



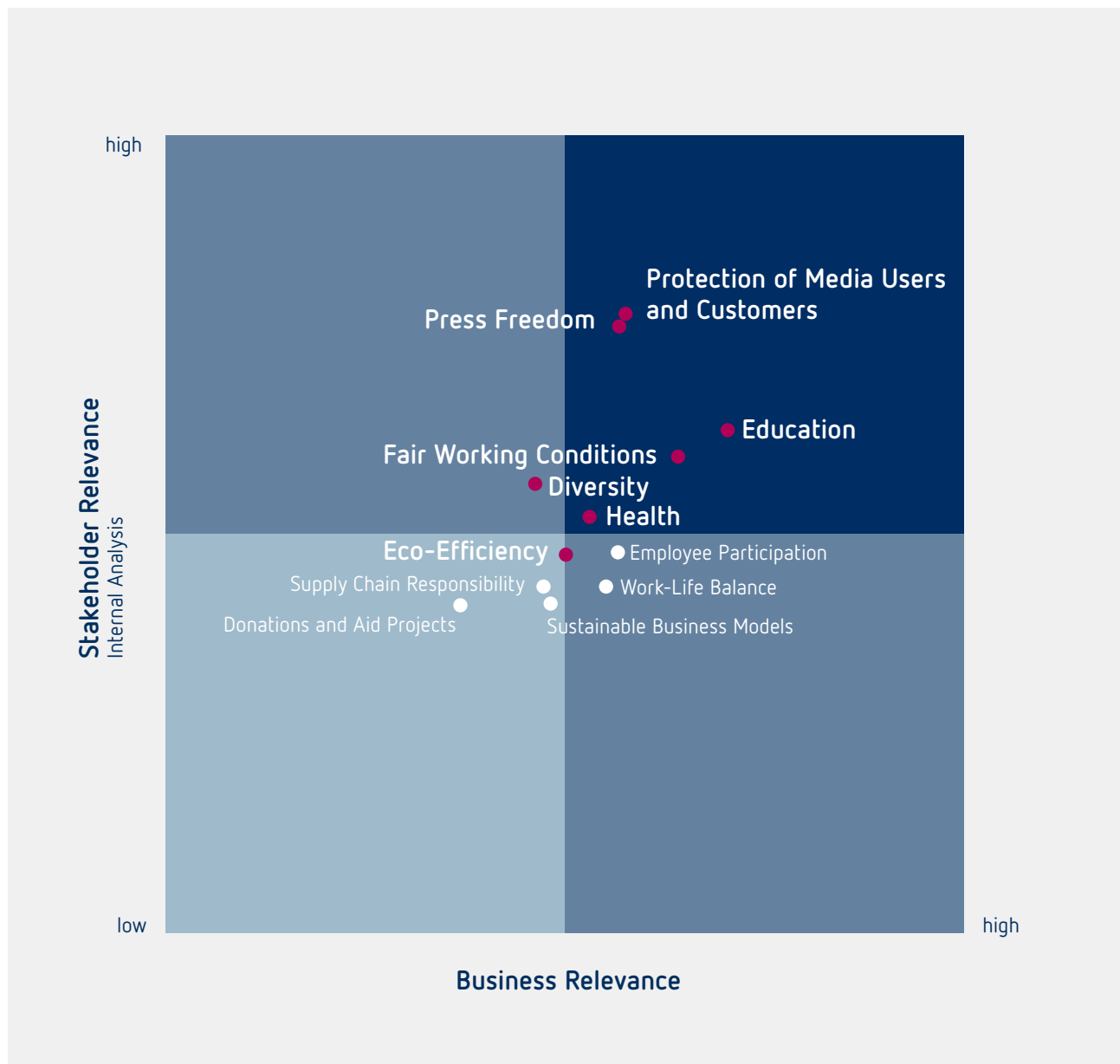
Corporate Responsibility 2015

Key Issues

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Corporate Responsibility Topics



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

What are the most relevant social and environmental topics for Bertelsmann and its divisions, for our businesses and stakeholders? In 2014, an analysis conducted with internal stakeholders identified answers to this question. Twelve social and environmental topics with more than 30 subtopics were presented to over 130 executives and employee representatives from around the world to rate on a four-point scale. Their relevance for the business was surveyed in the categories of risk potential, direct

financial impact, efficiency and optimization potential, differentiation and growth potential, and future orientation. Stakeholder relevance was assessed in terms of employees, B2B and B2C customers, and optionally other stakeholders. Seven topics were identified as especially relevant: education, press freedom, fair working conditions, protection of media users and customers, education, diversity, health and eco-efficiency.

1 Education

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

1

What do we mean?

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

2

Why is it important?

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

3

What's in it for us?

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

4

What are the opportunities and challenges?

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

5

How are we taking action?

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

64,000

Extensive Range of Offers

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

86,609

Training and Education

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

>50%

Our Employee Training Is Going Digital

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

2 Press Freedom

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

Bertelsmann Code of Conduct

1

What do we mean?

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

2

Why is it important?

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

3

What's in it for us?

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

4

What are the opportunities and challenges?

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

5

How are we taking action?

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

3.4 Billion

No Press Freedom

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

Source: Freedom House

16

European Spirit

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

687

Journalist Students

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

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

3 Fair Working Conditions

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

Bertelsmann Code of Conduct

1

What do we mean?

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

2

Why is it important?

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

3

What's in it for us?

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

4

What are the opportunities and challenges?

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

5

How are we taking action?

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

117,249

Workforce

117,249 employees worked for Bertelsmann in 2015.

1977

Employee Survey

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

85 million

Profit Participation

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

4 Protection of Media Users and Customers

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

1

What do we mean?

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

2

Why is it important?

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

3

What's in it for us?

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

4

What are the opportunities and challenges?

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

5

How are we taking action?

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

600 million

Reach

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

74,073

Information

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

750,000

Safe Online

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

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

5 Diversity

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

1

What do we mean?

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

2

Why is it important?

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

3

What’s in it for us?

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

4

What are the opportunities and challenges?

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

5

How are we taking action?

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

50

Internationality

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

5/17

Female Quota

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

47%

Male Quota

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

92

Diversity

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

6 Health

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

1

What do we mean?

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

2

Why is it important?

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

3

What's in it for us?

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

4

What are the opportunities and challenges?

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

5

How are we taking action?

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

400

Range of Activities

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

35

Exchange

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

4

Quality Management

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

3

Pilots

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

7 Eco-Efficiency

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

1

What do we mean?

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

2

Why is it important?

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

3

What's in it for us?

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

4

What are the opportunities and challenges?

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

5

How are we taking action?

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

-50%

Emissions

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

1,87Mio.

Material Consumption

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

70%

Recycling

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

2°C

Climate Protection

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

Contact and further information

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