ABOUT THIS REPORT

This Corporate Responsibility (CR) Report aims to provide transparent, comprehensive information to employees, customers, suppliers, journalists, investors and representatives of government agencies and NGOs about how Bertelsmann AG lives up to its corporate responsibility. It shows the key social, environmental and economic challenges associated with our business activities and the strategies we have developed to tackle them.

Procedure: To make it easier for our readers to compare our performance with other companies, we follow the latest Global Reporting Initiative (GRI) reporting guidelines G3 (GRI index, see p. 132). The report also serves as a Communication on Progress for the United Nations Global Compact, which we joined in October 2008 (see p. 15). This report was prepared under the direction of the Director Corporate Responsibility, in coordination with the relevant Corporate Center departments and the divisions, and approved by the Chairman & CEO of Bertelsmann AG.

Data: The reporting period for the key indicators cited in the report is the fiscal year from January 1 to December 31, 2010. The information in this report pertains to the business fields of television and radio (RTL Group), book publishing (Random House), magazine publishing (Gruner + Jahr), and media services (Arvato). Bertelsmann's club and direct marketing businesses, which previously made up the Direct Group, were dissolved as an independent division on June 30, 2011 following a decision to implement a gradual scale-back that was taken at the start of the year. Since that time, they have been managed under Corporate Investments.

Internet: The printed report is augmented by the Bertelsmann CR portal, which provides further detailed information and figures on our corporate responsibility efforts: www.bertelsmann.com/responsibility

Editor’s note: This report is published in German and English. The editorial deadline was July 31, 2011. The foreword, pp. 49 and 52, and the program on pp. 123 – 125 of the report are dated January 1, 2012.

Cover: Sandra Kathöfer, Stern magazine, Gruner + Jahr, Hamburg
THE BERTELSMANN CODE OF CONDUCT

COMPLIANCE WITH THE LAW
We comply with all applicable local, national and international laws and regulations wherever we do business.

HUMAN RIGHTS
The respect for and protection of human rights is part of our corporate culture.

ENVIRONMENT, HEALTH & SAFETY
Environmental protection, health and safety are integral parts of our corporate responsibility.

PRODUCT SAFETY
We create and develop safe products and services for our customers.

GOVERNMENTAL & REGULATORY RELATIONS
We conduct proper and legally impeccable relations with all government regulators and agencies.

MUTUAL TRUST & RESPECT
We treat each other in a mutually respectful and trusting manner at work and seek to create a workplace environment that does not allow for discrimination, harassment, bullying or intimidation.

FREEDOM TO SPEAK WITHOUT FEAR OF RETALIATION
We encourage our employees to speak up freely and without fear of retaliation. We do not retaliate against employees who raise good-faith workplace concerns.

DATA PRIVACY & PROTECTION
We collect, retain, use and transmit personal data and information in compliance with applicable law and policy.

RESPONSIBLE USE OF ASSETS
We deal with company property, products and resources responsibly and appropriately and use them only for their intended business purposes.

CONFLICTS OF INTEREST
We disclose potential or actual conflicts of interest in the workplace in a timely manner for proper review and resolution.
FINANCIAL INTEGRITY & ANTI-FRAUD
We conduct our business and manage record keeping and reporting with integrity and transparency.

ANTI-CORRUPTION & ANTI-BRIBERY
We do not engage in corruption, bribery, kickbacks or other illegal transactions with private, commercial, or governmental parties.

GIFTS & ENTERTAINMENT
When giving or receiving business gifts or entertainment, we do so in a transparent manner that complies with company policy, industry standards and applicable law.

ANTITRUST COMPLIANCE
We comply with applicable antitrust and competition laws and consult expert company counsel on antitrust and competition issues.

INSIDER TRADING
We comply with applicable insider trading laws and company policy regarding material nonpublic information that we learn about our own or other businesses.

INTELLECTUAL PROPERTY PROTECTION
We respect and protect all forms of intellectual property and protected content regardless of whether they are created by our companies or by third parties.

INFORMATION TECHNOLOGY USE & SECURITY
We make proper business use of workplace information technology and help to protect systems and equipment against internal and external threats.

CONFIDENTIALITY & PUBLIC RELATIONS
We protect company, product, service and other confidential business information from unauthorized disclosure and use.

HONEST STATEMENTS REGARDING PRODUCTS & SERVICES
We do not knowingly engage in or promote misrepresentation or fraud in the marketing or advertising of our products and services.

MEDIA INDEPENDENCE & RESPONSIBILITIES
We observe editorial and journalistic independence in news gathering and distribution.
“The long-denied significance of personal motivation and individual commitment are your great untapped reserves of strength that will lead us into the future.”

Reinhard Mohn
Our Values

- €118 MILLION Employee profit participation
- 37.1 YEARS Average age of workforce
- €15.8 BILLION Group revenue
- OVER 1,000 Number of individual companies that form Bertelsmann AG

All figures relate to fiscal year 2010.
104,419 EMPLOYEES
In around 50 countries

77 PERCENT
Share of Bertelsmann printing plants that are FSC-certified
MEET BERTELSMANN

RTL Group is the leading European entertainment network. The portfolio of Europe’s largest broadcaster includes interests in 41 TV channels and 34 radio stations in ten countries and content production throughout the world. RTL Group’s content production arm, Fremantle Media, is one of the largest international producers outside the U.S. Each year, it produces 9,500 hours of programming across 54 countries. Bertelsmann now owns an approximately 92 percent interest in RTL Group, making it the principal shareholder of the listed company.

Random House is the world’s largest print and digital trade book publishing group, comprised of 200 editorially independent imprints in 16 countries, which publish 10,000 new books a year. Random House sells 400 million print, audio, and electronic books annually. The group is a wholly owned division of Bertelsmann.

The Gruner + Jahr printing and publishing company is Europe’s leading magazine publisher, with approximately 13,300 employees and over 500 magazines and digital offerings that reach readers and users in more than 30 countries. Bertelsmann AG owns 74.9 percent of Gruner + Jahr, the Jahr publishing family of Hamburg owns 25.1 percent.

Arvato is one of the leading internationally networked media and communication service providers. More than 60,000 employees design and implement custom solutions for all kinds of business processes through integrated service chains, serving business customers from around the world. Arvato is a wholly owned division of Bertelsmann AG.
FOREWORDS

Dear Readers,

Bertelsmann “takes action” – day after day, for more than 175 years now. Ensuring sustained success in a global, fast-paced environment calls for curiosity, open-mindedness, passion and shared values. These traits are codified in our Bertelsmann Essentials: Creativity, Entrepreneurship, Partnership and Citizenship.

As an international media and services company we bear a very special responsibility, and we are deeply aware of this. Bertelsmann currently has 100,000 employees in some 50 countries. As the company has grown, so have our corporate responsibility efforts. They have become more international and more diverse. One thing, however, hasn’t changed over the years: our conviction that responsible conduct must never be merely an accessory, but should be an integral part of everyday business activity.

So it goes without saying that we have committed to the ten principles of the United Nations Global Compact – that is, to upholding human rights, labor standards, environmental and climate protection, and combating corruption.

This report is designed to give our stakeholders comprehensive information about Bertelsmann’s corporate responsibility. About what we have already achieved and what actions we plan to take in the future. Personally, I am very proud of the wide range of engagement in our company and look forward to your ideas and suggestions.

Dr. Thomas Rabe
Chairman & CEO, Bertelsmann AG

Dear Readers,

Anyone who takes action must also take responsibility for it – and be allowed to do so. They have to make decisions and set a course. In short, they must become their own entrepreneurs. But all this requires freedom. At Bertelsmann, we believe that everyone should take responsibility within their role at the company and that the management should delegate this responsibility to them.

Only when employees feel that they bear real responsibility and that they are involved in decision-making they can develop the attitude that is ultimately as crucial for their own success as for that of the company: an attitude of motivation, enthusiasm and identification.

Involvement means extending trust. Even at Bertelsmann, where decentralization and delegation of responsibility are firmly anchored in the corporate culture, we must remind ourselves of this and practice it anew each day.

Hence does acceptance of responsibility and the resulting desire to “take action” stop at the company gates. Those who learn to take responsibility at work will not shy away from it in their personal lives. As a result, responsible employees become responsible citizens. This is one of many contributions that Bertelsmann makes to society in the spirit of its “Essentials” and in Reinhard Mohn’s spirit. This CR report sets out many other examples. I wish you an enjoyable read.

Erich Ruppi
Chairman of the Bertelsmann AG Corporate Works Council
As one of the four Bertelsmann Essentials, Corporate Responsibility – in the broader sense of Citizenship – has always been firmly rooted in our corporate culture and therefore in our business. However, Corporate Responsibility means more than a responsibility to society in the narrow sense of the word. Bertelsmann sees itself as a part of and partner to society. We strive to act in a sustainable, responsible way – especially in areas where our value creation intersects with the interests and expectations of our stakeholders: in our economic environment, toward our employees, in the community, and in our treatment of the environment.
THE BERTELSMANN GROUP

Globally leading market positions in the core businesses of television, books, magazines and media services.

Bertelsmann stands for first-class media and communications offerings that inspire people around the world, for television and radio programs, magazines and books that captivate an audience of millions, and for innovative media-related services solutions. Broad diversification, a powerful presence in the digital world, and a corporate culture that emphasizes partnership, entrepreneurial spirit, creativity and social responsibility ensure success. The various divisions occupy leading positions in their respective markets, and make Bertelsmann a powerful global brand in the world of media. Bertelsmann’s roots go back to 1835, when the printer and bookbinder Carl Bertelsmann founded C. Bertelsmann Verlag in Gütersloh. Today, Bertelsmann is a leading international media and services company that offers media content and media-related production and service businesses in around 50 countries. With around 100,000 employees, the company generated revenues of €15.8 billion in 2010 (previous year: €15.1 billion), an operating EBIT of €1.85 billion (previous year: €1.44 billion) and a group result of €656 million (previous year: €35 million). The equity ratio was 34.5 percent, up from 30.9 percent the previous year.

Products, markets and customers

Bertelsmann has four divisions: RTL Group with 41 television stations, 34 radio stations and worldwide TV production; Random House with 200 editorially independent book publishers; Gruner + Jahr with more than 500 magazines and digital offers; and Arvato, an international provider of integrated service solutions. Bertelsmann’s club and direct marketing businesses, which previously made up the Direct Group, were dissolved as an independent division on June 30, 2011 following a decision to implement a gradual scale-back that was taken at the start of the year. Since that time they have been managed under Corporate Investments. Bertelsmann’s revenue sources are thus widely diversified both geographically and by business segment. They consist of the sale of products and goods, services, advertising and airtime, as well as:

- Employees by region (As at Dec 31, 2010)

<table>
<thead>
<tr>
<th>Region</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>38,421</td>
<td>36,930</td>
<td>36,462</td>
</tr>
<tr>
<td>Other European countries</td>
<td>44,641</td>
<td>43,828</td>
<td>45,905</td>
</tr>
<tr>
<td>Central and South America</td>
<td>3,683</td>
<td>3,200</td>
<td>3,146</td>
</tr>
<tr>
<td>North America</td>
<td>11,190</td>
<td>10,460</td>
<td>9,623</td>
</tr>
<tr>
<td>Africa</td>
<td>2,859</td>
<td>3,050</td>
<td>3,808</td>
</tr>
<tr>
<td>Asia</td>
<td>4,699</td>
<td>4,604</td>
<td>5,060</td>
</tr>
<tr>
<td>Australia and New Zealand</td>
<td>590</td>
<td>632</td>
<td>415</td>
</tr>
<tr>
<td>Total</td>
<td>106,083</td>
<td>102,704</td>
<td>104,419</td>
</tr>
</tbody>
</table>

Figures for fiscal year 2009 adjusted; others as reported in the respective fiscal year.
as rights and licensing. The group’s core geographical markets are Western Europe – especially Germany, France, Britain and Spain – and the U.S. Every day, the Group’s products reach many millions of people across a wide range of age groups and all social strata.

Strategy and management

Although nearly all of Bertelsmann’s businesses occupy leading market positions, some companies and sectors operate in mature markets – and many in markets that are experiencing structural upheaval. For new growth they require a clear, forward-looking strategy. The Executive Board has defined three strategic priorities for this: first, to strengthen the core businesses by investing in their expansion and the systematic exploitation of all market opportunities, especially in the field of digitization; second, to develop the portfolio, including through geographical expansion; and finally, to expand into new growth areas through organic augmentation or acquisitions.

Structurally, Bertelsmann AG functions as an operational management holding company. At the top is the Executive Board, which is responsible for the group’s strategic management and business policy. The Corporate Center, headquartered in Gütersloh, as well as the regional centers in New York and Beijing, support the Executive Board in controlling the group and the divisions in managing the operative businesses. RTL Group is a publicly listed company and is about 92 percent owned by Bertelsmann. Random House and Arvato are wholly-owned subsidiaries and Bertelsmann owns a 74.9 percent share of Gruner + Jahr; the remaining 25.1 percent is owned by the Jahr publishing family.

Legal form and ownership structure

Bertelsmann AG is an unlisted corporation under German law with a dual system of management and control. At December 31, 2010, 80.7 percent of the shares in Bertelsmann AG were owned by foundations (Bertelsmann Stiftung, Reinhard Mohn Stiftung, BVG Stiftung) and 19.3 percent were indirectly held by the Mohn family. Since January 2011, the foundations own 80.9 percent and the family 19.1 percent of capital shares. The Bertelsmann Verwaltungsgesellschaft mbH (BVG) controls all voting rights at the Bertelsmann AG Annual General Meeting.

Responsible corporate governance

Responsible corporate governance has always been part of Bertelsmann’s identity and an important element in its corporate culture. Responsible corporate governance is characterized by a transparent structure and clear decision-making processes in the cooperation between the Executive Board, the Supervisory Board and the Annual General Meeting. The Bertelsmann AG Executive Board is responsible for independently managing the company. It informs the Supervisory Board regularly, promptly and comprehensively about all issues significant to the company regarding planning, business development, the financial and earnings situation, risk situations and risk management. The Supervisory Board supervises the Executive Board and advises it in strategic matters and significant business transactions. The Executive and Supervisory Boards cooperate closely and are therefore able to reconcile the demands of effective corporate governance with the necessity of rapid decision-making. Fundamental matters of corporate strategy and its implementation are discussed candidly and are coordinated in joint sessions. Any significant measures to be taken by the management are subject to the agreement of the Supervisory Board. The shareholders exercise their rights, including voting rights, at the Annual General Meeting. Among other responsibilities, the Annual General Meeting decides on amendments to the articles of association and the appropriation of net income, and elects members to the Supervisory Board. The members of the Executive Board are appointed by the Supervisory Board. Bertelsmann voluntarily introduced employee representation on the Supervisory Board as early as 1974. At present, four employee representatives sit on the Supervisory Board, which has 15 seats, as set out in the corporate constitution.
OUR CR STRATEGY

On our own core values and the United Nations Global Compact.

Acting responsibly in a world marked by increasing complexity and rapid change is a challenge. It requires clear values and flexible structures. Bertelsmann possesses both.

Our identity

As a globally operating company, yet one with firm local ties in many locations, Bertelsmann considers itself part of and a partner to society. At the same time, we are aware of our special responsibility as a media company. The media play an important role in society: they are both an economic and a cultural asset and exercise an influence on public opinion. We see it as our job to contribute to a diverse media landscape with a variety of creative entertainment and information offers. At the same time, we want to act in a sustainable, responsible way – especially in areas where our value creation intersects with the interests and expectations of our stakeholders.

This gives rise to a broad spectrum of issues that we must and want to deal with: climate protection and the conservation of resources, the protection of minors, questions of intellectual property rights, education, diversity, access to information and responsibility to our employees. By joining the United Nations Global Compact in 2008, Bertelsmann AG reaffirmed its commitment to contribute to global sustainable development. The United Nations Global Compact calls on companies worldwide to implement ten principles in the areas of human rights, labor standards, environmental protection and the fight against corruption.

The principle of decentralization

With more than 100,000 employees, Bertelsmann operates in around 50 countries. This means dealing with a large range of different cultures and expectations – in the design of media as well as commitment to society. As each company is constantly interacting with its respective local market and environment, it is best able to assess what is good for its businesses and employees – but also
Our Values

The principle of decentralization is an inherent part of our corporate philosophy, which has evolved and proven itself over decades.

what is good for the society in which it establishes and operates its businesses. The principle of decentralization is therefore an inherent part of our corporate philosophy, which has evolved and proven itself over decades. It applies to our social commitment as well as to our business activities. So although our companies and divisions develop their CR activities based on common values, as codified in the Bertelsmann Essentials and the Global Compact, they still act independently and on their own responsibility along their respective value chains. For instance, companies that depend on natural resources such as paper and water in the manufacture of their products focus on environmental issues, while others focus on the promotion of reading and media literacy.
Bertelsmann and its divisions cultivate diverse relations with various stakeholder groups. Thanks to this dialog, as well as various CR ratings and rankings, we know which areas of corporate responsibility are particularly relevant.
Our Values

BERTELSMANN ESSENTIALS

The Bertelsmann Essentials convey the goals and basic values of our company’s employees, executives and shareholders and are based on the Corporate Constitution. It is the responsibility of our executives to spread and exemplify these values and to serve as role models. The Bertelsmann Essentials reflect the current status of consensus and are subject to constant review, revision and improvement.

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 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 the continuity and ongoing progress of our corporation.

PARTNERSHIP

Our corporate culture is based on a mutually beneficial partnership between our employees and the company. Motivated individuals who identify with our 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 responsibility. Our employees enjoy autonomy to the greatest extent possible. They receive comprehensive information and participate in decision-making as well as in the financial success of the company. 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 not only act in the best interests of their individual businesses, but are also obligated 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 as well as their commercial success. We 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, both in media services and in content businesses.

CITIZENSHIP

The continuity and development of Bertelsmann as an independent entity is ensured by the Bertelsmann Management Company’s control of the majority of voting rights. In the view of our shareholders, the possession of property creates an obligation to the community. They are committed to the idea that in a market economy a corporation derives its legitimacy by making a valuable contribution to society. The work carried out by the Bertelsmann Foundation – 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.

Other foundations of sustainable action

Code of Conduct
Published in 2008, the Bertelsmann Code of Conduct is based on ethical principles, legal requirements and Bertelsmann’s own in-house rules and regulations. It is binding for all employees worldwide and follows international standards.

“be green” Mission Statement
The “be green” mission statement of 2010 sums up Bertelsmann’s responsibility to protect the environment and climate and our commitment to sustainable action in concise key statements.

Bertelsmann Environmental Policy
The Bertelsmann Environmental Policy, adopted and published in 2004, defines key principles for environmental protection in the operations of businesses and commits Bertelsmann companies to act in accordance with them.

Bertelsmann Paper Policy
The Bertelsmann Paper Policy published in 2005 complements the Bertelsmann Environmental Policy and clarifies the attitude of Bertelsmann AG, its divisions and companies regarding the procurement and use of paper.
Our business puts us in frequent and direct contact with various stakeholders: our employees, customers, suppliers, journalists, and investors, as well as representatives of government agencies and NGOs.

In addition, our company reaches millions of people each day through our media content and products. To find out what our stakeholders expect of us, we conduct an open and transparent exchange with them – not only at our corporate headquarters, but also at all other locations worldwide. We cultivate an intense dialog with our customers on a variety of media channels.

As a media company, one of the things we focus on is, naturally, media policy.

For example, when it comes to issues of broadcasting legislation or intellectual property protection in the digital age, we are represented on the relevant committees, speak with our stakeholders, and make our expertise available.

Our representative offices in Berlin and Brussels as well as in Beijing and New York serve as political competence centers and contact points for our stakeholders. The teams at Bertelsmann’s representative and liaison offices offer German and European policymakers expert sparring partners, up-to-date positions and figures, and further information.

Our aim is to maintain close and transparent relations on all political levels and exchange arguments openly and objectively.

In Berlin and Brussels, our liaison offices provide a forum for prominent speakers and authors. Bertelsmann Unter den Linden 1 in Berlin has become an established destination in Berlin’s cultural calendar with its “Rooftop Summer Screenings” and other events such as readings, book and movie premieres and political discussions. It hosts an average of 350 events per year. We regularly host Bertelsmann Forum talks at our headquarters in Gütersloh.

At an international level we are also members of important networks where we discuss issues of sustainability and our efforts with groups from different sectors of society. These include the German Global Compact Network and our involvement in an international working group of the Global Reporting Initiative (GRI), comprised of representatives of NGO and media companies who are developing indicators for the sustainability reporting of media companies (GRI Media Sector Supplement) in a transparent two-year process.

The international working group for the GRI Media Sector Supplement at Bertelsmann Unter den Linden 1, Berlin.
OUR CR MANAGEMENT

All divisions regularly interact to coordinate their activities.

A decentralized approach does not rule out targeted, coordinated action. In 2010, the Bertelsmann Corporate Responsibility Council was established under the chairmanship of the Executive Vice President of Corporate Communications. Twice a year, representatives from relevant Corporate Center departments and all the divisions convene for the Council. The main items on the CR Council’s agenda include dealing with employees as partners; ethics & compliance; responsibility for media content; and the use of natural resources. In addition to informing and advising the Executive Board on important CR issues, the CR Council focuses on the following tasks:

- Further development of a common understanding of CR
- Identification and evaluation of CR issues relevant to the company
- Development of cross-company CR goals
- Internal and external reporting on goal attainment

We rely on existing structures for the necessary coordination and development of our CR efforts in the group, or if necessary, we create new ones. For instance, the focus of the “be green” team lies on environmental and climate issues, while the HR Committee serves as a platform for discussion between group HR managers and those in the divisions. Similarly, there are numerous HR Coordination Circles at company or national level. In addition other issue- or task-oriented teams have been set up as needed. One of these is the Corporate Compliance Committee consisting of experts from Corporate and the divisions. These teams meet regularly to share information and develop common positions. These are then adapted and put into practice in a decentralized manner.

Relevant certifications

The individual companies are responsible for determining what management systems are established, depending on their needs. For example, numerous certifications confirm that environmental issues are being systematically advanced at the various sites.

Our management systems and certifications may be viewed at www.bertelsmann.com/responsibility

OUR MEMBERSHIP IN THE UN GLOBAL COMPACT

As part of this membership, in November 2010, Bertelsmann presented its first Communication on Progress regarding the ten principles of the Global Compact. It is posted at www.bertelsmann.com/responsibility – along with all other relevant documents and information relating to corporate responsibility at Bertelsmann.
EMPLOYEES AS A SUCCESS FACTOR

The global Employee Survey is an expression of participation at Bertelsmann – and one of the main instruments of corporate culture.

More than 100,000 people in around 50 countries work daily for the success and continuous development of our company. Therefore, our responsibility to employees is a particularly high priority at Bertelsmann.

2010 Employee Survey

The Employee Survey is an expression of the corporate culture of partnership at Bertelsmann. At regular intervals – for the first time as long ago as the 1970s, and worldwide since 2002 – employees have been asked to anonymously evaluate important aspects of working life by means of a formal questionnaire. Questions pertain to such topics as working conditions, the leadership style of their immediate supervisor, training and development opportunities, teamwork, and business strategy.

Overall satisfaction increased, good suggestions for improvement

Compared to previous surveys, the overall rating by employees has improved. In particular, topics in the employees’ immediate working environment were rated positively: delegation of responsibility, personal creative freedom and teamwork were rated as good.

Strengthened staff leadership

The delegation of responsibility is an important aspect of “leadership through partnership” at Bertelsmann. Scores for this aspect, as well as the evaluation of immediate supervisors, have improved since the previous survey. This shows that the measures taken to strengthen leadership following the Employee Survey 2006 are bearing fruit. At that time, the management guidelines were revised and new management tools were introduced, including the Performance and Development Dialog and the meeting to agree on tasks and goals.

Successful health programs

Since 2008, Bertelsmann’s various occupational health management activities have been grouped under the name of BeFit. Bertelsmann BKK, the company medical services, the company social services, and the sports and health program offer employees a variety of ways to stay or get fit. Employees gave these efforts a
positive rating. Work-life-balance at Bertelsmann was also given an above-average rating compared with the survey results of other German companies. Questions about pressure to perform and workload achieved particularly good results, as did those regarding a healthy compatibility of work and family life.

**Successful introduction of the Code of Conduct**

Bertelsmann has a binding guideline for law-abiding and ethically responsible conduct – the Bertelsmann Code of Conduct. It consists of rules for corporate responsibility, workplace conduct, business and financial transactions, and media and technology. Since its introduction in 2008, employees worldwide have been introduced in detail to the Code of Conduct through on-site or online tutorials. The 2010 Employee Survey results showed that the training was successful and that employees feel well-informed about the Code of Conduct as well as how to report breaches of the Code if necessary.

**Room for improvement in staff development**

Alongside the many positive survey results, the employee feedback also showed where there is room for improvement, e.g. on the issue of "career development." In particular, staff wanted more training and development opportunities at the companies, as well as improved internal job exchange options within the group. Bertelsmann has taken this on board: Since early 2011, the newly founded Bertelsmann Academy offers a catalog of cross-functional training and continuing education measures throughout Germany. The wide-ranging offers are open to employees from all divisions. Internal career opportunities are promoted with new, clear rules for filling vacant positions. The Corporate Management Development team provides support to Bertelsmann managers in this. In addition, the internal job exchange is being analyzed and revised to better inform employees about group-wide development opportunities. Carrying out the global Employee Survey at even shorter intervals in future is being considered, so as to monitor and manage the success of the measures introduced more quickly and sustainably.
ENVIRONMENTAL AND CLIMATE PROTECTION

“be green” strategy for efficiency and resource conservation in business.

Protecting our environment and climate is an integral part of our corporate responsibility. We strive for a responsible treatment of natural resources across our value chain and make an active contribution to a low-carbon, environmentally friendly future.

Energy and resource efficiency is increasingly becoming a key competitive factor for Bertelsmann. For this reason, in 2008, the Executive Board initiated the group-wide “be green” environmental and climate protection strategy. It implements the guidelines set out in the “Bertelsmann Environmental Policy” and the “Bertelsmann Paper Policy,” adds the climate protection aspect, and provides a framework for the various divisions’ and their companies’ specific environmental protection strategies and activities worldwide.

The “be green” strategy is managed and developed by the “be green” team. Since 2003, environmental representatives from Bertelsmann AG and all divisions have met regularly as part of this international working group. The experts present flagship projects from the divisions and companies and develop common strategies and measures for better environmental and climate protection at Bertelsmann. External stakeholders, including representatives from other companies, from NGOs or from politics, regularly enrich the debate and the further development of the “be green” strategy with their suggestions and requests.

As part of the “be green” strategy, the “be green” team, together with the divisions, has produced a biennial group-wide carbon footprint since 2008. These carbon footprints provide transparency about Bertelsmann’s impact on the climate and form a starting point for a more efficient use of energy and for reducing the consumption of resources.

Another key pillar of the “be green” strategy is involving and motivating our employees to protect the environment and climate. Bertelsmann organizes an annual international “be green Day” under the patronage of the CEO and regularly reports via internal media. These action days bring the subject of environmental and climate protection to life for employees worldwide with numerous “green” activities. Employees learn on-site about what Bertelsmann and its companies are already doing to protect the environment and climate, and develop their own measures for environmentally friendly behavior. The “be green” movie featuring employees makes people think about the issue and serves as a unifying element for the many different campaigns around the world.
European Bertelsmann sites which participated in the “be green Day” 2010.
THE ETHICS & COMPLIANCE PROGRAM

How Bertelsmann promotes a corporate culture in which financial success goes hand in hand with respect for the law.

Bertelsmann supports a corporate culture that encourages ethical behavior and respect for the law, and has launched an Ethics & Compliance Program specifically for this purpose. The pillars of the program are: a compliance organization with clearly defined roles and responsibilities; the Code of Conduct, whose principles and rules are to guide the decisions of all managers and employees; appropriate mechanisms to monitor compliance with these rules, such as the whistle-blower system, which allows questionable matters to be reported in a safe and confidential way; procedures for investigating alleged breaches of the Code as well as taking appropriate measures after the issue has been clarified; and training and communications activities to build awareness of compliance issues among all stakeholders.

The Code of Conduct is a binding guideline for law-abiding and responsible conduct. It consists of 20 principles pertaining to social responsibility, workplace conduct, business and financial transactions, and media and technology.
Bertelsmann Code of Conduct

The Code of Conduct is a binding guideline for law-abiding and responsible conduct. It is based on international standards as well as ethical principles, legal requirements and the company’s own rules and guidelines. In the four chapters “Corporate Responsibility,” “Workplace Conduct,” “Financial Transactions and Reporting Methods” and “Media and Technology,” the code describes 20 general principles and elaborates on specific topics such as privacy, protection against corruption, and independence in the procurement and dissemination of news.

In 2008, the first printed edition of the Code of Conduct was distributed to all Bertelsmann employees. In addition, each new employee receives a copy when he joins the company. The Code is available in 12 languages at www.ethics.bertelsmann.com

Monitoring, investigation and follow-up

Employees and third parties can report any concerns or ask for advice regarding possible violations of the Code via a confidential and secure whistle-blowing system. Besides the traditional channels (telephone, e-mail), ombudspersons and a Web-based reporting system are also available to employees. In the United States a telephone hotline has also been set up.

Training and communication

To ensure that all Bertelsmann employees are familiar with the Code, the E&C department has developed an interactive training program in 12 languages, for both online and classroom training. The training program, which has been ongoing since 2009, shows employees how they can identify risks to their business and company and report questionable transactions or violations of the Code of Conduct. Among other things, they learn about the contact points and options the company offers them for raising concerns or seeking advice, whether they be the responsible staff members at the Bertelsmann Corporate Center, the ombudspersons, or the Internet-based whistle-blowing system at www.reportconcerns.com
Bertelsmann is a decentralized group. This means that each individual member of the group bears individual responsibility. On the following pages, some of our employees talk about how they personally put the corporate culture into practice, and tell of their own personal motivation to get involved.
THE APPEAL OF GETTING INVOLVED

Is commitment “involvement reflecting solidarity”? We feel this definition is nowhere near adequate. An attempt at a new and different definition.

Getting involved – or engagement – is a piece of freedom, an expression of the freedom of choice we all have. The wish to work for a sustainable development of our world in general and our work environment in particular is a profoundly human need. People keep giving their existence meaning only through activities in which they choose to tackle a responsibility they themselves have chosen.

In the world of work, engagement is more important than ever. Clearly it is crucial that a company expressly recognizes its responsibility: in its business environment, to its employees, to society and in dealing with the environment. But this attitude can only become a corporate culture if it has an appeal for every individual employee – as the company creates the setting and provides an impetus to become active and to keep asking yourself where and how you can personally improve things and take responsibility.

Every act of engagement expresses strength of character and arises from an inner conviction. The impetus that drives such motivation is always free will. There are many facets to how this impetus manifests in a company: What opportunities for development do employees have? How much latitude is there in decision-making? How much self-determination?

The degree to which a company and its employees get involved can only be illustrated using a few ideas that stand representative of many others. These initiatives can be large or small, acts of engagement that show on the outside or take place in quiet. These are the stories of people who take action.
RAISING FUNDS

“I’ve presented the Télévie closing show on RTL-TVI for over ten years now, and it is always a very special experience. My colleagues feel the same way – none of them wants to miss our annual telethon against cancer and leukaemia, in children in particular. It gives us the occasion to all work together on one big show – a very special, moving moment that never loses its power. We raise millions of euros in donations and feel that what we do actually helps others. Of course it’s always especially thrilling to see children from the previous year again, though others may have unfortunately succumbed to their illness. Besides presenting the show, I also participate in other fund-raisers, including classic-car rallies and stage plays – this year I was involved in the three initiatives. For a report, I even had the opportunity to accompany a child with cancer everywhere for a whole day. Maxine is just 2 years old and suffers from a severe form of leukaemia. I never cease to be amazed by her courage. Although she is going through very lengthy chemotherapy, she radiates incredible willpower. This was also the first time I had ever spoken at length with the parents of a child who has cancer. I suddenly realized how terrible it must be to learn that your own child has the disease. And how difficult such a situation must be for the whole family, in the long-term. That affected me deeply – after all, I have a 4-year-old son myself.”

Sandrine Corman, Presenter, RTL-TVI, RTL Group, Brussels
SHARING THE JOY OF READING

“Like many of my colleagues, once a week, at lunchtime, I spend an hour reading with a second-grader in a nearby Manhattan elementary public school. In the beginning he was a bit shy. Our job is first to relax and enjoy reading without worrying about making a mistake. My child and I don’t just read – we also talk about books. After reading, I might for instance ask how my young friend would feel about changing the ending. At first glance, that would appear to be tremendously presumptuous toward the author. But in fact it simply helps to fire the children’s imagination: my reading buddy immediately used his imagination to come up with ways that the story could end. This encourages the kids to understand that we are reading stories someone else has thought up, and that imagination is a great gift – for writers, as well as for ourselves. Over time, my little listener started asking more questions. What do you do? What is a publisher? How do you get the books? That gets me thinking sometimes: I’ve worked at Random House for 16 years, and I’m still regularly amazed at the team spirit that pervades our company, what one might call our ‘corporate culture’. It includes social aspirations like the ‘Everybody Wins!’ program. I worked at other publishers for several years before joining Random House. At Random House we think long-term. We don’t just have our eye on the year-end accounting, and that shows in things like this program.”

Ceneta Lee Williams, Sales Manager, Adult Books, Random House, Inc., New York
Our Motivation

PROTECTING THE ENVIRONMENT

“Environmental protection usually conjures up images of green: backlit forests or the green-arrow logos used by recycling organizations. Me, I tend to think of tables, figures and diagrams. The technical aspects of protecting the environment have fascinated me from an early age. It may sound trite, but I want my work to help preserve the planet for future generations. The fact that Mohn Media was named ‘Environmental Company of 2008’ was one of the reasons I applied to work here after graduating in 2010. We print about 30 million phone books, one billion mailshots, 30 million color directories and more than 600 million magazines and catalogs a year here, among other things. And each year, these numbers go up. Yet, consumption of the carbon-containing solvent isopropyl alcohol has been reduced by about 75 percent per printed sheet in the last ten years. This is proof of our successful environmental commitment. So my motivation is not to simply ensure that the 25 offset-rotogravure printing presses I am responsible for at Mohn Media comply with permit conditions and statutory requirements. I want to do better. Regular measurements of emissions and inspections of the facilities that go far beyond the required minimum are part of how I define environmental protection in action. I’m obviously on the right track because after a year, I was asked to take over further roles in the environmental sector. So now I’m in charge of organizing waste disposal with a co-worker. I am also in training to become a health and safety expert and will be working in this area on completion of the course. The only drawback at the moment is that this leaves me no time to get involved in my hobby – the local soccer club. But hopefully, in return, everyone who works here can go home safe.”

Stefan Neiske, Emissions Control Officer, Mohn Media, Arvato, Gütersloh
Our Motivation
When I quit my job in 1990, my mother nearly had a heart attack. ‘Son,’ she said, ‘that was a secure job.’ But being a vocational school teacher just wasn’t the life for me, forever having to deal with hundreds of regulations and inspectors. I wanted to make something happen, put ideas into action, so the job listing really appealed to me. I said goodbye to life as a teacher and relatively quickly took over as head of Bertelsmann’s Vocational School and the Education Department, where theory is linked to practice.

Now, as Head of Corporate Education, I am responsible for the recently founded Academy, our apprentices’ training, the Vocational School and for the sports and health program, but my principles have not changed: If you believe in something and have a goal in mind, you need creativity and application. I learned that from soccer: Before you can raise your arms in triumph, you need to sweat.

But when your hard work pays off, it’s an unforgettable moment. Then you realize that the effort is worthwhile and you get so much in return – in the form of proud and relieved apprentices, our bachelor’s degree candidates when they’ve passed their exams, and the very large number of alumni who still work for Bertelsmann. But also from the great interest in our educational and sports activities, and not least from the positive feedback and the great trust of my wonderful staff.

One event in my career really moved me – the musical about the history of Bertelsmann performed at the 175th anniversary celebration. Our students and trainees created it themselves and staged it in front of more than 10,000 employees, with outfits and music for each decade. These are the moments when I think: If you can get young people that excited, you’ve done all right on the whole.”

Heribert Sangs, Head of Corporate Education, Corporate Center, Bertelsmann AG, Gütersloh
ENSURING QUALITY

“I’m what Americans call a fact checker. I am one of seven employees who check every text, graphic and photo to be published in Stern magazine, to determine whether the statements made are true. Are the names spelled correctly? Do the numbers add up? Is the elephant in the picture Indian rather than African? The relevant information is written down, checked and may be corrected after consulting the writer and entered into the system. Only then is the spelling and grammar check carried out. All of us are graduates in specialist subjects. There’s a biologist, several historians, an economist, an orientalist, etc. I’m the odd one out a bit here because I actually studied media documentation, and even wrote my thesis on the Stern magazine documentation department. The department was set up in 1960, as the traditional illustrated magazine had become more political and in-depth over the years and it was important that every fact be thoroughly checked. Documentation is virtually a guarantee of quality; it ensures integrity, strengthens credibility and ideally makes Stern magazine unassailable. We work in open-plan offices in the Stern magazine library, surrounded by about 25,000 volumes. When I started in 1997, we often consulted specialized encyclopedias, often backed up by telephone checks. Today, a lot of it is done electronically. For example, we have access to the Gruner + Jahr press database, one of the most powerful archives in Europe, to which over 1,000 new articles are added every day. Sure I’ve become a bit more skeptical over the years. Chatting with someone at a party I sometimes find myself thinking, ‘Okay, let’s check your sources.’ But I do have a remedy against distrust as an occupational hazard: I love to travel. Then again, maybe that’s not true at all. Maybe travel is just another form of fact checking. I don’t claim to know all that much – I just check everything.”

Sandra Kathöfer, member of the Editorial Documentation team, Stern magazine, Gruner + Jahr, Hamburg
A prosperous young woman richly blessed with success and public recognition sets up a foundation for children in need. She travels to Africa to see where she can help. And each year since then she has raised hundreds of thousands of euros to build shelters for homeless girls in Cairo or schools in Sudan. A professor of molecular immunology takes up his post at the University of Leipzig where he becomes aware of the sad situation in a refugee shelter and together with his wife initiates the “Bunte Gärten” (Colorful Gardens) project, which first gave persecuted people from Southern countries a bit of peaceful earth and now gives them much more: a good chance of integration. A cooperative of sprightly pensioners in Augsburg troops out day after day to feed (even) older people in need, entertain them, and clean and repair their homes. And a 75-year-old retired engineer comes to a museum twice a week to repair technical exhibits with immense patience: all of it voluntary, all without pay. But not for nothing.

People like these feel responsible for civil society, for “distant neighbors” on another continent or for face-to-face involvement with people across the street. These are people who share, who want to do good for others. And perhaps also for their own fulfillment – and what would be wrong with that?

They have always been there, but their number has grown markedly in recent times. They embody the integrative social morality, the helping hands that are in increasingly short supply in a society that is eroding its economic solidarity. And so they are becoming more important. While the benefits of social welfare and the tax system as binding agents of democracy, and as grounds for citizens’ loyalty are in danger of being eroded; as the bridges between the “haves” and “have-nots” become impassable and more and more people are feeling humiliated and detached, those helpers working selflessly for their fellow men are the protagonists of a need for community and engagement that is now more than ever coming to the fore. It is the civil society which Paul Nolte called an “investive society,” because it makes an advance investment instead of relying on receiving advance payment.

Does this sound too theoretical? That would be a pity, as these volunteers make a wonderful story. That “man is wolf to man” is part of the repertoire of a pessimistic view of the world, and has indeed been confirmed often enough. And yet it really is only half the truth. In Germany alone, more than 23 million people volunteer in charity associations, citizens’ initiatives, or self-help groups. As “social mentors,” they help people organize their daily lives and cope with world-weariness, pump up soccer balls,
provide free hairdressing for people in need of care, restore historic half-timbered houses, organize raffles to raise funds for children with cancer, renovate schools or work with cataract patients in third-world slums during their vacations. Former municipal administration workers, lawyers on maternity leave, stressed-out medical interns, retired bankers and managers on a search for meaning, together constitute an underestimated social force, a force that belies the gloomy prophesies of a hedonistic society of egomaniacs out for themselves. And they include people from all walks of life.

For decades, citizen engagement appeared to be hardly worth mentioning. Children, education, illness, aging, death – everything seemed to be taken care of by the “welfare state”; a state that took care of all of life’s circumstances with professionals and plans. As this state has become weaker, an understandable fear of loss has become rife. But there are also compensations. “Everyone talks about social coldness. But we experience the opposite every day,” says an executive of “Tafel,” an organization that distributes food to the needy. “In Germany, a sense of unity is on the rise,” he says. “Perhaps the first sign of a social consensus is that you no longer leave the poorest to fend for themselves when the state can no longer help.”

Researchers have been identifying the end of the “me” society – or to put it more cautiously: the end of much of it – since the turn of the last millennium. The “Giessen Test” developed by psychologist Horst-Eberhard Richter, which gauges Germans’ state of mind, recorded a trend towards an increased sense of responsibility for others for the first time since the 1970s. Similarly, the results of a „volunteer survey“ on behalf of a Berlin ministry showed that more than a third of Germans over the age of 14 work for the common good – because they feel like it and have the time, because they feel responsible, even if they have no property and hence no obligation under Article 14, paragraph 2 of the German Basic Law which states that “property entails obligations.”

Scientists at the University of Stuttgart-Hohenheim found that volunteers devote about five billion working hours to the common good in Germany each year – nearly ten percent more than the hours worked by the entire paid civil service.

But can the social benefits of such efforts be measured in figures at all? Or is their qualitative value not at least as important? Every political party welcomes citizen commitment for completely different reasons – from the FDP (less state, more responsibility!) to the Left Party (less market, more solidarity!). One might gloomily say that welfare work is repair work, emergency relief, an act of desperation when the city treasurer can no longer maintain the playground from the budget, or the school principal has to drop the cello from the orchestra – which really they both shouldn’t be allowed to do. Can love for fellow human beings even become a political platform, should politicians be allowed to rest on the growing altruism, people’s growing need to give other people...
time, money and advice and continue their retreat; the “caring neglect” that Nolte wrote of?

In times of growing public debt, it will inevitably come to precisely this, but it should not be forgotten that once before, back in the 19th century, Christian charity, social democratic class consciousness and a civic culture of associations grew into those great social works that are now called Caritas and Diakonie, the Samaritan Workers’ Federation (Arbeiter-Samariter-Bund, ASB) and the Workers’ Welfare Association (Arbeiterwohlfahrt, AWO), which do many useful things, paid for with money from taxes and contributions. After the state, Caritas has become one of the largest employers in Germany with half a million full-time employees.

The political scientist Rupert Graf Strachwitz at Berlin’s “Maecenata Institut” maintains that the transition from freelance initiatives to solid structures is a normal process in which the protagonists are gradually integrated into civil society, gaining power and organizational strength in the process, but also becoming more hierarchical and losing their capacity to innovate. Therefore, new “out-of-the-box thinkers” are always crucial, he says. Individuals with the absoluteness of their own personal commitment: employees who grass the yard of a tearoom for the homeless; managers who help out in railroad station missions; master craftsmen who put together engines with schoolchildren; screw manufacturers who sponsor international gatherings for young musicians; Nobel Laureates who help pay for childcare for young female scientists.

They all create what the American sociologist Robert Putnam called “bridging social capital” – human bridges. Or to put it another way, the social glue of trust and respect that can mend the cracks between levels of society that have become estranged by rampant individualization. They at least try, even if the misanthropic view of this development turns out to be true. The criticism of the eternally critical is that there is a new dictatorship of good values, and its heroes and role models preferably come from the middle class or, worse still, the circles of millionaires, the educated, the articulate, the arbitrary – and all of their aid contains further frustration for those who are helped. In other words, each benefit received only makes the recipient weaker, imposing gratitude upon them.

But apart from the fact that this view does not do justice to the millions of committed low earners, or to all those volunteer firefighters, and apart from the fact that it is cheap to denigrate Bill Gates’ commitment to fighting malaria merely because he himself is doing splendidly, this criticism is also stupid when you consider those who need help. Because at the end of the day, only one thing is true for them: Nothing good will ever happen unless someone does it for them. And armchair do-gooders usually don’t do very much.

What about those who actually do a
They all create human bridges, just with the social glue of trust and respect.
Our Motivation

child seen crying on the phone while talking with his parents working in Italy.

So what does it mean for journalists not to concern themselves with royal weddings and financial press conferences, not to hang around for the winner of the Formula One race or attend a gala celebrating an Idol sought and found in Germany, but instead to report on violence against children, physical and structural? What does it mean for a photographer or writer to witness old women staring into space, wrapped in blankets in a temporary shelter after the tsunami in Japan? Or 14-year-old African girls with babies fathered by rapists who overran them in the civil war? It means that not too much should be asked of someone reporting such stories. The fact that we cannot mourn every dead person equally is a constant of survival that journalists are not exempt from. And even the most selfless Doctors Without Borders medic, the bravest men of the German Federal Agency for Technical Relief (THW) will try to avoid rifle fire and roofs collapsing on them at the last moment.

But like the Doctor Without Borders, like the THW man, like the Unicef representative in Rwanda, there are fortunately quite a few journalists who are capable of empathy. The charge of sensationalism does not apply to them. They are not intoxicating themselves, they are reporting. They are not showcasing, they are participating. They don’t just do a routine job, they take the time to learn the routine. They don’t steal stories, they bring them to the public. And they go to the limit beyond which it becomes uncertain for them personally.

There is often something old-fashioned at play here: a sense of responsibility. When the German Embassy offered a vulnerable young journalist a seat on the plane during the heated phase of the Egyptian revolution, she said “thanks, but I have a job to do here.” When Gaddafi started shooting his own people, a 24-year-old resigned from his safe editorial job in Hamburg to go to Libya. A picture desk trainee took her first step into journalism without a safety net by choosing to cover the subject of abandoned children in Moldova.

And then there’s the story of Alice Smeets, a 21-year-old Belgian whose very first major feature won an award: a

The charge of sensationalism does not apply to them. They don’t steal stories, they bring them to the public.
photograph of a girl in a snow-white dress, trudging through the garbage of a Haitian slum like a stubborn angel. Going to Haiti, one of the poorest and most tragic countries of the Western Hemisphere was Smeets’ personal decision after reading up on the history of this country.

She saved up for the trip, and went on her own to “where it hurts.” She met people who fought their hunger pangs with “mud cake” – salted, baked earth – and people trying to survive from the sale of individual matches. She went into disastrous hospitals, orphanages, and even into the morgues of the central hospital in the capital Port-au-Prince where she saw sights “not for the faint-hearted”: corpses that nobody wanted or was able to raise money to bury.

The suspicion from people she met that she may have been using images of such misery to get “rich” in Europe impelled her to return to Belgium and then raise money for the people of Haiti. On a second trip to the Caribbean island she distributed the money to hospitals and on the street. And of course she didn’t get “rich.” Smeets says the magazines she offered her material to publish it was “too sad for their readers.”

This is not an ode or a hymn. Just a small thank-you to those who try with camera and words to draw attention to what we do not know. And sometimes don’t want to know. Because when poverty has no grace, when poverty is just poverty, it ultimately besets and oppresses us. It is disturbing to see orphans with cleft palates lying in a dirt backyard. It makes you angry to see 12-year-old girls who have been forced into marriage looking into the camera with lifeless eyes, standing next to geriatric pashas.

At the same time, however, these images are the leavening for that sense of community that could turn us into a global family. A reminder of what is on the agenda.

So a media company’s agenda also includes the following: We must invest in motivated people, not just in concepts. Creative surprises are needed at least as much as organizational charts; uncommon people acting on their convictions are more essential than graph paper. And with all due respect to the services of facilitators, planners and benchmarkers: Without journalists who leave the cleanroom environment of planning offices, commitment would remain bloodless, anemic. Master plans are only good if they do not stifle individuality, if agreed objectives don’t become a crust that confines interpersonal instincts and spontaneity, burying the impulse to get involved. Across the street. And around the world.
A decentralized approach and the systematic delegation of responsibility are important elements in our corporate culture and the foundation of our success. The corporate responsibility efforts of our more than 1,000 individual companies are also based on these principles. Our entrepreneurs are responsible for deciding where and how they get involved, for they know best what activities make sense in their environment. The result is a great variety of diverse projects and initiatives.
Corporate Responsibility – in the broader sense of citizenship – is one of the four Bertelsmann Essentials, a basic value and aspiration for everyone across the group. The Essentials read: “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.”

Bertelsmann is part of the globalized society, which we strive to help shape responsibly. Yet Bertelsmann is not a monolith, but is comprised of four decentralized corporate divisions with more than 1,000 individual companies around the world.

The principle of decentralism is an important pillar in our tried-and-tested corporate culture, which has evolved over decades and originated with the ideas of our post-war founder Reinhard Mohn. We firmly believe that the local executives in a given country and market know best what is good for their employees and their companies – but also what is good for the society in which they build and operate their businesses.

We apply this principle of decentralism to our corporate responsibility efforts as well as our business conduct: Bertelsmann’s divisions and companies decide for themselves on which topics they will focus their corporate responsibility efforts – and also which partners they will work with to put their projects into action locally. The result is a great variety of diverse projects and initiatives.

All efforts are closely linked to the respective core business. For instance, RTL Group generates magnificent support for numerous social projects and initiatives with its RTL Spendenmarathon telethon. Random House is particularly committed to promoting literacy and reading. Gruner + Jahr places a priority on promoting high-quality journalism. And at Arvato, the efficient use of energy is just one of several key topics.

The following pages highlight a selection of projects and initiatives. The project database of the Bertelsmann Corporate Responsibility Portal contains hundreds of others:

www.bertelsmann.com/responsibility

Bertelsmann’s divisions decide for themselves what topics they will focus their corporate responsibility efforts on.
A leading international media and services group

€ 15.8 billion revenues

104,419 employees worldwide

Operations in more than 50 countries

Headquarters: Gütersloh
“Bertelsmann is well aware of its special responsibility as an international media company. That is why we take a strategic approach in our CR efforts as well: value creation and corporate responsibility are interlinked. This is how we help to shape tomorrow’s world – with passion and conviction.”

Dr. Thomas Rabe,
Chairman & CEO of Bertelsmann AG
WELCOME TO ANNA’S HOUSE
Bertelsmann readies teens for the working world.
p. 58

READING FUN FOR ALL
How to get children excited about books.
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FOR FREEDOM OF THE PRESS
Intajour supports journalists from all over the world.
p. 52
POPULAR LITERATURE
Of “Leipzig liest” and the “Blue Sofa”. p. 60

CREATIVITY IS CHILD’S PLAY
Chinese pupils learn that discipline isn’t everything. p. 56
SCHOOL OF FREEDOM

Intajour, the International Academy of Journalism, was set up to promote independent journalism around the world.

It was a festive event at the Konzerthaus am Gendarmenmarkt in Berlin. EU Commission President José Manuel Barroso had traveled to the German capital for the occasion, to preside over the founding act of a very special project: the International Academy of Journalism, or Intajour. “The creation of such an institution is a splendid initiative,” said Barroso in his speech.

It was initiated by former Bertelsmann CEO Hartmut Ostrowski, who wished to make a contribution to the global advancement of professional, independent journalism in a networked world. The purpose of the academy, founded to mark the company’s 175th anniversary in 2010, is to train and support journalists from countries where there is no, or only limited, press freedom and freedom of speech. “We wanted to create something lasting. Something that continues Bertelsmann’s longstanding tradition of corporate responsibility,” said Ostrowski.

Specifically, each year Intajour offers 12 journalists the opportunity to improve their professional skills and hone them for the digital future in a comprehensive ten-month program. The curriculum including practical online journalism and instruction on research and web publishing. However, the participants spend most of their time in their home countries, as the course is divided into attendance and e-learning phases. Academy director Werner Eggert, who set up Intajour in close cooperation with the Henri Nannen School in Hamburg and the RTL School of Journalism in Cologne, developed special e-learning tools for this purpose.

The journalists use these tools at home, on their own computer screens. They use the platform to communicate with Academy students around the world, get help from the lecturers in Germany,

409 journalists applied for the first year. In the end, participants from Africa, Asia, Europe and Latin America were selected.
and present their results online at the end of their training. Beyond the virtual e-learning platform, the Intajour participants also meet in person, for seminars in places like Hamburg, Cologne and Berlin.

The program apparently has great appeal: 409 journalists applied for the first year. They had to show certificates and references as well as write a short essay outlining their reasons for wishing to participate, and their efforts for press freedom. The second criterion was the personal impression that colleagues from local networks gained in interviews with prospective candidates. In the end, participants from Africa, Asia, Europe and Latin America were selected.

Expert colleagues from the Bertelsmann divisions Gruner + Jahr and RTL Group will provide instruction on press freedom and independent media coverage. Katja Gloger, an award-winning reporter and former Moscow correspondent, will give lectures, as will RTL Television’s award-winning chief foreign reporter Antonia Rados.
Hundresds listen to the children’s book author Armin Pongs give an interactive “reading with push-ups,” others go to the movies with their parents once a month – for free, of course. Yet other boys and girls have their father read out weekly stories to them, e-mailed to him by his employers. In short, somehow and somewhere, nearly every child in Gütersloh benefits from “Lesespaß” (reading fun) at some point.

The Gütersloh-based initiative, launched by Bertelsmann, the Stiftung Lesen reading foundation and the Goethe Institute in 2010 to mark the 175th anniversary of the company, aims to stimulate children’s and young people’s enthusiasm for reading in a fun way. Such a comprehensive, target group-oriented program is unique in Germany.

“Education is the key resource of the 21st century and decisive for the future of our children. Language and reading skills are the gateway to education and participation in world affairs. And what could be more important to us than to empower our children to actively help shape these processes with their multilingualism and their talents?” says Klaus-Dieter Lehmann, President of the Goethe-Institut. In “Lesespaß,” the group has given the city “a gift of lasting benefit,” says Gütersloh Mayor Maria Unger, who also serves as patron of the initiative. “The media group is remembering its roots while also looking to the future.”

The two-year “Lesespaß” program focuses on promoting literacy among children aged 3 to 14, especially from families who don’t read very often. Because according to a 2008 study by the Stiftung Lesen, one in four Germans had never read a single book. Fortyfive percent of 14 to 19-year-olds have rarely or never received a book as a present in their childhood. Only eight percent of fathers regularly read to their children – and the number continues to decline.

The “Lesespaß” initiative intends to counteract this development with a package of measures and projects. Overall, “Lesespaß” will involve more than...
Push-ups, comics, soccer and e-books – all part of individual literacy promotion.

20 different interlinked modules that are put into action locally, in close cooperation with the city and its day care centers, schools, sports clubs and youth centers. It starts with toddlers, whose parents get reading kits including helpful hints on reading aloud. First-graders get a gym bag with “first readers’ books” on their first day of school. Older children can try out multimedia reading with e-books.

In addition, there are age-appropriate creative reading and writing contests and offerings at all day care centers, elementary and high schools in Gütersloh. Teens act as “reading scouts,” German and non-German readers volunteer in pairs to offer multilingual reading-aloud sessions, and reading and media clubs are being set up in schools. The “Soccer and Reading” project and a comic competition are specifically designed to encourage boys and fathers in Gütersloh to discover the fun of reading.

“Given that there are over 7.5 million illiterates in Germany, the promotion of reading is essential. Having a lot of sponsored projects is good – having them work together systematically is much better. The ‘Lesespaß’ initiative in Gütersloh provides impressive proof of this – and can serve as a blueprint for other cities and communities,” comments Jörg Maas, General Manager of the Stiftung Lesen reading foundation.
When the latest PISA study was published in December of 2010, the results surprised the world: Students in the Chinese port city of Shanghai went straight to first place. This was mainly attributed to the school system in China, which puts more of an emphasis on discipline, hard work and rote learning than that of western countries. For instance, when lessons end at half past three, the children clean their own classrooms and then continue studying at home.

Many employees from Bertelsmann companies in China were not as astonished by the PISA results as other people around the world. They already had detailed knowledge of the Chinese school system – for example, from volunteering as teaching assistants. They know how ambitious many students are, but also realize that Shanghai is not representative of all China. There is a strong urban-rural divide: Schools in the provinces are often poorly equipped and the teachers are inadequately trained. A lack of imagination and creativity is also lamented. Bertelsmann China’s support is aimed at these critical points.

At the end of April 2010, the Bertelsmann Da-long-hua Hope School opened in Yi County, about 120 kilometers from Beijing. Just two years earlier, several of the Group’s local companies, including Arvato, Gruner + Jahr, Fremantle Media, as well as the Chinese Corporate Center and the Bertelsmann Asia Investments Fund had donated a total of €25,000 as well as in-kind donations such as computers to support this project by the China Youth Development Foundation. The majority of the students in Yi County come from families that are mostly too poor to invest in the education of their children, cannot afford the school fees, and need the children’s labor in agriculture.

However, Bertelsmann is linked to the educational institution not only through donations; direct exchanges regularly take place between students and staff. Employees traveled to the inauguration of the Bertelsmann Hope School in southwest China, pupils and sponsors meet for art – and a group portrait.
Creativity is often given short shrift at schools in the Chinese provinces – Bertelsmann helps out with funds, materials and volunteers from its workforce.

the school and spent several hours in the role of teachers, introducing the children to art or English. Later, Bertelsmann China organized a visit by several children’s book authors and illustrators, and even invited several pupils and their headmaster to visit the World Expo in Shanghai. “We want to give children the chance to see, feel and experience the world with all their senses,” says Annabelle Yu Long, Chief Executive of the Bertelsmann China Corporate Center. “We see this as promoting creativity, and making a contribution to intellectual development.”

In addition to Da-long-hua Hope School, Bertelsmann also supports Guang Ping Middle School in Hanzhong. Located in the heart of China, the school was completely destroyed by an earthquake in May 2008. At the time, Bertelsmann had set up a €500,000 relief fund for the victims. All employees worldwide were called on to increase the fund’s donations, and €610,000 was raised in all. The Middle School was rebuilt with a portion of these funds, which also went to fund training courses for teachers. Bertelsmann chose the children’s charity Plan International as a partner for its relief operation.

Part of the money that the more than 3,000 Bertelsmann employees in China donated from their own pockets is used for the local Yuan Yuan project, which supports creative development by enhancing literacy promotion and art education. The project includes the “Drawing My Dreams” art contest, which is already in place at seven elementary schools. The students at Bertelsmann Da-long-hua Hope School received a special honor in late 2010: their artistic visions of a better world were chosen to make a calendar – and also for Bertelsmann China’s official New Year greeting card.
Heribert Sangs does not think much of German labor market policy: “Too many individual measures and components taken out of context. There is no overall plan, especially for giving unemployed youth a chance.”

But the Director of Central Education at Bertelsmann doesn’t stop at criticizing the state of affairs. He did something about it and launched “Du bist Deine Zukunft” (You are your future), a project that is unique in Germany. Together with the Gütersloh employment agency, he selected 12 people aged 18 to 23, all of whom had been trying in vain to get an apprenticeship position, some of them for years. Sangs aims to make them fit for the job market using a novel approach.

The project, which launched in May 2009, was designed to last one year and goes beyond purely teaching professional skills. It aims to teach participants fundamental skills and knowledge; building their reading and spelling skills as needed, but also teaching them reliability and strengthening their motivation to cope with the world of work.

Social educator Anna-Cathrin Terletzki developed the concept behind “Du bist Deine Zukunft.” Bertelsmann gave her the use of a building near the Corporate Center where she can work with the youngsters. This includes four-week internships at various Bertelsmann companies in and around Gütersloh, so that participants can find out which area of work suits them. In contrast to regular training courses, however, they don’t have to quickly select a profession or attend a vocational school.

To begin with, a detailed analysis is drawn up outlining the reasons for their previous failure, as well as ways of remedying their educational deficiencies. “If someone has problems calculating percentages, we practice that,” says Terletzki. However, the project manager places at least equal priority on social skills. The young people, who are also responsible for cleaning Anna’s House, are instructed in the importance of punctuality as well.

“Frustration about their professional failures soon gives way to euphoria and hope.”
as learning how to deal with criticism or rely on their own strengths.

The results are extremely gratifying. “Frustration about their professional failures soon gives way to euphoria and hope,” observes Terletzki. “The participants learned a great deal about themselves and their aptitudes.” One of the youngsters confirms this: “I now know how to approach tasks in a more focused, concentrated and purposeful way,” he says. The companies also had positive experiences. Most interns integrated surprisingly well into the work processes. Three of the 12 participants in the first year of the program signed apprenticeship contracts within the Bertelsmann Group, and seven have been apprenticed to external companies. Two others are going back to school to pursue a higher degree of education.

For Heribert Sangs and Anna-Cathrin Terletzki, the first pilot project ended in success. The doors to Anna’s House remain open, and the initiative will be continued long term – and can serve as a model for projects in other regions.
As a cultural advisor, Christiane Munsberg comes across quite a few unusual stories in her work. Here, the protagonists of her story are a best-selling author and a table leg, with another writer and a crying girl playing supporting roles.

Minutes earlier, comedian and author Hape Kerkeling had been sitting on the Blue Sofa – now the crowds surged towards another stage as everyone hurried to catch a glimpse of their favorite author. Kerkeling made himself comfortable at a small table, casually signing countless editions of his best seller “Ich bin dann mal weg” (I’ll Be Off Then) until the moment an avid fan held out a table leg for him to sign. The autograph hunter had apparently surreptitiously unscrewed the leg from a table in the room. “Hape Kerkeling refused with some dismay, and I called security,” recalls Munsberg with a smile.

She has been responsible for the Blue Sofa since 2000. Her dream job, she freely admits: “I just love the Blue Sofa – a collaboration with German TV ZDF and radio station Deutschlandradio Kultur. After 11 years on the team, real friendships have been created around the sofa. And we still keep getting better and better for our audience.” Major writers sit on this piece of furniture to be interviewed at German book fairs. The Blue Sofa is not the only Der Club project at the Leipzig Book Fair: For the past 20 years the club has supported various series of events as part of “Leipzig liest”, the largest literary festival in Europe, which was also initiated by Der Club Bertelsmann.

“The Club benefited greatly from the eastern states after German reunification. By supporting the ‘Leipzig liest’ literature festival, we gave some of this success back to the people,” says Anita Offel-Grohmann, Club Program Director. The first Club branch opened in Dresden just one month after the fall of the Berlin Wall, with customers queuing around the block. And in 1990, the year of reunification, more than a million former East Germans signed up as Der Club members. “People could finally choose what they wanted to read,” recalls Offel-Grohmann. What makes “Leipzig liest” so successful? For
one thing, nowhere else you can meet so many authors in such a short time – 1,500 of them in a single city. And secondly, the venues for the readings, concerts, radio plays and movie screenings are special in their own right. Leipzig has hosted events for literary enthusiasts at its hotels, courts, prisons, zoo and aquarium, churches, fashion studios, a gasometer and once even a brothel (for erotic literature).

For nearly ten years, Christiane Munsberg has organized event series for the literary festival, such as the “Jüdischen Lebenswelten” (Jewish Contexts) series or the “Krimi-Club” (Crime Club), “German-Israeli relations,” a “Talk Night” and “German-Spanish author meetings.” “Over time, the venues have developed their own magnetism. At our ‘Krimi-Club’ six crime writers gave readings in the large courtroom at Leipzig District Court. Normally, you can only actually enter this venerable hall as a defendant or witness,” she says, laughing. “Who knows? Could that be why the 200 seats always sell out so quickly?”

But the real “heart and soul stories” happen when you least expect them. At a book signing by Simon Beckett at the Leipzig Club branch, a teenage girl suddenly burst into tears – out of delight that she was seeing her favorite author in person. This in turn moved Simon Beckett’s wife to tears, and she pulled out her handkerchief. When Simon Beckett, a writer of seriously tough crime thrillers, saw this, he also began to weep – and ultimately everyone present was moved.

Der Club’s Managing Director Bernd Schröder, who has been a big fan of “Leipzig liest” for many years, explains the importance of the festival: “Authentic encounters between reader and writer are the best possible way to promote reading. In Leipzig, we constantly experience how important this exchange is for our customers, because we appeal to their hearts and emotions.”
The leading European entertainment network

€5,591 million revenues

12,339 employees worldwide

41 TV channels and 34 radio stations in ten countries

RTL Group produces about 9,500 hours of programming a year in 54 countries

More than 1.4 billion videos streamed in 2010

Headquarters: Luxembourg
TAKING ACTION AT RTL GROUP

“Television will remain the leading medium in the years to come. Such popularity comes with great responsibility. Each year, RTL Group companies work hard to fight poverty, disease, discrimination and pollution.”

Gerhard Zeiler,
Chief Executive Officer, RTL Group
CHILDREN AND TELEVISION
How Super RTL protects minors.
p. 72

MILLIONS FOR A GOOD CAUSE
Raising funds on screen.
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NEWS FOR EVERYONE
RTL Television in Germany airs five hours of news a day.
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ENVIRONMENTAL PROTECTION
For employees and viewers.
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NEWS YOU CAN USE

RTL Television is fully committed to its duty to inform – and no one embodies its commitment to news better than Peter KloeppeL, Germany’s most popular news anchor, and Antonia Rados.

One look at the building tells you it has history. The Rheinhallen in Cologne, whose imposing brick façade faces the cathedral, had already served as a barracks and an amusement park before being converted into an exhibition hall in 1924 on the initiative of Cologne’s then Mayor Konrad Adenauer.

The building also clearly has stories to tell. Since its latest renovation was completed in 2010, a gigantic satellite dish with the red, yellow and blue RTL logo has been mounted on its roof. The listed Rheinhallen complex has become home to Europe’s most modern TV studio.

In a first-floor newsroom corridor hangs a life-size glossy photo of Peter KloeppeL, born 1958, presenter of RTL Aktuell, and editor-in-chief of the channel since 2004. The real KloeppeL heads straight to his office and looks even more vigorous and likeable in the flesh than on the screen – which is not exactly the norm in television.

Mr. KloeppeL, according to a representative survey published in May 2011 you are both the best-known and most popular newscaster in Germany. How does this result make you feel?

— PETER KLOEPPEL It makes me happy. It motivates me. But one shouldn’t attach too much importance to it: I’m just the one in a huge team that people happen to see regularly.

News production is notoriously expensive. Why does RTL broadcast five to six hours of information programming per day?

— KLOEPPEL I think there are three main reasons. First and foremost: it’s our job as a channel to provide information. Which we are only too happy to do, by the way – we’ve significantly expanded our offer over the past 25 years. Second, the audience rightly expects a large, reliable and independent news component in a full program line-up. And third: because we are so successful with it and the audience watches these programs with interest.

How does RTL Aktuell news differ from the of the public-service broadcasters in Germany?

— KLOEPPEL Not so dramatically. The
decision about what’s important is seen similarly in many newsrooms. Except that we perhaps ask ourselves more often what issues affect the daily lives of our viewers. We don’t look down at what’s happening from a lofty height, but use our journalistic skills to give people useful information.

With success. For nearly two decades, RTL Aktuell has regularly been the market leader in the target 14 to 49 age group. RTL Nachtjournal, which is aired at midnight on weekdays and has served as a model for many imitators, achieved an average market share of 18 percent in 2010. Mediengruppe RTL Deutschland also operates the country’s first 24-hour news channel, N-TV.

Mr. Kloeppel, how important are ratings for your work?
— KLOEPEL We look at them, we analyze them, but we don’t allow them to prescribe the topics we cover. We have no influence on a number of factors, such as competing programs, making it all the more important that we follow our own compass.

You won the 2002 Special Grimme Award for “outstanding reporting” during your seven-hour live broadcast on 11 September 2001. Is it a strange feeling to be honored for your work on such a tragic day?
— KLOEPEL I can’t claim to have been happy to be a newscaster on that day. But it showed me that the years of hard work we put in here beforehand prepared us well for such an event.

Has the news changed since then?
— KLOEPEL After the first Gulf War, 11 September made it very clear once again that news lives by live impressions. Since then, transmission capabilities have improved even more. Equipment has become easier to use and connections have become more flexible. We received pictures of the 2004 Indian Ocean tsunami in near real-time. Previously, we wouldn’t have been able to get them until two or three days later. This, however, makes it all the more important for us to check whether live broadcasts are appropriate for the occasion. It doesn’t make sense to go live with footage just because we can.

But it is possible if the news situation requires. RTL has invested heavily in infrastructure – in technology as well as human resources. The new news studio broadcasts in HD picture quality. Digital and interactive graphics allow more graphic representation of the content. At the same time, it has established an extensive international network of correspondents stretching from Africa and Australia to China, Russia and the United States. The most prominent reporter in Germany is chief foreign reporter Antonia Rados, who specializes in reports from crisis regions.

Mrs. Rados, war is always messy and confused. Do you have such a thing as a journalistic compass?
— ANTONIA RADOS It’s always the same: knowledge and conscience. Experience is an additional benefit, but you shouldn’t delude yourself: There’s no such thing as an infallible reporter.
You are confronted with suffering every day. How do you deal with the knee-jerk, human desire of wanting to help victims?
— RADOS First you’re a human being. You help wherever and whenever you can. But being a reporter also means remaining professional enough to keep your emotions under control. A reporters’ tears don’t belong on the screen.

How has your role changed now that anyone with a cell phone camera and Internet access can become a war reporter?
— RADOS A good question, to which we haven’t got an answer yet. At the moment it looks like this: Where there really is a war, I hardly ever see a cell phone reporter or blogger on the ground. One factor is that in war zones there’s often no cell-phone reception or Internet. Usually wars take place in undeveloped areas, which are brutal and primitive. There’s no room for Internet cafes there.

On your travels you and your team often risk your lives. Where are your limits and how do you set them?
— RADOS The most important thing about war reporting is your own security, and almost more important is your colleagues’ safety.

How does RTL protect you?
— RADOS RTL gives me all the security I need. Absurdly, I often have to calm head office down. They worry more about me than I do.

The dissemination of information via Internet and cell phones provides more immediacy, but also requires the careful examination and classification of incoming reports. Peter Kloeppel therefore considers the comprehensive training of future journalists a crucial necessity. So, in 2001 he founded the RTL School of Journalism for TV and Multimedia, which is also based at the premises of Mediengruppe RTL Deutschland.

Mr. Kloeppel, what is the most important characteristic an aspiring journalist should have?
— PETER KLOEPEL Curiosity. Plus, of course, flexibility and enthusiasm are crucial. But that’s something we don’t have to instill in the people who come to us. They already know that. And they experience it every day, in seminars, on placements, from internal and external lecturers and on field trips where they expand their horizons meeting interesting people.

You also initiated the annual Com.mit Award, which enables 14 to 20-year-olds with immigrant backgrounds to work in the media and honors their achievements. Why?
— KLOEPEL The subject of integration is central to Europe’s future. Integration begins in the mind, and so the media plays an important role here. My idea was to get young people to think about the media – using the media. And they have shown us that the media are worthwhile and make a difference. Besides, these young people don’t just learn from us – we also learn from them: the range of topics we cover has expanded because of them.
In the long term, there is no greater task for humanity than maintaining the conditions necessary for its survival on Earth. Knowing this, RTL Group has committed to effectively combining business success with active environmental protection under the slogan “At RTL Group, we care.” Its company principles state: “We strive for a prudent use of natural resources in all our operations, and for a continuous minimization of adverse impacts on the environment.” This goal is achieved in two ways: through activities within the company, and by providing information to listeners and viewers.

The in-house Environmind team was founded in Luxembourg in 2008. “Nobody can do everything,” says Environmental Chief Officer Oliver Herrgesell, explaining the basic idea behind this task force, “but everyone can do something.”

The third Environmind Day was held in Luxembourg in 2010 – a day of action designed to raise employees’ awareness for sustainable conduct. In 2010, the focus was on the theme of mobility. An exhibition of environmentally friendly vehicles, combined with the opportunity for test-drives, new company-owned electric bikes and the Bike to Work initiative are meant to encourage employees to travel to work using low-emission means.

Similar events are hosted in Belgium, Germany, France, Britain and the Netherlands. They range from encouraging people not to use elevators, to informative exhibitions about recycling and fair trade. “Our employees are delighted that reducing carbon emissions is such a priority for RTL Group,” says Jeroen Marre, RTL Nederland’s representative on the Environmind team.

But the Group reaches far more people through its programming. Each month, for example, a reporter and a technician take a ten-day trip to places where people’s future is threatened by environmental degradation, to report for RTL Radio in France. In the past, Destination RTL has highlighted problems including soil erosion in Madagascar and water shortages in the Middle East. The current season, featuring texts, photos, and online videos, focuses on Europe.

Practical tips for saving energy in daily life are also part of the programming at broadcasters including RTL Radio in France, Bel RTL in Belgium, various science programs and documentaries such as Capital Terre on M6, and not least on the RTL Group intranet. Some TV channels even devote entire days to one subject. For example, on Vox Planet Blue – Water Day in September 2010, Vox broadcasted 24 hours of programs about this vital resource. Two months later, the news channel n-tv ran an Energy Day devoted to coverage on renewable energy.

RTL Group’s channels see it as their job to provide information to their audiences, thereby enabling them to arrive at informed opinions and choices. Of course RTL Group does not have answers to all the big questions. But it is actively helping to find solutions.
Wolfram Kons, presenter and head of all RTL’s German charity activities, took several deep breaths, concentrating hard, his tension clearly visible. One last breath, then Kons took a run and jump – off the roof of the new RTL broadcasting center in Cologne-Deutz, plunging 20 meters. By doing so, he won a €50,000 bet with Hollywood stars Tom Cruise and Cameron Diaz, with the proceeds going to charity.

Kons’s daring leap was one of the highlights of the RTL Spendenmarathon telethon hosted by the Cologne-based TV channel in November 2010. Within just 24 hours it raised €7,941,389. In the past 15 years, RTL has raised a total of nearly €90 million from viewers and sponsors, all of it destined to provide relief for children in need, in Germany and all over the world. The 24-hour program is not only the longest but also one of the highest-earning fundraisers on German television.

Since the RTL Spendenmarathon made its debut in 1996, the channel has devoted a full day of its programming to the 24-hour charity fundraiser each year. Because RTL Television bears all the campaign’s administrative, production and personnel costs, all of the money raised goes to selected projects sponsored by the “Stiftung RTL – Wir helfen Kindern” children’s aid foundation – without administrative or other deductions. A special highlight of the event is in the celebrity edition of Who Wants To Be A Millionaire?, which features celebrities answering questions from host Günther Jauch and donating their winnings to charity.

“For me, the RTL Spendenmarathon is the most important program of the year,” says Kons, adding that it makes him “very happy to be making a difference.”

Alain Simons feels exactly the same. RTL Belgium’s star presenter has hosted the comparable Télévie telethon for 22 years. He says he is “deeply touched by Belgium’s constant commitment and generosity.” In absolute terms, Télévie is even more successful than the RTL Spendenmarathon. More than €100 million has been raised in 22 years. This is especially impressive considering Belgium and Luxembourg have a combined popu-
lation of just 12 million – a little over ten percent of the audience is able to receive RTL in Germany, Austria and Switzerland.

The money raised by Télévie goes to seven research centers for cancer in general and leukemia in particular – because in Belgium, every five days a child still dies of cancer. Dr. Guy Berchem of the Fondation de Recherche Cancer et Sang in Luxembourg, one of the projects supported by Télévie, is very grateful: “We wouldn’t be able to operate our labs without it.”

Incidentally, RTL Luxembourg employees raised part of the money collected in the Télévie by the sweat of their brows, collectively biking and paddling on fitness equipment for eight hours. Their physical effort for a good cause paid off – much like Wolfram Kons’s leap: €52,000 was raised.

RTL’s charity activities are not limited to this one day, but take place year-round. Kons reports that the celebrities who agree to act as patrons for children’s charities usually also get involved on the ground. For example, the actress Bettina Zimmermann cares for children on permanent ventilation in a Wiesbaden clinic; RTL presenter Katja Burkard raises money for an elementary school in Burundi; and one of Germany’s most famous singers, Xavier Naidoo, has also been on board since 2010 – he supports the construction and operation of an RTL Kinderhaus children’s center in his native city of Mannheim.

Alain Simons goes a step further. Every weekday, he presents a short show “Faisons gagner la vie” (“Let’s save lives”) on RTL-TV1, documenting the work of Télévie volunteers and thereby encouraging others to join in.

The viewers are regularly brought up to date on various aid projects, and RTL Group channels also put out pleas for help when tragic disasters occur. For instance, the severe earthquake in Haiti in early 2010 led to various campaigns by RTL Nederland, Grupo Antena 3 in Spain, M6 and RTL Radio in France, RTL Klub in Hungary, RTL Televizija in Croatia, Alpha TV in Greece as well as RTL in Belgium, Germany and Luxembourg. The call for donations raised more than €45 million for the affected region. “The popularity of TV and radio comes with great responsibility,” says Gerhard Zeiler, CEO of RTL Group. “Our broadcasters and program managers take this responsibility very seriously. Television can be a force for good.”
THE PROTECTION OF MINORS IS ON EVERYONE’S MIND

As a children’s channel, German TV-station Super RTL has a special responsibility towards its target audience. How do you fulfill this responsibility?

— CLAUDE SCHMIT It goes without saying that we comply with all laws for the protection of minors. But we also do much more. For example, we were the first channel to set up self-imposed advertising guidelines. This means that we define in advance what type of commercials we can run where, for what kind of products, and whether the form of representation is appropriate for children. No other broadcaster in Germany does anything like this. It wasn’t easy to assert in the beginning and it restricts us somewhat commercially, but we’re happy to accept that.

Children like to identify with heroes and role models. How far do you take this into account when selecting presenters?

— SCHMIT We choose presenters who can credibly represent the content of their programs. An animal program, for example, must be presented by someone with a clear and credible love of animals. A program that aims to promote sport and physical activity in children requires someone who personifies this.

Who checks that your programs comply with the youth protection laws?

— SCHMIT We are in regular dialog with the state media authorities. They monitor our shows and have never complained yet. We are also members of the Association for Voluntary Self-Monitoring in Television (FSF) and the Association for

Claude Schmit, born in Luxembourg in 1960, has been Managing Director of Super RTL since 1990. A lawyer by training, he is the father of three children.
Voluntary Self-Monitoring by Multimedia Service Providers (FSM). But more importantly, the protection of minors should always be on the minds of each of our 120 employees. That is the case, and a very effective means of protecting minors.

What do you do to help children interact with the media in a meaningful way? — SCHMIT Many things. For example, we make educational materials available to schools via the Media Smart association. It teaches children how to critically question advertising. We don’t have to do what we do with Media Smart; we do it in the interests of society. The association was founded in 2004, and its media education efforts are handled by a panel of experts led by Prof Stefan Aufenanger and a project management team. We let them do their work. The important thing for us is that we make a contribution to the promotion of media literacy and to help educate children to become responsible citizens.

Super RTL is active on the internet as well. How do you fulfill your responsibilities there?
— SCHMIT In addition to an “Internet license” on toggo.de, we offer the commercial-free, online preschool learning program Toggolino Club – and with great success. It gives preschoolers an opportunity to try out the Internet in a commercial-free and safe environment and to improve their cognitive skills with a number of learning games. In addition, we support the “fragFINN” initiative, which maintains a “white list” – a continuously updated list of content appropriate for children. This list, which also functions as a search engine for children, lets parents or teachers technically restrict the sections of the Net that children can browse, so that kids are free to surf in a protected area.

Is Super RTL doing this on its own? — SCHMIT Apart from Super RTL, Deutsche Telekom, Google, Microsoft and the publisher Tessloff are on the association’s board. There are also other association members and links to the German federal government’s “Ein Netz für Kinder” (A Net for Kids) project. German Chancellor Angela Merkel officially launched the “fragFINN” website in 2009 and the project has since been included in the coalition agreement.

To what extent does Super RTL cultivate a dialog with its audience and with society at large?
— SCHMIT We are approached all the time. For example, when “peb,” the diet and exercise platform, was launched by the Minister for Consumer Protection, Renate Künast. It aims to teach preschool children about healthy nutrition and exercise in a fun way. We developed a concept consisting of three-minute trailers featuring the dolls Peb and Pebber. That’s been ongoing for four years now and is extremely popular with children. We also invest a lot of money in media research. We organize Kinderwelten (children’s worlds), an annual academic conference, and repeatedly invite children to visit the channel to discuss our programs. We feel it is important to address the reservations or uncertainties of our young viewers and their parents and to offer with help wherever we can. Our corporate responsibility efforts should always tie in to our core business – anything else would be implausible.

“We don’t have to do what we do. But we do it in the interests of society.”
World’s largest trade book publisher

€ 1,828 million revenues

5,264 employees worldwide

200 editorially independent imprints in 16 countries

10,000 new books published annually worldwide

230 titles on “New York Times” bestseller list in 2010

Headquarters: New York
“Random House has the privilege of publishing books that make a difference in the lives of our readers. We welcome the responsibility that comes with this privilege and are working to make a difference around the world in support of literacy, education and the environment.”

Markus Dohle,
Chairman and CEO, Random House
A CERTIFIED TRAILBLAZER
The FSC certificate guarantees environmentally friendly paper.

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Reading mentors in New York.
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RESPONSIBILITY AND INNOVATION
How Random House protects copyrights in the digital world.
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As a publishing group, Random House has – like all media organizations – a special responsibility to consider what impact their content has on society. What does being responsible for authors mean to you?
— BILL SCOTT-KERR Taking on a book means taking on a huge responsibility. Editors love to acquire books, but as a publisher, the initial step should be to question how much we really believe in a title. Taking on a title means taking on an author’s hopes, dreams and livelihood, which makes it a very serious commitment indeed. We have a responsibility to guide our authors through the publishing process and provide them with the advice and market knowledge they need to make a book as successful as possible. I think that the most successful relationships we have with authors are those based on collaboration. My attitude is that when you establish a contract, you enter into a cooperative relationship with the author and they become part of the decision-making process.

How does your relationship with the authors develop over the years?
— SCOTT-KERR One of the interesting things about Transworld is that most of our authors have been with us for most of their publishing careers. We have published almost all titles by the likes of Terry Pratchett, Frederick Forsyth, Dan Brown, Joanna Trollope, Lee Child, Bill Bryson, Kate Atkinson, Sophie Kinsella and Andy McNab and I like to think that’s because they trust us to do the very best for their books. Of course that is a massive responsibility, but it is also a positive affirmation of the quality of our publishing: to still be able to deliver for these authors ten, fifteen, twenty years on is something to be proud of, and something we need to safeguard. With the growth in digital technologies like internet-enabled mobile phones,
the publishing landscape is changing so quickly that we are facing a whole new set of challenges. Yet we are still here, and we are still thriving. The printed book still forms 90 percent of our revenue in the UK. In the age of digital music, online news outlets and internet-enabled mobile phones, this is an extraordinary position to be in! It is quite rewarding to know that people still feel such a strong emotional connection to books, even though technologically they are hundreds of years old and are held together with a bit of glue.

As a professional publisher, can you still read books through the eyes of a child? Can you still get lost in a story? — SCOTT-KERR Absolutely! A love of stories is still what gets me out of bed in the morning. We publishers are always an optimistic bunch in that we always believe we are on the verge of finding the next great storyteller. Every time I start page one of any manuscript, I start it with that hopefulness. Most of the time I don’t know anything about this 200-page pile of paper, but that is the beauty of it. It might just be the next Day of the Jackal, the next To Kill a Mockingbird or the next The Book Thief ... you just don’t know till you turn that page! It is this hopefulness and optimism that makes publishing such a rewarding industry to work in. If you weren’t so optimistic, I think the editorial side of things would be a real struggle as there is also a great volume of books that aren’t quite good enough or aren’t as good as they want to be. But I still believe we can find great books and it is that part of the job that I love.

One of the key questions of our time – regardless of whether we are talking about society, economy or ecology – is: What type of content should publishers address in terms of sustainability?

— SCOTT-KERR We started publishing an ecological list in 2001, based primarily on books that come out of the Eden project in Cornwall (www.edenprojectbooks.co.uk). Sustainability is one of the most challenging content areas we cover, because while people are prepared to read articles in newspapers and magazines or online, very few environmental books are really successful. We’ve done books about demographics, water, land, sustainable living, ecological cooking and about living off-the-grid, but often they don’t really find the market that we thought they should find. But then again, we have had some great successes, for instance with Tim Smit’s book Eden.

If authors need source protection, what do you do to guarantee their confidentiality?

— SCOTT-KERR We’ve had some instances where that has been absolutely critical. In 1998 we published The Informer which was a highly controversial book written by an IRA informer in what was a very volatile time. The fact that he was brave enough to write his story was extra-
ordinary in itself, but it meant that we had a duty of care to ensure we provided him with a safe environment. And as you can imagine, that was quite a challenge. There aren’t many books that are that controversial, mainly because they are a legal minefield and as such, can be enormously difficult to publish. We also need to take into account the danger that we put our staff in as a consequence of publishing books like this, which means that the decision definitely has to be by consensus so that the entire team can take collective responsibility for any repercussions. Having said that, it’s also our job to be as courageous and publish the books we feel people need to read, but it is always a decision we take very seriously as both a management and an editorial team.

As the media go digital, what do you think are the challenges publishing houses need to confront? What are the opportunities?

— SCOTT-KERR The digital future gives us a massive opportunity to expand in new and creative ways. For more than two decades I have thought of myself as a publisher, but now I need to start thinking of myself as a content provider. My job now is to work on behalf of our authors to give readers whatever they want, in whatever form they want it. It may come back to my eternal optimism once again, but I think if you start at that point, everything else becomes more of an opportunity than a challenge. For instance, digital publishing now means we can make digital books that we might not necessarily publish in print, so in future we may even be able to work within a two-tier system of publishing.

What kind of anti-piracy measures do you take to protect the intellectual property of your authors?

— SCOTT-KERR Piracy has obviously been a big issue for the music industry. It is starting to become an issue for us, just not on the same scale. But the advantage we have is that we have learned from the music industry and put a few measures in place to combat piracy before we reached the same situation as the music industry. Essentially, our approach has been to help honest people stay honest. We are constantly monitoring for piracy of our titles and have 20 piracy monitors across the Group, and a piracy coordinator, who works with regulatory bodies on bigger picture strategies. This team is also supported by anti-piracy technology, in that we also have an automatic monitoring system which constantly checks the Internet for infringements. We have invested a lot in anti-piracy measures, mainly because we see it as a key part of our responsibility as publishers to protect the intellectual property of our authors.
Wolfgang Michael Hanke likes to take visitors to a display cabinet in the reception area of his Munich office, where he shows them a wooden sculpture – the FSC Global Partner Award. This trophy was awarded to Verlagsgruppe Random House for its trailblazing role in the use of environmentally friendly paper. Production chief Hanke personally accepted the award at a gala reception hosted by the Forest Stewardship Council (FSC) in Bonn in September 2010.

Other German companies who have rendered great services to FSC-certified paper and to promoting responsible forestry also received an award – such as the Hornbach Baumarkt AG DIY chain, the Otto Group and the paper manufacturers SCA and Leipa (Schwedt). Random House Germany, however, was the only German book publisher among the award-winners.

Wood or paper bearing the FSC seal is guaranteed to come from responsibly managed forests, and to not have been mixed with uncertified materials throughout the entire chain of custody. In other words, the manufacturing process has to meet ecological, social and economic standards from beginning to end. More specifically, this means no pesticides may be used in the forests, logging activities must not negatively impact biodiversity and the interest of the locals and forestry companies must be considered in equal measure. “Totally chlorine-free” (TCF) or “elemental chlorine-free” (ECF) processes must also be used to bleach the final pulp contained in the paper.

In 2004, Verlagsgruppe Random House started sourcing paper for the btb and Luchterhand imprints from a manufacturer who had adapted their production to meet FSC criteria. Random House began communicating the change in 2005, when the publisher started printing the FSC label in its books.

While most German publishers still print only a portion of their books on FSC paper,
Verlagsgruppe Random House was the world’s only publishing group to switch the total production of its 45 imprints – including all four-color books – to the eco-friendly procedure by 2008. Nearly all of the 70 million books produced by Verlagsgruppe Random House each year carry the FSC label.

The publishing group had to go to some length to convince suppliers to switch to FSC paper. The resource-conserving production process – and especially the annual TÜV inspection of operations – makes it more expensive than uncertified production. But Hanke managed to convince paper mills such as Mochengren in Baden-Wuerttemberg, Salzer in Austria and Hellefoss in Norway of the advantages of environmentally friendly paper manufacturing. After all, the FSC seal gives certified operations a marketing edge: the suppliers of FSC-certified paper grades are listed in the publishing credits of Verlagsgruppe Random House’s books.

Though FSC paper is more expensive, its higher cost is not passed along to the customer.

Meanwhile, the higher costs for the FSC seal are not passed along to the end consumer. “We have managed to implement FSC paper on our own terms, and without raising the prices that readers pay for our books,” Hanke notes with a smile.

Wood from sustainable forestry forms the ecologically and socially responsible basis for Verlagsgruppe Random House’s environmentally friendly books.
EVERYBODY WINS

For a group of Random House, Inc. employees, reading aloud has become a passion that benefits many.

“We spend years with the same child and read our way through entire library shelves.”

When New York businessman Arthur Tannenbaum came across a report saying a child is most likely to become interested in reading if they are being read to at an early age it reminded him of his own experience as a father of three. Out of a passion for reading and education, he and his teacher wife Phyllis decided to found “Everybody Wins!,” a nonprofit organization that places volunteers in public schools to read to children.

Twenty years later, the Tannenbaums’ project has grown into a national organization with more than 14,000 volunteers. Many of them come from major companies, including Bertelsmann’s U.S. trade book publishing division Random House, Inc. “Everybody Wins!” is just one of the many projects promoting literacy that the world’s largest publishing group supports financially worldwide. For one thing is clear: Reading is one of the key prerequisites for participating in society.

Once a week, approximately 40 of the Random House, Inc.’s staff donate their time as guest readers at local New York City public schools, to inspire children aged six to eleven with books and stories.
Rose Schaer from Random House’s Special Markets department enjoys spending her Wednesday lunchtime reading to children. “Random House volunteers meet in designated classrooms, where we sit at a table with the student we have been matched with by their homeroom teacher. Some of us spend several years with the same child and read our way through entire library shelves. Many times, we also see friendships forming between children and their readers,” explains Rose.

Sometimes, Random House volunteers bring books to read and subsequently donate to the school library. Other times, the reader and the student select a title together from the library’s existing stock. Rose confirms that it’s a two-way learning experience. “Recently, I read aloud a book on the history of pants. I found this book after ‘my’ little girl told me that she is passionate about fashion. Although I’m not particularly interested in fashion, it turned out to be just as interesting for me as for her.”

The roles may also be reversed on occasion, with the children reading aloud to their readers. Or, sometimes, in addition to reading they talk about other topics of interest. “We don’t want the children to lose touch with their other activities. We are just trying to enrich their lives through books,” says Rose. A sure sign of the reading lesson’s success is that many of the children check out books from the school library and finish reading them themselves.

The time spent on reading the stories in the weekly lessons between geography and math is entirely up to the students. What’s most important is that they learn how a book can be a gateway to the world. “With ‘Everybody Wins,’ Random House will definitely continue to be waiting in classrooms with great new books and stories for them,” says Rose.
Europe’s leading magazine publisher

2,549 million revenues

13,337 employees worldwide

More than 500 magazines and digital offerings in over 30 countries

Quality journalism at its best: thoroughly researched, informative, inspiring and entertaining

Headquarters: Hamburg
TAKING ACTION AT GRUNER + JAHR

“As a leading publishing company, Gruner + Jahr has a great responsibility to society. This includes upholding the standards of independent quality journalism as well as our efforts for the environment and commitment to social projects.”

Dr. Bernd Buchholz,
CEO, Gruner + Jahr AG & Co KG
“GEO PROTECTS THE RAINFOREST”
How G+J compensates for the air travel of its employees.
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CRAFTSMANSHIP WITH PRINCIPLES
Young journalists learn it at the Henri Nannen School.
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EDITOR-IN-CHIEF PRINCIPLE
On the importance of journalistic independence.
p. 92
What do you do when you finish a very intense and strenuous one-year project in addition to your main job? Take a vacation? Relax and unwind? Catch up on your sleep? Jürgen Rosenboom did the absolute opposite – he got up very early. By 7 a.m., he was already standing in the Deutscher Pressevertrieb (DPV) foyer in Hamburg, ready to distribute the result of the year’s work: a newly designed brochure for the Familienhafen (Family Harbor) children’s outpatient hospice service in Hamburg. “We were very excited to see how the brochure would be received. It’s not exactly an easy subject,” recalls Rosenboom, Head of Customer Relationship Management Services at DPV.

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The children’s hospice service has supported families with terminally ill children since 2009, and Rosenboom is one of the association’s 20 “guides” who volunteer to support the families and offer assistance in a variety of ways. They help to care for the children, but also sometimes look after their siblings, who often have to take a back seat. Or they provide respite care, so the parents can have time to be together as a couple.

It’s a challenging task that is not suitable for everyone. “We usually get between 50 and 70 people turning up for the first informative sessions. Of these, only 15 come to the next event. And many of those quit, too,” says Rosenboom. He himself stayed on even after the first, second and third meeting.

This was followed by more than 100 hours of preparation, including the legal basis of support work, information about patterns of disease in children and courses in interpersonal communication. “The training is a very intense and valuable experience,” says Rosenboom. “You learn a lot about yourself and can exchange

WHAT IS G+J COMMITMENT?
G+J Commitment is the Gruner + Jahr publishing company’s corporate volunteering program. It was set up to encourage employees to volunteer for a good cause. The initiative consists of several elements. Firstly, for each day they take off to volunteer for a social or charitable institution, employees can apply for another day of paid leave, up to a maximum of three days. Secondly, employees can also apply for a grant to cover material costs (up to €1,111). And thirdly, for employees who not only volunteer but also donate their own money for a project, G+J will make a matching donation of up to three times the amount (up to €3,333). The G+J Commitment Committee decides how much money is granted and to whom. Its members include representatives from the HR department, the works council, and Corporate Communications, as well as executives from the publishing and editorial teams.

TWO IMPORTANT TO KEEP QUIET ABOUT
Executives support the families of terminally ill children – thanks to G+J Commitment.

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experiences with other volunteers.” While working with the families, this sharing becomes mandatory. Every guide has to undergo regular psychological supervision. Only those who can demonstrate a stable personality are accepted as Familienhafen guides. Rosenboom says it’s a very demanding job, and some people, especially those who carry a lot of their own sorrow inside, cannot withstand the pressure.

Rosenboom came across the Familienhafen quite by accident on the G+J Commitment homepage, a site operated by the publisher that supports employees in volunteer projects. “I wanted to get involved and this project appealed to me the most.” Shortly afterwards, at the G+J Management College, which Rosenboom attended at the turn of the year 2009/2010, executives were encouraged to volunteer for the common good. Every individual is supported with up to €1,111 in expenses by the company. Rosenboom’s year was the first to elect to form a common project, rather than many different ones. And it quickly became clear that the participants wanted to support the Hamburg Familienhafen. Not an easy task.

“It’s easier to raise donations for starving children in Africa. We’re familiar with those pictures,” says Rosenboom. With the Familienhafen brochure, however, there was a lot of discussion about what images and layout should be used to represent the association. “It’s a difficult topic because it is much closer to home than African children. And because there is no hope. The children supported by the association are going to die.”

With the 12 executives from the editorial, manufacturing, sales, advertising, finance and IT departments, a professional team went to work. Rosenboom: “Others renovate kindergartens. That was not our core competency. Our forte is producing and distributing publications.” The fund raising brochure was carried as an insert in the magazines Stern, Geo, Eltern and Brigitte, and distributed by G+J employees in Hamburg. In addition, 550,000 flyers were put on display by more than 1,000 retailers and banks in the Hanseatic city.

With success: The commitment of the G+J employees gained 25 new Familienhafen members, 20 inquiries from potential new guides, and raised more than €13,000 in donations. “But the most important thing is that we have made the brand and the association known,” says Rosenboom. “As a result, more and more affected families are learning about the project, which is great.” Incidentally, the fears he had prior to the distribution of the brochure turned out to be groundless. Most of his colleagues were glad to talk about it, and the work of the Familienhafen was on everyone’s lips across the publishing company that day. Rosenboom especially remembers a conversation with a colleague who was about to become a father: “Thanks for working on this issue,” he said. “It’s really far too important to keep quiet about.”

“Only those who can demonstrate a stable personality are accepted as Familienhafen guides.”
Our Commitment

FREE FROM HETERO-NOMOUS MOTIVES

What does editorial independence mean for business media publications? A conversation with Editor-in-Chief Steffen Klusmann.

Mr. Klusmann, how would you define quality journalism in the context of Gruner + Jahr’s editor-in-chief principle?
  — STEFFEN KLUSMANN Quality journalism is sound, independent and critical journalism. The editor-in-chief principle guarantees that we can choose our subjects free from heteronomous motives of advertising clients.

Are there any requests from advertisers that force you, as editor-in-chief, to take a particularly strong stand in defense of this independence?
  — KLUSMANN The desire for unusual advertising formats is increasing. Our clients want to stand out from the competition. I can understand that. Our job is to determine whether the desired formats are okay from our point of view and whether we can live with them.

Do you have examples of formats that are not okay?
  — KLUSMANN If ads are perceived as being part of a journalistic article because the text of the story flows around an advertising image or any portion of an ad, for example, we feel that this is no longer acceptable for the reader. If readers can’t make out where editorial content ends and ads begin, we have a problem.

To what extent do you communicate any critical feedback you receive from companies and advertisers about your coverage to your editorial staff?
  — KLUSMANN If a client is upset because we have made a mistake, then the responsible editor needs to know it. If a client is upset because we’ve reported something critical and is perhaps even threatening an advertising boycott, I try to keep this away from my colleagues. I want them to pursue their research unimpeded.

In what ways are you collaborating with the advertising department at Gruner + Jahr?
  — KLUSMANN I personally coordinate very closely with the advertising department. Usually, we jointly develop ideas for specials, dossiers and supplements in the business media publications. The rules of ethics also apply in advertising environ-

Steffen Klusmann is Editor-in-Chief of the business paper Financial Times Deutschland and Capital magazine, as well as spokesman of the Chief Editors Commission for Gruner + Jahr’s business publications, which also include Impulse and Börse Online magazines.
“If readers can’t make out where editorial content ends and ads begin, we have a problem.”

You have introduced paid content articles on the website of Financial Times Deutschland, the newspaper’s German edition. Do your readers understand that quality online journalism comes at a price?

— KLUSMANN Eventually we’re going to have to charge for our content on the Internet as well. At this point, almost all media in Germany are 100 percent dependent on advertising revenue for their online content. This is not exactly a healthy business model in the long term. The introduction of paid content has shown that there are a lot of readers on our website ftd.de who accept that we now charge for premium content. But the fact is you can still access more than 90 percent of the website’s content free of charge. This means that the net sales proceeds for online content are still a long way from supporting a big editorial team.

One last question on the subject of freelance journalists – many freelancers now work in both journalism and corporate publishing or PR, and might be biased if their subject areas overlap. How much attention do you pay to your freelancers’ client lists?

— KLUSMANN In the past, we would never have hired a freelance writer for journalistic purposes, if he or she also worked for a corporate magazine. This is no longer the case. Many freelancers are forced to write for corporate publications in order to survive. Newspapers simply don’t pay enough. Unless, of course, you’re happy to spend the rest of your life sharing a rented apartment. However, when hiring freelancers, we are very careful to make sure that they don’t face a conflict of interest. So if someone writes for a bank magazine, we wouldn’t ask him or her to write a story about financial service providers. Book reviews, for instance, generally do not pose such problems. So we do require our freelancers to let us know who else they work for.
A nyone devoted to quality journalism and reporting on the state of the world using pens, laptops and cameras, will eventually need to fly. This leads to greenhouse gas emissions like carbon dioxide, which in turn are a significant factor in climate change. However, one can offset the consequences of business travel by using an emissions calculator to determine the quantity of greenhouse gases each flight has caused. This tells you exactly how much has to be saved elsewhere – for example by protecting forests in Nepal, because trees store carbon dioxide.

The donor-funded organization “GEO Rainforest Conservation” (GEO schützt den Regenwald e. V.) carries out forest conservation projects around the world. These include an initiative started in 2008 with Gruner + Jahr in the Middle Mountain region of Nepal, which offsets carbon emissions from G+J employees’ business flights. The basic idea, however, goes beyond pure carbon offsetting to help local smallholders help themselves.

In this rural area there are no Western-style villages. The 4,000 households, almost exclusively subsistence farmers, are spread across the slopes of several mountains. When the project was introduced, nearly all of the population’s energy needs were met by wood, with each family needing an average of ten tons of firewood per year for cooking and heating. However, as the population in the Middle Mountains has doubled in the last 30 years, much of the forest has disappeared during that time or is in poor condition. "GEO Rainforest Conservation" has two different objectives here.

First, the establishment of tree nurseries and reforestation activities. "At first there were delays," admits Dr. Eva Danulat, Managing Director of the nonprofit organization. "The nurseries were unable to supply a sufficient number of healthy, strong seedlings. Moreover, it was often difficult to find suitable land in the hilly terrain, where the soils are stony and poor.” But in the summer of 2010 they were finally ready to begin the first major local afforestation campaign. In the district of Dhading, west of Kathmandu, locals planted close to 55,000 seedlings of various fruit and forest tree species. "The target for 2011 is even higher," says Eva Danulat. "More than 70,000 trees will be planted this year. And by June, more than 50,000 were already in the ground."

The second series of measures involves managing existing forests better and reducing logging. By March 2011 alone, 600 households were able to use a biogas system and 800 more were using more efficient wood-burning cooking stoves. By the end of the year, another 200 stoves and 300 biogas systems will be installed. The women, who are traditionally responsible for cooking and managing the household in Nepal, are enthusiastic about the new stoves, partly because the smoke from open cooking areas is inconvenient and very unhealthy. The new stoves have a brick vent, and also use 30 to 40 percent less wood. Families who receive a biogas system no longer need to use any wood for cooking, so they are also saved the tedious job of collecting wood. In addition, the project has initiated activities to improve health care and drinking water supply.

Phase one of the project will be completed in 2013. It is gratifying to see that, after a difficult start, it is now developing even better than originally projected.
For the finalists of the application process for the Henri-Nannen-Journalistenschule, 19 June 2011 was a challenging day. They had just three hours to write a report about a “shopping Sunday” (editor’s note: in Germany, shops are regularly closed on Sundays) – and only half an hour more to do their research in downtown Hamburg.

This task was part of the three-day round of tests for the final 80 candidates shortlisted from a total of 2,000 applicants for the 2012 program. Other examinations included a picture test for identifying people in the public eye; a rewrite of a confusingly written news report; a test on general knowledge and current events in politics; and a personal interview in which candidates scored points for their ability to argue their opinions and the speed of their reactions.

The participants were then ranked according to their scores for each task – and only the top 20 were admitted to the program. “Qualität kommt von Qual” (No pain, no gain) has been the journalism school’s motto since it was founded in 1979, funded by Gruner + Jahr and Die Zeit newspaper and regularly supported by Spiegel magazine. It is engraved on a marble slab hung in the auditorium for all to see. Those who are accepted into the school and pass their exams 18 months later can hope for a career in high-quality German media. Of the 20 graduates in the class of 2010, 15 immediately received employment contracts. In all, the school has trained 600 journalists. Many of them can now be found in management positions, including the senior editing teams of Der Spiegel, Geo, Die Zeit, Financial Times Deutschland, RTL and Handelsblatt.

During their training, the students complete five seminar units at the school and four internships at prestigious newsrooms. Journalistic craftsmanship is at the heart of the curriculum: in-depth research and linguistic precision, interview strategies and development of themes, press law and content management. No course fees are charged; instead, the students receive a monthly allowance of €761.

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“No pain, no gain” has been the motto of the journalism school since its inception.

The course is held in a historic office building near the port of Hamburg and primarily consists of practical exercises followed by an intense process of correction. Students write news, features and commentary. They produce their own newspaper, create content for a dummy news website, develop magazine concepts, and also learn to produce Web videos and apps. In addition, there are regular morning journalistic exercises – for example, to develop a feeling for language (“Write a short story using only one-syllable words.”) or database search (“Find the 20 highest buildings in Bogotá.”)

The head of the school, Andreas Wolfers, formerly Editor at Stern and Geo magazines, puts just as much emphasis on critical reflection as on practical skills. His students should learn to think and work independently, free from prejudice. And to always ask themselves: Is what is being said and written really correct?

A morning exercise in connection with the Greek crisis provides a practical example of this. In 2010, it was widely reported that Greek officials receive a pension equal to their final salary. The students were given 20 minutes to check this claim online. The result: Yes, Greek civil servants receive 97 percent of their final basic salary as pension. But their basic salary constitutes only 55 percent of their monthly income, while the other 45 percent comes from special payments. In other words: The snappy assertion sounded good, but was factually incorrect. Greek civil servants’ pensions are only slightly more than half of their salary – as is the case for most pensioners in Europe.

Wolfers says this exercise illustrates nicely what the Henri Nannen School of Journalism is all about, and has been for over 30 years: “Handicraft and principles.”

Anyone wanting to encourage young journalists and discover young talent shouldn’t sit around waiting for job applications, but take a look around the nation’s schoolyards. Encouraging young people to get involved and make a commitment is an important focus of Gruner + Jahr’s corporate responsibility efforts. Therefore, since 2011, the publishing company has also been the main sponsor of the German State School Newspaper Competition, which is organized by the Kultusministerkonferenz (Standing Conference of the Ministers of Education and Cultural Affairs of the Länder in the Federal Republic of Germany). At the awards ceremony at the Bundesrat (German Senate) in June 2011, some 80 student newspaper editors – “the smartest pens in Germany” as one paper called them – received their prizes from Bundesrat President Hannelore Kraft, and various editors-in-chief of well-known German publications. The publications of 25 editorial teams were selected from more than 1,800 submissions. Prizes were awarded to school papers in six categories ranging from elementary to high school and vocational school. There were also several special awards, including the “WortWechsel” (verbal exchange) annual award initiated by Gruner + Jahr for the best interview.
Our Commitment

Leading international provider of outsourcing services

€5,083 million revenues

63,985 employees worldwide

International provider of integrated outsourcing solutions

Locations in more than 30 countries

Headquarters: Gütersloh
TAKING ACTION AT ARVATO

“Arvato’s services combine economic efficiency with the principle of sustainability. Resource conservation and efficient energy use are becoming increasingly important criteria in our cooperation, both for us and for our customers.”

Rolf Buch, Chairman, Arvato AG
SUPPORT FOR EMERGENCY AID
AZ Fundraising Services helps raise funds for relief agencies. p. 106

RESOURCE CONSERVATION
How Arvato protects the environment. p. 102
GET OUT OF DEBT
Arvato Infoscore supports a debt consultancy.
p. 108
“Climate-neutral printing is good, but selectively reducing emissions beforehand is even better.”

A three-leafed plant inside a circle, in black and white or green: The printed materials produced at Mohn Media in Gütersloh have proudly worn the logo known as CO2-button since 1994. Since then the Arvato subsidiary has produced the energy required for production at its own cogeneration plant, which powers three gas turbines and one steam turbine using natural gas as a fuel. By simultaneously supplying electricity and heat, the combined heat and power plant achieves an efficiency ratio of more than 80 percent and therefore emits 52 percent less CO2 than the average energy mix in Germany. The excess heat is fed into a heating network.

In 2009 the plant became even more efficient. The three old gas turbines were replaced by models with a higher electrical output and improved electrical efficiency. This means that with the same amount of natural gas, about 2.5 million kWh more power is produced annually per turbine. At the same time, the use of special gas burners in the turbine substantially reduces the emission of nitrogen oxide without having to use additional water. Thanks to modern technology, levels are now about 60 percent below those of the old generation of machines. And the modern turbines have another effect: The amount of electrical energy purchased from outside has been reduced by more than two-thirds. Andreas Henrichs, environmental officer at Arvato: “We’re making an important contribution to climate and environmental protection.”

Environmental protection and resource conservation are also increasingly being considered when sourcing the paper used...
to print books, catalogs, magazines and brochures. For instance, the use of recycled paper has continuously risen, along with the quantity of virgin fiber certified according to Forest Stewardship Council (FSC) criteria.

Mohn Media is certified according to FSC chain of custody criteria, along with 15 other Arvato companies, and is a member of the WWF Wood Group. Mohn Media is also a member of the “Initiative Pro Recyclingpapier,” which was founded to promote the use of recycled paper in business and administration.

The Eco Line

Environmental friendliness really starts at the product development stage. The best example of this is the “topgreenline” packaging offered by the Arvato Entertainment Europe subsidiary Topac. This product line is characterized by an ecological and economical use of resources across the entire process, from the initial concept and selection of materials to production and finishing. Packaging in the topgreenline series is made entirely from recycled or recyclable materials. It is manufactured and printed with environmentally friendly inks and lacquers free of petroleum and solvents. For example, in multimedia products like the new BluRayPac, the discs are held in corrugated cardboard trays – these are made from renewable resources, as is the outer cover. In other multimedia packaging, the trays are made of up to 100-percent recycled materials. Topac offers similar eco-friendly solutions for manufacturers of natural cosmetics who wish to set themselves apart from traditional cosmetic brands even in their packaging.

Climate-neutral printing

Despite all these efforts, even Topac cannot produce packaging without CO₂ and other greenhouse gases being released into the environment. The Gütersloh-based

DRAWERS FULL OF TREASURE

When the first commercial cell phone came onto the market in 1983, it weighed nearly a kilogram and had a battery life of about an hour. Since then, handsets have made enormous progress – and many of the old ones lie abandoned and idle in drawers. In Germany alone there are currently an estimated 72 million “retired” cell phones.

Sebastian Roltsch, Corporate and Business Development Manager at Arvato, is not happy about this, as working phones can still be used and defective ones are true treasure chests. They contain precious metals such as copper, palladium, silver and even gold. So in May 2011, acting as project manager, Roltsch and his colleague Moritz Kloss called on 22,000 colleagues across Germany to donate discarded cell phones and accessories for a good cause. In all, 2,698 old handsets and 184 kilograms of accessories were collected. The handsets are inspected, properly recycled or reconditioned, and finally sold. The proceeds go to the nonprofit organization fragFinn e.V., which has developed a child-friendly Internet search engine and provides a daily updated “white list” of safe websites. Besides the positive effects of recycling and protecting minors, the phones do not end up in the trash, which reduces the volume of heavy metals and other pollutants destined for landfills and incineration plants.
company therefore offers its customers the option of offsetting emissions by buying carbon credits. How it works: First, Climate Partner, an agency specializing in the calculation of carbon dioxide, determines Topac’s carbon footprint, i.e. the emissions caused by heating, electricity and the vehicle fleet. Then the amount of CO₂ produced in fulfilling the customer order – i.e. in the manufacture of paper, ink and glue – is measured. Even the manpower involved is included in the calculation.

Once the carbon footprint has been calculated, Climate Partner proposes that the client participates in climate-protection projects by buying emission-reduction certificates to offset CO₂ emissions. The agency recommends projects such as a hydroelectric plant in Guatemala or a wind farm in New Caledonia. The emissions offsetting can be precisely verified from the certificate number issued. Arvato’s environmental officer Andreas Henrichs knows that nothing can be produced without emissions: “Climate-neutral printing is good, but selectively reducing emissions beforehand is even better.”

Environmental friendliness begins at the product development stage, from design and materials selection to manufacture and finishing.
When a massive earthquake hit Haiti on January 12, 2010, many viewers around the world sat shocked in front of their TV. It was the most powerful quake ever recorded in the Americas, measuring 7.0 on the Richter scale. The effects were catastrophic. Hundreds of thousands of people were killed in Haiti and many more left homeless.

Aid agencies have to respond quickly to disasters in order to best exploit people’s willingness to give donations for the victims. Jörn Berheide, Managing Director of the Arvato subsidiary AZ Fundraising Services, and his team have developed a system that enables organizations to start collecting donations quicker than ever before: the Emergency Kit. The German aid organization Welthungerhilfe relied on this emergency service in responding to the disaster in Haiti. “The earthquake hit on a Tuesday. We received the order Wednesday morning. By Saturday morning, 800,000 letters had already reached potential donors,” recalls Berheide.

The Emergency Kit is based on three pillars: the first and most important is the mail-out. AZ Fundraising Services, a direct marketing services provider, sends out letters with a pre-personalized remittance slip. “This is still the most successful way to attract donations, as the donors hardly need to fill in anything,” says Berheide. The aid organization supplies addresses, pictures and texts; Berheide handles...
the printing and mailing with his team of eight. The second component of the Emergency Kit is the e-mailing. E-mails designed just like the letters from the charities are sent within hours. The third measure consists of calling through lists of donors. But in the two years that the Emergency Kit has been on the market, this has never been requested. “Most Germans reject the idea of telemarketing,” says Berheide. “Besides, you never know if you have called someone at a good time. Maybe the kids are annoying them, or the mop bucket has just spilled all over the floor.” A letter, however, can be put aside for reading at a better time, and e-mails can be left unread, he says.

AZ Fundraising Services responded especially quickly to the disaster in Haiti. As Welthungerhilfe was already on the ground with various projects, they had an overview of the situation and knew how they could use the money. In order to produce the letters within the shortest possible time, the Arvato subsidiary always stores several rolls of white paper and has specific contracts in place with printing plants in case of disasters. This is an important component, says Berheide: “In the past, our customers let us know that although we did some very good work, we were not quick and flexible enough. That was when we developed our Emergency Kit.” All the major charities such as Unicef, Doctors Without Borders, SOS Children’s Villages and Welthungerhilfe have already used the emergency package. But AZ Fundraising Services offers even more: As one of Germany’s leading service providers to charities, the company also handles lead generation, gaining new donors through mailing and e-mailing campaigns, and the production and mailing of newsletters and promotional letters.

Jörn Berheide, the emergency helper when catastrophe strikes, actually makes regular donations himself. “I have an idea of the work carried out by organizations,” he says. “For me, there’s no question that the money really does go to the right place.” And at Christmas his entire department gets together to consider which organizations will get an extra donation – even in the absence of time pressure and acute disasters.

“The earthquake hit on a Tuesday, Wednesday morning we received the order, and on Saturday morning, 800,000 letters had already reached potential donors.”
GET OUT OF DEBT

More and more Germans are slipping into insolvency: Arvato Infoscore has joined forces with the Diakonie Baden-Baden to help.

On German television there is a reality format that is already in its ninth season, and has won every major award – the Grimme Award, the Golden Camera, the German Television Award – the RTL show “Raus aus den Schulden” (Get Out Of Debt). Its success is no accident: Ever more people in Germany are going bankrupt. According to Germany’s Federal Statistical Office, the number of personal bankruptcies in Germany rose from 3,000 in 1999 to over 100,000 ten years later.

All over the country, people need help with debt – even in the wealthy state of Baden-Wuerttemberg, where the Baden-Baden and Rastatt Diakonie has operated a debt consultancy for two years. Arvato Infoscore, a subsidiary of Arvato headquartered in Baden-Baden, supports the charity’s practical debt advice work by donating €10,000 per year.

But Infoscore does more than just give financial support. Its portfolio of services includes risk management, billing, accounting, payment processing, as well as dunning and debt collection. In short: Infoscore is an expert on debt.

“We commit all our expertise to providing debt advice,” explains Wolfgang Hübner, a member of the Arvato Infoscore Executive Board. “We communicate regularly with employees of local charities with the aim of jointly finding ways to get clients out of the debt trap.”

Nicole Schieler, who is responsible for the project at Infoscore, explains the details: “If, for example, a debtor contacts us because of an outstanding claim from one of our customers, our employees may support them in drawing up a joint debt plan.” The Diakonie appreciates this support: “Arvato has inspirational staff who work very constructively with us,” says Gerhard Klaar, a qualified social worker at the Diakonie.

But Arvato also benefits from the cooperation. For example, one employee was invited to sit in on one of the Diakonie’s advice sessions to learn about the prob-
More and more Germans are slipping into insolvency: Arvato Infoscore has joined forces with the Diakonie Baden-Baden to help. In particular, she was confronted with people who could no longer afford to pay their rent – an experience that Arvato benefited from as the company was planning a consulting service for housing associations at the time. Besides, this kind of role reversal broadens people’s horizons: “Seeing the real-life impact of our work was definitely a good experience for her,” says Klaar.

But the social worker does not only help when it is nearly too late; he also provides debt prevention counseling services that draw on Infoscore’s experience. Both rely on the preventive effects of educational work, because “with a little help, personal bankruptcy can often be avoided,” says Klaar. He also helps teenagers, as people now often start “racking up debt” before their 18th birthday. “Young people need to learn to deal with money,” he says.

There are a number of consulting programs available in Germany for debtors who feel there is no way out – the Diakonie Baden-Baden offers one in partnership with Arvato Infoscore.
To continually measure and improve our performance, we monitor key indicators in our business operations. In doing so, we aim to create transparency about what we do and how we do it. Therefore, on the following pages we have compiled relevant financial, employee-related and environmental indicators.
Business development

Bertelsmann’s performance in fiscal 2010 was very positive, with revenues and earnings up sharply. Revenues from continuing operations reached €15.8 billion, up from €15.1 billion in the previous year, and operating EBIT from continuing operations came to €1,852 million, up from €1,438 million in the previous year. The growth in revenues and earnings was fueled by the economic recovery, especially the rising advertising market, and by the cost-cutting measures. The return on sales rose to 11.7 percent (previous year: 9.5 percent), a new record. Group profit increased sharply by €621 million to €656 million. In 2010, tax expenses totaled €248 (previous year: €249 million). Bertelsmann expects the economic recovery to continue in fiscal 2011.

Personnel expenditure

Expenditure on personnel increased to €4,513 million in 2010 (previous year: €4,379 million).

Social insurance

Varying forms of pension plans exist in the Group, including defined-contribution and defined-benefit models. While expenses for defined-contribution plans during the reporting year amounted to €25 million (previous year: €23 million), €174 million was spent on defined-benefit commitments to employees (previous year: €168 million).
Around 100,000 people worldwide work for the success and continuous development of our company on a daily basis. We therefore give high priority to our responsibility for employees. As a consequence of the global economic crisis in 2009, Bertelsmann initiated restructuring measures and reduced its workforce. In the spirit of our corporate culture of partnership, we worked closely with employee representatives to find socially acceptable solutions (2008: 106,083 employees, 2009: 102,704 employees). In 2010, one of the most successful years in the company’s 175-year history, the number of employees increased by 1,715 year-on-year to 104,419 (as at Dec. 31, 2010).

### Staff structure

In 2010, Bertelsmann AG companies employed people in 51 countries on all five continents – nearly 35 percent of them in Germany. Bertelsmann also has a particularly strong presence in France, where the Group has 17,703 employees. By expanding activities in Africa, the number of employees there has increased by about a third to 3,808 over the past few years. Eighty-two percent of the Group’s staff are full-time employees. This proportion has increased slightly in the last three fiscal years. The average age of Bertelsmann employees was 37.1 in 2010, a figure that has remained steady at this level over the last few years. Given the demographic trend – nearly 17 percent of employees are now over 50 years old – Bertelsmann has been quick to respond in order to mitigate its effects. For instance, Bertelsmann offers various working-time models to help enable a smooth transition to retirement. Furthermore, the ergonomic design of workplaces is increasingly taking the changing needs of older employees into account. To counter a possible shortage of skilled staff – the proportion of employees under 30 currently stands at 35 percent and is falling – Bertelsmann gives special emphasis to training and continuing education for its employees.

### Fluctuation

In the markets in which its firms operate, Bertelsmann not only advertises for customers but also for the best personnel, in order to ensure the company’s long-term success. Most services businesses are highly dynamic, which is also reflected in staff turnover. Based on the BDA formula, the fluctuation rate for companies in Germany was 13 percent in 2010. In regions where labor markets can fluctuate very rapidly (the rest of Europe and other countries), local companies also recorded a high level of fluctuation. Despite these strong changes, the average length of employment has increased over the last three years and is now at 7.4 years. More than 16 percent of the...
workforce has been employed by the Group for over 15 years.

Education and training

“Employee skills and qualifications determine the success of the company.” Based on this realization, Reinhard Mohn founded the Bertelsmann publishing company’s private vocational school (page 114) more than 45 years ago, laying the foundations for the Bertelsmann Group’s present-day system of education and training. At year-end 2010, 1,339 young people were in training in a total of 46 different professions at Bertelsmann companies in Germany. The range of apprenticeships offered is as diverse as the businesses the Group is engaged in. Alongside budding media designers, industrial clerks and warehouse logisticians professionals these also include future industrial mechanics and cooks, and even, for the first time, a sports and fitness specialist.
Bertelsmann has been serious about its role as a training company for many years and has long been able to keep the number of trainee slots through the group at a high level.

An analysis of the results of the global Employee Survey in 2010 revealed that there was room for improvement in the area of continuing education. In addition to numerous measures initiated by the individual divisions to address this issue, the Bertelsmann Academy was founded in January 2011 and now offers – for the first time in the group’s history – all employees in Germany training and continuing education across all divisions. A continuing education catalog with a print run of 10,000 copies was distributed to all company sites in Germany and is also available online. It provides an overview of the 75 different seminars on offer. On average, each employee in Germany completed 6.1 hours of training in 2010 (2008: 8.6 hours; 2009: 6.4 hours).

Bertelsmann University

Founded in 1998, the Bertelsmann University offers future-oriented content and classes for Bertelsmann group executives worldwide. The Bertelsmann University’s program boosts the growth and development of businesses and the establishment of networks across divisions and hierarchical levels. The Bertelsmann University develops customized programs for group executives in collaboration with renowned partners such as the Harvard Business School, Insead and the HEC. The number of participants varies according to the programs on offer, which reflect the needs of the individual divisions and the group.
Diversity

Equal opportunity for all – no matter who you are. This right applies to all Bertelsmann locations worldwide and is firmly anchored in our core values. In 2010, Bertelsmann was active in more than 50 countries. In Germany alone there were employees from 97 different nations. Diversity and differences are commonplace for us – a natural part of our work, and an enduring foundation of our success.

The people who work for Bertelsmann are as different and diverse as the markets in which Bertelsmann does business. Respect for each individual employee demands that ethnic background, gender, age, religion, sexual orientation and disabilities are of no consequence in our company. Although the proportion of female employees is very high, this is not reflected in the proportion of top management positions held by women in the group (17 percent).

Bertelsmann supports the “Generation CEO” initiative to promote women in management and will continue to actively work on this issue. Against the backdrop of demographic change, Bertelsmann cannot afford not to use the potential of female managers.

In the summer of 2011, the department of “Diversity Management” was created as a first step at group level.

Ratio of basic salary of men to women

Bertelsmann is competing for skilled employees. Market conditions and performance form the basis for remuneration at Bertelsmann. There is no discrimination on the basis of race, gender, age, religion, sexual orientation or disability. Remuneration is determined according to the type of activity performed, as set out in the job description. Individual performance, experience and developments in the labor market are also taken into account. Women and men are treated equally.

People with disabilities

Performance knows no limits – true to this motto, Bertelsmann AG has for years been committed to people with disabilities. For instance, appropriate steps are taken to create conditions that offer people with disabilities the same opportunities for self-development that people without disabilities enjoy. Therefore, among other things, we have developed innovative aids for employees with disabilities, e.g. “Lisa” – a system that alerts hearing-impaired employees to incoming e-mails by means of vibration and light signals, and a standing wheelchair that allows wheelchair-bound employees to reach high shelves. At the end of 2010, Bertelsmann companies in Germany employed 1,520 employees with severe disabilities or similar impairments and thus almost 10 percent more than in 2008 (number of employees with disabilities: 2008: 3.7% 2009: 3.9% 2010: 4.2%).
Work-Life-Balance

All Bertelsmann company divisions offer their employees a variety of working-time models, to enable a better work-life-balance. In addition to the various flextime models, there are companies that offer employees flexible lifetime or annual working accounts and family-friendly working hours on the basis of trust-based working hours. Moreover, there is a variety of part-time working models designed to suit each company and its business activity. In Germany, 23 percent of employees take the opportunity to work part time.

Health management

More exercise, better nutrition and comprehensive, preventive health care: getting and staying fit is enormously important for each and every one of us. Since 2008, Bertelsmann’s various occupational health management activities have been grouped under the name “BeFit.” To help employees maintain their health long term, there are programs and information on topics such as sports, medicine, prevention, nutrition and nonsmoker protection. The BeFit campaign takes many shapes throughout the company: from a health week with an activity program during lunch breaks, to the creation of a company sports team, through to special deals with local fitness centers. In Germany last year there were 128 days of health campaigns with more than 3,200 participants – twice as many as in the previous year. The increase in sick leave in recent years is taken very seriously. The systematic expansion of BeFit activities is an attempt to reverse this trend (sick leave quota: 2008: 4.6% 2009: 4.9% 2010: 5.1%).

Health and safety at work

Bertelsmann companies in Germany have been compiling data on accident statistics for years, taking into account reportable accidents at work and en route. The increase in the accident rate is largely due to an increase in the number of accidents en route to work. The reason for this is the extreme weather conditions of the past two winters, as lengthy periods of black ice and low temperatures significantly increase the risk of en route accidents. In addition, local work safety committees analyze and discuss the trend in accident figures in depth, so that further measures for reducing the number of accidents can be developed.

<table>
<thead>
<tr>
<th>Accident rates (Germany)</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of accidents at work and en route</td>
<td>725</td>
<td>886</td>
<td>919</td>
</tr>
<tr>
<td>Accidents per 1,000 employees</td>
<td>19.1</td>
<td>23.7</td>
<td>25.4</td>
</tr>
<tr>
<td>Days incapacitated</td>
<td>8,236</td>
<td>11,675</td>
<td>13,265</td>
</tr>
<tr>
<td>Days lost per accident</td>
<td>11.36</td>
<td>13.18</td>
<td>14.43</td>
</tr>
<tr>
<td>Average number of employees in the fiscal year*</td>
<td>37,895</td>
<td>37,417</td>
<td>36,233</td>
</tr>
</tbody>
</table>

*Permanent and temporary employees, excluding trainees.
Bertelsmann is primarily active in the production and sale of books, magazines, digital storage media, in television and film production as well as in media and communication services.

Against this background, we see our key environmental challenges in the area of paper and climate protection. Therefore, environmental management in printing plants and in CD and DVD production as well as the responsible use of paper are core to our environmental effort. The basic goals we pursue are manifested in the Bertelsmann Environmental Policy and in the Bertelsmann Paper Policy. They have been applied throughout the Group since 2004 and 2005. The policies can be found at www.bertelsmann.com/environment

Bertelsmann AG considers climate change to be one of the central challenges of the 21st century. In 2008, the Bertelsmann Executive Board initiated the corporate-wide environmental and climate protection strategy, “be green.” A central pillar of the “be green” strategy is the regular compilation of a corporate carbon footprint and the collection of other relevant key environmental indicators. The aim of Bertelsmann’s environmental and climate protection efforts is to reduce emissions of greenhouse gases (GHG) and to minimize the overall environmental impact of its business activity.

As part of the “be green” strategy, the risks due to climate change for Bertelsmann AG were assessed. They can be categorized as follows: financial risks (such as rising costs for energy and emission trading), reputational risks (e.g. loss of trust among stakeholders and diminishing appeal as an employer), regulatory risks (such as tightened efficiency standards), and physical risks (damages due to natural disasters). By counteracting these risks early on, for example, by increasing energy and resource efficiency, negative consequences are sought to be diminished. At the same time, environmental and climate protection can open up new opportunities for the corporation, such as new green business models in the media and service sectors (e.g. CO2 emission compensating printing and climate-neutral logistics).

For the fiscal year 2010, other environmental indicators relevant to the operations of Bertelsmann AG were collated for the first time, in addition to the carbon footprint. The Institute for Energy and Environmental Research (IFEU) in Heidelberg, Germany, supported us in the collection of environmental data. PricewaterhouseCoopers conducted an audit in order to give a limited assurance on the environmental indicators. Information audited by PricewaterhouseCoopers is marked by “✓”.

The carbon footprint describes which greenhouse gas emissions can be ascribed to business activities in a given period. Besides carbon dioxide (CO2), other greenhouse gases such as methane (CH4) were taken into account and assessed according to their climate effectiveness. Therefore, the carbon footprint is reported in CO2 equivalents (CO2eq).

In 2010, Bertelsmann’s total GHG emissions amounted to around 1.3 million metric tons CO2eq. The greatest share of greenhouse gas emissions were emitted by the Arvato and Gruner + Jahr divisions, as well as by Prinovis. The printing units and other production facilities in these divisions use a lot of electricity, gas and heat, which becomes apparent in the carbon footprint. In comparison to the carbon footprint of 2008 (1.475 million t CO2eq), around 11.5 percent less greenhouse gas emissions were emitted. The reduction can partly be ascribed to our reduction measures and partly to changes in the corporate structure. Changes in the corporate structure also include, in particular, the gradual sale of Direct Group’s international businesses since 2008. Therefore, the comparability of the figures of 2008 versus 2010 is limited.

### GHG emissions by scope

By far the largest share of GHG emissions can be attributed to the provision of heat and electricity. Bertelsmann’s direct emissions result from the use of fuels such as gas and domestic fuel oil in our heating systems.
Facts and Figures

and in some of our production assisting equipment. Regarding electricity, we took into account our proportionate share of CO₂ emissions at our electricity suppliers’ power stations, including the provision of combustible material they use.

At the printing plants, electricity consumption has a huge impact on the overall amount of emissions. At our offices and administration buildings, however, most emissions originate from the heating system.

Business travel includes those GHG emissions caused by air or rail travel and the use of rental cars. Business travel accounts for 3.4 percent of the overall emissions of Bertelsmann AG. The transport segment reflects the emissions of our various in-house vehicle fleets, which cause 1.9 percent of emissions.

Use of resources

Overall, Bertelsmann strives for an efficient and responsible use of resources in all divisions. An overview of input and waste can be found at the end of this section. Paper is a particularly important resource for us as a media company with its own publishing and printing plants — paper accounts for 96.6 percent of all raw materials used in the group. We committed ourselves in our Paper Policy to increasing the use of recycled paper. The share of recycled paper in the overall use of paper amounts to 13 percent in total.

Furthermore, we give preference to the use of paper which stems from certified sustainable forestry. For example, already 98.5 percent of paper used at Gruner + Jahr is FSC- or PEFC-certified. Random House Germany uses exclusively FSC-certified paper. Besides the use of certified paper, it is also possible to certify businesses for the correct handling of FSC or PEFC³ papers. Random House UK is FSC-certified for its own direct paper purchases. In total, 80 percent of Bertelsmann’s printing plants are certified for processing and distributing FSC products. Over half of all printing plants are PEFC-certified. Another important resource for Bertelsmann is fresh water. In 2010, total water consumption amounted to 4.5 million cubic meters. In addition to the consumption of water for daily use in offices and production buildings, the largest share is incurred at the printing plants.

For instance, in rotogravure printing, a lot of steam is needed to adsorb the solvent toluene from the exhaust fumes through activated carbon filters, a procedure used to recover solvents from the print cycle.

Biodiversity

Bertelsmann’s main impact on biodiversity results from the use of paper. By procuring and using paper responsibly, as laid down in our Paper Policy, we aim to contribute to the protection of forests and the conservation of biodiversity. In addition, we review the impact of our business activities on adjacent nature conservation areas. At

Calculating greenhouse gas emissions according to the Greenhouse Gas Protocol (GHG Protocol)³ Bertelsmann calculates its greenhouse gas emissions in accordance with the guidelines of the Greenhouse Gas Protocol (GHG Protocol). The GHG Protocol is the world’s most widely used standard for determining GHG emissions and is published by the World Resources Institute and World Business Council for Sustainable Development. Of particular significance for the determination of organization-wide GHG emissions under the GHG Protocol is their division into three “Scopes”: Scope 1 denotes all emissions generated directly by production or combustion in the company’s own facilities (e.g. domestic fuel oil in heating systems, in-house block heating plants). Scope 2 accounts for all emissions associated with electricity and district heating. Scope 3 includes all other indirect emissions, such as emissions associated with business travel or paper manufacturing, for example.

The Bertelsmann AG carbon footprint includes all Scope 1 and Scope 2 emissions and some Scope 3 emissions (business travel). Those emission factors applied for the calculation of Scope 2 emissions take into account climate gas emissions associated with the extraction and transport of energy sources. Those additional Scope 3 emissions which originate from the use of raw, auxiliary and operating materials (predominantly paper, plastics, ink and packaging material) as well as those emissions caused by the distribution of our products, were not included. With over 1,000 single companies in around 50 countries, the benefits would be outweighed and stand in no reasonable relation to the efforts required for collating the data of these emissions.
Itzehoe (Schleswig-Holstein, Germany), Prinovis operates a rotogravure printing site (204,750 m²) adjacent to a flora-fauna habitat along the river Stör. However, the activities on site have no relevant impact on the nature conservation area.

Reporting boundaries

The carbon footprint and the environmental indicators relate to all companies in which Bertelsmann AG and its divisions (RTL Group, Random House, Gruner + Jahr, Arvato) hold a share of greater than 50 percent. In the case of these majority shareholdings, total rather than proportional volumes were taken into account.

For non-producing sites, energy consumption, business travel and a smaller set of relevant input and output streams were considered. These include office paper, printer cartridges and toner as well as detergent and relevant waste.

In collaboration with the IFEU institute, a guideline for measuring the indicators was developed. It comprises specifications on responsibilities, the collation process and the reporting boundaries.

Details on the calculation of GHG emissions

Emissions taken into account: The carbon footprint takes into account direct GHG emissions from in-house production facilities and vehicles, as well as indirect GHG emissions from generating electricity and business travel (air, rail, car rentals, etc.).

Calculations and factors: The baseline for direct GHG emissions was the 2010 annual consumption of natural gas, domestic fuel oil, fuels, etc. The resultant emissions were calculated using, among others, the factors of IFEU 2010, and those in accordance with GEMIS. The conversion factors of the Intergovernmental Panel on Climate Change (IPCC) 2007, were applied to convert the global warming potential into CO2 equivalents.

The respective national energy mix is taken into account by calculating indirect greenhouse gas emissions from electricity consumption, using internationally recognized emission factors (IFEU 2010, based on GEMIS, assessed in accordance with national IEA data).

To determine the proportionate climate impact of business travel, kilometers traveled were taken from bills of travel expenses and broken down into air, rail and car rental. Information from the databases of EcoPassenger, UIC (International Union of Railways), TREMOD (IFEU) and the German Federal Environment Agency were used as emission factors for company-owned cars and business travel.

1 The overall figure of greenhouse gas emissions in 2008 was revised downward. The reason for this deviation in comparison to the originally released carbon footprint 2008 are corrections in the figures reported for Prinovis, which were rechecked (corrected figure for Prinovis in 2008: 279,808.12 t CO2eq instead of 336,906.0 t CO2eq).

2 Since the collection of data for the carbon footprint 2008, most of Direct Group’s international businesses have been gradually sold. With effect from June 30, 2011, Direct Group is no longer a division of Bertelsmann. The Clubs and Direct Marketing remaining within Bertelsmann in Germany, Austria and Switzerland as well as Spain are administrated under Corporate Investments.


4 The Forest Stewardship Council (FSC) as well as the Program for the Endorsement of Forest Certification Schemes (PEFC) have both developed a certification system respectively. According to these systems, sustainably managed forests and products, whose raw materials originate from these forests, can be certified and labeled.

Certifications and indicators in relation to papers at Bertelsmann AG printing plants (2010)

Printing plants

<table>
<thead>
<tr>
<th>Division/Company</th>
<th>Number</th>
<th>FSC-certified</th>
<th>PEFC-certified</th>
<th>Paper use</th>
<th>Recycled paper</th>
</tr>
</thead>
<tbody>
<tr>
<td>Arvato</td>
<td>16</td>
<td>12</td>
<td>5</td>
<td>2,380,348 t</td>
<td>190,428 t</td>
</tr>
<tr>
<td>Gruner + Jahr (print)</td>
<td>4</td>
<td>3</td>
<td>3</td>
<td>345,355 t</td>
<td>27,628 t</td>
</tr>
<tr>
<td>Prinovis</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>1,073,768 t</td>
<td>257,704 t</td>
</tr>
<tr>
<td><strong>Printing plants total</strong></td>
<td>25</td>
<td>20</td>
<td>13</td>
<td><strong>3,799,471 t</strong></td>
<td><strong>475,760 t</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Share in relation to total number of printing plants</th>
<th>Total share of recycled paper at printing plants</th>
</tr>
</thead>
<tbody>
<tr>
<td>80%</td>
<td>12.5%</td>
</tr>
</tbody>
</table>

1 The overall figure of greenhouse gas emissions in 2008 was revised downward. The reason for this deviation in comparison to the originally released carbon footprint 2008 are corrections in the figures reported for Prinovis, which were rechecked (corrected figure for Prinovis in 2008: 279,808.12 t CO2eq instead of 336,906.0 t CO2eq).

2 Since the collection of data for the carbon footprint 2008, most of Direct Group’s international businesses have been gradually sold. With effect from June 30, 2011, Direct Group is no longer a division of Bertelsmann. The Clubs and Direct Marketing remaining within Bertelsmann in Germany, Austria and Switzerland as well as Spain are administrated under Corporate Investments.


4 The Forest Stewardship Council (FSC) as well as the Program for the Endorsement of Forest Certification Schemes (PEFC) have both developed a certification system respectively. According to these systems, sustainably managed forests and products, whose raw materials originate from these forests, can be certified and labeled.
## Facts and Figures

### Input streams

<table>
<thead>
<tr>
<th>Raw materials, total</th>
<th>3,972,696</th>
<th>t</th>
</tr>
</thead>
<tbody>
<tr>
<td>from printing/office paper</td>
<td>3,837,232</td>
<td>t</td>
</tr>
<tr>
<td>from plastic materials</td>
<td>31,664</td>
<td>t</td>
</tr>
<tr>
<td>from ink &amp; varnish</td>
<td>70,181</td>
<td>t</td>
</tr>
<tr>
<td>Auxiliary materials</td>
<td>102,399</td>
<td>t</td>
</tr>
<tr>
<td>Operating materials</td>
<td>10,204</td>
<td>t</td>
</tr>
<tr>
<td>Water, total</td>
<td>4,448,879</td>
<td>m³</td>
</tr>
<tr>
<td>Water, own wells</td>
<td>2,517,679</td>
<td>m³</td>
</tr>
<tr>
<td>Water, public supply</td>
<td>1,931,201</td>
<td>m³</td>
</tr>
</tbody>
</table>

### Energy used

| Heat and combustible materials | 3,230,125,252 | MJ |
| Electricity | 1,435,000 | MWh |
| Fuels | 246,002,753 | MJ |

### Business travel total

| Air travel | 149,447,920 | km |
| Rail travel | 28,730,245 | km |
| Car rental | 20,080,720 | km |

### Output streams

| Waste, total | 525,876 | t |
| Waste for deposit | 16,259 | t |
| of which industrial waste | 13,214 | t |
| of which hazardous waste | 3,045 | t |
| Waste for recycling | 509,617 | t |
| of which plastics | 162 | t |
| of which paper | 213,677 | t |
| Wastewater (sewage disposal) | 1,940,323 | m³ |
| NOx total | 2,567 | t |
| Sulfur dioxide total | 1,209 | t |
The media are both a business and a cultural asset. Whenever we create, bundle or disseminate media content and products, we fulfill important functions in society: to inform, entertain and educate. This is associated with a particular responsibility.

Customer satisfaction and data protection
We are therefore committed to providing our customers with high-quality products and services. The safety of our products and services is of vital importance. They must not contain defects or unsafe features that could lead to the endangerment of people or to loss of value or damage to property. We are especially careful about handling our customer’s personal information. When collecting, storing, processing or transmitting personal information such as a name, address, phone number, or date of birth, we pay special attention to ensuring strict confidentiality as well as complying with all applicable laws and regulations.

We interact with our customers in many ways and use proven instruments – such as reader letters, hotlines and the option of contacting the editors online – to get open, regular updates about our customers’ satisfaction.

Customer information and advertising
As a media group, Bertelsmann places a strong priority on advertising and marketing. We do not knowingly engage in or promote misrepresentation or fraud in the marketing or advertising of our products and services. We also expressly committed to this in the Code of Conduct adopted in 2008. It is eminently important for Bertelsmann as a media company to retain editorial and journalistic independence in the procurement and dissemination of news. Accordingly, our Code of Conduct prescribes a clear separation of advertising and editorial content. You will find examples of our efforts in this area on pages 46–109.

Information and entertainment for everybody
Access to information is part of the universal human right to freedom of expression: Everyone should be able to participate in the free flow of information and to obtain information, unhindered, from freely accessible sources. For Bertelsmann, the provision of information is not merely a duty that arises from our special responsibility as a media company namely, that of facilitating the process of opinion-building in society. On the contrary: It is an essential part of our business model. We aspire to deliver high-quality content wherever our users want it. The possibilities of new technology are of particular benefit to us in this. Today, more people than ever have access to media. Thanks to digitization, information spreads like wildfire all around the world. We want everyone to be able to access our offerings at any time and from anywhere. By offering our content in different versions and on different platforms, we also make it easier for the socially marginalized, the elderly or people with disabilities to access information, as the following examples show:

RTL Group’s traditional business is “free-to-air TV”: The series, movies, magazines, news, shows, and sports it broadcasts are free of charge. Main source of funding is advertising. This is also true for its online offerings: RTL Group’s “catch-up TV” sites let viewers watch programs they missed, for free, for a certain period after their TV broadcast. Having programs accessible to all has always been rooted in RTL Group’s philosophy of doing business. For elderly or disabled people, M6 in France have prioritised subtitling for the deaf and hard of hearing with 100 per cent of content programming being subtitled.
in 2010. Similarly, RTL Television in Germany launched in December 2010 subtitles service for the hearing-impaired offering numerous prime time movies with a subtitle option. And because children are also part of its audience, RTL Television’s Standards & Practices department ensures the channel’s broadcasts are of a suitable nature to young viewers.

In the print sector, Gruner + Jahr offers discount subscriptions to many of its titles for people on low incomes, e.g. school children, apprentices and those doing community service as an alternative to military service. Alongside Internet use, much of our content – both video and text – is also available for mobile use, such as on cell phones or via iPhone apps.

We emphasize accessibility in our websites: As far as possible, we design them to give all visitors unrestricted (fully accessible) use, regardless of their physical or technical capabilities. Our divisions also develop special offers for the visually impaired: At Gruner + Jahr, there has been a full Braille version of “Brigitte” since May 2002. “Stern” magazine has dedicated itself to the blind and partially sighted for over 40 years. Selected articles are published in the “Stern-Zeit” newspaper for the blind, and are available free of charge as podcasts and audio downloads on the website of the German Central Library for the Blind in Leipzig.

The new e-book technology, with adjustable font sizes on special readers, facilitates access to literature for vision-impaired or slow readers. In addition, our imprints publish many of their titles as audiobooks.

Protection of intellectual property

As a company that sells content and services, the protection and defense of intellectual property is a fundamental basis for our business model. We are a home for artists and creatives who trust us to commercialize their creative output in the best possible way.

Intellectual property protection is essential to our ability to do business. The term “intellectual property” describes the products of creative and intellectual work. This includes works of literature, journalistic articles, music, movies, TV programs, graphic artwork and software. Intellectual property is protected by laws, e.g. copyright, trademark and patent laws, trade secrets and other laws. Laws governing intellectual property protection vary around the world.

Our businesses involve developing, producing, transmitting, licensing and selling products and services that are protected as intellectual property. We strive to commercialize the achievements of the authors, creative talents and artists associated with our company in a comprehensive manner. Against this background, we feel a special commitment to intellectual property protection and favor a high level of protection worldwide. We also advocate improved “self-defense” options for rights owners in the fight against copyright infringements on the Internet.

We regard digitization and the online commercialization of our content as a great opportunity. For a sector that is changing as rapidly as ours, it is essential to try out and advance new approaches and new business models. In this process, the question of how copyrights can be transferred from the analog to the digital realm in a comprehensive and fair manner plays a key role. This is the only way for us to remain competitive and able to invest in new content over the long term, and thereby to do our part for cultural and creative diversity.
## OUR CR AGENDA

### Goals: Strategy and Management

<table>
<thead>
<tr>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td>Establish and expand in-house CR management</td>
<td></td>
</tr>
</tbody>
</table>
- Constituted and established the cross-divisional CR Council (August 2010) | 
- Continue developing Bertelsmann’s CR strategy |
| Timeline: ongoing since 2010 | Status: on schedule |
| Expand internal and external CR communications | 
- Published the first Communication on Progress as part of our UN Global Compact membership (November 2010) | 
- Publish Bertelsmann’s first CR Report in compliance with Global Reporting Initiative guidelines |
| Timeline: ongoing | Status: on schedule |
| CR stakeholder dialog, internal and external | 
- Included various questions on sustainability in the global Employee Survey 2010 | 
- Derive and implement decentralized and topic-specific measures based on CR-relevant results from the employee survey |
| Timeline: ongoing | Status: on schedule |

### Goals: Employee Responsibility

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Promote the corporate culture of partnership/Promote staff participation at work</td>
<td></td>
</tr>
</tbody>
</table>
- Works council elections held at more than 140 workplaces | 
- Complete and realize a new pension contract (IV) |
| Deadline: ongoing | Status: on schedule |
| Promote the integration of people with disabilities | 
- Increased the number of employees with severe disabilities in Germany: 2008: 1,384 (3.7%); 2009: 1,460 (3.9%); 2010: 1,520 (4.2%) | 
- Further sensitize managers and employees to dealing with people with disabilities |
| Deadline: ongoing | Status: on schedule |
| Promote diversity among employees | 
- Created an internal analysis of the proportion of female managers (women’s quota among senior executives: 17%) | 
- Implement diversity action plan |
| Deadline: ongoing | Status: on schedule |
| | 
- Establish the Department of “Diversity Management” at group level in summer 2011 |
| | 
- Hold a “Women in Leadership Conference” with top female executives hosted by the CEO (September 2011) |
### Facts and Figures

#### Promote employee participation and improve working conditions
- Conducted the third global Employee Survey in June 2010 with a record participation rate of 85.1%
- Extensive analysis and discussion of the results at team, company, divisional and group level, followed by joint definition of measures at the various levels
- Identified appropriate corporate measures and put them into action – e.g. founding of the Bertelsmann Academy on January 1, 2011 to improve continued training in Germany and promote in-house filling of vacancies
- Analyze internal job market, with subsequent demand-driven revision, to better inform employees about group-wide career opportunities

**Deadline:** ongoing  
**Status:** on schedule

#### Internal knowledge building for HR managers
- Hosted the second Bertelsmann HR Summit in early 2011 as an international conference for HR managers
- Hosted 33 events for the HR coordination committees that Bertelsmann maintains in different countries and regions
- Launched the HR Circle as a network and training program for top HR staff in the group, under the patronage of the group HR Director and divisional HR directors

**Deadline:** ongoing  
**Status:** on schedule

#### Expand group-wide health management activities
- Held more than 125 BeFit health action days (2008: 31; 2009: 62; 2010: 1275)
- Expanded offerings at decentralized locations across Germany (2009: 945 participants; 2010: 1,143 participants)
- Expanded sports program activities (participants in 2008: 7,900; 2009: 8,500; 2010: 8,800)
- Host BeFit workshop for occupational health management; further develop health contact points

**Deadline:** ongoing  
**Status:** on schedule

#### Ensure the employability of young people
- Clear commitment of Bertelsmann AG to the “dual-mode degree course” principle in Germany and active participation in the development of appropriate training for new careers
- Maintained number of apprenticeship slots offered by group companies in Germany (training ratio in 2008: 3.8%; 2009: 3.6% 2010: 3.6%)

**Deadline:** ongoing  
**Status:** on schedule

### Goals: Environmental and Climate Protection

#### Establish a proactive, comprehensive approach for environmental and climate protection as an umbrella for the activities in the corporate divisions
- Increased bundling of all climate protection measures in the “be green” team, an international work group comprised of environmental representatives from the Bertelsmann divisions
- Developed group-wide climate protection strategy called “be green” and launched it throughout the group, achieved first milestones (see below)
- Adopted and published worldwide the “be green” mission statement

**Deadline:** ongoing  
**Status:** on schedule

#### Expand Group-wide reporting on environmental and climate protection
- Published first worldwide carbon footprint (for 2008: 1.475 million tons CO₂eq.)
- Published second worldwide carbon footprint (for 2010: 1.305 million tons CO₂eq.)

**Deadline:** ongoing  
**Status:** on schedule

#### Measures realized (2010 and 2011)
- Prepare the fourth global Employee Survey
- Prepare the third HR Summit 2013 as an international conference for HR managers
- Continue regular events for HR coordination committees in all countries and regions in which Bertelsmann is active
- Continuation of the HR Circle as a network and qualification program for top HR staff in the group dealing with current HR issues
- Keep offering the sports program; expand leisure offers; carry out burnout prevention measures and health checks
- Keep making apprenticeship slots available at group companies in Germany
- Permanently establish the “Du bist Deine Zukunft” (You are your future) training program for young people who have been trying in vain for an apprenticeship
- Calculate third worldwide carbon footprint for 2012 reporting period (deadline: 2013)
- Regularly and systematically report on relevant environmental indicators

#### Measures planned (2012)
- Update Bertelsmann’s Environmental Policy (deadline: 2012)
- Update the Bertelsmann Paper Policy (deadline: 2012)
### Promote environmental awareness and knowledge among staff

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Positioning of the issue on the top level by the Chairman &amp; CEO (statements/interview)</td>
<td>Hold next international &quot;be green&quot; Day 2012</td>
</tr>
<tr>
<td>Carried out international &quot;be green&quot; day in October 2011 with comprehensive environmental and climate protection activities for employees at 45 sites in 15 countries (25 percent more sites compared to &quot;be green&quot; day 2010), which was comprehensively documented on the intranet for employees around the world</td>
<td>Train Bertelsmann apprentices to become “climate ambassadors” to promote climate protection in their place of training (deadline: 2012)</td>
</tr>
<tr>
<td>Produced and published a “be green” motivational movie for employees (German/English)</td>
<td>Expand “be green” communications to the in- and outside, including the ongoing publication of “green news” on the Bertelsmann intranet and Bertelsmann’s Corporate Responsibility Portal (deadline: 2012)</td>
</tr>
<tr>
<td>Set up a “be green” section on the Bertelsmann intranet dedicated to the topic of environmental protection</td>
<td></td>
</tr>
</tbody>
</table>

**Deadline:** ongoing  
**Status:** on schedule

### Increase Bertelsmann AG’s energy and resource efficiency

<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Held a workshop on energy efficiency and green IT for environmental managers/officers</td>
<td>Derive measures to increase energy and resource efficiency based on the 2008 and 2010 carbon footprints (deadline: 2012)</td>
</tr>
</tbody>
</table>

**Deadline:** ongoing  
**Status:** on schedule

### Expand stakeholder dialog on environmental and climate protection

<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Launched official “be green” stakeholder dialog with NGOs on June 9, 2011 (Greenpeace)</td>
<td>Draw up a concept for continuing and broadening the stakeholder dialog on environmental and climate protection (deadline: 2012)</td>
</tr>
</tbody>
</table>

**Deadline:** ongoing  
**Status:** on schedule

### Internal knowledge building for environmental managers/officers

<table>
<thead>
<tr>
<th></th>
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</thead>
<tbody>
<tr>
<td>Carried out a benchmark study on environmental protection in 14 international media companies and published it in-house</td>
<td>Update existing studies and carry out further studies</td>
</tr>
<tr>
<td>Carried out “Green Innovations in Practice” study about green business models and published it in-house</td>
<td></td>
</tr>
</tbody>
</table>

**Deadline:** ongoing  
**Status:** on schedule

### Goals: Ethics & Compliance

#### Further implementation of the global Ethics & Compliance Program

<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Implemented E&amp;C Program at newly acquired Group companies</td>
<td>Implement E&amp;C Program at newly acquired companies, and support Code distribution to newly hired employees</td>
</tr>
<tr>
<td>Developed a brochure for business partners, to further enhance their awareness of Bertelsmann’s E&amp;C Program</td>
<td>Inform business partners about Bertelsmann’s E&amp;C Program</td>
</tr>
<tr>
<td>Conducted a compliance risk assessment to evaluate potential compliance and ethics risks</td>
<td>Continue to conduct an annual compliance risk assessment</td>
</tr>
<tr>
<td>Established an E&amp;C Program review process</td>
<td>Enhance anti-corruption training for potential at-risk employees</td>
</tr>
</tbody>
</table>

**Deadline:** ongoing  
**Status:** on schedule

#### Promote awareness and knowledge among company colleagues and key stakeholders

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Trained employees on the Bertelsmann Code of Conduct</td>
<td>Continue Code training for newly hired employees and in newly acquired companies</td>
</tr>
<tr>
<td>Received feedback on the effectiveness of communication and training initiatives from the global Employee Survey</td>
<td>Conduct anti-corruption training for potential at-risk employees</td>
</tr>
<tr>
<td>Conducted additional compliance training for the Bertelsmann AG Executive Board and other Executive Boards within the company</td>
<td></td>
</tr>
<tr>
<td>Conducted annual workshops and webinars with E&amp;C representatives from subsidiaries</td>
<td></td>
</tr>
</tbody>
</table>

**Deadline:** ongoing  
**Status:** on schedule

#### Ensure effectiveness of whistle-blowing channels

<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Monitored compliance with Code principles</td>
<td>Continue to monitor compliance with Code principles</td>
</tr>
<tr>
<td>Held regular Corporate Compliance Committee meetings</td>
<td>Hold regular Corporate Compliance Committee meetings</td>
</tr>
</tbody>
</table>

**Deadline:** ongoing  
**Status:** on schedule
Independent Assurance Report

To Bertelsmann AG, Gütersloh

We have been commissioned to perform a limited assurance engagement on the environmental indicators marked and set out in the section “Environmental Indicators” on pages 117 to 120 of the “Corporate Responsibility Report 2010/2011” of Bertelsmann AG, Gütersloh (the “Environmental Indicators”).

Management’s Responsibility

The responsibility for the determination of the Environmental Indicators in accordance with the criteria presented on pages 8 and 9 of the publication “A Corporate Accounting and Reporting Standard – Revised Edition” of the Greenhouse Gas Protocol Initiative (World Business Council of Sustainable Development / World Resources Institute)

- relevance, 
- completeness, 
- consistency, 
- transparency and 
- accuracy

(the “GHG Protocol criteria”) lies with the Executive Board of Bertelsmann AG. This responsibility includes the development, implementation and maintenance of systems and processes insofar as they are relevant to the proper determination of the Environmental Indicators and the selection and application of appropriate methods for determining the Environmental Indicators as well as estimates, which given the circumstances, are plausible.

Practitioner Responsibility

Our responsibility is to express a conclusion based on our work performed as to whether anything has come to our attention that causes us to believe that the Environmental Indicators marked have not been determined in all material respects in accordance with the GHG Protocol criteria. The information regarding the Environmental Indicators evaluated by us is labeled with black ticks. Moreover, we have been commissioned to express recommendations for further development of the management of and reporting on Environmental Indicators based on the results of our limited assurance engagement.

We conducted our work in accordance with the International Standard on Assurance Engagements (ISAE) 3000. This Standard requires that we comply with ethical requirements and plan and perform the assurance engagement, under consideration of materiality, to provide our conclusion with limited assurance.

In a limited assurance engagement the evidence-gathering procedures are more limited than for a reasonable assurance engagement, and therefore less assurance is obtained than in a reasonable assurance engagement. The procedures selected depend on the practitioner’s judgment. The scope of our work included performing the following procedures, among others:

- Inspecting the documentation of the systems and processes as well as further documents regarding the Environmental Indicators
- Interviewing the technical experts of the “be green” teams of Bertelsmann AG about division-specific processes and monitoring the collation of Environmental Indicators
- Evaluating the environmental data underlying the Environmental Indicators and their central aggregation performed by the IFEU – Institut für Energie- und Umweltforschung Heidelberg GmbH (Institute for Energy and Environmental Research), Heidelberg, on a sample basis
- Understanding the single steps of the calculation of the absolute value of the Environmental Indicators
- Comparing the basic data to the information obtained from internal systems of the company on a sample basis
Conclusion

Based on our limited assurance engagement, nothing has come to our attention that causes us to believe that the Environmental Indicators marked have not been prepared in all material respects in accordance with the GHG Protocol criteria.

Emphasis of Matter – Recommendations

Without qualifying our conclusion based on our limited assurance engagement as presented above, we recommend the following for the further development of the management of and reporting on Environmental Indicators:

- We recommend the further development, formalization and documentation of the process evaluating data from the data source to the group management level as well as the implementation of specific control systems.
- We recommend Bertelsmann AG to advance the further development of a strategy for environment and climate protection across the whole Group and to set ambitious targets for the medium and long term.

General Terms of Engagement

We issue this report on the basis of the engagement agreed with Bertelsmann AG, Gütersloh, which comprises the attached General Terms of Engagement for Wirtschaftsprüfer and Wirtschaftsprüfungs-gesellschaften as of 1 January 2002, which are also applicable to third parties.

Berlin, September 30, 2011

PricewaterhouseCoopers
Aktiengesellschaft
Wirtschaftsprüfungsgesellschaft

signed Andreas Bröcher signed ppa. Dr. Moritz Nill
Wirtschaftsprüfer
(German Public Auditor)
Statement
GRI Application Level Check

GRI hereby states that Bertelsmann AG has presented its report “Taking action Corporate Responsibility Report 2010/2011” to GRI’s Report Services which have concluded that the report fulfills the requirement of Application Level B+.

GRI Application Levels communicate the extent to which the content of the G3 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3 Guidelines.

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

Amsterdam, 10 October 2011

[Signature]

Nelmara Arbex
Deputy Chief Executive
Global Reporting Initiative

The “+” has been added to this Application Level because Bertelsmann AG has submitted (part of) this report for external assurance. GRI accepts the reporter’s own criteria for choosing the relevant assurance provider.

The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world’s most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. www.globalreporting.org

Disclaimer: Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on 27 September 2011. GRI explicitly excludes the statement being applied to any later changes to such material.
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Corporate Communications
Carl-Bertelsmann-Straße 270
D-33311 Gütersloh
Responsible: Karin Schlautmann,
Executive Vice President Corporate Communications, Public Affairs and Marketing

Project Management
Barbara Kutscher,
Director Corporate Responsibility

Contributors
Mathias Damaschke, Mara Davis,
Katrin Gaertner, Bettina Grab,
Stephan Knüttel, Martina Mönninghoff,
Lara Wagner, Eva Winkelmann

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G+J Corporate Editors GmbH
Stubbenhuk 10
D-20459 Hamburg
High Concept: Joerg Strauss
Editorial supervision:
Margitta Schulze Lohoff

Authors
Dr. Franziska Bossy (FR),
Stephan Burgdorff (FR), Lisa Louis (FR),
Viktoria Meinholz (FR), Michael Saur (FR),
Helmut Ziegler (FR)

Art Director
Ilga Tick

Photography
Christian Schoppe (FR)

Layout
Jasmin Wagner-Göttling (FR),
Thorsten Lange (FR), Adrian Krakowski (FR), Susanna Goonawardana (FR, Bildredaktion)

Final editing
Textra GmbH, Hamburg

Expert Advice
akzente kommunikation und beratung gmbh

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A SMALL SELECTION OF OUR SUSTAINABILITY-RELATED PRODUCTS
Bertelsmann AG’s Corporate Responsibility Report 2010/2011 follows the guidelines of the Global Reporting Initiative (GRI 3.0). The following GRI Index documents where in the report information about the respective indicators can be found. It also provides information about the extent to which the GRI indicators were taken into account during the reporting period. The GRI Index also serves as Bertelsmann’s “Communication on Progress” as a member of the United Nations Global Compact. In it, Bertelsmann gives account about its efforts to fulfill the ten principles of the Global Compact.

<table>
<thead>
<tr>
<th>GRI Compact</th>
<th>Key Indicators</th>
<th>Status</th>
<th>Links</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Strategy and analysis</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>1.1 Statement from the CEO and the Supervisory Board Chairperson</td>
<td></td>
<td></td>
<td>10</td>
</tr>
<tr>
<td>1.2 Description of key impacts, risks and opportunities</td>
<td></td>
<td></td>
<td>15, 16, 123–125</td>
</tr>
<tr>
<td>2. Organizational profile</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>2.1 Name of the company</td>
<td></td>
<td></td>
<td>2, 14</td>
</tr>
<tr>
<td>2.2 Primary brands, products and/or services</td>
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<td></td>
<td>13, 14</td>
</tr>
<tr>
<td>2.3 Operational structure and major divisions</td>
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<td></td>
<td>8, 13, 14</td>
</tr>
<tr>
<td>2.4 Location of organization’s headquarters</td>
<td></td>
<td></td>
<td>14</td>
</tr>
<tr>
<td>2.5 Number/names of countries with either major operations</td>
<td></td>
<td></td>
<td>13, 14</td>
</tr>
<tr>
<td>2.6 Nature of ownership</td>
<td></td>
<td></td>
<td>14</td>
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<td>Bertelsmann Corporate Responsibility Portal <a href="http://www.bertelsmann.com/responsibility">www.bertelsmann.com/responsibility</a></td>
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<td>3.2 Date of most recent previous report</td>
<td></td>
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<td>Bertelsmann Corporate Responsibility Report 2005; since then, ongoing updates on the Bertelsmann Corporate Responsibility Portal at <a href="http://www.bertelsmann.com/responsibility">www.bertelsmann.com/responsibility</a></td>
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*completely met  partly met  not met  Abbreviation AR = Annual Report 2010*
<table>
<thead>
<tr>
<th>Global Compact</th>
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Management approach and performance indicators

**Economic – management approach**

| EC1 | Direct economic value created and distributed |        | 13, 14 |
| EC2 | Financial implication of climate change       |        | 24, 117 |
| EC3 | Coverage of benefit pension plan obligations  |        | 111    |
| EC4 | Financial assistance received from government | | |
| EC6 | Spending on locally-based suppliers           | | |

**Environmental – management approach**

| EN1 | Weight/volume of materials used              |        | 19, 21, 24, 119, 125 |
| EN2 | Percentage of materials used that are recycled |        | 118, 119 |
| EN3 | Direct energy consumption: primary sources used by company | | |
| EN4 | Indirect energy consumption: primary sources used through energy based         |        | 120    |
| EN5 | Energy saved due to conservation and efficiency improvements                     |        | 102    |
| EN8 | Total water withdrawal by source             |        | 120    |
| EN11| Land used in protected areas                 |        | 119    |
| EN12| Significant impacts of activities on protected areas                                 |        | 119    |
| EN14| Strategies, current actions, and future plans for managing impacts on biodiversity | | 119 |
| EN16| Total direct and indirect greenhouse gas emissions by weight                        |        | 117–120 |
| EN17| Other relevant indirect greenhouse gas emissions by weight                           |        | 118    |
| EN20| NOx, SOx, and other significant air emissions                                         |        | 120    |
| EN21| Water discharge by quality and destination                                            |        | 120    |
| EN22| Total weight of waste by type and disposal method                                     |        | 120    |
| EN23| Total number and volume of significant spills                                          |        | none   |
| EN26| Initiatives to mitigate environmental impacts of products and services               |        | 102–104 |
| EN27| Percentage of recycled products                                                         |        | |

**Abbreviation AR = Annual Report 2010**

[Table rows with icons indicating status: completely met, partly met, not met]
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<tr>
<td>10</td>
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All core indicators are presented. Some numbers have been omitted, as the additional GRI indicators are not recorded in the index.

We rate our performance when it comes to meeting the GRI-G3 guidelines as B+.

Abbreviation AR = Annual Report 2010
Contact
Corporate Responsibility/Diversity Management
responsibility@bertelsmann.de

For Journalists
Media Relations and Financial Information
Phone +49-5241-80-2466
presse@bertelsmann.de

For Analysts and Investors
Investor Relations
Phone +49-5241-80-2342
investor@bertelsmann.de

For Applications
Recruiting Services
createyourowncareer@bertelsmann.de
www.createyourowncareer.de

Information on Bertelsmann as an employer can also be found at

facebook  twitter   XING
Linkedin  Youtube

The Corporate Responsibility Report is also available online, together with all the latest news on Bertelsmann:
www.bertelsmann.com/responsibility

For further information on our divisions, go to:
www.rtlgroup.com
www.randomhouse.com
www.guj.com
www.arvato.com

The Corporate Responsibility Report is also available in German.