

Corporate Responsibility 2012

Communication on Progress
UN Global Compact

Experience Bertelsmann



RTL Group is the leading European entertainment network, with interests in 52 TV channels and 29 radio stations in nine countries and content production throughout the world. The TV portfolio of Europe's largest broadcaster includes RTL Television in Germany, M6 in France, the RTL channels in the Netherlands, Belgium, Luxembourg, Croatia and Hungary, and Antena 3 in Spain. RTL Group's flagship radio station is RTL in France, and it also owns or has interests in other stations in France, Germany, Belgium, the Netherlands, Spain and Luxembourg. RTL Group's content production arm, Fremantle Media, is one of the largest international producers outside the United States. Each year, it produces 9,200 hours of programming across 58 countries. With holdings of approximately 92 percent, Bertelsmann is the principal shareholder of RTL Group.

12,184 employees worldwide

Revenues of **5,814** million euros



Random House is the world's trade-book market leader, a commercial and literary powerhouse publishing around 10,000 new hardcovers, paperbacks, audio and electronic books annually in the local languages of 15 countries, and selling close to 400 million books a year. Almost 40,000 English-, German-, and Spanish-language titles are available as Random House e-books. Random House is home to many of the world's most popular and culturally admired adult and children's authors, including Nobel laureates and international leaders. It is a company of people working together to share their love of books as passionate supporters of their authors, booksellers and readers.

5,343 employees worldwide

Revenues of **1,749** million euros



Gruner + Jahr is Europe's leading publisher of magazines. It is represented in more than 30 countries with over 500 media products (magazines, websites and digital media). It publishes the magazines Stern, Brigitte, Geo, Capital, Gala, Eltern, P.M. and Essen & Trinken. With foreign revenues accounting for 56 percent of its income, Gruner + Jahr is one of the most international publishing companies in the world. Bertelsmann owns 74.9 percent of Gruner + Jahr, the Jahr publishing family of Hamburg owns 25.1 percent.

11,822 employees worldwide
Revenues of **2,287** million euros



As a global services provider Arvato supports business customers all over the world in successfully shaping their customer relationships. More than 68,000 employees design and implement customized solutions for business processes through integrated service chains. These include data management, customer service, customer relations services, supply chain management, digital distribution, financial services and customized IT services, as well as the full range of services related to the production and distribution of printed materials and digital storage media.

68,325 employees worldwide
Revenues of **5,357** million euros



Bertelsmann uses its creativity and entrepreneurship to directly develop key emerging businesses. They include the music rights company BMG as well as the BDMI and BAI funds, which invest in rapidly growing start-ups in the United States, Europe and Asia. Through the University Ventures Fund, Bertelsmann is involved in innovative educational initiatives. Bertelsmann is also home to the Club and Direct Marketing business units.

2,952 employees worldwide
Revenues of **382** million euros



Ladies and Gentlemen,

Bertelsmann is a global media and services company, with more than 100,000 employees, doing business in over 50 countries. We are very aware of the fact that by taking entrepreneurial and journalistic actions we have a particular responsibility. We see responsible business conduct not as a nice-to-have, but as something that needs to be an integral part of our daily value creation. The binding and connective basis for this are our shared values, the Bertelsmann Essentials: Partnership, Entrepreneurship, Creativity and Citizenship.

The ten principles of the UN Global Compact reflect our understanding of social responsibility. We deliberately entered into this membership to contribute to the sustainable advancement of labor standards, human rights, environment protection and anticorruption at our international sites and in partnership with our employees, customers and suppliers. The Communication on Progress is entitled to document this claim and specific examples.

To see how diversified our fields of actions and how extensive the specific efforts of individual Bertelsmann companies worldwide are, you can visit our Corporate Responsibility portal. I would like to invite you to visit www.bertelsmann.com/responsibility and contact us in case of queries.

We look forward to your comments and suggestions!

In the months ahead, we will be taking additional steps in the areas of Corporate Responsibility, diversity, compliance, responsibility for our employees and protecting the environment and climate. I am delighted that you will be coming along this path with us.

Regards,

A handwritten signature in blue ink, appearing to read 'Thomas Rabe', written in a cursive style.

Dr. Thomas Rabe
Chairman and CEO, Bertelsmann SE & Co. KGaA

Bertelsmann Essentials

The Bertelsmann Essentials convey the goals and basic values of our company's employees, executives and shareholders and build on the Corporate Constitution. It is the responsibility of our executives to spread and epitomize these values and to serve as role models.

The Bertelsmann Essentials reflect the common understanding of our corporate culture and are subject to constant review, revision and improvement.

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 achieve returns on capital employed that guarantee growth and continuity of our corporation. Our joint efforts focus on creative content and customer relations. We seek to provide working conditions that are equitable and motivating for our employees. We commit ourselves to ensuring the continuity and ongoing progress of our corporation.

Our core values

Partnership

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

Entrepreneurship

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

Creativity

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

Citizenship

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

Our commitment

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

Our Corporate Responsibility Program

CR Strategy and Management

Goals	Measures realized (2012)	Measures planned (2013)
Corporate Responsibility Program	<ul style="list-style-type: none"> ■ Corporate Responsibility organizationally shifted to Corporate HR as part of Corporate Responsibility & Diversity Management 	<ul style="list-style-type: none"> ■ Reposition the cross-divisional CR Council ■ Expansion of the CR department
Expand external and internal CR communications	<ul style="list-style-type: none"> ■ Published Bertelsmann's first CR Report in compliance with Global Reporting Initiative guidelines (Level B+) 	<ul style="list-style-type: none"> ■ Relaunch Bertelsmann's CR portal ■ Concept for Bertelsmann's CR Report 2013/2014 ■ Further build understanding and awareness of CR through intensified internal communications
Formulate Bertelsmann's CR strategy	<ul style="list-style-type: none"> ■ Finalized the development of industry-specific indicators for sustainability reporting as part of the GRI Media Sector Supplement 	<ul style="list-style-type: none"> ■ Cross-divisional stakeholder dialog as basis for developing the CR strategy ■ Purposeful dialog with CR experts at other companies and in academia as well as with NGOs ■ Derive and implement decentralized and topical measures on CR-related results from the employee survey

Responsibility for Employees

Goals	Measures realized (2012)	Measures planned (2013)
Promote the corporate culture of partnership/ Promote employee's involvement in operations	<ul style="list-style-type: none"> ■ Hosted 45 trainings for employee representatives ■ Hosted a works councils conference with 73 participants ■ Established an internal transfer company ■ Finalized and introduced a new pension contract (IV) ■ Introduced an online dialog for direct communications between employees and the Chairman and CEO 	<ul style="list-style-type: none"> ■ Host a works councils conference ■ Carry out labor-law training for employee representatives and employees from HR departments ■ Continue online dialog for direct communication between employees and the Chairman and CEO
Promote the integration of people with disabilities	<ul style="list-style-type: none"> ■ Employment of a significant high number of employees with severe disabilities in Germany (2009: 1,460 (3.9%); 2010: 1,520 (4.2%); 2011: 1,551 (4.1%)) ■ Participated in 17 international conferences and trade shows ■ Hosted a conference for councils of employees with disabilities, with around 80 participants ■ Revised the group's integration agreement 	<ul style="list-style-type: none"> ■ Further sensitize managers and employees to dealing with people with disabilities

Responsibility for Employees

Goals	Measures realized (2012)	Measures planned (2013)
Promote diversity among employees	<ul style="list-style-type: none"> ■ Established the Group Management Committee (GMC), which includes the Executive Board members as well as selected senior managers (38% women, six nationalities) ■ Resolution of a Group-wide diversity strategy by the GMC ■ Diversity survey in all companies with more than 150 employees (covered 85,378 employees in 28 countries) ■ Revised the group rules for flexible working hours ■ Launched the Bertelsmann Sponsorship Project: Promotion of select young managerial talent by members of the GMC 	<ul style="list-style-type: none"> ■ Implement the diversity action plan based on the results from the worldwide diversity survey ■ Host a diversity conference 2013 ■ Implement the Bertelsmann Sponsorship Projects ■ Introduce flexible job models at the Corporate Center; pilot projects in the corporate divisions ■ Develop instruments to improve a stage-of-life-oriented HR policy
Promote employee participation and improve working conditions	<ul style="list-style-type: none"> ■ Prepared the fourth worldwide employee survey and revised the group rules on the employee survey (e.g. introduced the "rule of 3" to give more employees access to the results) ■ Analyzed internal job market, with subsequent demand-driven revision to maximize transparency of the development perspective in the group 	<ul style="list-style-type: none"> ■ Carry out the fourth worldwide employee survey ■ Introduce a Web-based Learning Management System throughout the group to promote the use of new kinds of learning (E-Learning, Blended Learning) and to increase transparency regarding existing further training offers ■ Extensive analysis and discussion of results at team, company, division and group level, followed by collective definition of measures at the respective levels
Internal knowledge building for HR managers	<ul style="list-style-type: none"> ■ Hosted 20 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 on current topics in HR work, under the patronage of the group HR director and divisional HR directors 	<ul style="list-style-type: none"> ■ Prepare and host 3rd HR Summit in 2013 as an international conference for HR managers ■ Continue hosting regular events for HR coordination committees and HR Circles ■ Bertelsmann Academy to offer services for the German HR departments to provide demand-driven support on matters related to HR development
Expand group-wide health management activities	<ul style="list-style-type: none"> ■ Hosted 230 BeFit health action days (participants in 2009: 1,503; 2010: 3,293; 2011: 4,208) ■ Expanded sports program activities in Germany (participants in 2009: 8,500; 2010: 8,800; 2011: 9,250) and in other countries including the U.S., China and Luxembourg ■ BeFit workshop for occupational health management, further development of the health contact persons ■ Bertelsmann Academy offered preventive seminars on stress, burnout and work-life balance 	<ul style="list-style-type: none"> ■ Expand leisure offers in the sports program and carry out burnout prevention measures and health checks
Ensure the employability of young people	<ul style="list-style-type: none"> ■ Clear commitment of Bertelsmann SE & Co. KGaA 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 (trainee ratio in 2009: 3.6%; 2010: 3.6%; 2011: 3.4%) ■ Permanently established the "Du bist Deine Zukunft" (You are your future) program – a training program for young people who have been trying in vain for an apprenticeship 	<ul style="list-style-type: none"> ■ Keep making apprenticeship slots available at group companies in Germany ■ Introduce the dual training scheme at Bertelsmann sites in Spain as well, in partnership with ASET/DIHK ■ Adapt the "Du bist Deine Zukunft" (You are your future) initiative for Spain, and run it as a pilot project at the Madrid site with around 12 young unemployed Spaniards ■ Launch a trainee program at Bertelsmann sites in Spain

Ethics & Compliance

Goals	Measures realized (2012)	Measures planned (2013)
Ethics & Compliance Program	<p>As part of the Ethics & Compliance Program, a number of measures are realized on an ongoing basis, including, but not limited to the following:</p> <ul style="list-style-type: none"> ■ Conduct an annual assessment of compliance risks ■ Distribute Code of Conduct and administer corresponding training to newly hired employees ■ Monitor compliance with the Code of Conduct, based on a confidential whistleblowing system, conduct investigations and take remedial action where needed 	<ul style="list-style-type: none"> ■ All implemented measures will continue to be realized as core components of Bertelsmann's Ethics & Compliance Program
New initiatives	<ul style="list-style-type: none"> ■ Implemented an enhanced anticorruption policy and conducted corresponding training for senior management 	<ul style="list-style-type: none"> ■ Relaunch revised edition of the Code of Conduct to employees and a Code of Conduct refresher training ■ Continue rollout of anti-corruption training to a wider audience

Environmental and Climate Protection

Goals	Measures realized (2012)	Measures planned (2013)
Establish a proactive, comprehensive approach for environmental and climate protection as an umbrella for the activities in the corporate divisions	<ul style="list-style-type: none"> ■ Continued developing the Group-wide climate protection strategy, "be green" ■ Updated Bertelsmann's international Environmental Policy ■ Updated Bertelsmann's international Paper Policy 	<ul style="list-style-type: none"> ■ Next steps in developing the Group-wide climate protection strategy "be green"
Expand Group-wide reporting on environmental and climate protection	<ul style="list-style-type: none"> ■ Prepared Bertelsmann's third carbon footprint for the 2012 reporting period (due: 2013) ■ Systematic reporting of relevant environmental indicators (due: 2013) 	<ul style="list-style-type: none"> ■ Draw up the third Bertelsmann carbon footprint and publish the CO₂ eq for the 2012 reporting period ■ Simultaneous publication of other relevant environmental indicators from the corporate divisions
Build environmental consciousness and knowledge among employees	<ul style="list-style-type: none"> ■ Implemented the International "be green" Day 2012 on June 5, the UN's World Environment Day. Activities at 54 sites in 16 countries (for comparison, in 2011: 44 sites in 15 countries; 2010: 35 sites in 10 countries) ■ Drew up a concept for qualifying Bertelsmann trainees as "climate ambassadors" to act as multipliers for promoting climate protection at their places of training. ■ Expanded in-house "be green" communications, including publication of "green news" and "be green" matching game on the Bertelsmann intranet ■ Produced a Berlin "be green" Day video 	<ul style="list-style-type: none"> ■ Organize the fourth international "be green" Day 2013 ■ Qualify Bertelsmann trainees as "climate ambassadors" by means of Train-the-Multiplier workshop ■ Intensify "be green" communications in various sections of the Bertelsmann intranet and on Bertelsmann's Corporate Responsibility portal

Environmental and Climate Protection

Goals	Measures realized (2012)	Measures planned (2013)
Increase energy and resource efficiency	<ul style="list-style-type: none"> ■ Used the 2008 and 2010 carbon footprints as a basis for deriving measures to increase energy and resource efficiency ■ Hosted workshops 	<ul style="list-style-type: none"> ■ Discuss measures to increase energy and resource efficiency based on 2010 and 2012 carbon footprints including introduction/use of Green IT (deadline 2013) ■ Regular sharing of best-practice examples for energy efficiency and energy purchasing on the "be green Team" (a task force composed of environmental officers from all the corporate divisions)
Expand stakeholder dialog on environmental and climate protection	<ul style="list-style-type: none"> ■ Continued the stakeholder dialog on environmental and climate protection and expanded it to additional issues 	<ul style="list-style-type: none"> ■ Conference with stakeholders on issues in environmental and climate protection
Internal knowledge building for environmental management officers	<ul style="list-style-type: none"> ■ Updated the environmental and climate protection benchmarking of Global Players in the Media Industry and carried out additional studies 	<ul style="list-style-type: none"> ■ Update the "Green Innovations in Practice" study on green business models and publish in-house
Reduce CO ₂ emissions		<ul style="list-style-type: none"> ■ Climate neutrality for all fuel consumed by company cars in Germany, except at Gruner + Jahr and RTL Group ■ Introduce a hierarchically graduated CO₂ limit for company cars in Germany, including the Executive Board and CEO, except at Gruner + Jahr and RTL Group (target for 2013: The average CO₂ eq of all new orders should remain below 130 g. Target for 2015: Average CO₂ eq of all new orders should remain below 120 g)

Bertelsmann Corporate Responsibility Portal

For more detailed information about Corporate Responsibility at Bertelsmann, operating figures and specific projects of our engagement please visit www.bertelsmann.com/responsibility

The screenshot shows the Bertelsmann Corporate Responsibility Portal homepage. At the top right is the 'BERTELSMANN' logo. Below it is a large banner with the text 'CORPORATE RESPONSIBILITY' in red over a background of green grass and a blue sky. A search bar is located below the banner. A red navigation bar contains the following menu items: 'Our Approach', 'Employees', 'Governance and Compliance', 'Media Content and Products', 'Environment', 'Our Commitment', 'CR Facts & Figures', and 'News'. Below the navigation bar are several content blocks: 1. 'TAKING ACTION. THE BERTELSMANN CORPORATE RESPONSIBILITY REPORT 2010/2011' with a photo of a woman and links to 'view E-Journal', 'pdf with page flip function & download', and 'order your copy'. 2. 'Sustainability-related products' with a photo of three product covers and a 'More...' link. 3. 'BERTELSMANN ESSENTIALS' with a description of the report and a 'More...' link. 4. 'Bertelsmann Once Again Donates €25,000 to Critically Ill Children' with a photo of two men and a 'Read article >' link. 5. 'DOWNLOADS' with a list of links: 'CR Report 2010/2011', 'Communication on Progress', 'Bertelsmann Essentials', and 'Code of Conduct'. 6. 'be green.' with the text 'The environmental initiative of Bertelsmann' and a 'More...' link.

Contact and further information

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