency about our environmental performance, but also allow for managing it and deriving measures.

## Environmental Impact Decreasing since 2008



**Mark Fabisch,**

Director of Corporate Responsibility/Environment, develops strategies and initiatives for Group-wide environmental topics and coordinates Bertelsmann's international "be green" working group.

In 2015, we implemented a number of central environmental projects at Bertelsmann. The switch to an annual compilation of environmental data, the organization of the international "be green Day," and the performance of energy efficiency audits are just three initiatives that stand for successful collaboration in matters of environmental protection.

Bertelsmann's key environmental indicators show that our operations have had a diminishing environmental impact since they were first surveyed in 2008. Because the data is now being compiled annually, a direct comparison with the previous year is possible starting with this reporting year.

Compared to 2014, the increase in energy efficiency and effects of digitization and transformation of our businesses have led to a slight reduction in electricity and heat consumption (-2 percent and -4 percent), as well as paper and waste volumes (-4 percent and -2 percent). However, due to rising headcounts and improved data quality, there have been increases in water consumption, fuel consumption and business travel. The greenhouse gas emissions recorded remained virtually unchanged compared to the previous year. Direct emissions (Scope 1 and 2) increased slightly, whereas indirect emissions (Scope 3) decreased.

<sup>1</sup> 2014 data have been adjusted for better comparability.



## Statements on the Carbon Footprint

**What do the different Bertelsmann divisions focus on in environmental management? What developments can be seen in their respective carbon footprints? Six experts provide answers.**

## Spotlight on Energy Efficiency and Raw Materials



**Lars Peters**

is Head of Energy Management at Prinovis Germany. In the Group's environmental reporting process, he reports for the Prinovis Germany and UK units and for the Bertelsmann Printing Group's printing plants in the United States.

As manufacturing companies, we seek to minimize the environmental impact of producing our print products. Relevant topics here include the energy efficiency of production and air-purification systems, and the responsible sourcing of raw materials such as paper or ink.

Given requirements of close to 250 GWh of electricity and about 360 GWh of heating energy in 2015, energy efficiency is also essential for us. The new combined heat and power (CHP) plant at our gravure and offset site in Dresden makes an important contribution here. The plant produces more than 80 percent of the electricity the site requires. Using its waste heat eliminates the need to separately generate process heat. Using the CHP results in a much better carbon footprint compared to sourcing power supply from the public network (the "Germany Mix"). Like saving energy and developing renewable energy, local natural gas-powered CHPs are an important element in the energy revolution. And yet they represent only a transitional technology, because they still use fossil fuels.

In paper procurement – and noting that the volume of paper we procured ourselves grew by 3 percent – the official share of certified paper was increased to 32 percent (2014: 27 percent).

In its continuing quest to make environmental stewardship one of its highest corporate responsibilities, Penguin Random House experienced several year-on-year changes which enabled the company to achieve an overall reduction in carbon consumption of just under 10 percent, compared to its 2014 levels. These initiatives include the consolidation of office space and warehousing facilities, which contributed to a 19 percent reduction in energy use, in addition to operational advancements. We are particularly proud of our use of environmentally friendly paper in our books. In 2015, 93 percent of the paper we purchased worldwide was sourced from recycled and/or certified sustainable materials. Environmental efficiency remains a key focus for Penguin Random House, as we continue to build upon our progress and make further contributions and improvements to our habitats and our ecosystem.

## Paper from Sustainable Sources



**Michael DeFazio**

is the Vice President of Paper Purchasing and Production Planning for Penguin Random House US. He has led the environmental efforts since 2008.

## Energy at the Center of RTL Group's Environmental Efforts



### Tun van Rijswijk

is Chief Operating Officer at BCE, Europe's market leader in technical services for television, radio, production and telecommunications. In 2012, van Rijswijk was appointed Chief Environmental Officer at RTL Group.

As a service provider and broadcaster, RTL Group is not a major polluter with a high consumption of raw materials and fossil fuels, but is highly dependent on energy. RTL Group's energy consumption makes up the largest proportion of its greenhouse gas emissions. Therefore, addressing the consumption of electricity, air-conditioning, water and power for broadcasting and IT servers is the most pertinent way to reduce the environmental impact of the Group's operations.

Since 2008, RTL Group has improved the quality of its environmental data, which helps the various business units monitor their evolution in taking the right environmental and economic measures with regard to energy, waste, water, business travel and paper consumption. In 2015, total energy and GHG emissions were reduced again due to local investment in energy-saving measures and the general improvement in business units' infrastructure, which also results in financial savings. These figures and initiatives mean RTL Group is on schedule to cut carbon emissions by 20 percent by 2020 from the initial level of 2008, as announced in 2010.

In 2015, we carried out a site efficiency project at Arvato SCM Solutions to record and improve the building efficiency of the German logistics locations. Almost at the same time, new legislation obligated companies in Germany to carry out energy efficiency audits.

More than 20 logistics centers with total floor space of about 825,000 m<sup>2</sup> were audited; the transparency of operating costs such as energy, waste disposal and cleaning improved; and measures to increase energy efficiency and save costs identified. In addition, site performance monitoring was introduced to record and realize further potential savings. Our close cooperation on site efficiency, energy efficiency audits and the collection of environmental data at Bertelsmann resulted in significant synergistic effects. Among other things, the quality of the energy data was much improved, and the cost of the energy audits markedly reduced.

Energy efficiency will remain an important issue at Arvato SCM Solutions, so as to minimize our impact on the environment and the climate even as we move forward with the planned growth of our logistics sites. We have established the conditions for this with our "Site Efficiency Project" and the energy audits.

## Efficient Logistics



### Bernhard Lembeck

heads the Logistics Engineering unit at Arvato SCM Solutions. His team supports the various industry units at Arvato SCM Solutions in planning, implementing and optimizing the national and international logistics businesses and sites.

## Virtual Servers Lower Electricity Consumption



**Sven Wolter**

The industrial engineer and real estate economist is responsible for corporate real estate management at G+J in Germany in his role as Head of Internal Services. He is involved in the “be green” environmental initiative and is the contact at G+J for environmental indicators relating to real estate and mobility.

An overall comparison between the environmental indicators of 2014 and 2015 shows a slight decrease in electricity consumption and in the emissions associated with business travel.

The reduction in electricity consumption is mainly due to technological developments. The latest IT hardware uses less power than previous models, and server virtualization reduces the number of servers. In business travel, we are seeing the effects of a responsible policy regarding selection (e.g., trains, not planes) and reduction of travel (e.g., by substituting with videoconferences). The switch to an annual survey of environmental data results in better comparability with the values of the previous survey.

In 2015, an important topic in connection with calculating the environmental indicators was the implementation of energy audits, which are required in Germany under the Energy Services Act (EDL-G). By coordinating a common strategy in the “be green” (environmental initiative) network, we were able to significantly reduce the time and expense for everyone involved and to focus on improvements in site efficiency and service quality at our properties.

# Bertelsmann “be green Day”

Greening the desert, carpools in the city, riding bikes to work, or simply organizing workflows more efficiently to cut electricity consumption – more than 60 Bertelsmann companies around the globe celebrated the fifth international “be green Day” with a variety of activities, as employees participated in initiatives to raise awareness of the importance of sustainability and make Bertelsmann a greener company.

**Here you will find an overview of all activities:**

[begreenday.bertelsmann.com](http://begreenday.bertelsmann.com)



## Bertelsmann Corporate Center

### **Trainees Take Green Action**

On “be green Day,” Marcelo de Jesus Agostinho, Laura Hagedorn and Elena Rosenmeier were chosen from 336 employees as the winning team in the Trainee Creative Competition. Their winning idea: “reminder stickers” to build awareness for protecting the environment and climate among Corporate Center colleagues.

## Bertelsmann Corporate Center China

### **Step by Step toward Protecting the Environment**

In China, too, one day of 2015 was devoted to “being green.” Bertelsmann’s Arvato, BMG and Penguin Random House divisions and the China Corporate Center invited twelve families to the day of environmental action. Together, they watched animated films about climate change and sustainability, and then crafted bags made of recycled cotton. Employees of all divisions were also invited to participate in the “be green Day” Walking Race.



## RTL CBS Asia Entertainment Network

### **A Gift to Build Awareness**

RTL CBS Asia Entertainment Network teamed up with Water.org to produce a special drinking bottle as a giveaway for its subscribers and customers. RTL CBS Asia Entertainment Network wanted to draw attention to the scarcity of water in the region and also to encourage people to reuse water bottles. The product does not contain BPA – Bisphenol A, a chemical that is frequently used in plastic bottles and is potentially harmful to health.

## Mohn Media

### **More Gütersloh Companies Added to Energy Network**

The Mohn Media Energy Center has expanded its district heating network. Now, the combined cooling, heat and power plant not only supplies numerous Bertelsmann companies, but also three other Gütersloh companies, with electricity and heat: Miele’s new logistics center, the Gütersloh transport services company (Verkehrsbetriebe), and the public utility company’s gas expansion facility.

## Verlagsgruppe Random House Deutschland

### **The First Book Printed on Apple Paper**

In October 2015, Mosaik Verlag published the world’s first book to be printed on paper made from cellulose-containing apple residues. The cookbook “A Modern Way to Eat” was printed on the special paper developed by the company Frumat. Every year, apple juice production results in about 1,000 tons of industrial waste. These residues are dried, crushed and processed with chlorine-free, FSC-certified cellulose into apple paper. Only renewable energy is used in its production. The result is a completely sustainable book, presenting vegetarian and vegan recipes by author Anna Jones on 360 pages.

“ Together with our employees and in dialog with our stakeholders, we strive to make our diverse businesses as environmentally friendly as possible.”

1

**What do we mean?**

By eco-efficiency, we mean the responsible and efficient use and sustainable sourcing of energy and natural resources. Paper, the most important resource for our businesses involving printed media, is of particular relevance here.

2

**Why is it important?**

Protecting our natural environment and climate plays a key role for a sustainable, livable future for our society. Therefore, it is essential for us to reduce the negative impact of our operations on the environment and climate, to actively promote environmental protection, and to develop innovative products and solutions.

3

**What's in it for us?**

Efficiency drives success in any economic activity. So our actions are based not only on our own and societal aspirations, but also because in the short, medium or long run, this pays off in terms of energy use and the procurement of raw materials.

4

**What are the opportunities and challenges?**

Digitization promotes the dematerialization of consumption and makes our businesses less dependent on limited natural resources. We meet increasing regulatory requirements by enhancing transparency about the environmental impact across our value chain. In combination with effective energy management, we see an opportunity to save on operating costs and reduce our environmental footprint.

5

**How are we taking action?**

Energy and environmental management are handled locally by our companies' management teams. They receive support from a cross-divisional working group that develops Group-wide tools and coordinates projects like the compilation of Bertelsmann's carbon footprint, or Bertelsmann's global "be green Day."

-50%

**Emissions**

The greenhouse gases reported by Bertelsmann have been lowered by more than 50% worldwide since 2008.

1.87 million

**Material Consumption**

1.87 million tons of paper were processed by our publishers and printing plants in 2015.

70%

**Recycling**

More than 70% of the paper we buy is recycling paper or sourced from sustainable certified sources.

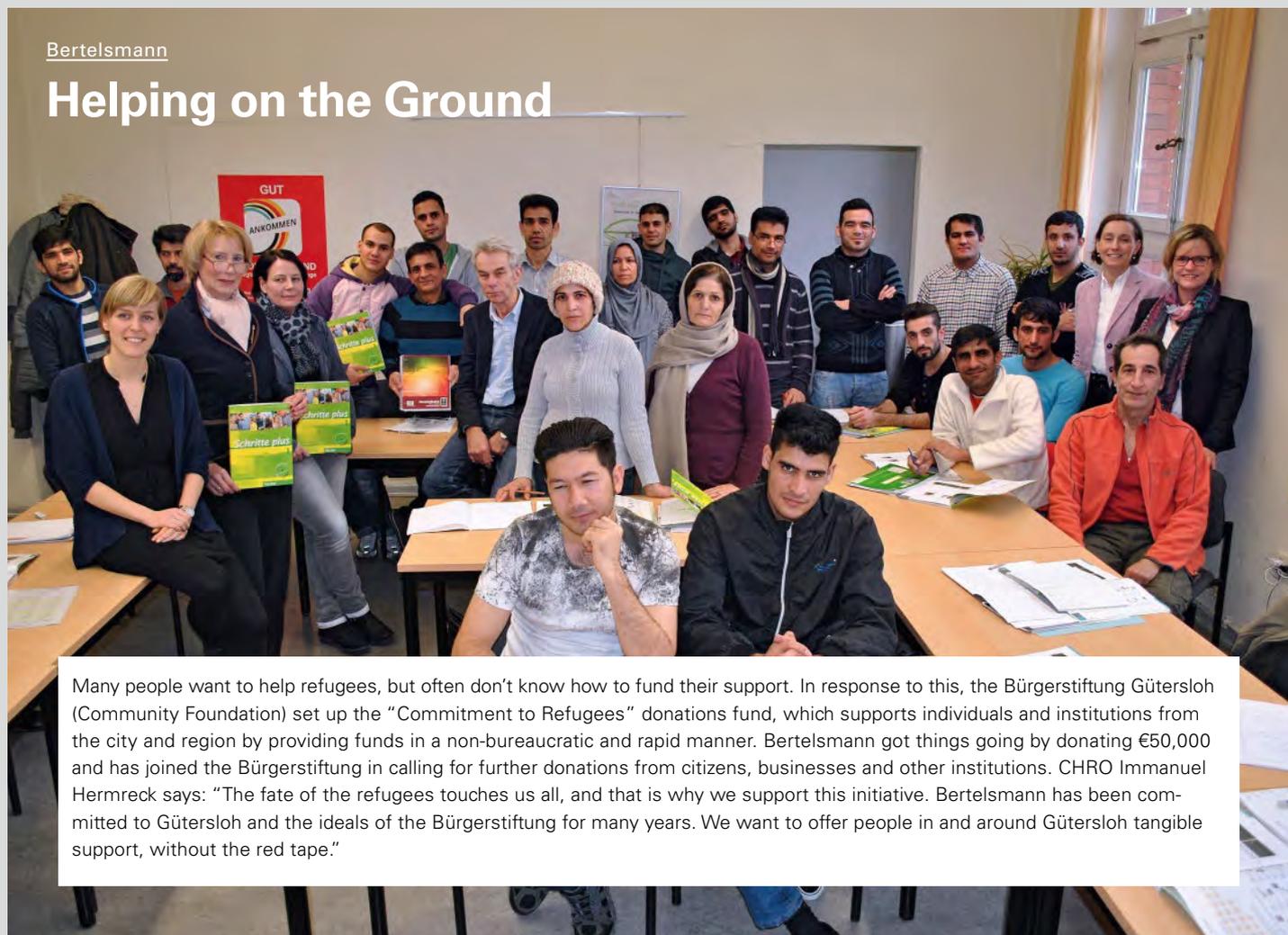
2°C

**Climate Protection**

Bertelsmann supports the goal of limiting global warming to less than 2°C.

# Corporate Citizenship

**Bertelsmann sees itself as a part of and partner to society. In this spirit, we want to fulfill our responsibility as a good citizen by working toward a livable environment and making a contribution to society. This also means that we put our media, our services, our expertise and also our funds to work where help and support are needed outside the company.**



German as a key to integration: The Gütersloh Community Foundation sponsors language classes for refugees at the community college.



Mediengruppe RTL Deutschland

## “Welcome” in Arabic

“Marhaba – Ankommen in Deutschland” (Welcome – Arriving in Germany) is the name of Constantin Schreiber’s program, originally developed by N-TV as a weekly online series for refugees. In September 2015, the format was expanded into a TV talk show, thanks to the positive response. Every week for five minutes, presenter Constantin Schreiber explains to people who have had to flee their home countries how Germany works – in Arabic. The topics are diverse: sometimes he talks about the German constitution, sometimes about religious freedom, or the role of women, and sometimes about everyday information on things like eating habits or recreation. The format won the Grimme Prize, one of the most prestigious awards for television programs in Germany.

Bertelsmann

## Apprentices Create Network for Refugee Aid

People in Gütersloh who would like to volunteer for refugees can find information about organizations in need of support on the website “www.fluechtlingshilfe-guetersloh.de” – including where help is available, what donations are urgently needed, and where you can contribute if you don’t have a lot of time. The online service was designed and implemented by the local Diakonie, a social services organization, and by Bertelsmann apprentices in Gütersloh like Benedikt Gruber: “In the last year we noticed that people could not cope with the rush to help, so we came up with the idea of creating a website using our trainees’ expertise.” For weeks the budding media designers worked pro bono on the layout, while specialists built the IT infrastructure and the sales team organized and coordinated the project as well as loading the site with text. In addition to the site, Bertelsmann also donated €10,000 to the Diakonie for local refugee aid projects.



Udacity

## University Scholarships for Refugees

The American online university Udacity grants scholarships to refugees living in Germany. “We always like to contribute to humanitarian causes,” says Udacity founder and CEO Sebastian Thrun, who is originally from Germany. “We’ve given out some 2,000 scholarships in Egypt and another 1,000 in India. This new initiative is an attempt to help the many refugees in Germany.” The Udacity CEO wants to contribute to the professional integration of people who are looking

to build a new future in Germany, having fled from war and violence in their home country. The refugees can earn a variety of degrees from the online university, especially in IT and technology – subjects that are particularly attractive for many companies. Udacity is waiving the monthly fee of currently US\$200 for the recipients of its scholarships. Bertelsmann has owned a stake in the company since September 2014.



The "GEOLino" editorial team brought color to the refugee reception center in the Bergedorf district of Hamburg – both literally and figuratively.

#### Gruner + Jahr

## How Colleagues Become Helpers – and German Teachers

At the height of the refugee wave in September 2015, the Gruner + Jahr management and works council in Hamburg launched the "Gruner + Jahr packt an!" (G+J rolls up its sleeves!) initiative. All employees were exempted from work for two hours a week to volunteer for refugees. On top of those two hours of paid work, they had to "give up" two hours of their own free time, for a total of four hours of volunteer work per week. CEO Julia Jäkel wrote to the employees: "The willingness of people at this company to help those in need has always been very pronounced. The management thinks 'Gruner + Jahr packt an!' is a great initiative. We hope that there will be enough volunteers." The Chairman of the Hamburg Works Council, Frank Donovitz, added: "For months – in some cases years – our colleagues have been working to help refugees and counteract xenophobia, whether privately, as journalists, or as part of our program 'G+J Commitment.' Embracing this commitment as a corporate issue, and opening it up to all interested parties, deserves every support, because the people and their caregivers really need

our helping hands now." Within a week, more than 180 G+J employees had signed up to "roll up their sleeves." The project started with providing help in relocating the clothing store of the Hamburg refugee reception center. In six days, 105 colleagues worked some 400 hours to pack over 60 pallets of clothing and then unpack them again at the reception center in Rahlstedt. In another action in October 2015, the "Stern" editorial team entered into a one-year sponsorship of a follow-up accommodation facility, where it is involved in a variety of ways. The "GEOLino" editorial team, meanwhile, organized a day of games and crafts with children at the refugee reception center in Hamburg's Bergedorf district. In 2016, another focus of volunteering will be on teaching German. Four evening courses are now held at the publishing house. About a dozen G+J employees have been assigned to a total of 40 young men and women and are helping them to learn German. Gruner + Jahr provides free space and teaching materials for this. Various other actions will follow, because integration – and creating a welcoming culture – is a long-term endeavor.



Brigitte Huber  
Editor-in-Chief of "Brigitte"

#### Gruner + Jahr

### A Scarf for Life

Its success stunned everyone at Gruner + Jahr. In winter 2014/2015, the popular women's magazine "Brigitte" and the world's biggest independent children's rights organization Save the Children jointly initiated the "Ein Schal fürs Leben" (A Scarf for Life) campaign. Readers bought or knitted a designer scarf and wore it on December 10, which was both Human Rights Day and the designated day of support for Syrian refugee children. The result was quite impressive: "Brigitte" readers bought or knitted 17,714 scarves, and the campaign generated a total of €150,000 from the sale of wool and scarves combined with direct donations.

Bertelsmann

## Promoting Reading and Film Culture

### Creating Reading Memories

Bertelsmann continues to support schoolchildren in Gütersloh. In 2015, the company once again donated €40,000 to ensure the preservation of libraries in nine secondary schools in the city. Among other things, the money helps fund the full-time position of a school librarian. Beyond financial support, the schools receive media packages of books and magazine subscriptions totaling €8,000.



### A New Fate for "Destiny"

Bertelsmann sponsored the Friedrich Wilhelm Murnau Foundation's digital restoration of an early masterpiece by "Metropolis" director Fritz Lang, once again demonstrating its commitment to the preservation of Germany's movie heritage as a creative company with a long-standing cinematic tradition of its own. "Destiny," produced shortly after the First World War, is regarded as a reflection on the trauma of the war. The silent movie established Fritz Lang as a leading German director and earned him international acclaim. No original distribution copies of this production from the historical inventory of UFA, part of the RTL Group subsidiary FremantleMedia, have survived, and later copies lacked the coloration that once characterized this classic of Weimar cinema, which has now been restored based on contemporary examples. In 2014, Bertelsmann had already stepped up as the main sponsor of the award-winning digital restoration of Robert Wiene's classic silent film "The Cabinet of Dr. Caligari."



### Haunting Images

The art photographer Yuri Dojc and the filmmaker Katya Krausova recorded historical Jewish life in Slovakia in extraordinary images. In 2015, Bertelsmann brought their "Last Folio" collection to Germany at the Berlin State Library. The exhibition shows perhaps the last traces of historical Jewish culture in Slovakia: abandoned buildings, religious artifacts, and again and again books, which were read and used for teaching and prayer until the mass deportations to the Nazi concentration and extermination camps. "My work over the past two decades captures what is left of a culture and people nearly destroyed by the ideology of a former Berlin. For me it is therefore also a tribute to the 'new Berlin' – and it means a great deal to me personally to present this project in the State Library in this very city," commented Yuri Dojc.

### Penguin Random House

## National Readathon Day

An annual fundraising and social media awareness campaign dedicated to promoting children's literacy and reading at any age, "National Readathon Day" was launched by Penguin Random House on January 24, 2015, in conjunction with the National Book Foundation. It was a day devoted to the joy of reading and giving, with readers everywhere joining together in their local library, school, bookstores, homes and on social media. The inaugural Readathon generated thousands of mentions on social media and raised more than US\$100,000 in support of the National Book Foundation's literacy programs while also reinforcing Penguin Random House's mission of fostering a universal passion for reading. The second annual Readathon was presented on May 21, 2016, in partnership with the American Library Association, to support literacy programs in public libraries nationwide. It also trended on Twitter.



**Markus Dohle**

Member of the Bertelsmann Executive Board,  
CEO of Penguin Random House

## A Contribution to Society

At Penguin Random House we are proud and honored to be carrying forward the legacy of Bertelsmann, a company founded on books, to make a valuable contribution to society. As the world's largest trade book publisher, we want our impact to go beyond the stories we publish and investments we make in new

ideas, diverse voices and creativity. Our brand programs and partnerships, and our charitable donations worldwide, promote literacy and a reading culture, support freedom of expression, encourage environmental sustainability, and ultimately reflect our belief in the power of books to connect and change lives.

### Penguin Random House US

## Readers Create Readers

Penguin Random House US encourages volunteering by giving its employees two workdays off per year to work for a charity of their choice. The company is committed to having its staff make full use of this program by 2020, with an investment totaling 40,000 workdays in volunteering – for instance, as reading mentors for students who show indications of having difficulties with reading and writing.

### Penguin Random House UK

## Buying for a Good Cause

In 2015, Britain's biggest bookselling chain Waterstones and the Oxfam aid organization launched the "Buy Books for Syria" campaign. Waterstones branches sold bestsellers by authors including Marian Keyes, Ian Rankin and Salman Rushdie, which were donated by the country's biggest publishers – led by Penguin Random House UK. All sales proceeds went to Oxfam relief programs for Syrian refugees. The authors waived their royalties, so that every penny went to aid. Over a million pounds sterling have since been raised for Syria through this campaign.

RTL Belgium / RTL Lëtzebuerg

## Belgium and Luxembourg against Cancer

The 2015 “Télévie” fundraising event of RTL Belgium raised €9,502,675 for cancer research. Since its inception in 1989, “Télévie” has raised a total of over €162 million for childhood leukemia research. Besides the channel’s own journalists and presenters, other VIPs, scientists and volunteers also supported the fundraising initiative. For example, Belgian Prime Minister Charles Michel and Health and Welfare Secretary Maggie de Block competed in a cook-off. RTL Lëtzebuerg raised €1.5 million – another record – with its own “Télévie” edition in Luxembourg.



A record result for “Télévie 2015” in Belgium – at the end of the day of action, €9,502,675 had been raised for cancer research.

Mediengruppe RTL Deutschland

## A Record-Breaking Anniversary



On November 19, 2015, presenter and host Wolfram Kons pressed the red button to launch the 20th “RTL-Spendenmarathon” telethon. It not only lasted a record-breaking 30 hours – it also raised a record sum: by shortly after midnight, €10,068,215 had been raised. Many viewers and German celebrities supported the event to raise funds for children’s charities. “Especially in these turbulent times, I am completely overwhelmed by our viewers’ enormous generosity and the dedicated efforts of all our supporters. We will use the money raised not only to fund our international projects, but also to help children in need in Germany, be they socially disadvantaged, seriously ill, or refugee children. I promise that every euro donated will go where it is needed, without a cent’s deduction,” says Wolfram Kons. Since the “RTL-Spendenmarathon” made its debut in 1996, more than €144 million has been raised for “Stiftung RTL – Wir helfen Kindern” (Foundation RTL – We Help Children). The money went to support more than 140 children’s aid projects, providing effective and sustained help for tens of thousands of children in Germany and around the world.

Mediengruppe RTL Deutschland

## Red Bracelets Show Solidarity

€29,434 for red plastic bracelets – with the right idea, even simple means can raise considerable sums for a good cause. Vox’s commissioned production “Club der roten Bänder” (Red Bracelets) tells of a group of seriously ill young people who have to spend a long time in hospital. In this unusual situation, the teenagers form a club whose members wear red surgical wristbands – and stand by each other through thick and thin. The Vox series inspired a special campaign: on the channel’s website, fans of the show were able to express their interest in receiving a red band. Vox sent six such bands to each of these fans, to be passed on to friends and colleagues. The channel also encouraged all band wearers to donate to one of three charities that are related to the theme of the series. The campaign was a great success: in the first six hours after it was launched, 18,000 requests for red bracelets were received, and a total of 200,000 were shipped. Celebrities also supported the good cause on various social media platforms. In the end, the donations made to the three organizations added up to more than €9,000. And Vox topped them up with another €20,000.



### Arvato CRM Solutions

## Charity Raft Race

Arvato CRM Solutions in Swansea, Wales, participated in the traditional annual “Mumbles Raft Race” to raise money for the British sea rescue organization, the RNLI. All 40 participating teams built their own rafts for the race, during which they were cheered on by almost 10,000 spectators. Arvato CRM Solutions finished in twelfth place. The team also donated to the RNLI an additional £600 raised by the company during raffles and quiz evenings.



### Arvato CRM Solutions

## In the Region, for the Region

Arvato CRM Solutions not only creates jobs in Brandenburg, but also sponsors social projects in this structurally weak region. The “Dein Projekt für die Lausitz” (Your Project for Lusatia) initiative is exemplary. Each month, the Arvato sites in Cottbus and Senftenberg donate €1,000 to a social project or nonprofit organization in the Lusatia region. As one of the largest employers in Brandenburg, Arvato CRM Solutions wants to create momentum to strengthen the social fabric and make the region more attractive. “We want our colleagues to identify with their company. One way we achieve this is by joining together to help the region,” says Sven Ungurean, who manages both sites. Since 2011, Arvato has invested €43,000 in projects in Lusatia. The concept has been such a success that others are now copying it: Arvato subsidiaries in Potsdam, Berlin, Münster, Brandenburg/Havel and Schwedt have adopted the idea for their regions.

### Arvato CRM Solutions

## A Jump-Start from Prince Charles

Since January this year, Arvato CRM Solutions UK & Ireland has been a patron of the Prince’s Trust, a British charity that helps disadvantaged young people to change their lives. Since Prince Charles founded the organization in 1976, it has helped more than 750,000 young people move into work, training or further education. Arvato’s support for the Prince’s Trust’s programs includes providing apprenticeships and creating mentorship and training opportunities.



### Gruner + Jahr

## Hamburgers Helping Hamburgers

For the past 37 years, Gruner + Jahr has organized its legendary annual Christmas Bazaar. All the editorial teams jointly contribute what they have purchased for photo productions or received from companies for PR purposes – books, cosmetics, clothing, leather goods and so on – and sell the products to the workforce. The proceeds from the Bazaar and the subsequent party go to various charities. “When we started planning this year’s Christmas Bazaar, we thought about donating the entire amount to refugee aid this time around. However, we deliberately decided against that, and instead turned our attention to other tasks that are just as important for the city,” said Jörg Kruse of the Bazaar’s organizing team. He was able to present checks for €11,500 each to four Hamburg-based nonprofit organizations: Hände für Kinder // Der Neue Kupperhof enables children with disabilities to take a break from their everyday routine; the Freundeskreis Psychoonkologie der Universitätsklinik Eppendorf (Friends of Psycho-oncology at the UKE) offers cancer patients and their families various therapies to help cope with the illness; Ein Rucksack voll Hoffnung (A Backpack Full of Hope) provides homeless people with items that help them in everyday life; and Medizin ohne Papiere provides medical care even to people without identity documents. The remaining €4,000 will be donated as needed to refugee aid organizations or other initiatives whose existence is threatened and that urgently need financial assistance. Since the year 2000, a total of €725,000 has been raised by the Christmas Bazaars.

### Arvato

## Christmas Presents for Helpers

In early 2016, Arvato Financial Solutions made its second donation to the global children's charity Plan International Deutschland – €30,000 that came from the company's business customers who preferred to contribute to a good cause than receive Christmas gifts from Arvato. Plan International is using the money for a self-help project focused on education and income security in the Philippines, where Arvato has a branch office. The aim is to support families that lost their homes and livelihoods due to Typhoon Bopha in 2012 and Typhoon Haiyan in 2013. The Plan International project offers young people the opportunity to escape poverty and live a more self-determined life. Arvato Systems, too, decided to forego its Christmas gifts to customers in 2015 and instead supported the alliance Aktion Deutschland Hilft with a donation of €15,000. This alliance of German relief organizations provides rapid aid in the event of major catastrophes and emergencies abroad, and enables people struck by humanitarian crises or natural disaster to gather strength for their recovery.



### RTL Com.mit Award

## Music Matters

Every year, RTL Television honors young people between the ages of 15 and 29 with the RTL Com.mit Award. 2015, the award was presented for the eighth time. Under the heading "Die Musik macht's" (Music Matters), numerous musically active young people who also support social causes compete and unite different generations and cultures with their music. The music and volunteering award winner in 2015 was the group "BAFF Bands auf festen Füßen" (Bands on a firm ground). BAFF won two awards: the 60-strong group from Joachimsthal in Brandenburg, consisting of six bands and three dance groups, won the first prize in the Teams category, and the Audience Award. The group campaigns for tolerance with its music, among other things making music together with refugees. The 23-year-old music student Susanne Uhl finished first in the Individuals category. She heads the vesper church choir in her community in Mannheim, and performs with them at nursing homes, homeless shelters and street festivals. Jury member and RTL Television anchorman Peter Kloeppel says: "Our 2015 motto 'Die Musik macht's' obviously struck a responsive chord, as there was a record number of submissions. The broad spectrum of projects also shows us how important music is for the lives and coexistence of people in Germany."

### Bertelsmann

## €25,000 for "Der Weg nach Hause" Initiative

At the end of 2015, Bertelsmann donated €25,000 to the "Der Weg nach Hause" (The Way Home) palliative team in Bielefeld to enable the provision of care to terminally ill children and teenagers at home, allowing them to be cared for in a familiar environment. The 'Der Weg nach Hause' initiative currently supports 75 affected families with a mobile team of palliative specialists and social workers, who provide families with relief as well as advice and special therapeutic services. In 2015, Bertelsmann decided to support seriously ill children in the region instead of giving Christmas gifts to its business partners; this was the ninth such annual donation, bringing its total donations over the years to more than €225,000.

# Corporate Responsibility Online

Information on how Bertelsmann fulfills its responsibility is also posted on our company website at [www.bertelsmann.com/responsibility](http://www.bertelsmann.com/responsibility)

Besides facts and the latest news about CR initiatives and projects from all over the Bertelsmann world, the website offers material like Bertelsmann's Code of Conduct or carbon footprint for download. An interactive online index based on the Global Reporting Initiative (GRI) guidelines provides information on the key processes and performance indicators of our CR efforts.



You can access the GRI Index online:  
<http://www.bertelsmann.com/corporate-responsibility/facts-and-figures/gri-index/>

Since 2011, Bertelsmann has followed the guidelines of the Global Reporting Initiative (GRI), the leading standard for sustainability reporting by international companies and organizations, in its corporate responsibility reporting. The Bertelsmann GRI Index systematically presents all required indicators for the company and its economic, environmental and social performance profile in accordance with GRI G4 ("Core" reporting option), with reference to the 2015 financial year. An internal analysis of corporate responsibility topics provided a basis for selecting the

reporting aspects. The online index contains brief information about the individual GRI aspects and indicators, as well as hyperlinks that lead to supplementary information, facts and figures, both on- and offline. The table also gives additional industry-specific information in accordance with the GRI "Media Sector Disclosures." The Bertelsmann GRI Index also provides information on how the company's sustainability management supports the principles of the United Nations Global Compact. A separate column in the table shows the relevant content of the report in each case. In this way, Bertelsmann fulfills its obligation, as a participant in the UN Global Compact, to submit a yearly Communication on Progress. //



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# B

The New

Bertelsmann

digital  
international  
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Bertelsmann is a media, services and education company that operates in about 50 countries around the world. It includes the broadcaster RTL Group, the trade book publisher Penguin Random House, the magazine publisher Gruner + Jahr, the music company BMG, the service provider Arvato, the Bertelsmann Printing Group, the Bertelsmann Education Group, and Bertelsmann Investments, an international network of funds. The company has 117,000 employees and generated revenues of €17.1 billion in the 2015 financial year. Bertelsmann stands for creativity and entrepreneurship. This combination promotes first-class media content and innovative service solutions that inspire customers around the world.

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