Bertelsmann Is All This and More

Annual Report 2024

BERTELSMANN

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At a Glance 2024

Key Figures

in € millions	2024	2023	2022	2021	2020
Business Development					
Group revenues	18,988	20,169	20,245	18,696	17,289
Operating EBITDA adjusted	3,111	3,119	3,192	3,241	3,143
EBITDA margin (in percent)[1]	16.4	15.5	15.8	17.3	18.2
Group profit	1,036	1,326	1,052	2,310	1,459
Investments[2]	1,614	1,438	1,672	1,954	920
Consolidated Balance Sheet					
Equity	15,647	15,165	15,043	13,606	10,725
Equity ratio (in percent)	47.5	46.5	45.8	42.8	36.1
Total assets	32,951	32,622	32,835	31,769	29,704
Net financial debt	2,883	2,267	2,249	959	2,055
Economic debt[3]	5,445	4,713	4,785	3,475	5,207
Leverage factor	2.0	1.8	1.8	1.3	1.9
Dividends to Bertelsmann shareholders	220	220	220	180	–
Distribution on profit participation certificates	44	44	44	44	44
Employee profit sharing	63	74	63	89	88

The figures shown in the table are, in some cases, so-called Alternative Performance Measures (APM), which are neither defined nor described in IFRS Accounting Standards. Details are presented in the section “Alternative Performance Measures” in the Combined Management Report.
In individual cases, rounding may result in individual figures not adding up to the totals shown and percentages may not add up exactly to the figures shown.

1 Operating EBITDA adjusted as a percentage of revenues.
2 Taking into account the financial debt assumed and purchase price payments for share increases in subsidiaries that were already consolidated, investments amounted to €2,092 million in the financial year 2024 (2023: €1,583 million).
3 Net financial debt plus pension provisions, profit participation capital and lease liabilities (up to and including the financial year 2022 less the short-term liquidable investments in a special fund; up to and including the financial year 2021 less 50 percent of the par value of the hybrid bonds).

Bertelsmann is a media, services and education company with about 75,000 employees that operates in some 50 countries around the world. It includes the entertainment group RTL Group, the trade book publisher Penguin Random House, the music company BMG, the service provider Arvato Group, Bertelsmann Marketing Services, the Bertelsmann Education Group and Bertelsmann Investments, an international network of funds. The company generated revenues of €19.0 billion in the 2024 financial year. Bertelsmann stands for creativity and entrepreneurship. This combination promotes first-class media content and innovative service solutions that inspire customers around the world.

www.bertelsmann.com

Interactive Online Report

The Bertelsmann Annual Report can be accessed online at:
ar2024.bertelsmann.com

Financial Information

6 Combined Management Report
Fundamental Information about the Group
7 Corporate Profile
9 Strategy
10 Value-Oriented Management System
11 Non-Financial Performance Indicators
Report on Economic Position
16 Corporate Environment
17 Significant Events in the Financial Year
18 Results of Operations
21 Net Assets and Financial Position
26 Performance of the Group Divisions
40 General Statement by Company Management on the Economic Situation
40 Alternative Performance Measures
42 Risks and Opportunities
52 Outlook
54 Notes to the Financial Statements of Bertelsmann SE & Co. KGaA (in Accordance with HGB, German Commercial Code)
Combined Group Sustainability Statement (Sustainability Report)
57 General Information
76 Environmental Information
101 Social Information
126 Governance Information
136 Entity-Specific Information

144 Consolidated Financial Statements
144 Consolidated Income Statement
145 Consolidated Statement of Comprehensive Income
146 Consolidated Balance Sheet
147 Consolidated Cash Flow Statement
148 Consolidated Statement of Changes in Equity
149 Notes

233 Responsibility Statement

234 Independent Auditor’s Report
244 Independent Assurance Report for the Combined Group Sustainability Statement

248 Corporate Governance

250 Report of the Supervisory Board

258 Boards/Mandates
258 Supervisory Board
261 Executive Board

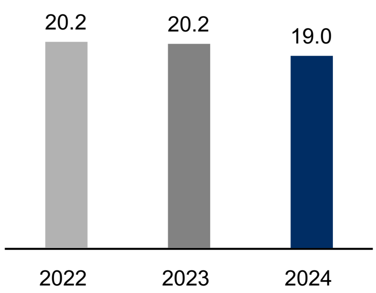
262 Additional Information
262 Selected Terms at a Glance
264 Financial Calendar/Contact/Production Credits

Combined Management Report

Financial Year 2024 in Review

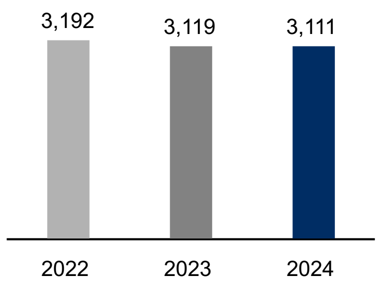
In the 2024 financial year, Bertelsmann recorded positive business performance with improved organic growth and increased profitability. Group revenues were down 5.9 percent to €19.0 billion (previous year: €20.2 billion) due to the sale of shares in the customer experience company Majorel in the previous year. Organic growth rose to 3.3 percent. Almost all divisions contributed to this growth. Penguin Random House and Bertelsmann Investments generated high revenue growth. By contrast, printing business revenues continued to decline. At €3,111 million, operating EBITDA adjusted remained stable at the previous year's strong level (previous year: €3,119 million) despite the lost contribution of Majorel, which was €311 million in the previous year. Penguin Random House, BMG, Bertelsmann Education Group and Bertelsmann Investments achieved strong earnings growth. The EBITDA margin rose to 16.4 percent (previous year: 15.5 percent). Group profit dropped to €1,036 million (previous year: €1,326 million). This decline is mainly attributable to the capital gains from the sale of the Majorel shares in the previous year.

Revenues in € billions



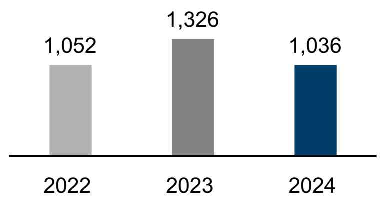
- Revenue decline of 5.9 percent, organic revenue growth of 3.3 percent
- Revenue growth in almost all divisions

Operating EBITDA Adjusted in € millions



- Operating EBITDA adjusted at €3,111 million stable on previous years level
- EBITDA margin of 16.4 percent (previous year: 15.5 percent)

Group Profit in € millions



- Group profit above €1 billion
- Decline driven by Majorel disposal gain in previous year

Fundamental Information about the Group

In this Management Report, the Group has exercised the option to combine the Group Management Report and the Management Report of Bertelsmann SE & Co. KGaA. This Combined Management Report outlines the business performance, including the business result and the position of the Bertelsmann Group and Bertelsmann SE & Co. KGaA. Information about Bertelsmann SE & Co. KGaA in accordance with the German Commercial Code (HGB) will be detailed in a separate section. The Combined Management Report will be published instead of the Group Management Report within the Bertelsmann Annual Report.

With the exception of the Combined Group Corporate Sustainability Statement, the Combined Management Report is audited as part of the audit of the financial statements. For the Combined Group Corporate Sustainability Statement, a voluntary limited assurance engagement was performed by KPMG AG Wirtschaftsprüfungsgesellschaft in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) of the International Auditing and Assurance Standards Board (IAASB).

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

Corporate Profile

Bertelsmann operates in the core business fields of media, services and education in around 50 countries worldwide. The geographic core markets are Western Europe – in particular, Germany, France and the United Kingdom – and the United States. In addition, Bertelsmann is active in Brazil, India and China. The Bertelsmann divisions are RTL Group (entertainment), Penguin Random House (books), BMG (music), Arvato Group (services), Bertelsmann Marketing Services (direct marketing and printing activities), Bertelsmann Education Group (education) and Bertelsmann Investments (venture capital activities and Bertelsmann Next growth area).

Bertelsmann SE & Co. KGaA is a capital market-oriented but unlisted partnership limited by shares. As a group holding company, it exercises key corporate functions such as the definition and further development of group strategy, capital allocation, financing and management. Internal corporate management and reporting follow the Group’s organizational structure, which consists of the operating divisions and Corporate.

RTL Group is a leading European entertainment group in the broadcasting, streaming, content, and digital business, with interests in 60 television channels, seven streaming platforms and 37 radio stations. RTL Group’s television channels include RTL in Germany, M6 in France and the RTL channels in the Netherlands, Luxembourg and Hungary, as well as a stake in Atresmedia in Spain. The streaming services comprise RTL+ in Germany and Hungary, Videoland in the Netherlands and M6+ in France. The content business, Fremantle, is one of the largest international creators, producers and distributors of scripted and unscripted content in the world. The streaming-tech company Bedrock, the ad-tech company Smartclip and the social media company We Are Era are also part of RTL Group. RTL Group is a listed company and represented on the MDAX.

Penguin Random House is, based on revenue, the world’s largest trade book publisher, with about 350 imprints and book brands across six continents. Its well-known imprints include Doubleday, Riverhead, Viking and Alfred A. Knopf (United States); Ebury, Hamish Hamilton and Jonathan Cape (United Kingdom); Goldmann and Heyne (Germany); Plaza & Janés and Alfaguara (Spain); Sudamericana (Argentina); and the international imprint Dorling Kindersley. Each year Penguin Random House publishes around 14,000 new works and sells more than 700 million print books, e-books and audiobooks.

BMG is an international music company and integrates recorded music and music publishing. With 20 offices across 13 core music markets, BMG represents more than three million songs and recordings, including iconic catalogs and works from renowned artists and songwriters such as Kylie Minogue, Jelly Roll, Mick Jagger and Keith Richards, George Harrison, Blondie and Tina Turner.

The Arvato Group is an international service group that develops and implements custom-made solutions for all kinds of business processes, for customers in a wide range of sectors in around 30 countries. World-renowned companies from an array of different sectors – telecommunications providers and utility companies, banks and insurance companies, e-commerce, IT and internet providers – all rely on the group's portfolio of solutions ranging from supply chain solutions (Arvato) through financial services (Riverty) to IT services (Arvato Systems).

The Bertelsmann Marketing Services division is a multi-channel full-service provider for the advertising industry, bundling all of Bertelsmann's direct marketing and print activities. Bertelsmann Marketing Services consists of four business units: the offset printers in Germany; the offset and digital printers in the United States; the Digital Marketing businesses, which include the content agency Territory, Campaign, DeutschlandCard and the Dialog business; and the Sonopress Group.

Bertelsmann Education Group comprises Bertelsmann's education activities. The group's companies focus on the healthcare and education sectors, in particular education and training, and deliver innovative ways of teaching and learning as well as performance management solutions for students, professionals and organizations. The companies include Brazil's leading university group for medical education and training, Afya, the US provider of digital continuing education and training, as well as personnel and compliance management solutions Relias, and the professional practice-oriented Alliant International University along with investments in venture funds.

Bertelsmann Investments bundles Bertelsmann's worldwide venture capital activities, and additionally comprises the Bertelsmann Next unit and the Participations unit. Investments are largely made through the funds Bertelsmann Asia Investments (BAI), Bertelsmann India Investments (BII) and Bertelsmann Digital Media Investments (BDMI), as well as funds and direct investments in the Europe, the United States, Brazil, Southeast Asia and Africa regions. The Bertelsmann Next unit is driving the entrepreneurial development of new growth sectors and lines of business, including in the areas of HR tech, mobile ad tech and pharma tech. The Participations unit includes, among other things, the stake in the Spiegel Group.

The preceding descriptions of the corporate divisions belonging to the Group also cover the disclosure requirements of ESRS 2.40 (a) i.

For further information on Bertelsmann's key intangible resources, we refer to the section "'Intangible Resources."

Regulatory Environment

Bertelsmann has television and radio operations in several European countries that are subject to regulation. In Germany, for example, the media is subject to oversight by the Commission on Concentration in the Media. Bertelsmann Group companies occupy leading market positions in many lines of business, and may therefore have limited potential for growth through acquisition due to antitrust legislation. Moreover, some education activities are subject to regulatory provisions of government authorities and accreditation bodies. Some of the financial services activities are subject to banking supervision regulations.

Because its profit participation certificates and bonds are publicly listed, Bertelsmann is required to comply with capital market regulations applicable to publicly traded companies.

Shareholder Structure

Bertelsmann SE & Co. KGaA is a capital market-oriented but unlisted partnership limited by shares. 80.9 percent of the capital shares in Bertelsmann SE & Co. KGaA are held indirectly by foundations (Bertelsmann Stiftung, Reinhard Mohn Stiftung, BVG-Familienstiftung, BVG-Stiftung), and 19.1 percent are held indirectly by the Mohn family. Bertelsmann Verwaltungsgesellschaft (BVG) controls all voting rights at the General Meeting of Bertelsmann SE & Co. KGaA and Bertelsmann Management SE (general partner).

Strategy

Bertelsmann's strategic focus is to build a digital, international and diversified Group portfolio that achieves profitable growth. Businesses in which Bertelsmann invests should have long-term profitable growth, global reach, sustainable business models, high market-entry barriers and scalability. The strategy pursues five strategic growth priorities: national media champions, global content, global services, education and investments. At the start of 2024, Bertelsmann expanded its Group strategy and has since been driving growth with two programs. The first program, "Boost," was initiated by Bertelsmann back in 2021 with the aim of accelerating the growth dynamic. Bertelsmann has continued to invest heavily in its businesses in line with its Boost strategy. The Group aims to grow in new lines of business through organic initiatives and acquisitions. By the end of 2026, Boost investments will reach in total around €8 billion. The second program, "Boost+," comprises the strategic priorities "Next," "Regional Boost" and "Breakout." "Next" involves the planned establishment of two new lines of business with long-term revenue potential of around €1 billion. "Regional Boost" encompasses the development and expansion of business in particularly promising regions. Finally, "Breakout" involves larger mergers of existing businesses with other companies. The following topics form the basis for the successful implementation of the strategy: tech & data, people, communication and ESG. In terms of strategy, Bertelsmann made the following progress on the five growth priorities in the 2024 financial year.

For the national media champions, RTL Group achieved continued dynamic growth in the streaming business. The streaming services RTL+ in Germany and Hungary, M6+ in France and Videoland in the Netherlands increased their paid subscriber base by 20.6 percent to a combined total of 8.38 million in 2024; streaming revenues grew by 36.2 percent to €546 million (previous year: €401 million). In June and July, RTL Deutschland and Groupe M6 broadcast selected UEFA Euro 2024 matches, achieving high reach on linear television and streaming. At the end of 2024, RTL Deutschland expanded its programming portfolio with the purchase of two rights packages for the Bundesliga and the 2. Bundesliga from the 2025/26 season onwards. RTL Deutschland has also started an exclusive five-year contract with TV entertainer Stefan Raab. In France, Groupe M6 secured the free TV broadcasting rights for the most popular matches of the FIFA World Cups in 2026 and 2030 and launched its streaming service M6+. In addition, Groupe M6 and the French media authority Arcom announced the renewal of the Digital Terrestrial Television (DTT) licenses for W9, Gulli and Paris Première in July.

Bertelsmann continued to invest in the expansion of the global content businesses. RTL Group subsidiary Fremantle acquired the production companies Asacha Media Group and Beach House Pictures in the reporting period. Penguin Random House acquired the independent US book publisher Hay House, one of the country's leading self-help, health and wellness publishers, and increased its stake in Sourcebooks. BMG acquired various catalogs in the reporting period, signed new label contracts with artists including Blake Shelton, Chace and K. Michelle, and recorded successful releases by artists such as Lainey Wilson, Sum 41, Mustard, Travis and Rita Ora.

Global services were also further expanded. Arvato's logistics business was launched in September with the construction of a new distribution center in the Netherlands. Arvato also implemented new automation solutions at several of its facilities around the globe. Financial services provider Riverty partnered with payment platform Mollie, and Arvato Systems agreed to collaborate with Delos Cloud for the provision of a sovereign cloud platform for the public sector in Germany. The closure of the Prinovis site in Ahrensburg, Germany, at the end of January 2024 marked Bertelsmann Marketing Services' full exit from the gravure segment.

Bertelsmann further expanded its education business. The stake in Afya, a leading provider of medical training and education in Brazil, was increased again during the reporting period. Relias further expanded its digital platform for training healthcare personnel in the United States and in Germany. The acquisition of US-based company Feedtrail Healthcare XM, a specialist in patient and employee surveys and reputation management, ideally complements Relias' portfolio of HR solutions. Combining feedback from patients with Relias HR solutions offers clients a unique opportunity to translate patient feedback into a concrete improvement roadmap based on skills assessments and targeted training. The Alliant International University welcomed its first students at its newly opened campus for nursing and health sciences in Phoenix, United States. In July 2024, Afya completed the acquisition of Unidom Participações S.A., a medical college in northeastern Brazil.

Bertelsmann expanded its investment portfolio with 34 new and 24 follow-on investments during the reporting period. As of the end of 2024, Bertelsmann Investments (BI) held a total of 379 investments through its international funds. The Bertelsmann Next growth area increased its engagement in the pharma-tech sector with the acquisition of Extedo, a leading provider of software solutions and services in the field of regulatory information management. At the end of 2024, Bertelsmann Investments also acquired the e-learning platform Vocanto, thereby accelerating the further expansion of its HR technology provider Embrace. In the Digital Health Ventures business segment, BI further expanded its investments in the companies Doccla and Deepc and made new investments in the startups Guardoc Health and PI Health. In the reporting period, Bertelsmann Asia Investments (BAI) made a successful exit from smartphone provider Xiaomi along with other achievements, and concluded a follow-up investment in Stori, a leading neobank in Mexico. Bertelsmann India Investments (BII) invested in the Indian start-up Basic Home Loan, a technology-based marketplace for mortgage loans.

Bertelsmann is continually developing its strategy. Compliance with and achievement of the strategic growth priorities are examined by the Executive Board and at the divisional level, through regular meetings of the Strategy and Business Committees and as part of the annual Strategic Planning Dialogue between the Executive Board and the Supervisory Board. In addition, relevant markets and the competitive environment are analyzed on an ongoing basis in order to draw conclusions concerning the further development of the Group’s strategy. The Executive Board receives guidance from the Group Management Committee (GMC) on matters related to Group strategy and Group development. The GMC consists of managers representing key businesses, countries, regions, and selected cross-Group positions.

In addition, the Group’s content-based and entrepreneurial creativity is very important for the implementation of its strategy (see the section “Intangible Resources”). Bertelsmann will therefore continue to invest in the creative core of its businesses. Simultaneously, innovation competence is very important for Bertelsmann and is a key strategic component (see the section “Innovations”).

Value-Oriented Management System

Bertelsmann’s primary objective is continuous growth of the company’s value through a sustained increase in profitability with efficient capital investment at the same time. To manage the Group, Bertelsmann has been using a value-oriented management system for many years, which focuses on revenues, operating earnings and capital investment. For formal reasons, Bertelsmann makes a distinction between strictly defined and broadly defined operational performance indicators.

Strictly defined operational performance indicators, including revenues and operating EBITDA adjusted, are used to directly assess current business performance and are correspondingly used in the outlook. As distinguished from strictly defined performance indicators, broader performance indicators are also used and are partially derived from the above-mentioned indicators or are strongly influenced by them. These include the EBITDA margin (operating EBITDA adjusted as a percentage of revenues) and organic revenue growth. The financial management system, with defined internal financing targets, is also part of the broadly defined value-oriented management system. Details of the expected development of performance indicators used in the broader sense are provided at best as additional information and are not included in the outlook.

To explain the business performance, and to control and manage the Group, Bertelsmann uses additional alternative performance measures that are not defined in accordance with IFRS accounting standards (more details are given in the section “Alternative Performance Measures”).

Strictly Defined Operational Performance Indicators

To control and manage the Group, Bertelsmann uses revenues and operating EBITDA adjusted. Revenue is used as a growth indicator of businesses. In the 2024 financial year, Group revenues fell by 5.9 percent to €19.0 billion (previous year: €20.2 billion) as a result of portfolio effects.

A key performance indicator for measuring the profitability of the Group and the divisions is operating EBITDA adjusted. Operating EBITDA adjusted dropped during the reporting period by 0.2 percent to €3,111 million (previous year: €3,119 million).

Broadly Defined Performance Indicators

To assess business development, other performance indicators are used that are partially derived from revenues and operating EBITDA adjusted or are strongly influenced by these figures.

The EBITDA margin and organic revenue growth are used as additional criteria for assessing business performance. In the 2024 financial year, the EBITDA margin increased to 16.4 percent after 15.5 percent in the previous year. Organic growth improved to 3.3 percent, up from 0.8 percent in the previous year.

Bertelsmann’s financial management system is defined by the internal financial targets outlined in the section “Net Assets and Financial Position.” These financing principles are pursued in the management of the Group and are included in the broadly defined value-oriented management system.

The non-financial performance indicators (employees, corporate responsibility and similar topics) are not included in the broadly defined value-oriented management system as they have not yet been used materially for the management of the Group. However, Bertelsmann takes sustainability into account in the Group’s management and decision-making processes and plans to incorporate ESG performance indicators into its value-oriented management system in the medium term.

Non-Financial Performance Indicators

The following section refers to the non-financial performance indicators at Bertelsmann. For more information about the organization, management and key topics of corporate responsibility, including additional information on employee concerns, please refer to the section “Combined Group Sustainability Statement.”

Employees

Bertelsmann's employees are the most important key for the Group's long-term success. At the end of the financial year 2024, Bertelsmann employed 74,607 members of staff worldwide (December 31, 2023: 80,418). The decline is primarily due to the sale and deconsolidation of the DDV Mediengruppe.

Further information and employee-related non-financial performance indicators are presented in the "Social Information" section ("Combined Group Sustainability Statement").

Innovations

Businesses invest in the research and the development of new products in order to ensure their long-term competitiveness. Bertelsmann has a similar imperative to create innovative media content, media-related products, and services and educational offerings in a rapidly changing environment. Instead of conventional research and development activities, Bertelsmann views the company's own innovative power as particularly important for business development. The long-term success of the Group depends heavily on product innovations, investing in growth markets and integrating new technologies. Furthermore, innovative expertise is very important for strategy implementation.

Bertelsmann relies on innovation and growth in core operations and new business fields. The key success factors of Bertelsmann's innovation management include continuously following cross-industry trends and observing new markets. At the Group level, Bertelsmann works with the divisions to continuously identify and implement innovative business strategies. Alongside market-oriented activities, support is given to Groupwide initiatives that actively promote knowledge transfer and collaboration. Furthermore, cooperation is being expanded among the divisions in particular for the application of new technologies and data-driven products.

In 2019, Bertelsmann already laid the foundation to build up user expertise in the fields of the cloud, AI (artificial intelligence) and data with the Tech & Data agenda. Given the rapid growth of generative AI, projects such as the Bertelsmann collaboration platform and the data platform BeData in Germany are of particular importance to drive innovations regarding AI. Generative AI offers all businesses of Bertelsmann a variety of opportunities to become more efficient and innovative. To this end, several use cases within the Group were analyzed and synergies identified. An "AI Hub" forms the organizational framework for the cross-divisional and horizontal connections in order to efficiently raise the future potential of AI in key areas such as content generation, TV production and music and book marketing. In order to make use of AI models jointly within the Group and avoid overlaps, partnerships with big tech players are to be intensified and an AI infrastructure is to be developed, among other things. Bertelsmann is aware of the challenges arising with regard to a responsible handling of AI when building up Generative AI skills and for this purpose is developing the corresponding internal policies such as "AI-ssentials."

Innovations at RTL Group focus on three core topics: continuously developing new video formats; using all digital distribution channels; and better monetization of RTL Group's audience reach by personalization, recommendations and addressing target groups. AI played a growing role in all three core topics. In March 2024, RTL Deutschland and online fashion retailer Zalando launched a pilot project for in-stream shopping on its streaming service. RTL+ viewers of the daily soap "Gute Zeiten, schlechte Zeiten" ("Good Times, Bad Times") can now buy fashion products directly linked to the content shown in the episodes. Thanks to a technical innovation from Jay – a global provider of technology for streaming services and broadcasters – users can pause the stream to buy items from Zalando without leaving the RTL+ app. In its publishing business, RTL Deutschland also made investments in further developing the digital paid offer Stern+, among other things. With the relaunch of Stern+ in 2024, RTL Deutschland merged the brands "Stern," "Geo" and "Capital" in a new paid service for readers, extended with a multimedia user experience. Another focus point for innovations is addressable TV advertising, which combines the broad reach of linear TV with targeted digital advertising. In February 2024, Smartclip entered into a partnership with RTL Radio Deutschland regarding the use of the SmartX platform to distribute audio advertising on digital radio streams in Germany. Together with the German Press Agency (DPA), RTL Deutschland developed the "Newsroom der

Zukunft" ("Newsroom of the Future") – an AI editorial tool for journalists at the news channel NTV. The "Hot Topic Discoverer" analyzes news trends and prioritizes emerging topics, while the text generator supports editors in creating texts. RTL Deutschland also partnered with Perplexity AI to test the integration of AI-assisted innovations into its news services, including NTV and Stern. The goal of this collaboration is to provide users with easier, more relevant access to content using an advanced, dialog-oriented search function. By leveraging AI technology, RTL Deutschland seeks to position its news brands as trustworthy sources amid an increasing flood of information, while exploring sustainable innovations and business models for digital content creation.

Innovations at Penguin Random House were driven by strategic investments in content, audience expansion and operational enhancements. Penguin Random House initiated several key partnerships to increase its readership, including a collaboration with Sourcebooks' US Bloom imprint, which led to the launch of Bloom Germany (Penguin Random House Verlagsgruppe) and Bloom Brazil (Companhia das Letras). By continuing its partnership with BBC Studios, Penguin Random House expanded the reach of the popular television series Bluey to be included in children's books worldwide, including a successful integration of the Bluey IP into the Penguin Random House Verlagsgruppe's cbj imprint. Penguin Random House US established an operational hub in Grantham, England, to better serve its customers in continental Europe. Additionally, Penguin Random House is developing generative AI applications to enhance publishing operations while protecting the copyrights and intellectual property rights of its authors. Key innovations include Orion, a speech-to-text proofing app for Penguin Random House Audio.

Innovations at BMG aim to optimize operational productivity, maximize profitability and support artists, songwriters and their music through state-of-the-art technologies. As part of the "BMG Next" strategy, the company has streamlined its processes and sharpened its focus on music publishing and recording. BMG has optimized its global go-to-market strategy through direct licensing deals with Spotify and Apple Music, as well as a physical distribution partnership with Universal Music Group. Additionally, newly created global teams across catalog, marketing, sales and analytics segments, leverage technology to make data-informed decisions. The introduction of generative AI in marketing in collaboration with the GenAI Lab of the TUM School of Management at the Technical University of Munich has yielded positive results on platforms such as Meta and TikTok and is expected to be further expanded in 2025. BMG has also launched a new, next-gen copyright platform and further invested in the myBMG portal as well as in AI-assisted tools for securing revenues and discovering music.

Innovations at the Arvato Group undertaken in the past financial year mainly related to optimizing processes, particularly with the automation and integration of AI solutions, the expansion of existing services and development of new industry and customer solutions. In the reporting period, the logistics business Arvato made extensive investments in modern automation and robotics technology. For example, innovative robotics solutions were implemented at the sites in Louisville, United States, Venlo, Netherlands, and Dortmund and Hanover in Germany. In 2024, financial services provider Riverty enhanced AI applications in customer service in cooperation with Parloa, a leading provider of AI-assisted automation solutions and pushed ahead with developing new business models, among other innovations. Furthermore, IT service provider Arvato Systems worked in close partnership with Microsoft and Delos Cloud GmbH to create the first sovereign hyperscale cloud for the German authorities.

In the 2024 financial year, innovations at Bertelsmann Marketing Services once again focused on the topics of process optimization through the use of new technologies and digital solutions and expanding its portfolio of products and services with innovative, and partially AI-based, services. Generative AI systems, above all, have made their way into the Group's day-to-day work in its direct marketing and agency business in particular. For instance, Territory launched the Smart Agency, an AI-based marketing platform targeted at small companies and micro-enterprises; DeutschlandCard initiated a strategic realignment with the new aim of becoming an agile commerce media platform for highly personalized direct-to-consumer marketing; and Sonopress successfully developed the world's first PET-based LP record on the market with EcoRecord.

Innovations at the Bertelsmann Education Group mainly consisted of developing digital, technology-based and customized education and service offerings to provide an effective process for training and continuing education, with the objective of addressing the increasing lack of healthcare professionals. Accordingly, Afya focused on expanding and further developing its range of digital solutions aimed at augmenting classroom-based delivery methods with digital learning paths for the education of medical practitioners, and at supporting doctors in patient care by providing data-driven applications. Relias expanded its portfolio with additional solutions in the field of HR and compliance management solutions. Relias successfully launched the Compliance Pro Suite, an integrated compliance solution that helps healthcare organizations efficiently manage directives, regulations and risk management. In the university segment, Alliant was able to greet the first cohort of students for the nursing degree program at the Alliant School of Nursing and Health Sciences, a healthcare campus which opened in 2023 in Phoenix, United States, in spring 2024.

Innovations at Bertelsmann Investments were advanced through investments in growing digital businesses worldwide, promoting entrepreneurial talent, the exchange of knowledge within the Group and tapping into new lines of business. The division made extensive investments through its venture capital funds, strengthened its pharma tech portfolio with the acquisition of Extedo, acquired the digital business Milch & Zucker as part of the expansion of the HR technology segment, and supported the development of proprietary technology solutions at AppLike.

Intangible Resources

The statements in this section are related to the Corporate Sustainability Reporting Directive (CSRD, Directive (EU) 2022/2464), which requires reporting on the key intangible resources that fundamentally underpin the business model of the Bertelsmann Group and represent a source of value creation for Bertelsmann. Although the legislative change did not occur by the time the consolidated financial statements were prepared, Bertelsmann has decided to implement it early. The content is based on the ASCG's (Accounting Standards Committee of Germany's) briefing paper: "Reporting on Intangible Assets."

The Bertelsmann Group attaches particular importance to intangible resources when it comes to value creation. The economic success and the ability of the media, services and education businesses to transform and enjoy a sustainable future fundamentally hinges on intangible resources. Bertelsmann's most important intangible resources fall into three categories: human, relationship and intellectual capital. These intangible resources include, on the one hand, recognized intangible assets, including goodwill. On the other hand, they include non-recognizable resources, which are explained below. Further details on the recognizable intangible assets can be found in the Consolidated Financial Statements.

Human capital concerns the employees and managers of Bertelsmann. Bertelsmann relies on a qualified, motivated, and diverse workforce to offer its customers and end users top-notch media offerings and innovative service solutions. To ensure this, the focus of human capital is on fair working conditions, diversity, health & well-being, and learning. Within the Bertelsmann Group, various regulations such as the Executive Board Directive on "Health and Safety" and the Bertelsmann Policy on "Health & Well-being", "Occupational Safety, Human Rights and Fair Working Conditions", "Inclusion" provide the framework to ensure the desired standards. The continuous involvement of employees and their representatives in decision-making processes on key employee-related issues is an important part of Bertelsmann's corporate culture. Various communication channels and dialogue formats enable the exchange and advancement of common topics. In a regular employee survey, key issues are evaluated and the results are presented to the Supervisory Board, the Executive Board, and other decision-makers. The learning strategy is implemented through Bertelsmann

University and the Bertelsmann Vocational School in Germany. The international Talent & Learning Committee and the Top Executives and Talent Management department work together to evaluate learning needs, develop learning offerings, and further develop talent management processes. The work of the employees is fundamentally based on the corporate culture and entrepreneurial spirit of “To Empower. To Create. To Inspire.” This principle provides guidance for employees and managers. The goals and basic values for all employees, managers and shareholders of the Group are set forth in the Bertelsmann Essentials. Day-to-day activities at Bertelsmann are driven by the core values of creativity and entrepreneurship. Through their interaction, they reinforce each other and thereby form the cornerstones of the Bertelsmann corporate culture, which relies on participation and partnership. Entrepreneurship is key to successful implementation of the corporate strategy. Bertelsmann encourages employees to think and act entrepreneurially and creates the necessary entrepreneurial freedom for this purpose. Identifying and promoting entrepreneurial talent is a key success factor for sustainable growth. The implementation of the Bertelsmann Essentials in daily work is regularly reviewed as part of the employee survey. In 2023, the Entrepreneurship Index, which reflects the proportion of positive responses to questions in this field, was 72 percent, while the Empowerment Index reached 85 percent. The Bertelsmann Leadership Principles were revised in 2024 to provide guidance to managers around the globe in an ever-changing world. In addition, during the reporting period, over 300 Bertelsmann managers shared their views on the framework conditions and foundations for successful entrepreneurship at the Leading Entrepreneurship Conference in Amsterdam. The international Bertelsmann management representation “Bertelsmann Management Representative Committee” (BMRC) aims to give a voice to the ideas and opinions of executives worldwide. The BMRC is made up of members from different divisions, countries, and continents. In its semi-annual meetings, the members regularly exchange views on the status and development of corporate culture and human resources work.

Relationship capital at Bertelsmann involves building loyalty among customers, suppliers and the capital market. A partnership based on mutual respect and trust defines the relationship between Bertelsmann and its business partners. The Bertelsmann Code of Conduct contains a set of standards and guidelines governing relationships with business partners and third parties. Important topics for customers as well as suppliers, such as digitalization, automation, and artificial intelligence, are consistently advanced with the necessary investments. The implementation of new and innovative approaches is carried out in close collaboration with customers and suppliers. In particular, Bertelsmann's service businesses benefit from unique access to customer and supplier groups. Additionally, the use of internally generated software, brands, and patents promotes long-term loyalty to the company. Capital market relationships make a considerable contribution to Bertelsmann’s financial security and independence. The Group leverages various instruments to diversify its financing. Capital market financing plays an important role in the financing strategy. Since 2002, ratings agencies Moody’s and S&P Global Ratings have rated Bertelsmann as investment grade. Bertelsmann’s responsible fiscal policies and adherence to set financing targets create long-term trust. Thanks to its strong credit rating and its transparency to the capital market, Bertelsmann is able to obtain financing on the capital market at reasonable terms.

For Bertelsmann as a media, services and education company, intellectual capital is of particular importance. Creative content is at the heart of the media business. For long-term business success, Bertelsmann places high importance on its own innovative strength, particularly product innovations, investments in future markets, and the integration of new technologies. Intellectual capital is of crucial relevance, especially for content creation in the TV and magazine businesses, video production, as well as the book, music, marketing and education businesses. Capitalized intangible assets at Bertelsmann particularly refer to music, film, and broadcasting rights at RTL Group and BMG, as well as licenses at Bertelsmann Education Group. Also of importance for the long-term competitiveness and innovation capability of Bertelsmann are self-created values of intellectual capital that are not recognized in fixed assets. Alongside entrepreneurship, creativity is therefore one of the two Bertelsmann Essentials. In 2024, Bertelsmann developed and introduced the “Creativity Principles.” These guidelines on working with creative content aim to provide support to creatives in the face of changing political, social and cultural conditions. In the 2023 employee survey, Creativity Index achieved 78 percent.

Report on Economic Position

Corporate Environment

Overall Economic Developments

The global economy continued to grow at a moderate pace in 2024. At 3.2 percent, real gross domestic product (GDP) growth was slightly down in 2024 compared to 3.3 percent in 2023. While the US economy continued to grow rapidly, production growth in the other advanced economies was subdued. The previously sharp decline in global inflation came to a slight standstill over the course of the year. Interest rate cuts that were enacted in the previous year continued in most countries.

The low growth rate in the eurozone only improved to a limited extent. Real GDP rose 0.7 percent in 2024, compared to 0.5 percent in the previous year.

The period of weakness in the German economy continued unabated. Real GDP fell by 0.2 percent in 2024, after a 0.3 percent decline in the previous year. Aside from the economic headwinds, this further decline can also be attributed to major structural challenges. In France, by contrast, the economy continued on its growth trajectory. Real GDP growth reached 1.1 percent in 2024, compared to 0.9 percent in the previous year. Economic growth improved in the United Kingdom as well, with real GDP rising by 0.9 percent compared to 0.1 percent in the previous year.

In the United States, the pace of expansion continued to accelerate. Real GDP growth reached 2.8 percent in 2024, compared to 2.5 percent in the previous year, due in large part to a rise in private consumption.

Developments in Relevant Markets

The following analysis focuses on markets and regions that are of a sufficient size and are strategically important from a Group perspective.

The European television advertising markets saw mixed development in 2024. While in Germany and the Netherlands a slight decline was recorded, the TV advertising market in France showed stable development and in Hungary significant growth. The streaming markets in both Germany and Hungary posted strong growth, while the Netherlands posted slight growth compared to the previous year.

In 2024, the markets for printed books grew slightly overall. Revenues from printed books increased moderately in the United States and strongly in the Spanish-speaking region. In both the United Kingdom and Germany, markets continued to exhibit stable growth. The market for e-books grew slightly in the United States and strongly in the United Kingdom. Revenues from digital audiobooks grew strongly in both the United States and the United Kingdom.

The global music market recorded strong growth in the publishing and recording market segments in 2024.

The service markets relevant for the Arvato Group – logistics services, financial services and IT services – were characterized by moderate growth.

The German offset printing market recorded a moderate decline in 2024. The North American book printing market grew moderately.

The education market in the United States where Bertelsmann is involved, namely training in healthcare, showed significant growth in 2024; the Brazilian market for medical university courses exhibited strong growth.

Significant Events in the Financial Year

The agreement governing the sale of RTL Nederland to DPG Media concluded by RTL Group at the end of 2023 remains subject to regulatory approvals. During the reporting period, the Dutch Competition Authority (ACM) announced that further reviews of the planned takeover are required. RTL Group expects to close the transaction in the second quarter of 2025.

At the start of 2024, Penguin Random House acquired US book publisher Hay House, one of the country's leading publishers of self-help, health and wellness titles.

In February 2024, RTL Group subsidiary Fremantle acquired the parent company of Asacha Media Group, a European production group headquartered in France. Asacha Media Group owns majority interests in eight production companies in France, Italy and the United Kingdom. The acquisition complements Fremantle's footprint in Europe and strengthens the position of the RTL Group subsidiary as home to top and new talent.

In March 2024, Penguin Random House raised its stake in Sourcebooks from 53 percent to 75 percent.

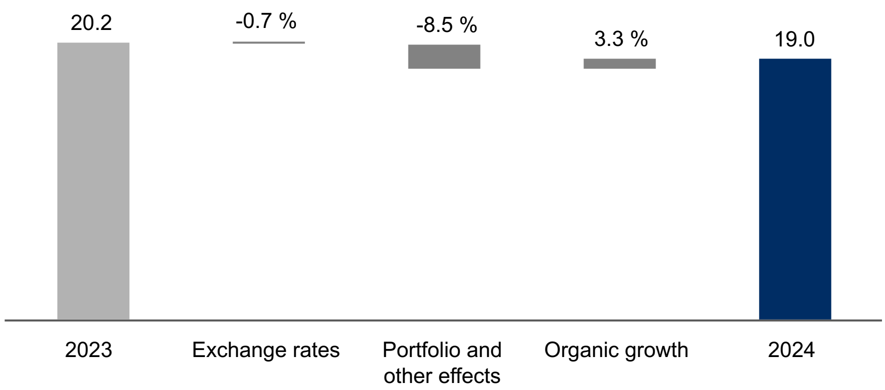
In the 2024 financial year, Bertelsmann increased its stake in Afya, a leading provider of medical training and education in Brazil. As of December 31, 2024, Bertelsmann held 76 percent of the voting rights (December 31, 2023: 61 percent) and – after adjustment of shares held by Afya – 66 percent of the equity (December 31, 2023: 50 percent).

In July 2024, Afya acquired a 100 percent interest in Unidom Participações S.A., a group that offers university degree programs at four locations in the Brazilian state of Bahia. Through the acquisition, Afya is significantly expanding the number of government-approved medical study places.

At its meeting on July 4, 2024, the Supervisory Board appointed Thomas Coesfeld, CEO of the BMG division, to the Bertelsmann Executive Board with immediate effect. In this role, Coesfeld is responsible for Bertelsmann's music business.

Results of Operations
Revenue Development

Revenue Breakdown in € billions



Group revenues fell in the 2024 financial year by 5.9 percent to €19.0 billion (previous year: €20.2 billion) due to the lost revenue contribution following the sale of shares in the customer experience company Majorel in November 2023. Adjusted by exchange rate, portfolio and other effects, the Group generated organic growth of 3.3 percent. Organic revenue growth was achieved in almost all divisions.

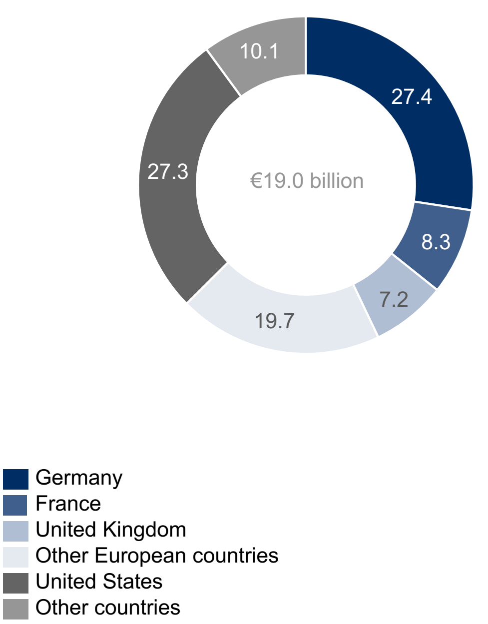
At RTL Group, revenue rose 0.5 percent to €6,888 million (previous year: €6,854 million). Organic decline was 1.1 percent. Revenue benefited from the ongoing, dynamically growing streaming business. By contrast, slightly lower revenues from TV advertising and at Fremantle had a negative impact on revenues. The revenue of Penguin Random House rose by 8.5 percent to €4,917 million (previous year: €4,532 million). Organic growth was 7.8 percent. Positive business performance, especially in the United States, strong backlist performance and portfolio effects due to acquisition activities had a positive impact on revenue. BMG revenues rose 6.4 percent to €963 million (previous year: €905 million). Organic growth was 8.1 percent. BMG recorded increased revenue in both its publishing and recording business. The revenue of the Arvato Group fell by 29.3 percent to €3,871 million (previous year: €5,476 million). The decline was due to the sale of Majorel shares in November 2023. Organic growth was 3.7 percent. Logistics business Arvato contributed to organic growth with its new and existing customers, especially outside of Germany, Riverty especially in the Collection business, and Arvato Systems with its rise in customers from the healthcare industry. Primarily in light of site closures and lower capacity utilization in the printing area, the revenue of Bertelsmann Marketing Services decreased by 17.4 percent to €1,088 million (previous year: €1,317 million). The organic decline was 17.4 percent. Bertelsmann Education Group continued to expand the education business and reported revenue growth of 5.5 percent to €924 million despite negative exchange rate effects (previous year: €876 million). Organic growth was 9.6 percent. The revenues of the Bertelsmann Investments division are mainly generated by the activities of Bertelsmann Next. The revenue growth of 30.4 percent to €563 million (previous year: €432 million) can be attributed to the strong business development of AppLike in particular. Organic growth was 59.5 percent.

Revenues by Division

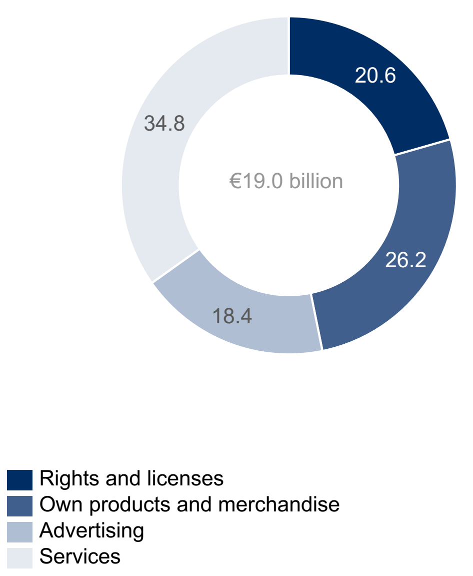
in € millions			2024			2023
	Germany	International	Total	Germany	International	Total
RTL Group	2,436	4,452	6,888	2,434	4,420	6,854
Penguin Random House	311	4,606	4,917	311	4,221	4,532
BMG	78	885	963	94	811	905
Arvato Group	1,705	2,166	3,871	1,984	3,492	5,476
Bertelsmann Marketing Services	639	449	1,088	818	499	1,317
Bertelsmann Education Group	5	919	924	5	871	876
Bertelsmann Investments	150	413	563	276	156	432
Total divisional revenues	5,324	13,890	19,214	5,922	14,470	20,392
Corporate/Consolidation	(122)	(105)	(227)	(136)	(87)	(223)
Continuing operations	5,202	13,786	18,988	5,786	14,383	20,169

There were slight changes in the geographical breakdown of revenues compared to the previous year. The share of revenues generated in Germany was 27.4 percent compared to 28.7 percent in the previous year. The revenue share generated by France came to 8.3 percent (previous year: 9.4 percent). In the United Kingdom, the revenue share was 7.2 percent (previous year: 6.4 percent). The share of total revenues generated by the other European countries was 19.7 percent, compared to 19.7 percent in the previous year. The revenue share generated by the United States increased to 27.3 percent (previous year: 25.3 percent), and the other countries achieved a revenue share of 10.1 percent (previous year: 10.5 percent). This means that the share of total revenues generated by foreign business rose slightly to 72.6 percent (previous year: 71.3 percent). The ratio of the four revenue sources to total sales has changed compared to the previous year as follows. The revenue share from products and goods increased to 26.2 percent (previous year: 23.3 percent). The share of services in revenue decreased to 34.8 percent (previous year: 40.7 percent). This decline is mainly due to the sale of Majorel shares in November 2023. The revenue share from advertising and announcements amounted to 18.4 percent (previous year: 17.5 percent), and the revenue share from rights and licenses was 20.6 percent (previous year: 18.5 percent).

Consolidated Revenues by Region in percent



Consolidated Revenues by Category in percent



Operating EBITDA Adjusted

In the 2024 financial year, the Group posted a result on par with the previous year despite the portfolio-related decline in revenue. Operating EBITDA adjusted remained stable at €3,111 million (previous year: €3,119 million). Earnings were up for almost all divisions. The EBITDA margin rose to 16.4 percent (previous year: 15.5 percent).

Operating EBITDA adjusted at RTL Group fell by 1.3 percent to €1,158 million (previous year: €1,173 million). Despite the slight decrease in TV advertising revenue and higher program costs in the TV business, earnings were only slightly lower than in the previous year. Penguin Random House recorded earnings growth due to both revenue and savings achieved largely through the reorganization of the US business. Operating EBITDA adjusted was up 11.3 percent to €739 million (previous year €664 million). BMG recorded strong earnings growth once again, particularly in the publishing and recording businesses. Operating EBITDA adjusted rose by 36.9 percent to €265 million (previous year €194 million). The Arvato Group generated operating EBITDA adjusted of €641 million (previous year: €895 million). Earnings fell significantly compared with the previous year's figure as a result of the sale of Majorel shares in November 2023. The remaining Arvato Group businesses recorded overall earnings growth. Operating EBITDA adjusted at Bertelsmann Marketing Services was up by 20.4 percent to €34 million (previous year: €29 million). This was due largely to improved production capacity utilization in the book printing business, and further cost savings. At Bertelsmann Education Group, operating EBITDA adjusted rose by 22.6 percent to €347 million (previous year: €283 million). In addition to the organic growth in all operating units, the positive development was also fueled by cost savings. Earnings from operational activities at Bertelsmann Investments recorded equally strong growth to €75 million (previous year: €21 million), as a result of the positive business development of AppLike in particular.

Results Breakdown

in € millions	2024	2023
Operating EBITDA adjusted		
RTL Group	1,158	1,173
Penguin Random House	739	664
BMG	265	194
Arvato Group	641	895
Bertelsmann Marketing Services	34	29
Bertelsmann Education Group	347	283
Bertelsmann Investments	75	21
Total operating EBITDA adjusted by division	3,259	3,258
Corporate/Consolidation	(149)	(140)
Operating EBITDA adjusted	3,111	3,119
Amortization/depreciation, impairment/reversals of impairment losses on intangible assets, property, plant and equipment, and right-of-use assets not included in special items	(1,137)	(1,131)
Special items	(277)	(88)
EBIT (earnings before interest and taxes)	1,697	1,899
Financial result	(255)	(337)
Earnings before taxes	1,442	1,563
Income tax expense	(406)	(237)
Group profit or loss	1,036	1,326
thereof: Earnings attributable to Bertelsmann shareholders	784	923
thereof: Earnings attributable to non-controlling interests	252	402

Special Items

Special items in the 2024 financial year totaled €-277 million compared to €-88 million in the previous year. They consist of impairments or reversals of impairment losses on investments accounted for using the equity method amounting to €-7 million (previous year: –), results from disposals of investments amounting to €4 million (previous year: €731 million), fair value measurement of investments amounting to €-22 million (previous year: €-229 million), adjustments of the carrying amounts of assets held for sale amounting to €-1 million (previous year: €-19 million), as well as reorganization expenses and other special items totaling

€-252 million (previous year: €-549 million). In the reporting period, there was no impairment on other financial assets at amortized cost (previous year: €-4 million) and no impairment on goodwill and other intangible assets with indefinite useful life as well as gains from business combinations (previous year: €-18 million), The high decline in the results from disposals of investments is primarily related to the sale of Majorel shares in the previous year.

EBIT

EBIT amounted to €1,697 million in the financial year 2024 (previous year: €1,899 million), based on operating EBITDA adjusted and after accounting for special items totaling €-277 million (previous year: €-88 million) and amortization, depreciation, impairment and reversals of impairment losses on intangible assets, property, plant and equipment and right-of-use assets totaling €-1,137 million (previous year: €-1,131 million), which were not included in the special items.

Group Profit

The financial result was €-255 million, compared with the previous year's amount of €-337 million. The income tax expense amounted to €-406 million compared with €-237 million in the previous year. Group profit therefore amounted to €1,036 million (previous year: €1,326 million). The share of Group profit attributable to non-controlling interests came to €252 million (previous year: €402 million). The share of Group profit attributable to Bertelsmann shareholders came to €784 million (previous year: €923 million). For the 2024 financial year, a dividend payout of €220 million (previous year: €220 million) will be proposed at the Annual General Meeting of Bertelsmann SE & Co. KGaA.

Net Assets and Financial Position

Financing Guidelines

The primary objective of Bertelsmann's financial policy is to achieve a balance between financial security, return on equity and growth. For this, Bertelsmann bases its financing policy on the requirements of a solid investment grade credit rating and the associated qualitative and quantitative criteria. Credit ratings and capital market transparency make a considerable contribution to the company's financial security and independence.

In accordance with the Group structure, the capital allocation is made centrally by Bertelsmann SE & Co. KGaA, which provides the Group companies with liquidity and manages the issuance of guarantees and letters of comfort for them. The Group consists largely of a single financial unit, thereby optimizing the raising of capital and investment opportunities.

Bertelsmann utilizes a financial management system employing quantitative financial targets concerning the Group's economic debt and, to a lesser extent, its capital structure. One of the financial targets is a dynamic leverage factor calculated as the ratio of economic debt to operating EBITDA adjusted; this factor should not regularly exceed the defined maximum of 2.5. As of December 31, 2024, the leverage factor was 2.0 (December 31, 2023: 1.8).

As of December 31, 2024, economic debt increased to €5,445 million compared to €4,713 million in the previous year. Net financial debt amounted to €2,883 million and was above the level of the previous year (December 31, 2023: €2,267 million). As of December 31, 2024, recognized lease liabilities increased to €1,418 million (December 31, 2023: €1,333 million). At €731 million as of December 31, 2024, provisions for pensions and similar obligations were slightly above the level of the previous year (December 31, 2023: €700 million).

Another financial target is the (interest) coverage ratio. This is calculated as the ratio of operating EBITDA adjusted, used to determine the leverage factor, to financial result, and should exceed four. In the reporting period, the coverage ratio was 11.0 (previous year: 8.3). The Group's equity ratio rose to 47.5 percent (December 31, 2023: 46.5 percent), remaining significantly above the self-imposed minimum of 25 percent.

Financial Targets

	Target	2024	2023
Leverage Factor: Economic debt/Operating EBITDA adjusted[1]	≤ 2.5	2.0	1.8
Coverage Ratio: Operating EBITDA adjusted/Financial result[1]	> 4.0	11.0	8.3
Equity ratio: Equity as a ratio to total assets (in percent)	≥ 25.0	47.5	46.5

1 After modifications.

Financing Activities

In April 2024, the debt issuance program was renewed with a maximum total volume of €5 billion. As part of this program, a €300 million floating-rate bond with a term of two years was issued in July 2024 as part of a private placement. In July 2024, Bertelsmann also renewed the syndicated credit facility ahead of schedule, which was previously due in 2026. In the reporting period, a bond with a nominal value of €500 million that matured in October 2024 was also redeemed with an outstanding amount of €426 million.

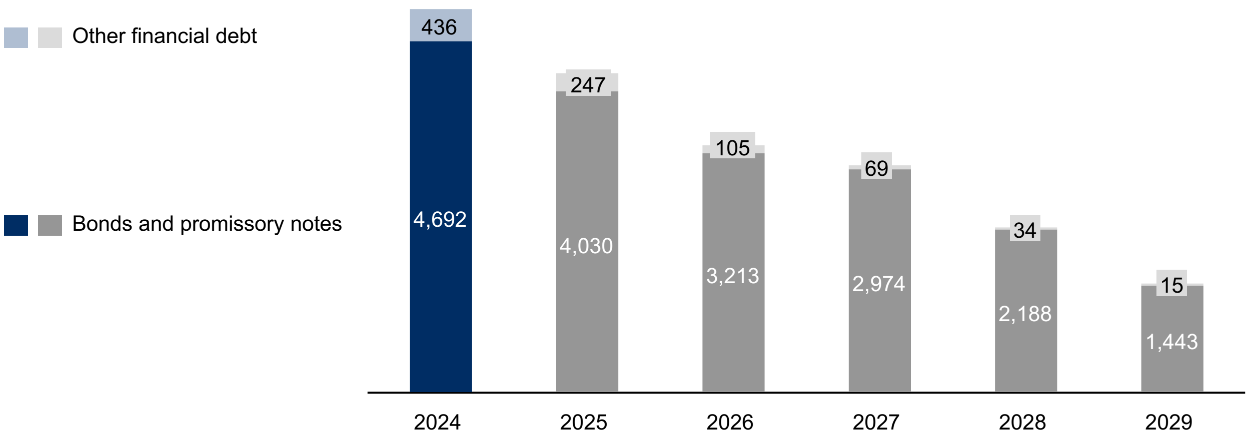
Rating

Bertelsmann has been rated by the rating agencies Moody's and Standard & Poor's Global Ratings (S&P) since 2002. The issuer ratings facilitate access to the international capital markets and are therefore a key element of Bertelsmann's financial security. Bertelsmann is currently rated by Moody's as "Baa2" (outlook: stable) and by S&P as "BBB" (outlook: stable). Both credit ratings are in the investment-grade category. Bertelsmann's short-term credit quality rating is "P 2" from Moody's and "A 2" from S&P.

Credit Facilities

In addition to available liquidity, the Bertelsmann Group has access to a syndicated credit facility with 15 banks. This credit facility that was unutilized as of December 31, 2024, forms the backbone of the strategic credit reserve; Bertelsmann can utilize this with a term until 2029 up to an amount of €1.5 billion (previous year: €1.2 billion) of revolving funds.

Maturity Structure of Financial Debt in € millions



Cash Flow Statement

During the reporting period, cash flow from operating activities was generated in the amount of €2,172 million (previous year: €1,915 million). Cash flow from investing activities was €-1,287 million (previous year: €-539 million). Of that amount, €-1,128 million (previous year: €-1,076 million) was attributable to investments in intangible assets, property, plant and equipment and financial assets. Purchase price payments for consolidated investments (less acquired cash and cash equivalents) were €-488 million (previous year: €-362 million). Payments from the sales of subsidiaries and other business units as well as of other non-current assets were €328 million (previous year: €898 million). Cash flow from financing activities amounted to €-1,629 million (previous year: €-1,622 million). Dividend payments to Bertelsmann SE & Co. KGaA shareholders totaled €-220 million (previous year: €-220 million). Dividends paid to non-controlling interests and other shareholders amounted to €-204 million (previous year: €-276 million). As of December 31, 2024, Bertelsmann had cash and cash equivalents of €2,242 million (previous year: €2,954 million).

Consolidated Cash Flow Statement (Summary)

in € millions	2024	2023
Cash flow from operating activities	2,172	1,915
Cash flow from investing activities	(1,287)	(539)
Cash flow from financing activities	(1,629)	(1,622)
Change in cash and cash equivalents	(744)	(246)
Exchange rate changes and other changes in cash and cash equivalents	16	(9)
Cash and cash equivalents as of 1/1	2,974	3,228
Cash and cash equivalents as of 12/31	2,246	2,974
Less cash and cash equivalents of disposal groups	(3)	(20)
Cash and cash equivalents as of 12/31 (according to the consolidated balance sheet)	2,242	2,954

Off-Balance-Sheet Liabilities

The off-balance-sheet liabilities include contingent liabilities and other financial commitments, almost all of which result from operating activities conducted by the divisions. The off-balance-sheet liabilities remained stable compared with the previous year. The off-balance-sheet liabilities existing as of December 31, 2024, had no significant negative effects on the Group's net assets, financial position or results of operation for the past or the following financial year.

Investments

Total investments, including acquired financial debt of €73 million (previous year: €6 million), amounted to €1,688 million in the 2024 financial year (previous year: €1,444 million). Investments as reported in the cash flow statement amounted to €1,614 million (previous year: €1,438 million). As in previous years, the majority of the €396 million investments in property, plant and equipment (previous year: €441 million) stemmed from the Arvato Group. Investments in intangible assets came to €586 million (previous year: €456 million) and were primarily attributable to BMG for the acquisition of music catalogs and RTL Group for investments in film rights. The sum of €146 million was invested in financial assets (previous year: €179 million). Purchase price payments for consolidated investments (less acquired cash and cash equivalents) totaled €488 million (previous year: €362 million) and were mainly attributable to the acquisition of Asacha Media Group and the acquisitions of Hay House and Unidom.

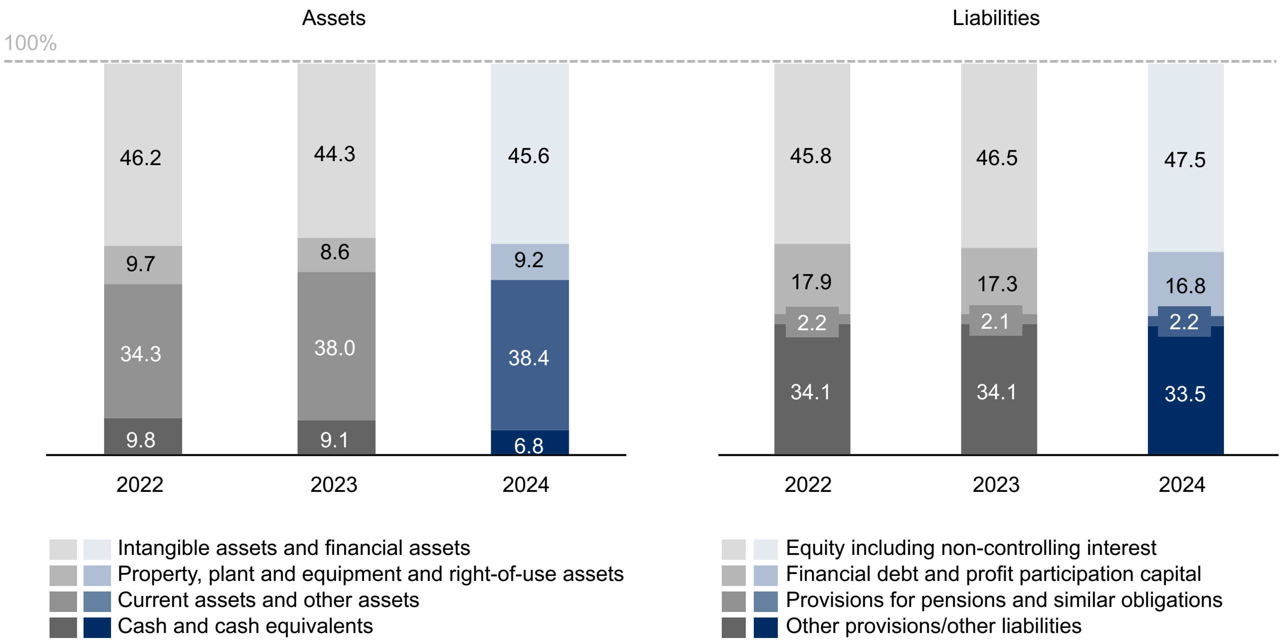
Investments by Division

in € millions	2024	2023
RTL Group	404	259
Penguin Random House	178	163
BMG	313	227
Arvato Group	266	321
Bertelsmann Marketing Services	34	35
Bertelsmann Education Group	246	241
Bertelsmann Investments	169	177
Total investments	1,610	1,423
Corporate/Consolidation	5	15
Total investments	1,614	1,438

Balance Sheet

Total assets came to €33.0 billion as of December 31, 2024 (previous year: €32.6 billion). Cash and cash equivalents amounted to €2.2 billion (previous year: €3.0 billion). Equity amounted to €15.6 billion after €15.2 billion in the previous year. This resulted in an equity ratio of 47.5 percent (previous year: 46.5 percent). Equity attributable to Bertelsmann SE & Co. KGaA shareholders was €13.5 billion (previous year: €12.9 billion). Provisions for pensions and similar obligations amounted to €731 million (previous year: €700 million). Gross financial debt totaled €5.1 billion, compared to €5.2 billion as of December 31, 2023. Apart from that, the balance sheet structure remained largely unchanged from the previous year.

Balance Sheet in percent



Profit Participation Capital

Profit participation capital had a par value of €301 million as of December 31, 2024, as in the previous year. If the effective interest method is applied, the carrying amount of profit participation capital was €413 million as of December 31, 2024 (previous year: €413 million). The 2001 profit participation certificates (ISIN DE0005229942) account for 94 percent of par value of profit participation capital, while the 1992 profit participation certificates (ISIN DE0005229900) account for the remaining 6 percent.

The 2001 profit participation certificates are officially listed for trading on the Regulated Market of the Frankfurt Stock Exchange. Their price is listed as a percentage of par value. The highest closing rate of the 2001 profit participation certificates during the 2024 financial year was 290.00 percent in September; their lowest closing rate was 250.10 percent in January.

Under the terms and conditions of the 2001 profit participation certificates, the payout for each full financial year is 15 percent of par value, subject to the availability of sufficient Group profit and net income at the level of Bertelsmann SE & Co. KGaA. These conditions were met in the past financial year. Accordingly, a payout of 15 percent of the par value of the 2001 profit participation certificates will also be made for the financial year 2024.

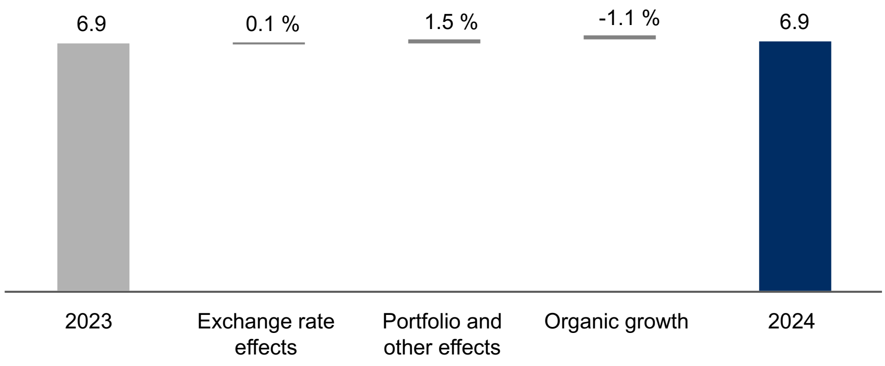
The 1992 profit participation certificates, approved for trading on the Regulated Market in Frankfurt, only have a limited liquid trading on the stock exchange due to their low volume. Payouts on the 1992 profit participation certificates are based on the Group’s return on total assets. Because the return on total assets for the 2024 financial year was 4.53 percent (previous year: 5.01 percent), the payout on the 1992 profit participation certificates for the 2024 financial year will be 5.53 percent of their par value (previous year 6.01 percent).

The payout distribution date for both profit participation certificates is expected to be May 6, 2025. Under the terms and conditions of the profit participation certificates, the auditors appointed by Bertelsmann SE & Co. KGaA are responsible for auditing whether amounts to be distributed have been calculated correctly. The auditor of both profit participation certificates provide confirmation of this.

Performance of the Group Divisions

RTL Group

Revenue Breakdown in € billions



In 2024, RTL Group delivered a stable total revenue performance despite the slightly declining TV advertising revenues. At Fremantle, portfolio effects from the acquisition of Asacha Media Group partly offset an organic decline in revenue of 8.0 percent. In 2024, the international market for content production was still impacted by 2023 US strikes and by budget cuts from streaming services and advertising-financed broadcasters. RTL Group's streaming revenues grew by 36.2 percent (previous year: 22.5 percent). In the financial year 2024, RTL Group's revenues increased by 0.5 percent to €6.9 billion (previous year: €6.9 billion), while operating EBITDA adjusted dipped by 1.3 percent to €1.2 billion (previous year: €1.2 billion). In organic terms, the decline in sales was 1.1 percent year-on-year, mainly due to Fremantle. The EBITDA margin was 16.8 percent (previous year: 17.1 percent).

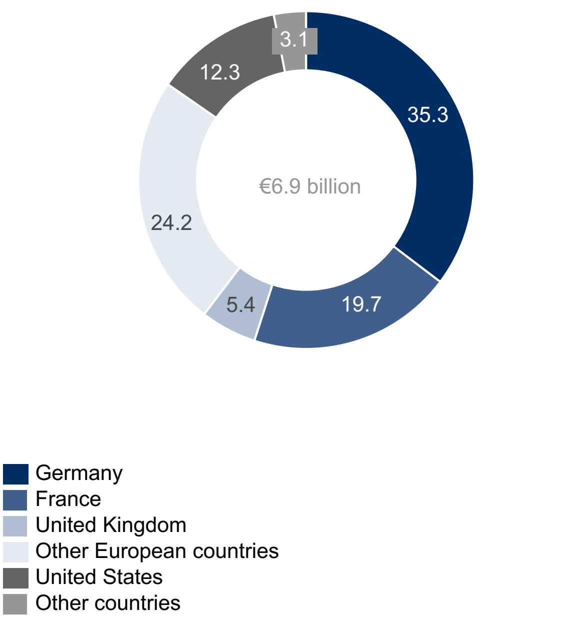
In line with Bertelsmann's "Boost" strategy, RTL Group continued to invest heavily in attractive program content, in the expansion of its streaming and production business, and in Tech & Data in the past financial year. This included an exclusive five-year contract with Stefan Raab in Germany to strengthen the linear flagship channel RTL and attract new subscribers to RTL+. RTL Deutschland also acquired the highlight rights for the Bundesliga and 2. Bundesliga soccer for RTL+ and the free TV rights for the weekly top match of the 2. Bundesliga for the four seasons 2025/26 to 2028/29. Groupe M6 secured the broadcasting rights for the 2026 and 2030 soccer world championships. Fremantle continued its growth strategy, in particular through the acquisition of Asacha Media Group, which largely offset the organic revenue decline. To be able to compete with the global technology platforms, RTL Group promotes alliances and partnerships in the European media industry. For example, in January, Sky Deutschland and RTL Deutschland launched a strategic partnership which covers the sublicensing of Formula 1 races and Premier League matches. As part of a partnership with Deutsche Telekom, RTL Deutschland broadcast twelve UEFA Euro 2024 matches in the middle of the year. December saw the launch of the ad tech partnership between RTL Deutschland and ProSiebenSat.1. Its purpose is to link the services of the respective tech companies, enabling advertising customers to run campaigns across the platforms of both partners.

The family of channels in Germany saw a decline in audience shares in the reporting year, while at the same time further widening its lead over its main commercial competitor ProSiebenSat.1 to the largest lead in over a decade. RTL Deutschland was the only major commercial broadcaster in Germany to grow its audience share in the advertisers' preferred demographic (14- to 59-year-olds) in 2024, to 9.6 percent (previous year: 9.4 percent). The Groupe M6 channels in France achieved an audience share of 19.6 percent (previous year: 20.5 percent) in the advertisers' preferred demographic (25- to 49-year-olds). This made them the #2 most-watched commercial family of channels in France.

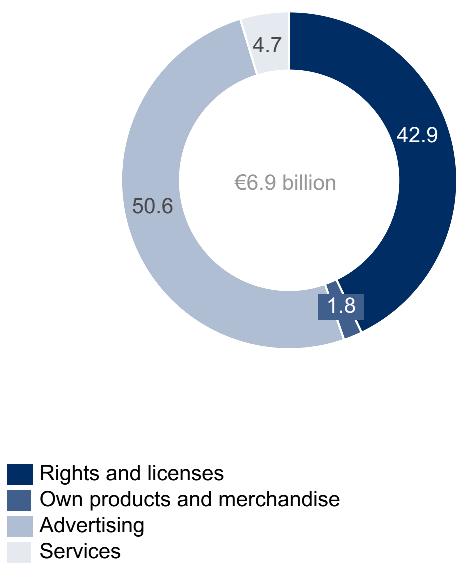
The streaming services RTL+ in Germany and Hungary, M6+ in France and Videoland in the Netherlands increased their paid subscriber base by 20.6 percent to a combined total of 8.38 million in 2024; streaming revenues grew by 36.2 percent to €546 million (previous year: €401 million). The strategic partnership with Deutsche Telekom to bundle RTL+ Premium in Magenta TV and exclusive content such as “Du gewinnst hier nicht die Million bei Stefan Raab” ("You Won't Win A Million Here with Stefan Raab") contributed significantly to the RTL+’s growth in Germany. M6+, the streaming service launched in France in May, recorded 30 percent more monthly users and a 35 percent increase in usage time compared to the previous year with 6play.

Fremantle expanded its business in 2024 with the acquisition of Asacha Media Group and an 80-percent stake in Beach House Pictures. Fremantle celebrated great creative successes in the past financial year, reaping 190 awards, including Academy Awards (Oscars), Golden Globes and BAFTA Awards. “Poor Things” by Fremantle’s Element Pictures received a total of 36 awards, including four Academy Awards (Oscars), two Golden Globes and five BAFTA Awards.

Revenues by Region in percent (without intercompany revenues)

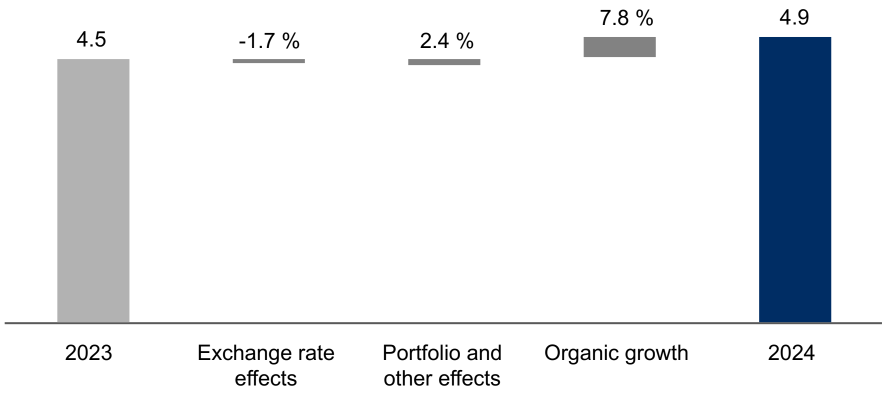


Revenues by Category in percent



Penguin Random House

Revenue Breakdown in € billions



Penguin Random House, the world's largest trade book publisher, had a record-breaking year in 2024, acquiring, publishing and selling more books than ever before. Primarily due to higher sales prices, a broad range of titles across all genres and growth in audiobook sales, revenues in 2024 were up 8.5 percent from the previous year, reaching €4.9 billion (previous year: €4.5 billion). Operating EBITDA adjusted amounted to €739 million (previous year: €664 million, 11.3 percent). The EBITDA margin was 15.0 percent (previous year: 14.6 percent).

Penguin Random House was able to increase its market shares in most of its markets in 2024. Through the expansion of its portfolio in the past financial year, the publishing group grew significantly. Penguin Random House increased its stake in the successful US publisher Sourcebooks to 75 percent and acquired, among others, the publishers Quadrille, BOOM! Studios, Amber-Allen Publishing, and Hay House.

Penguin Random House US outperformed the overall market in 2024, increasing its market share to 23.8 percent, up from 22.9 percent the previous year. In January, the publishing group completed the acquisition of Hay House, a leading international publisher specializing in wellness and self-help titles. Additionally, Penguin Random House US established its own distribution center in Grantham, England, and expanded its distribution facilities in Crawfordsville, Indiana (United States). Among the year's biggest bestsellers were “Funny Story” by Emily Henry and “First Lie Wins” by Ashley Elston. Continuing their stellar performance from previous years, “Atomic Habits” by James Clear and “Taylor Swift: A Little Golden Book Biography” by Wendy Loggia ranked again as top bestselling titles.

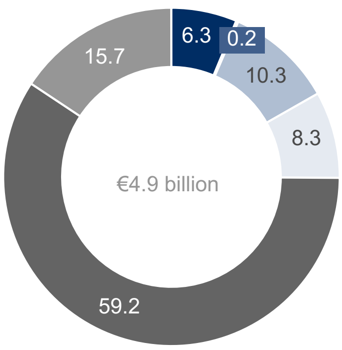
Penguin Random House UK saw a rise in its revenues in 2024, largely driven by an increase in audiobook sales and the acquisition of the food and lifestyle publisher Quadrille. The year's bestselling books included the novels “We Solve Murders” and “The Last Devil to Die,” both by Richard Osman, and “None of This Is True” by Lisa Jewell. DK's bestsellers included the nonfiction books “Timelines of World History” and “The Natural History Book” as well as the children's title “An Anthology of Our Extraordinary Earth.”

Penguin Random House Grupo Editorial also recorded an increase in revenues and earnings in the past financial year. Among its best-selling titles was “En agosto nos vemos" ("Until August"), a posthumously published novel by Nobel Prize laureate Gabriel García Márquez. Other bestsellers included the religious publication “Biblia Reina Valera 1960" ("Holy Bible Reina Valera 1960"), the guidebook “Padre Rico, padre Pobre” ("Rich Dad, Poor Dad") by Robert T. Kiyosaki, and new works by authors such as Arturo Pérez-Reverte, Julia Navarro, Javier Castillo, Joel Dicker and Juan Gómez-Jurado.

At Penguin Random House Verlagsgruppe in Germany, 2024 revenues and earnings were on a par with the previous year. A decline in sales of bestsellers was largely offset by significantly higher revenues from the backlist program. The year’s most popular books included “Dunkles Wasser” ("Dark Water") by Charlotte Link and “Das Mädchen aus Yorkshire” ("The Hidden Girl") by Lucinda Riley, as well as the nonfiction book “Nexus” by Yuval Noah Harari.

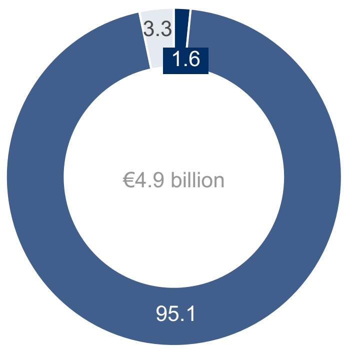
Numerous Penguin Random House authors were honored with prestigious awards, including the Nobel Prize for Literature, three National Book Awards, a Pulitzer Prize, a Grammy, the British Booker Prize and the Peace Prize of the German Book Trade.

Revenues by Region in percent (without intercompany revenues)



- Germany
- France
- United Kingdom
- Other European countries
- United States
- Other countries

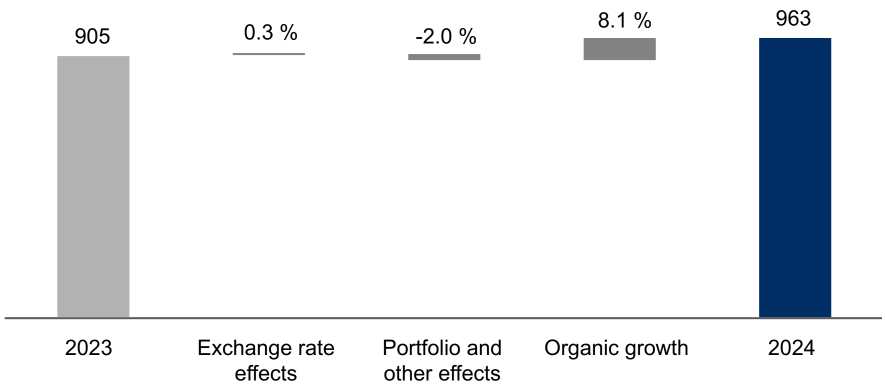
Revenues by Category in percent



- Rights and licenses
- Own products and merchandise
- Advertising
- Services

BMG

Revenue Breakdown in € millions



In 2024, Bertelsmann's music subsidiary BMG increased its revenues by 6.4 percent to €963 million (previous year: €905 million), fueled by organic and acquisition-driven growth in the publishing and recorded music businesses. Organic revenue growth amounted to 8.1 percent. Due to the positive effects from digital direct sales, the strategic focus on core businesses and significant investments, operating EBITDA adjusted increased to €265 million (previous year: €194 million). The EBITDA margin reached an all-time high of 27.5 percent (previous year: 21.4 percent), while the share of revenue from digital business in BMG's total revenue rose to 68 percent (previous year: 63 percent).

As part of its BMG Next strategy, the company has made significant changes to its global distribution go-to-market strategy, including closing direct licensing deals with Spotify and Apple Music as well as relocating its physical distribution to Universal Music Group. To improve its operating model, BMG made numerous organizational adjustments in 2024 to increase efficiency and effectiveness, focusing on publishing and recorded segments and setting up global catalog, marketing, distribution and analysis teams.

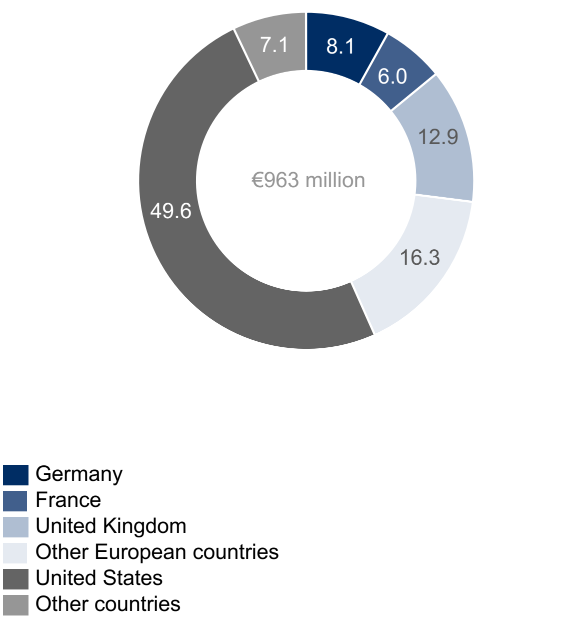
In the 2024 financial year, driven by Bertelsmann's Boost program, BMG invested around half a billion euros in catalog acquisitions and signings of artists and songwriters. New label deals were signed with artists, including country superstar Blake Shelton, Mustard, YG, New Kids on the Block, Chace, K. Michelle and The Script. In 2024, BMG signed a worldwide agreement with Tomorrowland Music, the music division behind Belgium's eponymous open-air music festival, to administer its music publishing rights and sign new songwriters and producers. BMG also entered into a strategic partnership to manage Cirque du Soleil's publishing catalog and signed a global agreement to provide production music for Amazon MGM Studios.

In the recorded music business, BMG achieved success with the release of catalog classics by George Harrison and Bryan Ferry as well as new releases by Lainey Wilson, Sum 41, Mustard, Travis, Crowded House and Rita Ora. In May, BMG released the newly discovered earliest recordings of Spanish flamenco guitarist Paco de Lucía and his brother Pepe. Kylie Minogue soared to number one in the British charts for the tenth time with "Tension II," while in the same week country star Jelly Roll reached number one in the Billboard 200 charts for the first time with his album "Beautifully Broken."

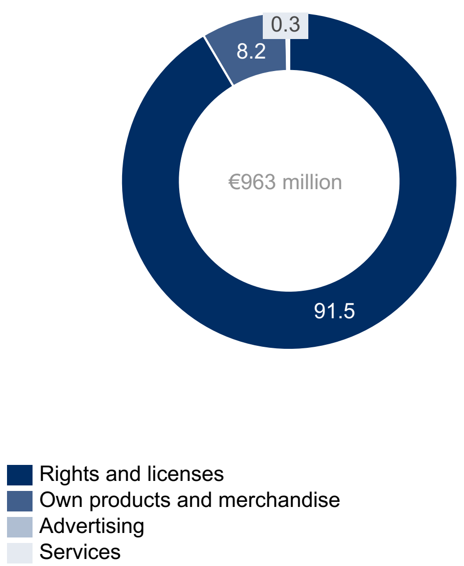
In the publishing business, BMG songwriters such as Bruno Mars, Pashanim and Blossoms also enjoyed top chart and number one placements for their music. BMG controls a majority share of Eminem's "Houdini," one of the year's biggest streaming hits, in the name of Steve Miller as well as Trevor Horn and Anne Dudley. BMG songwriters also have a stake in 13 songs on Beyoncé's Grammy Award-winning album "Cowboy Carter." Bruno Mars set a new record for monthly listeners on Spotify fueled by the global smash hit "Die With A Smile," a duet with Lady Gaga. The track became the fastest song to reach one billion streams on Spotify. In the past financial year, BMG also signed or extended publishing agreements with Carly Pearce, KT Tunstall, Tyron Hapi, Ray Dalton, Ásdís, Hugel and Leony.

In addition to introducing a next-generation copyright management and monetization platform and a new sales processing platform for music publishing and recorded music income, BMG also optimized the "myBMG" platform with client-focused features. The company drove "Generative AI" initiatives to promote product and process innovations, including new AI tools to improve digital marketing and the discovery of new music.

Revenues by Region in percent (without intercompany revenues)

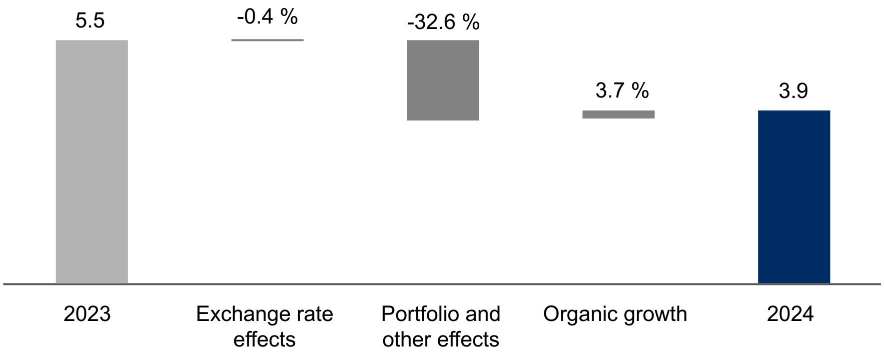


Revenues by Category in percent



Arvato Group

Revenue Breakdown in € billions



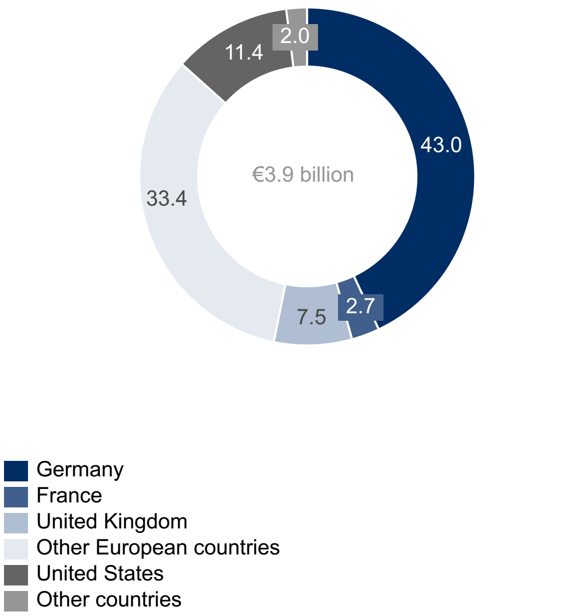
The logistics, finance and IT services businesses bundled in the Arvato Group continued to develop dynamically in the reporting period. However, due to the sale of the shares in the customer experience company Majorel in November 2023, both revenues and operating result declined strongly. By contrast, the remaining business activities increased their revenues and operating result compared to the previous year. Revenues fell by 29.3 percent to €3.9 billion (previous year: €5.5 billion) and operating EBITDA adjusted by 28.4 percent to €641 million (previous year: €895 million) despite the lack of the Majorel contribution from November. Organic growth was 3.7 percent. The EBITDA margin reached 16.6 percent after 16.3 percent in the previous year.

Arvato's logistics business again grew profitably and dynamically in the financial year. New clients from various industries were acquired and existing customer contracts were renewed. To handle the additional order volumes, six new logistics centers were put into operation worldwide and existing locations were expanded. Arvato also implemented new automation solutions at several locations worldwide, including Louisville, Dortmund, Venlo, and Hanover. In November 2024, Arvato signed an agreement to acquire ATC Computer Transport & Logistics, an Irish company that offers highly specialized services in the areas of high-security logistics, white-glove deliveries, and technical services. The transaction was completed in January 2025. In December 2024, Arvato signed an agreement to acquire the US third-party logistics providers Carbel LLC and United Customs Services. This step marks Arvato's entry into the fast-growing market of e-commerce services for fashion, beauty and lifestyle logistics in the United States. This transaction was completed in February 2025.

The revenues and operating result of Riverty's financial services businesses also grew significantly in 2024, especially in the Collection business. The existing cooperation with a major telecommunications provider was expanded, and new customers including Ebay and Flaconi were acquired. In addition, the financial services provider pushed ahead with the development of new business models and implemented AI applications in customer service in cooperation with Parloa, a leading provider of AI-supported automation solutions. Riverty also entered into partnerships with the financial services providers Adyen and Mollie. In August 2024, Riverty was granted permission by the German Federal Financial Supervisory Authority (BaFin) to provide credit services for its collection business in Germany.

The IT service provider Arvato Systems grew strongly in the 2024 financial year. In the reporting period, Arvato Systems concluded new customer contracts and agreed a collaboration with Delos Cloud to provide the sovereign cloud platform for the public sector in Germany. Arvato Systems continued to expand existing partnerships in 2024. One focus was on the healthcare sector, where among other things the company won the tender from the AOK-Bundesverband for the further development of “aok.de.” In addition, the collaboration with the transmission system operator OGE was extended and expanded ahead of schedule.

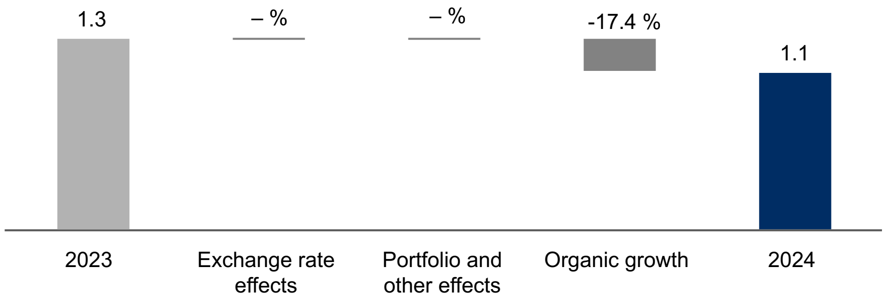
Revenues by Region in percent (without intercompany revenues)



Revenues by Category in percent

Bertelsmann Marketing Services

Revenue Breakdown in € billions



Bertelsmann Marketing Services, the international provider of print and marketing services, saw revenues dwindle in the 2024 financial year, given a market environment that continued difficult and due to the final exit from the gravure segment. Earnings, meanwhile, increased significantly despite a continued dip in demand for print products and a wait-and-see attitude on the part of advertisers in the marketing services segment. Revenues fell by 17.4 percent compared to the previous year to €1.1 billion (previous year: €1.3 billion). By contrast, operating EBITDA adjusted grew by 20.4 percent to €34 million (previous year: €29 million). The EBITDA margin was 3.2 percent (previous year: 2.2 percent).

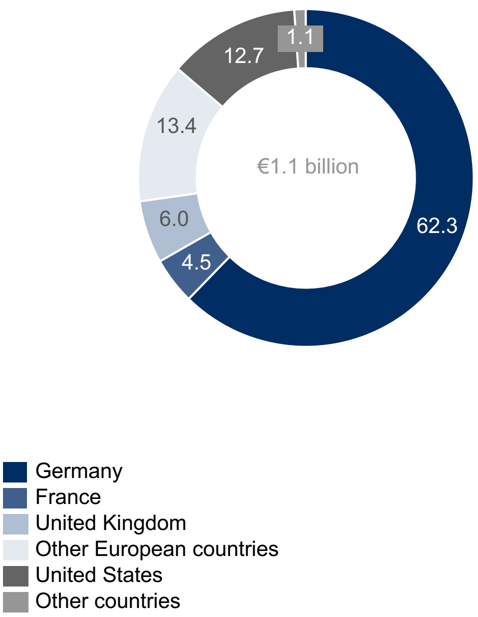
The division’s Digital Marketing companies – from the Territory agency group to the Dialog businesses and Campaign – saw moderate declines in their revenue due to restrained advertising activities by clients in the Direct Marketing and Agency market. Campaign’s revenues also declined due to the discontinuation of brochure distribution by a major client. The direct-to-consumer platform DeutschlandCard did not quite reach the previous year’s high level of revenues.

The offset printing businesses in Germany recorded declining revenues and reduced profitability, partly due to lower capacity utilization. While the book printing business at GGP Media grew over the course of the year thanks to new services such as color cut, business at Mohn Media and Vogel Druck declined due to market conditions. The exit from the gravure business was completed in January 2024 with the scheduled discontinuation of production at Prinovis in Ahrensburg.

The operating result of the book printing activities in the United States increased significantly in the past financial year as revenues remained constant. This positive performance is mainly due to higher demand in the high-quality hardcover format, bolstered by the positive effects of the ongoing investment program to boost productivity and digitize production processes. For example, a new digital printing press was put into operation at the Berryville, United States, site. At the same time, the consolidation of the US book printing business continued with the closure of Offset Paperback Manufacturers and the migration of mass market formats to the printing plant in Martinsburg, United States. Contracts with two major existing customers were renewed for the medium and long term.

Sonopress saw a market-related decline in volumes across all digital storage media formats in 2024, which had a negative impact on its revenue performance. In the growing LP business segment, Sonopress established an environmentally friendly product on the market with EcoRecord, while Topac further expanded its profitable business with sustainable packaging solutions for the food industry.

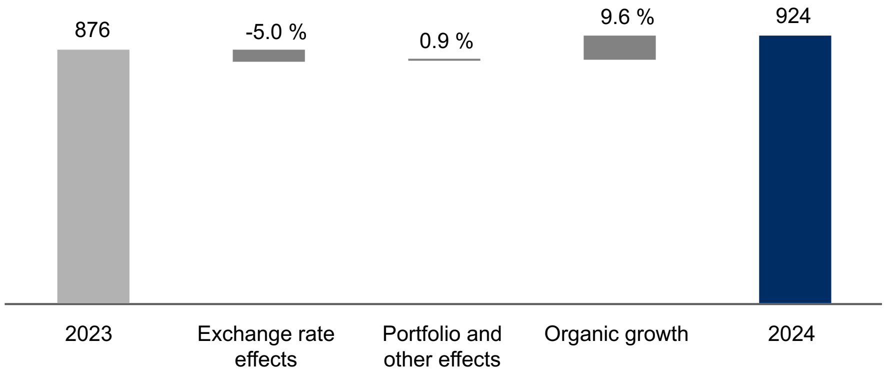
Revenues by Region in percent (without intercompany revenues)



Revenues by Category in percent

Bertelsmann Education Group

Revenue Breakdown in € millions



The education companies bundled in the Bertelsmann Education Group saw an increase in both revenues and Operating EBITDA adjusted in financial year 2024, largely driven by organic growth across all operating units and portfolio effects from the acquisition of Unidom in Brazil in July. Both Brazil's leading university group for medical education and training Afya and the US continuing education and workforce management solution provider Relias, as well as the professional practice-oriented Alliant International University, expanded their portfolio of services and increased their client and student counts.

The Bertelsmann Education Group's revenues in 2024 totaled €924 million (previous year: €876 million), 5.5 percent more than in 2023. Organic growth was 9.6 percent. Operating EBITDA adjusted rose by 22.6 percent to €347 million (previous year: €283 million), while the EBITDA margin was once again high at 37.5 percent after 32.3 percent in the previous year.

Afya continued its dynamic growth in the past financial year. Higher income from tuition fees and higher student numbers following the completion, in July, of Afya's acquisition of Unidom Participações S.A were the main drivers of growth. The acquisition further expanded Afya's presence in the education sector and increased the number of medical seats approved by the Brazilian state to more than 3,500. In December, Afya concluded an agreement to acquire Faculdade Única De Contagem ("FUNIC").

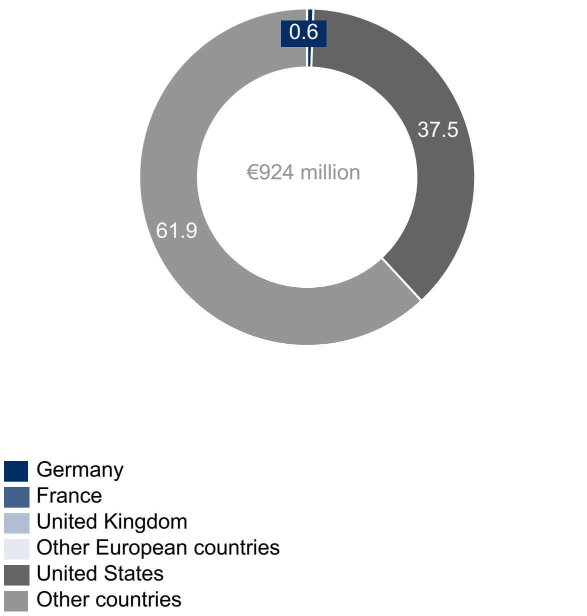
In the financial year under review, Relias, a leading US provider of online education and training for healthcare professionals, benefited from the increasing demand for workforce management solutions to optimize clinical performance. The Bertelsmann Education Group strengthened Relias' growth ambitions in the United States with the acquisition of Feedtrail Healthcare XM, a specialist in patient and employee surveys and reputation management. Relias was the recipient of numerous national and international awards in 2024, including EdTech Breakthrough's Online Learning Innovation Award, and scored important placements in prestigious rankings.

Alliant International University, which specializes in the training and certification of psychologists, nurses and other healthcare professionals, and teachers, further expanded its range of programs in 2024 and recorded another increase in student numbers. At the end of the year, around 4,500 students were enrolled in its courses. Alliant also continued to expand its market share in teacher training and certification in California and saw a significant increase in enrollment in its mental health programs (marriage and family therapy, clinical counseling, master's in social work). The first student cohort started at the School of Nursing and Health Sciences in Phoenix, United States, at the beginning of the last financial year.

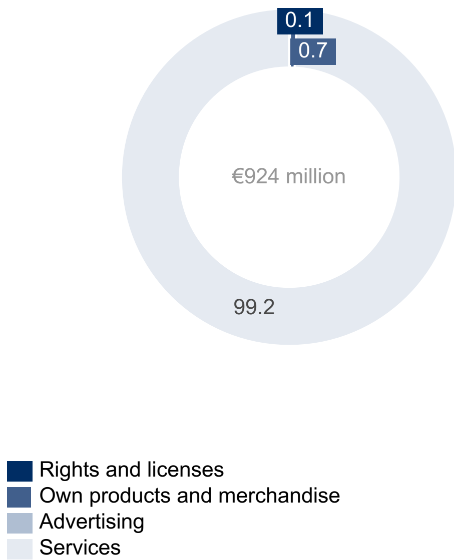
In May, the Bertelsmann Education Group completed the sale of its shares in Udacity to Accenture.

In December, Bertelsmann announced that it would strengthen its investment activities in the growth segment of digital health by combining them under the umbrella of the Bertelsmann Education Group from January 1, 2025.

Revenues by Region in percent (without intercompany revenues)

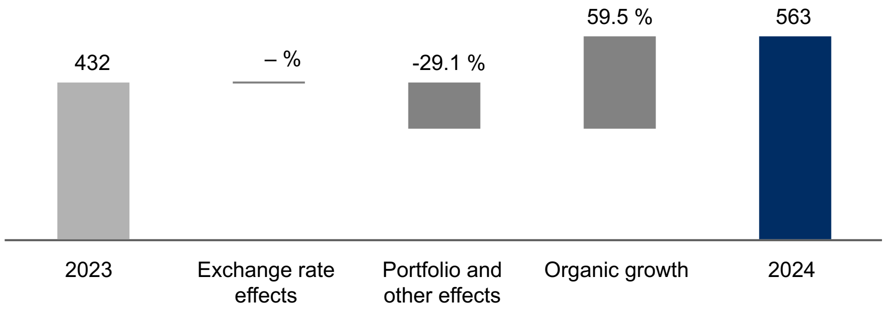


Revenues by Category in percent



Bertelsmann Investments

Revenue Breakdown in € millions



In the financial year 2024, Bertelsmann Investments (BI) made 34 new and 24 follow-on investments in innovative companies and funds through its venture capital funds and the Bertelsmann Next unit. At the end of the year, the division's active portfolio consisted of 379 investments around the world. BI's revenues, which mainly reflect Bertelsmann Next's activities in Mobile Ad Tech (AppLike), HR Tech (Embrace), and Pharma Tech, grew to €563 million (previous year: €432 million) despite the sale of DDV Mediengruppe during the year. The organic growth of BI amounted to 59.5 percent, driven in particular by AppLike. Operating EBITDA adjusted improved to €75 million (previous year: €21 million). The business performance of Bertelsmann Investments' venture capital organizations is mainly determined based on EBIT. Bertelsmann Investments' EBIT for the year came to €85 million (previous year: €-219 million). Since its launch in 2006, BI has invested a total of about €1.9 billion in companies and funds. Returns in the same period amounted to approximately €1.4 billion.

Within BI, the Bertelsmann Next growth unit primarily drives entrepreneurial development in the fast-growing Mobile Ad Tech, HR Tech, and Pharma Tech sectors. Bertelsmann Next also includes venture capital investments in the emerging field of Digital Health. The mobile ad tech company AppLike saw organic growth of around 180 percent in the reporting period, in particular through the acquisition of new customers, growth with existing customers and product extensions. The HR tech company Embrace reported strong growth, partly due to the acquisition of Milch & Zucker, a provider of HR solutions. The acquisition of Vocanto, an e-learning platform for commercial and technical apprenticeships, was announced for January 1, 2025. In the Pharma Tech segment, BI acquired Extedo, a leading provider of software solutions and services in the field of regulatory information management, and made a follow-up investment in Docuvera, a company that enables its B2B customers to efficiently create, review, approve, translate and publish regulated documents by reusing approved component content. In the Digital Health Ventures segment, BI further expanded its investments in companies including Doccla and Deepc, and made new investments as well, including in start-ups Guardoc Health and PI Health.

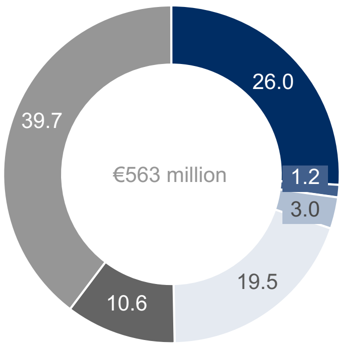
Bertelsmann Asia Investments (BAI) further expanded its investments in Stori, one of Mexico's leading neobanks valued at over €1 billion in its latest financing round, and in the augmented reality developer Viture. BAI also completed successful exits, including the investment in Xiaomi, the world's third-largest smartphone provider.

In the reporting period, Bertelsmann India Investments (BII) made a new investment in Univest, a robo advisor for private investors in India that provides trading recommendations for equities and derivatives. BII also made new investments in the online retailer Rozana, which gives around one billion people access to affordable food in rural regions of India, and in Basic Home Loan, a technology-based marketplace for mortgage loans. Follow-up investments were made in the logistics platform LetsTransport, among others.

Bertelsmann Central Investments (BCI) made additional fund of funds investments, including a stake in Mistral AI, a global generative AI company based in Paris.

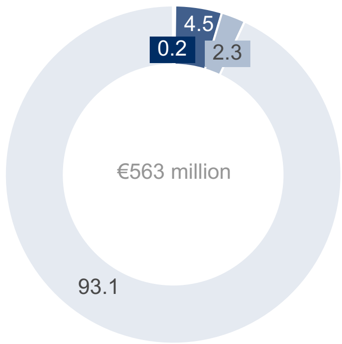
The sale of DDV Mediengruppe to Madsack Mediengruppe was completed in April 2024.

Revenues by Region in percent (without intercompany revenues)



Germany
France
United Kingdom
Other European countries
United States
Other countries

Revenues by Category in percent



Rights and licenses
Own products and merchandise
Advertising
Services

General Statement by Company Management on the Economic Situation

In the 2024 financial year, Bertelsmann achieved strong business performance, exceeding earnings expectations from the start of the year. With its improved growth profile, the Group achieved much stronger organic growth through its own efforts and benefited from its broad positioning according to businesses and regions. In particular, the content, service and education businesses, and the businesses of Bertelsmann Investments developed along a dynamic trajectory.

In the 2024 financial year, Bertelsmann's Group revenues amounted to €19.0 billion (previous year: €20.2 billion), a significant decline of 5.9 percent year-on-year (forecast in the 2023 Annual Report: strong decline in revenue/revised forecast in the 2024 Interim Report: moderate decline in revenue). This was due to portfolio developments, namely the sale of Majorel in November 2023. Organic growth rose to 3.3 percent (previous year: 0.8 percent). By contrast, reported revenues from ongoing operations were only moderately up (forecast in the 2023 Annual Report: moderate revenue increase/revised forecast in the 2024 Interim Report: significant revenue increase). Nevertheless, earnings expectations were exceeded. At €3,111 million, operating EBITDA adjusted was stable, down 0.2 percent compared to the previous year's figure of €3,119 million (forecast in the 2023 Annual Report: strong decline in earnings/revised forecast in the 2024 Interim Report: moderate decline in earnings). Earnings from ongoing operations recorded strong growth (forecast in the 2023 Annual Report: moderate earnings growth/adjusted forecast in the 2024 Interim Report: significant earnings growth). Overall, RTL Group's stable revenue and earnings performance exceeded expectations (forecast in the 2023 Annual Report: slight decline in revenue and strong decline in earnings/ revised forecast in the 2024 Interim Report: significant increase in revenue and moderate decline in earnings). The strong revenue and earnings growth at Penguin Random House likewise exceeded expectations (forecast in the 2023 Annual Report: significant revenue and strong earnings growth). As expected, revenue and earnings from the Arvato Group fell strongly as a result of the sale of Majorel shares (forecast in the 2023 Annual Report: strong decline in revenue and earnings).

Net assets and financial position remain strong. Bertelsmann's leverage factor of 2.0 continued to be lower than the defined level of 2.5 (December 31, 2023: 1.8). As of December 31, 2024, the cash and cash equivalents were reported at €2.2 billion (December 31, 2023: €3.0 billion). The rating agencies Moody's and S&P continue to rate Bertelsmann as "Baa2" and "BBB," respectively, with a stable outlook.

Alternative Performance Measures

In this Combined Management Report, the following Alternative Performance Measures, which are not defined in accordance with IFRS accounting standards, are used to explain the results of operations and/or net assets and financial position. These should not be considered in isolation but as complementary information for evaluating Bertelsmann's business situation, and they are differentiated in terms of strictly defined and broadly defined key performance indicators, in the same way as in the value-oriented management system.

Organic Revenue Growth

in percent	2024	2023
Organic revenue growth	3.3	0.8
Exchange rate effects	(0.7)	(1.6)
Portfolio and other effects	(8.5)	0.4
Reported revenue growth	(5.9)	(0.4)

The organic growth is calculated by adjusting the reported revenue growth for the impact of exchange rate effects, corporate acquisitions and disposals, as well as other effects. The other effects include changes in methods and presentation, for example. When determining the exchange rate effects, the functional currency that is valid in the respective country is used. Exchange rate effects are calculated by comparing the revenues of the current year with the exchange rates of the previous year. Portfolio effects are calculated to the exact month: in the case of acquisitions, the relevant months in the current year and in the following year are adjusted; in the case of sales, the non-comparable months in the previous year of the current year and in the previous year of the following year are excluded.

Operating EBITDA Adjusted

in € millions	2024	2023
EBIT (earnings before interest and taxes)	1,697	1,899
Less special items	(277)	(88)
attributable to: RTL Group	(61)	(121)
attributable to: Penguin Random House	(17)	(186)
attributable to: BMG	(20)	(36)
attributable to: Arvato Group	(172)	680
attributable to: Bertelsmann Marketing Services	(6)	(79)
attributable to: Bertelsmann Education Group	(33)	(122)
attributable to: Bertelsmann Investments	26	(225)
attributable to: Corporate/Consolidation	8	–
Less amortization/depreciation, impairment and reversals of impairment losses on intangible assets, property, plant and equipment and right-of-use assets	(1,151)	(1,259)
Less adjustments to amortization/depreciation, impairment and reversals of impairment losses on intangible assets, property, plant and equipment and right-of-use assets included in special items	14	128
Operating EBITDA adjusted	3,111	3,119

Operating EBITDA adjusted is determined as earnings before interest, tax, depreciation, amortization, and impairment losses and reversals of impairment losses, and is adjusted for special items. The adjustments for special items serve to determine a sustainable operating result that could be repeated under normal economic circumstances and is not affected by special factors or structural distortions. These special items primarily include impairment losses and reversals of impairment losses, fair value measurements, reorganization expenses and results from disposals of investments. This means operating EBITDA adjusted is a meaningful performance indicator. Not included in the special items are disposal effects of real estate transactions. To preclude a double adjustment, amortization/depreciation, impairment and reversals already included in the special items are eliminated by means of a correction.

Economic Debt

in € millions	2024	2023
Gross financial debt	5,126	5,221
Less cash and cash equivalents	2,242	2,954
Net financial debt	2,883	2,267
Pension provisions	731	700
Profit participation capital	413	413
Lease liabilities	1,418	1,333
Economic debt	5,445	4,713

Net financial debt is calculated on the basis of gross financial debt, which comprises the balance sheet items current and non-current financial debt, minus cash and cash equivalents. Economic debt is defined as net financial debt plus provisions for pensions and similar obligations, profit participation capital and lease liabilities. Economic debt is modified for the purposes of calculating the leverage factor.

Leverage Factor

in € millions	2024	2023
Economic debt	5,445	4,713
Modifications	250	250
Economic debt[LF]	5,695	4,963
Operating EBITDA adjusted	3,111	3,119
Modifications	(311)	(312)
Operating EBITDA adjusted[LF]	2,800	2,807
Leverage factor	2.0	1.8

One of the financial targets is a dynamic leverage factor calculated as the ratio of economic debt to operating EBITDA adjusted; this factor should not regularly exceed the defined maximum of 2.5. In determining the leverage factor, the economic debt and the operating EBITDA adjusted are modified to enable financial management that corresponds to the Group's structure. The modifications in regard to the economic debt largely relate to cash and cash equivalents, which are tied up in the Group, while the modifications in regard to the operating EBITDA adjusted address the Group's structure and its co-shareholder shares. The leverage factor determined in this way is thus always more conservative than the figure that would be obtained using only the items recognized in the balance sheet.

Risks and Opportunities

Risk Management System

The purpose of the Bertelsmann risk management system (RMS) is the early identification and evaluation of, as well as response to, internal and external risks. The aim of the RMS is to identify, at an early stage, material risks to the Group so that risk response measures can be taken and controls implemented. Risks are possible future developments or events that could result in a negative deviation from the outlook or objectives for Bertelsmann. In addition, risks can negatively affect the achievement of the Group's strategic, operational, reporting and compliance-related objectives and its reputation. The internal control system (ICS), as an integral component of the RMS, monitors the effectiveness of the risk response measures that have been implemented for risk management purposes in all of the involved divisions at the local and central level. Sustainability aspects are also addressed and continually updated, based on regulatory requirements. The RMS also includes a compliance management system (CMS).

The risk management process is based on the internationally accepted frameworks of the Committee of Sponsoring Organizations of the Treadway Commission (COSO Enterprise Risk Management – Integrated Framework and Internal Control – Integrated Framework, respectively) and is organized in the subprocesses of identification, assessment, response, control, communication and monitoring. A major element of risk identification is a risk inventory that lists significant risks year by year, from the profit-center level upward. These risks are aggregated step by step at the division and Group levels. This ensures that risks are registered where their impact would occur. There is also a Group-wide reassessment of critical risks every six months. Ad hoc reporting requirements ensure that significant changes in the risk situation during the course of the year are brought to the attention of the Executive Board. The risks are compared to risk management and control measures to determine the net risk position. Both one- and three-year risk assessment horizons are applied to enable the timely implementation of risk response measures. For ESG risks, a long-term risk assessment is additionally carried out. The basis for determining the main Group risks is the three-year period, similar to medium-term corporate planning. Risk assessment is the product of the estimated negative impact on Group free cash flow should the risk occur, and the estimated probability of occurrence. Risk monitoring is conducted by Group management on an ongoing basis.

The auditor inspects the risk early-warning system for its capacity to identify developments early on that could threaten the existence of Bertelsmann SE & Co. KGaA according to section 91(2) of Germany's Stock Corporation Act (AktG), and then reports the findings to the Supervisory Board of Bertelsmann SE & Co. KGaA. Corporate Audit conducts ongoing reviews of the adequacy and functional capability of the RMS in all divisions apart from RTL Group, Groupe M6 and Afya. The RMS of RTL Group, Groupe M6 and Afya is evaluated by the respective internal auditing department and by the external auditor. The Bertelsmann Executive Board defined the scope and focus of the RMS based on the specific circumstances of the company. The RMS, along with its component ICS, is constantly undergoing further development and is integrated into ongoing reporting to the Bertelsmann Executive Board and Supervisory Board. Divisional risk management meetings are held to ensure compliance with statutory and internal requirements. Based on the insights gained as of the date that the Combined Management Report was prepared, the Executive Board had no indications that the two systems were inadequate or ineffective. However, even an appropriately designed and functional RMS cannot guarantee with absolute certainty that risks will be identified and controlled.

Accounting-Related Risk Management System and Internal Control System

The objectives of the accounting-related RMS and accounting-related ICS are to ensure that external and internal accounting are proper and reliable in accordance with applicable laws and that information is made available without delay to the various recipients. Reporting should also present a true and fair view of Bertelsmann's net assets, financial position and results of operations. The following statements pertain to the Consolidated Financial Statements (including the Notes to the Consolidated Financial Statements and the Combined Management Report), interim reporting and internal management reporting.

The ICS for the accounting process consists of the following areas: The Group's internal rules for accounting and the preparation of financial statements (e.g., IFRS manual, guidelines and circular letters) are made available without delay to all employees involved in the accounting process. The Consolidated Financial Statements are prepared in a reporting system that is uniform throughout the Group. Extensive automatic system controls ensure the consistency of the data in the group reporting packages. The system is subject to ongoing development through a documented change process. Systematized processes for reconciling intercompany transactions serve to prepare the corresponding consolidation steps. Circumstances that could lead to material misstatements in the Consolidated Financial Statements are monitored centrally by employees of Bertelsmann SE & Co. KGaA, and then verified by external experts as required. Central contact persons from Bertelsmann SE & Co. KGaA and the divisions are also in continuous contact with local subsidiaries to ensure IFRS-compliant accounting as well as compliance with reporting deadlines and obligations. These preventive measures are supplemented by specific controls in the form of automated and manual analyses by the Corporate Financial Reporting department of Bertelsmann SE & Co. KGaA. The purpose of such analyses is to identify any remaining inconsistencies. The controlling departments at the Group and division levels are also integrated into the internal management reporting. Internal and external reporting are reconciled during the segment reconciliation process. The further aim of a globally binding control framework for the decentralized accounting processes is to achieve a standardized ICS format at the level of the local accounting departments of all fully consolidated Group companies. The findings of the auditors, Corporate Audit and the internal auditing departments of RTL Group, Groupe M6 and Afya are promptly discussed with the affected companies, and solutions are developed. An annual self-assessment is conducted to establish reporting on the quality of the ICS in the key fully consolidated Group companies. The findings are discussed at the divisional level. The accounting-related ICS also cannot guarantee with absolute certainty that material misstatements in the accounting process can be prevented or identified.

Corporate Audit and the internal auditing departments of RTL Group, Groupe M6 and Afya evaluate the accounting-related processes as part of their auditing work. In addition, the auditor also reports to the Audit and Finance Committee of the Bertelsmann SE & Co. KGaA Supervisory Board on any material weaknesses of the accounting-related ICS, and on findings regarding the risk early-warning system.

Sustainability-Related Risk Management System

The sustainability-related RMS underwent constant further development over the course of the 2024 financial year. A comprehensive analysis of climate-related risks and opportunities was carried out along with other aspects. In addition, a globally binding control framework over sustainability reporting was introduced to ensure a standardized structure of the ICS, including at the level of the decentralized data collection processes. Detailed information on the sustainability-related RMS can be found in GOV-5 Risk Management and Internal Controls over Sustainability Reporting.

Major Risks to the Group

Bertelsmann is exposed to a variety of risks. The major risks to Bertelsmann identified in the risk reporting are listed in order of priority in the table below. In line with the level of possible financial loss, the risks are classified as low, moderate, significant, considerable or severe. The risk inventory carried out did not identify any risks that would be classified as considerable or severe. The assessment of risk-bearing capacity at the Group level, conducted through Monte Carlo simulation, confirms that there are no indications of a threat to the going-concern assumption, as sufficient liquidity is available to cover potential risks.

Overview of Major Risks to the Group

		Risk Classification				
Priority	**Type of risk**	Low	Moderate	Significant	Consider-able	Severe
1	Customer risks			■		
2	Changes in market environment			■		
3	Cyclical development of economy			■		
4	Pricing and discounting			■		
5	Legal and regulatory risks			■		
6	Supplier risks			■		
7	Audience and market share		■			
8	Employee-related risks		■			
9	Information security risks		■			
10	Financial market risks	■				

Risk classification (potential financial loss in three-year period): low: < €50 million, moderate: < €100 million, significant: < €250 million, considerable: < €500 million, severe: > €500 million.

■ Existing risks

Given the diversity of the businesses in which Bertelsmann is active, and the corresponding diversity of risks to which the various divisions are exposed, the key strategic and operational risks to the Group that have been identified are specified below. Risks from acquisitions were identified as the primary risks, and are therefore described separately. This is followed by an outline of legal and regulatory risks, information security risks, and financial market risks. These risks are largely managed at the corporate level. In certain cases, risks related to AI are also managed centrally. They are incorporated in varying degrees into the development of the material types of risk associated with individual Group businesses and are therefore described at both levels.

Strategic and Operational Risks

The global economy continued to grow at a moderate pace in 2024. At 3.2 percent, real gross domestic product (GDP) growth was slightly down in 2024 compared to 3.3 percent in 2023. The previously sharp decline in global inflation came to a slight standstill over the course of the year. Interest rate cuts that were enacted in the previous year continued in most countries. The global economy is expected to continue growing at a moderate pace in 2025. Alongside geopolitical and political uncertainties, rising global trade tensions pose a threat to this rather moderate economic growth. The advent of protectionist policies entails significant economic downside risks and upside risks to inflation. Renewed inflationary pressure could disrupt the reversal of monetary policy, affecting the sustainability of public finances and financial stability. Bertelsmann's business development is also subject to other risks arising from its divisions.

In addition to increased competition for audience attention and the acquisition of programming content, a major risk for RTL Group is the accelerated fragmentation of markets in the digital environment with possible negative effects on TV advertising revenues. To mitigate these risks, RTL Group is continuously revising and developing the channel and programming strategies. By investing in local content and transitioning from traditional broadcasting operations to over-the-top streaming services, RTL Group counters risks stemming from the growing use of non-linear services. Launching strong partnerships further ensures that the streaming services remain competitive. The introduction of low-priced, ad-supported subscription models by streaming providers may increase competition in the advertising markets. RTL Group seeks to secure advertising revenue through the active expansion of addressable TV and to diversify its earning base by finding sources of income that are not dependent on advertising. As described above, the macroeconomic framework conditions continue to pose a challenge. RTL Group is responding to such economic downturns and the resulting effects on the advertising market with ongoing monitoring of market development and scenario analyses derived therefrom, as well as strict cost control. Changes in the local or European legal framework could result in a need to adjust revenue streams. RTL Group seeks to identify changes in legislation early and to implement any necessary adjustments in a timely manner. RTL Group also recognizes growing risks in relation to the use of artificial intelligence. Risks identified concern potential copyright violations, the abuse of digital replicas and the potential substitution for human labor in the film industry along with the related ethical issues. To mitigate these risks, RTL Group works with legal experts, invests in training, and promotes the active sharing of user experiences in order to achieve a shared understanding of the use of AI.

The major risk for Penguin Random House lies in potentially changing market conditions and the resulting effects on profitability. Furthermore, there are risks of bad debt loss which are limited through debtor management, and in some cases through credit insurance. Penguin Random House is also finding itself exposed to general economic risks that could lead to lower sales. The risks are addressed through innovative marketing activities, and by maintaining a flexible cost structure that allows for a quick response in the event of an economic downturn. In the area of procurement and supply chains, rising costs for raw materials and energy represent additional risks. These risks are mitigated through ongoing supplier and cost management and by ongoing review of the materials used.

BMG is confronted with growing risks in connection with the use of artificial intelligence, especially due to the currently inadequate regulatory conditions regarding the creation and monetization of content. This applies in particular to the use of the BMG repertoire. Furthermore, risks that affect BMG concern the structure of the client portfolio, in particular contract extensions with artists and authors as well as contractual relationships with business partners for digital and physical distribution as well as film, TV and advertising. In the area of digital sales, there are risks associated with potential changes to remuneration and price bundling models of digital streaming platforms. Market and sell-side risks, especially changes in the market environment with increased competitive pressures and declining sales volumes, are addressed through pricing and broad revenue diversification in the dimensions of repertoire (client groups, music genres), geographic coverage as well as segments. Furthermore, measures for minimizing risks include the implementation of an internal management system to monitor the use of content by AI, strategic alliances, contractual protection clauses to secure advance payments made, the realization of prepayments received and minimum revenue guarantees.

In an environment of macroeconomic uncertainty, Arvato Group is particularly exposed to the risk of losing key customers and the risk of facing challenges when integrating new customers. Both risks are being countered through contracts offering wide-ranging service packages with simultaneously flexible cost structures and ongoing project support. A further slowdown of the economy could also result in declining revenues and thus lower margins, which would necessitate cost-cutting measures and capacity downsizing. Broad diversification across regions and sectors as well as the constant optimization of cost and organizational structures help to reduce this risk. Growing competition for qualified professionals as well as the continued rise in labor costs represent significant personnel-related risks. The risks are addressed by using targeted HR instruments. On the supplier side, there are risks associated with the availability of services and the further rise in factor costs. Countermeasures include an active exchange with existing suppliers and entering into long-term framework agreements.

The potential loss of customers still represents a risk for Bertelsmann Marketing Services. The persistent increase in digital substitution is accelerating the decline in the printing business, in particular in the magazine and catalog segments. A deterioration in the economic environment may also lead to a decline in circulation and a more rapid decline of the print market. The market environment, which is characterized by overcapacity, is also causing price and margin pressures. The ongoing volatile price situation on the raw materials and energy markets on the supplier side remains a risk. Risk mitigation strategies are based, in particular, on the expansion of innovative print and marketing services, ongoing initiatives to expand existing customer relationships and to sign up new customers as well as constantly optimizing cost structures and processes. Rising factor costs are to be gradually offset by higher service prices in the printing and marketing business.

For the Bertelsmann Education Group, product innovations and the market entry of new competitors, particularly in the US healthcare market, may lead to the substitution of existing products. Changes in the market environment could result in increased price and margin pressures and reduced customer acquisition, potentially impacting planned growth targets. These risks are particularly significant if product innovation or improvements fail to adequately address market changes. The risks are being mitigated primarily through strategic partnerships, long-term customer agreements, targeted customer retention measures and product portfolio expansion. Relias is also exposed to potential risks from non-compliance with contractual obligations and licensing terms for third-party content. To manage these risks, the contractual licensing conditions are continuously monitored. Additionally, higher education is highly regulated in the United States and Brazil, especially regarding government-backed financial aid programs and the number of medical seats in Brazil. Non-compliance with current or future laws and regulations, or shifts in the regulatory environment, could adversely affect the business operations of Afya, Alliant and Relias. For example, regulatory changes leading to an increase in the number of medical seats in Brazil could result in an oversupply, negatively affecting Afya’s revenue growth and margin profile. Countermeasures include ongoing monitoring of political and regulatory developments to address potential risks at an early stage and ensuring full compliance with all regulatory standards as well as continually upholding high academic quality. Furthermore, the Bertelsmann Education Group is exposed to macroeconomic risks including currency fluctuations and political uncertainty in Brazil and the United States.

The key risks for the venture capital activities at Bertelsmann Investments are declining portfolio valuations and the absence of sales proceeds. These risks are being addressed through a standardized investment process and the continuous monitoring of the investment portfolio, including possible exit opportunities. Changing framework conditions in the mobile advertising market and lower than expected rates of economic development represent material risks in the Bertelsmann Next unit. These risks are countered by diversifying the portfolio and concluding long-term contracts with supplier and customers.

The increasing pace of change in the markets and in Bertelsmann's business segments means all employees will need to be even more willing and able to adapt in the future. Furthermore, there are demographic risks from shifts in the age structure that affect the recruitment, development and retention of talent. Furthermore, the skills shortage has continued to worsen in many operational business areas, and suitable measures, in particular customized training opportunities, comprehensive health programs, competitive remuneration and flexible working models, are required to counteract this shortage. Bertelsmann is also enhancing its talent management by continually digitalizing recruiting processes and measures, and is making it easier for employees to switch jobs within the Group by further harmonizing processes and structures.

Acquisition-Related Risks

The Group's strategy encompasses both organic growth and business acquisitions. The risk of potential mistakes when selecting investments and allocating investment funds is minimized by means of strict investment criteria and clearly defined processes. Acquisitions present both opportunities and risks. For example, integration into the Group requires one-time costs that are usually offset by long-term benefits due to synergy effects. However, there is a risk that integration costs may exceed expectations or that the predicted level of synergies may not fully materialize. Management continuously monitors the integration processes in order to mitigate these risks.

Legal and Regulatory Risks

Bertelsmann, with its worldwide operations, is exposed to a variety of legal and regulatory risks concerning, for example, litigation or varying interpretations of tax assessment criteria. Bertelsmann has television and radio operations in several European countries that are subject to regulation. In Germany, for example, the media is subject to oversight by the Commission on Concentration in the Media. Moreover, the education activities are subject to regulatory provisions of government authorities and accreditation bodies. Some of the financial services activities are subject to banking supervision regulations. Bertelsmann Group companies occupy leading market positions in many lines of business, and may therefore have limited potential for growth through acquisition due to antitrust legislation. Other risks include litigation relating to company acquisitions and disposals, as well as increased data protection regulations leading to growing challenges, especially for data-based business models. These risks are being continuously monitored by the relevant divisions within the Group.

Several subsidiaries of RTL Group are being sued by the broadcaster RTL 2 Fernsehen GmbH & Co. KG and its sales house, El Cartel Media GmbH & Co. KG, before the regional court in Düsseldorf, Germany. The objective of this action is the disclosure of information to substantiate a possible claim for damages. The proceedings follow the imposition of a fine in 2007 by the German Federal Cartel Office for abuse of market dominance with regard to discount scheme agreements (share deals) granted by Ad Alliance GmbH (formerly IP Deutschland GmbH) and SevenOne Media GmbH to media agencies. Cartel Media appealed the regional court verdicts. At the end of 2024, the Düsseldorf Higher Regional Court ruled that an expert report needed to be obtained to estimate the alleged damage. As the outcome of the expert report is yet to be released, it is not possible to reliably estimate the likelihood of this appeal succeeding at this point in time.

In June 2016, the main competitors of Fun Radio alleged that a host of the morning show had influenced the results in a Médiamétrie survey by encouraging his listeners to give favorable treatment to Fun Radio. In response to these allegations, Médiamétrie decided not to publish the results for Fun Radio. Following a legal procedure initiated by Fun Radio, Médiamétrie was required to reinstate Fun Radio in the audience results surveys as of September 2016. Nevertheless, Médiamétrie decided to lower Fun Radio’s audience results in its published surveys, alleging the existence of a “halo effect.” Following a proceeding initiated by Fun Radio, a judicial expert was appointed in December 2017 to examine Médiamétrie’s assessment of the alleged “halo effect.” In September 2019, the judicial expert issued his final report which confirmed the “halo effect” but assessed that Fun Radio’s results were over-corrected. As of September 2017, Médiamétrie has again published the full audience results for Fun Radio. In parallel to the above proceeding, the main competitors of Fun Radio also filed, in December 2016, a claim for damages, claiming unfair competition, but this proceeding was suspended until the report has been submitted. In the meantime, four of the six claimants withdrew their claim from the proceedings. On January 23, 2023, the Court allowed the claim of unfair competition. Fun Radio appealed the Court’s decision on January 26, 2023, and is confident to achieve a favorable decision before the appeals court. A hearing is scheduled for mid-2025.

In November 2019, the Spanish Competition Authority (CNMC) arrived at a decision in disciplinary proceedings imposing a fine on Atresmedia and Mediaset, and barring both operators from specified courses of conduct. The parties were ordered to take steps to align their commercial and contractual relations to the requirements of the decision. The fine imposed on Atresmedia amounts to €38 million. In 2020, Atresmedia challenged the decision by filing an application for judicial review with the Administrative Chamber of the Audiencia Nacional, Spain’s national court. The application was found admissible. Consequently, Atresmedia will proceed with an appeal in the aforementioned court. The directors and legal advisors of Atresmedia believe that the application for judicial review against the CNMC’s decision is likely to succeed.

The investment environment in China is subject to changes that are constant and difficult to foresee. The Chinese government is using regulatory measures to interfere with unwanted social developments, for example in parts of the Web 3.0 environment. These interventions are influencing the strategy of BAI’s investment activities, the growth expectations of the businesses and possible exit channels with regard to the existing portfolio that are increasingly shifting away from the United States to China. At the same time, divergent political ideologies are increasingly emerging in key economic regions, including China. This trend could intensify based on current political developments in the United States, for example, along with the associated economic challenges and social tensions. In light of this, an increase in tensions between the United States and China does not seem unlikely, which could negatively impact BAI's portfolio. On the other hand, it should be noted that the Chinese government has recently tried to boost economic growth with stimulus measures. Local Bertelsmann lawyers and external legal counsel are working closely with the Group legal department to monitor further developments in order to identify and respond to legal and economic implications for the businesses of Bertelsmann early on.

Aside from the matters outlined above, no further significant legal and regulatory risks to Bertelsmann are apparent at this time.

Information Security Risks

The ability to provide information in a timely, complete and confidential way, and to process it without disruptions, is crucial to Bertelsmann’s success, and it continues to grow in importance. Bertelsmann is addressing the operating environment, which is made tougher by cyber threats, at the management level by operating a Group-wide Information Security Management System (ISMS, based on ISO 27001) and the measures thereby initiated. The ISMS’s goals are the structured management of cyber risks and to monitor compliance with minimum Group standards that are refined based on the state of the art. In order to have access to cutting-edge cyber security technologies and specialist expertise in regular operations and emergencies, Bertelsmann – in addition to providing and further developing its own resources – also uses a network of external partners, and is an active member of the German Cyber Security Organization (Deutsche Cyber-Sicherheitsorganisation: DCSO). Furthermore, Bertelsmann addresses the increased risk with specific measures that directly increase resilience in cyber security – for example, by supporting the activities of Security Operations Centers and authentication technologies as well as specific requirements for application and cloud security. An indicative assessment of information security risks was conducted in the 2024 financial year on the basis of the method used to assess operative Group risks. The results indicate that information security risks are moderate, analogous to the categorization of major Group risks.

Financial Market Risks

As an international corporation, Bertelsmann is exposed to various forms of financial market risk, especially interest rate and currency risks. These risks are primarily monitored centrally by the Finance Department on the basis of guidelines set up by the Executive Board. Derivative financial instruments are used solely for hedging purposes. Currency derivatives are primarily used to hedge currency risks from financing measures and operating activities. Currency risks from the operating activities of the divisions are hedged on an ongoing basis and on a pro rata basis depending on the probability of occurrence. A number of subsidiaries are based outside the eurozone. The resulting translation risks to the leverage factor (ratio of economic debt to operating EBITDA adjusted) is managed over the long term by aligning the debt in the main foreign currencies with the current leverage factor and the maximum defined leverage cap of 2.5 for the entire Group. Foreign currency translation risks arising from net investments in foreign entities are not hedged. The cash flow risk from interest rate changes is centrally monitored and controlled as part of interest rate management. The aim is to achieve a balanced ratio of different fixed-interest rates through the selection of appropriate maturity periods for the primary financial assets and liabilities affecting liquidity, and through the ongoing use of interest rate derivatives. The liquidity risk is regularly monitored on the basis of the budget planning. The syndicated credit facility and appropriate liquidity provisions form a sufficient reserve for ensuring solvency. Counterparty risks exist in the Group in respect to invested cash and cash equivalents, as well as in case a counterparty to derivative transactions defaults. Transactions involving money market securities and financial derivatives are exclusively conducted with a defined group of banks with high credit ratings. Within the guidelines, a risk limit specified by the Executive Board has been issued for financial investments and derivatives for each counterparty. Compliance with this limit is regularly monitored by the Finance Department. The guidelines concerning the investment of cash and cash equivalents are continuously monitored and extended if necessary. Financial investments are made on a short-term basis, so that the investment volume can be reduced if the credit rating changes. Financial market risks are at a low level.

Risks Related to the Use of Artificial Intelligence

AI in general – and generative AI in particular – creates a vast range of opportunities as well as different risks for certain business operations of the Bertelsmann Group. Opportunities include an increasing efficiency, the improvement of existing business models, and developing new business models. The risks particularly affect the content businesses of RTL Group, Penguin Random House and BMG and concern data protection, IT security, copyright, intellectual property rights and the accountability for AI-generated content. AI also poses a risk to Bertelsmann's journalistic reputation, brand integrity and the potential substitution of media content with AI-generated products, for example in the music business. The Bertelsmann Technology & Data Advisory Board is committed to raising Group-wide awareness of technology and data issues, promoting transparency and expertise, and establishing clear policies in these fields. It also supports the systematic implementation of innovative business models, contributes to technological development – especially in relation to AI – and ensures that potential risks are identified at an early stage and proactively managed. In 2024, the AI Hub was founded to promote transparency and the sharing of expertise on various AI applications across the divisions. The AI Hub provides a framework for the cross-divisional development of new applications and for partnerships with technology companies.

General Statement on the Risk Situation

The risks identified in the 2024 financial year are not endangering. Neither are there any substantial discernible risks that could threaten the existence of the Group.

Despite an increase in the risk classifications for individual risk types, the overall risk exposure remains at the same level as in the previous year. Against the backdrop of ongoing uncertainties in connection with the potential economic slowdown due to the precarious macroeconomic situation, the biggest challenges faced by Bertelsmann include customer risks, risks arising from economic development and the risks posed by a changing market environment. Other material risks include pricing and margin risks, legal and regulatory risks and supplier risks. However, as a result of the broad diversification of Group businesses, there are no cluster risks stemming from dependency on individual business partners or products in either procurement or sales. The Group's financial position is solid, with liquidity needs fully covered by existing liquidity and available credit facilities.

Opportunity Management System

An efficient opportunity management system enables Bertelsmann to secure its corporate success in the long term, and to exploit potential in an optimal way. Opportunities are possible future developments or events that could result in a positive deviation from the outlook or objectives for Bertelsmann. The opportunity management system is, like the RMS, an integral component of business processes and company decisions. During the strategy and planning process, significant opportunities are determined each year from the profit-center level upward, and then aggregated step by step at the division and Group levels. By systematically recording them on several reporting levels, opportunities that arise can be identified and exploited at an early stage. This also creates an interdivisional overview of Bertelsmann's current opportunities. A review of major changes in opportunities is conducted at the division level every six months. In addition, the largely decentralized opportunity management system is coordinated by central departments in the Group in order to derive synergies through targeted cooperation in the individual divisions. The cross-divisional experience transfer is reinforced by regular meetings of the Group Management Committee.

Opportunities

While the above-mentioned risks are, in the event of a positive development, countered by corresponding opportunities, certain risks are entered into in order to realize the associated potential opportunities. This link to the key Group risks offers strategic, operational, legal, regulatory and financial opportunities for Bertelsmann.

Strategic opportunities can be derived primarily from the Group's further strategic development (see the section "Strategy"). In particular, there are opportunities in some cases for exploiting synergies as a result of the strategic portfolio expansions. There are individual operating opportunities in the individual divisions, in addition to the possibility of more favorable economic development.

Key opportunities for RTL Group lie in strategic, financial and regulatory aspects. On the one hand, streaming services and advertising technology could perform better than expected. Demand for content may also increase. In addition, better-than-expected macroeconomic development could contribute to stronger growth in the advertising market and success with programming, and changes in the regulatory environment could lead to higher market shares. Furthermore, RTL Group’s strategy of creating cross-media champions in terms of advertising tailored to target audiences could generate significant value through potential synergies. RTL Group refines its business model and operational processes on a continuous basis, paving the way for more open and agile collaboration across countries, departments and functions. Artificial intelligence offers many opportunities in this regard as a driver of efficiency gains and the generation of personalized content to support creative processes.

For the trade book publishing group Penguin Random House, opportunities lie in signing new authors and new book projects. The publishing group is well positioned to invest in new markets and content, and to offer its products to the widest possible readership. In general, the digital evolution transforming book markets offers the potential for new product development, and broader and more efficient marketing channels as well as better accessibility to the backlist. Digital audiobooks are experiencing growth worldwide, while new technologies could make books more appealing and bring book content to wider audiences. The development of new marketing tools and platforms is expanding opportunities for author engagement with their readers.

In addition to concluding additional contracts with artists and songwriters, BMG's growth opportunities lie primarily in the acquisition of music rights and their monetization in the core areas of Recordings and Publishing. In addition, the increasing international market penetration of subscription-based streaming services offers the opportunity for better monetization, for example through rising end customer prices for streaming subscriptions, through more advantageous contractual agreements with streaming providers and through market expansions, for example in the areas of gaming or fitness.

At Arvato Group, strategic partnerships and major projects can provide additional opportunities for acquiring new customers. The global e-commerce market is expected to continue its persistent growth over the next few years. Arvato Group can participate in this growth through further business expansion, particularly with the logistics service provider Arvato and the financial services provider Riverty. At Arvato Systems, ongoing digitalization is opening up further growth opportunities for the range of multi-cloud-based IT services, particularly in the sovereign IT services segment.

Bertelsmann Marketing Services businesses may decline less steeply through additional volumes from existing and new customers in the printing area. Furthermore, increased consolidation in the market could result in an additional strengthening of Bertelsmann Marketing Services’ own competitive position. The Digital Marketing unit can grow sustainably through data-based multi-channel marketing and campaign management services as well as modern communication solutions.

A continued trend toward online and skill-based learning and training formats, along with the persistent high demand for medical university education, presents significant additional growth opportunities for the Bertelsmann Education Group. The growing shortage of skilled professionals in the fields of healthcare and education further enhances the potential for organic growth for the Bertelsmann Education Group. For example, Relias in the United States has the potential to grow more rapidly than expected by expanding its offerings for healthcare professionals in the area of compliance and workforce management solutions for healthcare organizations, such as hospitals and nursing homes. At Afya, additional growth opportunities arise from ongoing market consolidation in medical education and the increasing demand for digital healthcare solutions. Alliant expects additional growth opportunities through the introduction and expansion of new programs in the fields of healthcare and mental health.

For the venture capital activities of Bertelsmann Investments, there is the opportunity to realize higher-than-expected contributions to earnings thanks to increasing portfolio valuations or through the sale of portfolio companies. At Bertelsmann Next and for the other investments, there are opportunities arising in particular from improved macroeconomic conditions that could, for example, lead to a stronger organic growth dynamic.

The current innovation efforts detailed in the section “Innovations” offer further potential opportunities for the individual divisions.

Other opportunities could arise from changes to the legal and regulatory environment.

The financial opportunities are largely based on a favorable development of interest and exchange rates from Bertelsmann’s point of view.

Outlook

Anticipated Overall Economic Development

Bertelsmann anticipates that economic conditions will develop as follows in 2025. The global economy is expected to continue growing at a moderate pace. Alongside geopolitical and political uncertainties, rising global trade tensions pose a threat to this rather moderate economic growth. The advent of protectionist policies entails significant economic downside risks and upside risks to inflation. However, there are some upward forces acting on the economy. Monetary policy is expected to return to a neutral trajectory in the course of 2025 and the outlook for private consumption is set to improve further thanks to declining inflation. According to the forecast published by the Institute for the World Economy (IfW) in Kiel, global production is estimated to increase by 3.1 percent in 2025, compared to a rise of 3.2 percent in 2024.

In the eurozone, the economy is losing momentum. The IfW estimates real economic growth of 0.9 percent in 2025. The IfW anticipates zero real GDP growth for Germany. The growth rate in France is expected to be 0.7 percent in real terms. For the United Kingdom, GDP is expected to increase by 1.4 percent in real terms in 2025. In the United States, the IfW expects real economic growth of 2.4 percent in 2025.

Anticipated Development in Relevant Markets

The worldwide media industry is primarily influenced by global economic developments and the resulting growth dynamic. The continued trend toward digitization of content and distribution channels, changes in media usage and the increasing influence of emerging economies will continue to present risks and opportunities in the years to come. With its strategic focus, Bertelsmann expects to benefit to an increasing extent from the resulting opportunities. Through its businesses, Bertelsmann operates in a variety of different markets and regions whose developments are subject to a range of factors and that do not respond in a linear fashion to overall economic tendencies. The following takes into account only those markets and regions that are large enough to be relevant for forecasting purposes and whose expected development can be appropriately aggregated and evaluated, or that are strategically important from a Group perspective.

In 2025, for TV advertising markets in the countries of the DACH region as well as in France, in the Netherlands and in Hungary, overall at least stable development is expected. The streaming market in Germany is expected to grow strongly. The streaming markets in the Netherlands and Hungary are expected to grow significantly. Furthermore, the market for printed books is expected to be stable overall. In the relevant music market, the music publishing market segment and recorded music market segment are expected to record strong and significant growth respectively. The markets for logistics, IT and financial services are predicted to show moderate growth in 2025. The German offset printing market is expected to record a moderate decline, while the book printing market in North America is expected to grow slightly. Overall, sustained significant to strong growth is anticipated for the relevant US education markets in the training and healthcare segments, and for the Brazilian market for medical university education.

Expected Business Development

The following assessments are subject to a particularly high degree of uncertainty. If restrictive monetary policies are abandoned prematurely, the risk of yet another rise in inflation should not be neglected. Likewise, the further economic consequences of the Ukraine war are not foreseeable and therefore cannot be properly forecast. Assessing the effects on the markets relevant for Bertelsmann and the anticipated overall economic development therefore represents a challenge. In addition, further geopolitical crises, national deficits, currency turbulence or the introduction of higher tariffs as a result of rising protectionist tendencies could interfere with economic performance. The resulting developments could also adversely affect the overall economic situation, which is a key factor influencing Bertelsmann’s business performance. The following expectations are based on the assumption of a continued gradual recovery in the overall economic situation, and an assumption that most of the forecasted market developments and economic predictions of the research institutions will be realized.

For the 2025 financial year, Bertelsmann anticipates overall at least stable European TV advertising markets, stable book markets, and growing service, music and education markets. The growth stimuli created through strategic portfolio expansions will continue to have a positive impact on Bertelsmann’s growth profile.

In addition to the assumed market developments, the predicted economic developments in the geographic core markets of Western Europe and the United States are the basis of the expected business development. With revenue and earnings share within the eurozone currently expected at around two-thirds, the range of growth is above all based on the forecasted economic development in this economic zone. In view of the economic expectations, Bertelsmann expects a moderate increase in revenue for the 2025 financial year, also considering the initiated growth initiatives. With the elimination of RTL Nederland's contribution to earnings from the second half of the year, a slight increase in Operating EBITDA adjusted is expected. If RTL Nederland were included for the entire year, a moderate increase in revenue and earnings for Bertelsmann Group is expected in the 2025 financial year. These expectations are based on operational planning for the 2025 financial year and on the exchange rates calculated for 2025.

At present, the expected performance of any individual unit of key significance for the Bertelsmann Group is not expected to deviate significantly from that of the Group.

Depending on how the economy develops, Bertelsmann does not currently anticipate interest rate changes to have any material impact on the average financing costs of medium- to long-term financing. The liquidity situation in the forecast period is expected to be sufficient.

These forecasts are based on Bertelsmann’s business strategy, as outlined in the section “Corporate Profile.” In general, the forecasts reflect careful consideration of risks and opportunities. All statements concerning potential future economic and business developments represent opinions established on the basis of the information that is currently available. Should underlying assumptions fail to apply and/or further risks arise, actual results may differ from those expected. Accordingly, no assurances can be provided concerning the accuracy of such statements.

Notes to the Financial Statements of Bertelsmann SE & Co. KGaA (in Accordance with HGB, German Commercial Code)

In addition to the Group reporting, the business development of Bertelsmann SE & Co. KGaA is outlined below. Bertelsmann SE & Co. KGaA is the parent company and group holding company of the Bertelsmann Group. As a group holding company, it exercises key corporate functions such as the definition and further development of group strategy, capital allocation, financing and management. There are also service functions for individual divisions within the Corporate Center. Furthermore, it is the controlling company of the tax group for most of the domestic subsidiaries. The position of Bertelsmann SE & Co. KGaA is essentially determined by the business success of the Bertelsmann Group.

The Annual Financial Statements of Bertelsmann SE & Co. KGaA, in contrast to the Consolidated Financial Statements, have not been prepared in accordance with the International Financial Reporting Standards (IFRS), but in accordance with the regulations of the German Commercial Code (HGB) and the supplementary regulations of the German Stock Corporation Act (AktG).

Results of Operations of Bertelsmann SE & Co. KGaA

Income Statement of Bertelsmann SE & Co. KGaA in Accordance with HGB

in € millions	2024	2023
Revenues	111	111
Other operating income	135	165
Cost of materials	(19)	(20)
Personnel costs	(115)	(122)
Amortization, depreciation and write-downs	(21)	(20)
Other operating expenses	(159)	(225)
Income from other participations	1,362	175
Interest income	(44)	4
Write-downs of long-term financial assets	(44)	(20)
Taxes on income	(14)	(11)
Earnings after taxes	1,192	37
Other taxes	(3)	(2)
Net income	1,189	35
Income brought forward	339	524
Transfer to other retained earnings	–	–
Net retained profits	1,528	559

The results of operations of Bertelsmann SE & Co. KGaA are significantly affected by the amount of income from other participations, due to Bertelsmann SE & Co. KGaA's role as the parent company of the Bertelsmann Group. The increase in net income to €1,189 million (previous year: €35 million) is primarily attributable to the increase in the income from other participations.

The decrease in other operating income by €30 million is primarily attributable to a decrease of the reversal of provisions for unrealized foreign exchange losses. In contrast, income from reversal of allowances for receivables to affiliated companies increased. The decrease of €66 million in other operating expenses is largely attributable to the decrease in losses from derivatives for managing exchange rate fluctuation risks.

Income from other participations is primarily affected by the amount of income from profit and loss transfer agreements with Reinhard Mohn GmbH, Gütersloh, and Bertelsmann Capital Holding GmbH, Gütersloh. The profit transfer received from Reinhard Mohn GmbH increased by €574 million compared to the previous year, in particular due to dividend distributions from subsidiaries. In addition, the profit transfer from Bertelsmann Capital Holding GmbH increased by €503 million due to an increase in the profits transferred from subsidiaries and lower negative valuation effects.

The decrease in interest income is largely down to the collection of dividends from securities held by Bertelsmann Pension Trust e.V. in the previous year.

The taxes on income for the 2024 financial year include tax expenses in connection with the global minimum tax (Pillar Two) of €9 million. Furthermore, these relate to expenses for previous years.

Net Assets and Financial Position of Bertelsmann SE & Co. KGaA

Balance Sheet of Bertelsmann SE & Co. KGaA in Accordance with HGB (Summary)

in € millions	12/31/2024	12/31/2023
Assets		
Fixed assets		
Intangible assets	5	8
Tangible assets	339	356
Long-term financial assets	19,184	18,964
	19,528	19,328
Current assets		
Receivables and other assets	6,596	5,668
Securities	371	650
Cash-in-hand and bank balances	254	950
	7,221	7,268
Prepaid expenses and deferred charges	19	19
	26,768	26,615
Equity and liabilities		
Equity	11,043	10,074
Provisions	567	606
Liabilities	15,154	15,931
Deferred income	4	4
	26,768	26,615

The total assets of Bertelsmann SE & Co. KGaA rose €153 million from the previous year to €26,768 million. A high ratio of equity (41 percent) and long-term financial assets (72 percent) to total assets continues to characterize net assets and financial position.

Of the increase in long-term financial assets, €298 million relates to the contributions to Bertelsmann Capital Holding GmbH, Gütersloh. The increase in receivables and other assets is primarily due to the €953 million increase in accounts receivable from affiliated companies in connection with the increase in income from other participations. The decrease in securities by €279 million and in cash-in-hand and bank balances by €696 million is due to a lower investments of cash funds that were deposited by subsidiaries with Bertelsmann SE & Co. KGaA and financing activities.

Equity increased by the net income for the reporting year of €1,189 million less the dividend of €220 million paid out for the 2023 financial year. The liabilities decreased by €426 million due to the repayment of bonds and obligations. In contrast, a new bond in the amount of €300 million was issued in the reporting year. The further decline in liabilities is due in particular to the €635 million reduction in liabilities to affiliated companies as a result of lower investments of cash funds that were deposited by subsidiaries with Bertelsmann SE & Co. KGaA.

Risks and Opportunities for Bertelsmann SE & Co. KGaA

As Bertelsmann SE & Co. KGaA is largely linked to the Bertelsmann Group companies, among other things through financing and guarantee commitments, as well as through direct and indirect investments in the subsidiaries, the situation of Bertelsmann SE & Co. KGaA in terms of risks and opportunities is primarily dependent on the risks and opportunities of the Bertelsmann Group. In this respect, the statements made by corporate management concerning the overall assessment of the risks and opportunities also constitute a summary of the risks and opportunities of Bertelsmann SE & Co. KGaA (see the section “Risks and Opportunities”).

Outlook for Bertelsmann SE & Co. KGaA

As the parent company of the Bertelsmann Group, Bertelsmann SE & Co. KGaA receives from its subsidiaries dividend distributions and income or expenses from profit and loss transfer agreements, as well as income from services provided to its subsidiaries. Consequently, the performance of Bertelsmann SE & Co. KGaA is primarily determined by the business performance of the Bertelsmann Group (see the section “Outlook”). Bertelsmann SE & Co. KGaA expects its results for the 2025 financial year to allow a dividend payment at the same level as the dividend for the reporting year.

Dependent Company Report (Statement in Accordance with Section 312 of the German Stock Corporation Act (AktG))

The Executive Board of Bertelsmann Management SE, as general partner of Bertelsmann SE & Co. KGaA, has submitted a voluntary report to the Supervisory Board of Bertelsmann SE & Co. KGaA in accordance with sections 278 (3) and 312 (1) of the German Stock Corporation Act, in which it outlines its relationships with affiliated companies for the 2024 financial year. The Executive Board hereby declares that Bertelsmann SE & Co. KGaA received adequate consideration in return for each and every legal transaction under the circumstances known at the time the transactions were undertaken.

Combined Group Sustainability Statement (Sustainability Report)

General Information

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

Basis for preparation

BP-1 General basis for preparation of the sustainability report

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

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

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

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

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

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

BP-2 Disclosures in relation to specific circumstances

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

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

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

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

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

Disclosures stemming from other legislation or generally accepted sustainability reporting pronouncements
In addition to the disclosure requirements of the CSRD and the associated ESRS, this Sustainability Report also covers the disclosure requirements of the EU Taxonomy Regulation. Further information is available in the EU Taxonomy section.

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

Governance

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

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

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

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

Supervisory Board

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

GOV-4 Statement on sustainability-related due diligence

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

Core elements of sustainability-related due diligence

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

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

GOV-5 Risk management and internal controls over sustainability reporting

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

Sustainability-related risk assessments are undertaken as part of the double materiality assessment with the involvement of various stakeholders. The approach to risk assessment applied, including the risk prioritization method, is presented in section IRO-1 “General Information.” Identified impacts, risks and opportunities are outlined at the beginning of each topic and entity-specific section in this Sustainability Report. Bertelsmann addresses its material impacts, risks and opportunities through various policies, actions and targets. These are described in the sections below the tables that present the impacts, risks and opportunities. In 2024 and 2023, respectively, the annual risk assessment and the initial double materiality assessment were carried out independently of each other. However available information from the risk management process was used to identify risks as part of the double materiality assessment. The Group plans to explore how the processes involved in the double materiality assessment and risk management can be interlinked even more closely in the medium term. Bertelsmann carried out a climate risk analysis for the first time in 2024, the methodology and results of which are described in detail in section IRO-1 of chapter E1. The results of the climate risk analysis were taken into account in the double materiality assessment.

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

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

Strategy

SBM-1 Strategy, business model and value chain

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

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

Value chain

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

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

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

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

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

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

In the reporting year, the Executive Board addressed the status of implementation of the Group-wide climate target and the actions required for target achievement by 2030. The first step involved forecasting the development of greenhouse gas emissions up to 2030 based on the Group's long-term planning. Taking into account portfolio effects and applying scenarios regarding the future development of carbon pricing, the gap that remains to be closed to reduce greenhouse gas emissions by 2030 was identified and financially assessed. The financial assessment incorporated future costs for greenhouse gas emissions from regulated markets (including emissions trading systems, taxes and levies) as well as from voluntary markets for offsetting greenhouse gas emissions (carbon credits from climate protection projects). The second step involved working closely with the divisions to identify and assess the actions required for target achievement. Indirect Scope 3 greenhouse gas emissions from the upstream and downstream value chain posed a particular challenge due to the limited influence and existing dependencies on third parties. The individual actions were evaluated and prioritized in terms of their reduction potential in metric tons of CO_2 equivalents (CO_2e) and the cash value of the respective action by 2050. The results have made it possible to identify measures for achieving the Bertelsmann 2030 Climate Target, the implementation of which will be decided in the next step by the Executive Board once they have been prioritized.

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

SBM-2 Interests and views of stakeholders

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

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

Stakeholder engagement

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

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

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

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

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

Material impacts, risks, and opportunities

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

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

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

Impact, risk and opportunity management

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Overview of material disclosure requirements for Bertelsmann

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

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

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

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

Overview of ESRS data points from other EU legislation

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

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

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

1 Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (Sustainable Finance Disclosures Regulation).
2 Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (Capital Requirements Regulation "CRR").
3 Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014.
4 Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 ("European Climate Law").
5 Material data points not yet reported on in 2024 ("phase-in").
6 For topics that are only material in the value chain (VC), no reporting takes place on quantitative data points that relate to the undertaking's own business activities.

Environmental Information

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

E1 Climate change

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

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

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

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

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

Material impacts, risks, and opportunities

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

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

Impact, risk and opportunity management

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

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

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

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

The analysis of transition risks also incorporated all divisions and their value chains. The divisions RTL Group, Penguin Random House, Bertelsmann Marketing Services, and the logistics business Arvato were subjected to detailed analysis due to their financial and their potential impact on relevant GHG emissions, which could expose them to transition risks. The analysis included the assessment of the main cost drivers (e.g., energy costs, CO_2 costs, procurement costs for raw materials and supplies), assets, procurement activities and the markets in which the divisions operate. This comprehensive approach ensured that divisions with potential transition risks and opportunities could be identified and priorities set for further detailed analyses. A quantification has not been carried out in 2024. Bertelsmann assumes that climate change will not have a material impact on the estimates and assumptions used for accounting purposes as of December 31, 2024. The results of the analysis of climate-related risks can be summarized as follows:

Risk type	Risk/Transition event	Description
Physical – wind	Acute: Storm, cyclone, tornado	Sites can potentially be affected by strong winds, which may damage buildings. In these scenarios, operations may be interrupted.
Physical – temperature	Acute: Heat waves, forest fires and wildfires Chronic: Heat stress	Some of the sites analyzed are at risk of heat waves, which can lead to higher energy costs for cooling and lower productivity levels among employees. In addition, some facilities are at risk of an increase in the number of days subject to heat stress, which can also lead to higher energy costs for cooling and lower productivity levels among employees.
Physical – water	Acute: Floods, droughts, heavy precipitation	Overall, the water-related risks are considered to be low.
Physical – sediment	Acute: Subsidence, landslides	At individual sites, ground subsidence may lead to structural damage, interrupting operations as a result.
Transitory – political and legal framework	Higher prices for GHG emissions, requirements and regulation of existing production processes	The pricing of GHG emissions is the most relevant transition risk in the divisions assessed. Compared with other divisions, the divisions with higher emissions (Penguin Random House, Bertelsmann Marketing Services, RTL Group, Arvato) are disproportionally affected by rising CO_2 prices. Stricter energy efficiency requirements could pose a risk, especially for activities related to printing.
Transitory – technology	Replacing existing products and services with lower-emission alternatives, costs for transitioning to lower-emission technologies	Arvato’s supply chain runs the risk of existing products and services potentially being replaced due to disruptive innovations in the logistics sector. This may lead to higher costs.
Transitory – procurement markets	Rising costs of raw materials	In particular, the lack of availability of recycled paper could lead to a risk of rising prices for Penguin Random House and Bertelsmann Marketing Services in the future.

E1-1 Transition plan for climate change mitigation

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

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

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

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

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

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

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

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

E1-2 Policies related to climate change mitigation and adaptation

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

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

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

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

The Bertelsmann Policy Environment applies to Bertelsmann SE & Co. KGaA and Bertelsmann Management SE and all companies controlled by them (Group companies). Group companies for which this policy is not already directly applicable due to existing corporate governance rules (e.g., RTL Group) implement their own, equivalent policies based on this policy. Compliance with these principles is encouraged for other companies that are not controlled by Bertelsmann. Accordingly, the scope of the policy only directly covers the Group’s own business activities. Decisions and measures derived from the policy, such as procurement behavior or sustainable product offerings and references to other regulations such as the Bertelsmann Supplier Code of Conduct also have an indirect effect on upstream and downstream value creation levels.

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

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

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

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

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

- In the reporting year, several Arvato Group and RTL Group sites in Germany pushed ahead with the implementation of energy management systems in accordance with the ISO 50.001 standard. The external certifications are expected to be completed in 2025.
- Energy efficiency measures implemented in the reporting year included optimizing the use of office space and switching to LED lighting. At the end of 2023, a heat recovery system was put into operation for the first time at RTL Group’s data center in Luxembourg which led to significant savings in heat consumption and related greenhouse gas emissions in the reporting year. In addition, heat pumps were installed at RTL Hungary sites and at the Arvato sites in Düren and Hanover.
- In 2024, 97 percent of the electricity purchased by Bertelsmann around the globe was sourced from renewable energy sources using green electricity tariffs or guarantees of origin.
- The photovoltaic systems installed at the Group’s own facilities generated more than 17,300 Mega-Watt hours of electricity in 2024, most of which was consumed by the Group itself. New photovoltaic systems were installed at companies including Groupe M6 in Neuilly-sur-Seine, RTL Nederland in Hilversum, Sonopress, and the Corporate Center in Gütersloh.
- RTL Group produced numerous TV and film productions that were certified in accordance with regional sustainability standards in the reporting year. For example, the RTL fundraising marathon and four UFA shows were awarded the “green motion” label by the “Green Shooting” working group in Germany. Several of M6 Groupe’s productions have also been awarded the comparable “Ecoprod” seal in France.
- The number of productions for which the greenhouse gas footprint involved was determined on the basis of regional industry initiatives such as “green motion” (Germany), “albert” (United Kingdom and the Netherlands), and “Carbon'Clap” (France) has significantly increased. At RTL Nederland, for example, “albert”-certified programming hours saved over 1,600 tons of CO_2e.

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

Targets and metrics

E1-4 Targets related to climate change mitigation and adaptation

As set out in the Bertelsmann Policy Environment, Bertelsmann supports the target of the international community to limit global warming to well below 2 degrees Celsius in line with the Paris Climate Agreement. By 2030, the Group plans to reduce its direct and indirect greenhouse gas emissions (Scope 1 to 3) by 50 percent compared with the base year 2018. The reduction target refers to greenhouse gas emissions of 2.5 million tons of CO_2 equivalents (CO_2e) accounted for in the base year 2018. The target was defined by the Corporate Responsibility department together with the divisional environmental managers and other stakeholders and approved by the Group Executive Board. It was validated by the Science Based Targets Initiative (SBTi) using the V4.1 criteria in March 2021. SBTi is an organisation that supports companies in setting science-based climate targets. The SBTi methodology is subject to inherent uncertainties regarding the underlying scientific evidence and forward-looking assumptions on the reduction of greenhouse gas emissions. The SBTi methodology is currently being revised. More recent scientific findings on the course of climate change could lead to a change in the SBTi methodology and the assessment of whether the ambition level of the targets is sufficient to limit global warming to 1.5 degrees Celsius.

The Bertelsmann 2030 Climate Target concerns all (market-based) Scope 1, 2, and 3 greenhouse gas emissions in their entirety. The target covers 100 percent of Scope 1 and 2 emissions and 74 percent of Scope 3 emissions reported in 2024. Adjustments were made to the methodology used for greenhouse gas accounting in 2024. In Scope 3 category 3.1 “Purchasing of goods and services”, certain other costs were initially quantified using an expenditure-based calculation method. Additional Scope 3 emissions categories (Scope 3 category 2 “Capital goods” and Scope 3 category 15 “Investments”) were also included for the first time (see section E1-6). In the reporting year, these adjustments led to the first-time disclosure of additional emissions in the amount of 578,081 tons of CO_2e. Due to the methodological adjustments to Scope 3 reporting and changes to the Group’s portfolio, an adjustment to the 2018 base year values and a revision of the reduction target are planned for 2025.

Targets related to climate change mitigation

	Retrospective		Milestones and target years	
in tons CO_2e	2018	2024	2030	Annual % of target/ base year
Scope 1, 2, and 3 (combined) – GHG emissions according to the currently valid target definition	2,500,000	1,758,109	1,250,000	4.2 %
Difference from the Scope 3 GHG emissions sources included for the first time in 2024		578,081		
Scope 1, 2 and 3 (combined) – GHG emissions (market-based) according to ESRS E1-6		2,336,190		

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

Unavoidable emissions related to the Group's own facilities, employee mobility and the Group's products are to be offset by 2030. With this, the Group plans to achieve "climate neutrality" by offsetting the amount of emissions produced each year. The scope of emissions covered by the voluntary offsetting commitment amounted to 1.3 million tons of CO_2e in the base year. The remaining emissions are to be offset through carbon credits from a portfolio of voluntary climate protection projects. The projects are carefully selected on the basis of defined criteria. For example, projects must be long-term and ensure to the greatest possible extent that offset carbon emissions are not released back into the atmosphere. Information on the scope of compensatory measures in the reporting year can be found in section E1-7.

E1-5 Energy consumption and mix

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

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

§ Reporting principles

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

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

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

Energy consumption and mix

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

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

Energy intensity based on revenue from high climate impact activities

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

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

Reconciliation of revenue from high climate impact activities

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

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

§ Reporting principles

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

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

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

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

When calculating GHG emissions, Bertelsmann takes into account the climate-changing GHGs carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), and fluorinated gases (F-gases). The amounts are reported in CO_2 equivalents (CO_2e), taking into account the global warming potentials published in the Fifth Assessment Report from the IPCC (GWP 100 AR 5 IPCC).

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

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

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

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

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

GHG emissions

in tons CO_2e	2024
Scope 1 GHG emissions	
Gross Scope 1 GHG emissions	125,837
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (in %)	73
Scope 2 GHG emissions	
Gross location-based Scope 2 GHG emissions	111,335
Gross market-based Scope 2 GHG emissions	12,267
Scope 3 GHG emissions	
Gross Scope 3 GHG emissions	2,198,086
1 Purchased goods and services	1,168,778
2 Capital goods	55,901
3 Fuel and energy-related activities (not included in Scope1 or Scope 2)	56,618
4 Upstream transportation and distribution	115,828
5 Waste generated in operations	7,220
6 Business traveling	102,186
7 Employee commuting	58,651
8 Upstream leased assets	27,121
9 Downstream transportation	248,768
10 Processing of sold products	—
11 Use of sold products	—
12 End-of-life treatment of sold products	109,584
13 Downstream leased assets	—
14 Franchises	—
15 Investments	247,430
Total GHG emissions	
Total GHG emissions (location-based)	2,435,259
Total GHG emissions (market-based)	2,336,190

In 2024, total direct and indirect GHG emissions (Scope 1, 2, and 3, market-based) amounted to roughly 2.3 million tons of CO_2e. This figure can be broken down into 5 percent direct (Scope 1) emissions and 95 percent indirect (Scope 2 and 3) emissions.

GHG intensity based on revenue

Greenhouse gas intensity based on revenue is calculated as the total GHG emissions in relation to Bertelsmann revenue posted in the consolidated income statement. In 2024, it amounted to 128 tons of CO_2e/€ millions (location-based) and 123 tons of CO_2e/€ millions (market-based).

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

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

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

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

In 2024, the scope of GHG emissions reductions or removals attributable to climate change mitigation projects outside the Group's own operations and the value chain financed by the purchase of carbon credits came to 52,259 tons of CO_2. In the reporting year, carbon credits amounting to 42,409 tons of CO_2 have already been cancelled. The remaining carbon credits amounting to 9,850 tons of CO_2 will be cancelled in the first quarter of the following year once the GHG balance has been drawn up.

GHG removals and GHG mitigation projects

in tons CO_2	2024
Total GHG removals in own operations and in upstream and downstream value chain	0
Total GHG removals and reductions outside own operations and outside upstream and downstream value chain	52,259
Total amount of GHG removals and GHG reduction projects	52,259
Carbon credits cancelled in the reporting year	42,409
Share of biogenic sinks (in %)	0
Share of technological sinks (in %)	0
Share of removal projects (in %)	0
Share of reduction projects (in %)	100
Share of quality standard VCS (in %)	100
Share issued from projects in the EU (in %)	0

Carbon credits planned to be cancelled in the future

in tons CO_2	2025
Total	9,850

E1-8 Internal carbon pricing

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

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

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

E3 Water and marine resources

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

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

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

Material impacts, risks and opportunities

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

Impact, risk and opportunity management

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

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

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

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

Impact, risk and opportunity management

E3-1 Policies related to water and marine resources

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

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

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

Targets and metrics

E3-3 Targets related to water and marine resources

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

E3-4 Water consumption

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

E4 Biodiversity and ecosystems

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

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

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

Material impacts, risks and opportunities

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

Impact, risk and opportunity management

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

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

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

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

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

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

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

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

E4-2 Policies related to biodiversity and ecosystems

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

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

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

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

E4-3 Actions and resources related to biodiversity and ecosystems

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

Targets and metrics

E4-4 Targets related to biodiversity and ecosystems

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

E4-5 Impact metrics related to biodiversity and ecosystems change

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

E5 Resource use and circular economy

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

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

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

Material impacts, risks and opportunities

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

Impact, risk and opportunity management

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

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

E5-1 Policies related to resource use and circular economy

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

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

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

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

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

Targets and metrics

E5-3 Targets related to resource use and circular economy

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

E5-4 Resource inflows

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

§ Reporting principles

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

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

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

Resource inflows

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

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

§ Reporting principles

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

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

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

Paper use in the value chain

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

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

EU Taxonomy

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

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

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

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

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

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

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

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

- Note 9 “Intangible Assets”: “Additions from business combinations” as well as “Other additions” in “Other intangible assets”;

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

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

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

EU Taxonomy Indicators

Revenues

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

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

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

Investments

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

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

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

Operating Expenses

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

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

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

Social Information

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

S1 Own workforce

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

SBM-2 Interests and views of stakeholders

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

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

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

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

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

Material impacts, risks and opportunities

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

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

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

S1-1 Policies related to own workforce

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- **Training and skills development:** The learning strategy is implemented by Bertelsmann University and in Germany by the Bertelsmann vocational school. Representatives from the divisions meet with Bertelsmann University every two months in the international Talent & Learning Committee to jointly evaluate employee-related learning needs and promote the development of learning opportunities. In addition, the ongoing development of talent management processes and HR tools such as the performance and development dialogue is implemented by the Top Executives and Talent Management department with the support of the cross-divisional Talent Management Committee.

- **Health and safety:** The Corporate Responsibility department is working with two international cross-divisional working groups on the topics of health & well-being as well as safety to develop the strategic framework for a safe and healthy work environment at Bertelsmann. In addition to directly engaging with employees through mutual exchanges in the working groups, information is provided and consultations held with employee representatives three to four times each year (e.g., Group works councils or the Group representatives for severely disabled employees in Germany). The collaboration is governed by the Executive Board guideline on this topic described in section S1-1.

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

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

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

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

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

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

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

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

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

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

- **Health and safety:** In 2024, awareness of mental health among employees was promoted as part of a Group-wide initiative. In addition, an international “Fit for Work” sporting campaign was held in which over 3,000 employees took part around the world. Actions (e.g., in-person workshops, online training, preparing digital course collections and knowledge sharing) were also launched to foster a leadership style that promotes health in the divisions. Suitable health and safety actions are determined through regular coordination in the cross-divisional, international working groups. The effectiveness of the actions carried out is reviewed based on participation rates and usage data for the information provided (e.g., click numbers, downloads) as well as a qualitative evaluation with the support of the working groups. Findings from the employee survey are also used to identify opportunities for improvement.

- **Diversity:** Further progress was made on the topic in terms of strategy in 2024. As part of the latest development, a set of proposals was produced to foster diversity at certain stages of the employee life cycle and the development of a framework document was initiated to support cross-divisional employee networks. In addition, actions to raise awareness and develop skills involving training and presentations were implemented, including as part of International Women’s Day. The cross-divisional LGBTIQ+ employee network “be.queer” contributed to raising awareness with activities related to Pride Month. Suitable actions are defined and evaluated, in particular, in regular discussions held in the cross-divisional working group. The employee survey is also being evaluated to obtain an overall assessment of this topic.

- **Measures against violence and harassment:** In 2024, the Group developed a new mandatory antidiscrimination training course with the goal of improving the basic understanding of employees on the topic of antidiscrimination and familiarizing all employees with their related rights and obligations. The effectiveness of the training will be evaluated on the basis of participation rates after its launch in 2025. In addition, employees at the Group’s sites in Germany are able to get in touch with contact persons for the “German Equal Treatment Act” (AGG). Employees have been informed of their rights in this regard.

- **Social dialogue and freedom of association, including the existence of employee representatives:** The Bertelsmann Group Dialogue Conference was held in 2024. It brought together the Chairman of the Executive Board, the Bertelsmann CHRO, and Group Works Council members from the divisions in Germany. The focus of this year’s conference was artificial intelligence.

- **Other work-related topics:** In 2024, both Bertelsmann and individual Group companies issued their own statements in accordance with the “UK Modern Slavery Act” and the “Canadian Fighting Against Forced Labour and Child Labour in Supply Chains Act,” condemning all forms of modern slavery, forced and child labor, as well as exploitation and discrimination, and presenting actions to prevent these human rights violations.

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

Targets and metrics

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

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

S1-6 Characteristics of the undertaking's employees

§ Reporting principles

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

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

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

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

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

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

Total number of employees by gender

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

Total number of employees by country

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

Total number of employees by contract type

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

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

Metrics on employee turnover

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

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

S1-8 Collective bargaining coverage and social dialogue

§ Reporting principles

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

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

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

Metrics on collective bargaining coverage and social dialogue

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

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

S1-9 Diversity

§ Reporting principles

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

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

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

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

Total number of employees by age

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

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

Top management by gender

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

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

S1-10 Adequate wages

§ Reporting principles

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

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

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

S1-14 Health and safety

§ Reporting principles

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

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

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

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

Metrics on health and safety

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

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

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

§ Reporting principles

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

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

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

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

Metrics on remuneration

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

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

S1-17 Incidents, complaints and severe human rights impacts

§ Reporting principles

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

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

Metrics on incidents and complaints

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

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

S2 Workers in the value chain

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

SBM-2 Interests and views of stakeholders

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

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

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

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

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

Material impacts, risks, and opportunities

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

S2-1 Policies related to value chain workers

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

Bertelsmann Supplier Code of Conduct

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

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

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

Bertelsmann Slavery and Human Trafficking Statement
The Bertelsmann Slavery and Human Trafficking Statement outlines the measures taken by Bertelsmann to prevent forms of modern slavery and human trafficking. With the statement, Bertelsmann fulfils its obligations under sections 54(1) of the "UK Modern Slavery Act" and section 11(1) of the "Canadian Fighting Against Forced Labour and Child Labour in Supply Chains Act."

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Targets and metrics

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

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

S4 Consumers and end users

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

SBM-2 Interests and views of stakeholders

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

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

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

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

Material impacts, risks and opportunities

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

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

Impact, risk and opportunity management

S4-1 Policies related to consumers and end users

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

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

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

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

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

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

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

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

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

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

Targets and metrics

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

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

Governance Information

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

G1 Business conduct

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

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

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

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

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

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

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

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

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

Material impacts, risks and opportunities

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

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

Impact, risk and opportunity management

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

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

G1-1 Policies related to corporate governance

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

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

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

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

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

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

Executive Board Guideline on Donations, Sponsorships and Memberships

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

Speak-up channels and the protection of whistleblowers

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

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

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

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

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

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

G1-2 Management of relationships with suppliers

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

The specific requirements relate to:

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

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

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

G1-3 Prevention and detection of corruption and bribery

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

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

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

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

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

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

Targets and metrics

MDR-T Requirements for targets

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

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

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

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

G1-4 Confirmed incidents of corruption or bribery

§ Reporting principles

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

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

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

G1-5 Political influence and lobbying activities

§ Reporting principles

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

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

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

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

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

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

G1-6 Payment practices

§ Reporting principles

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

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

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

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

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

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

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

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

Entity-specific Information

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

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

UN-1 Content responsibility

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

Material impacts, risks and opportunities

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

Impacts, risk and opportunity management

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

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

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

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

UN-2 Creative/journalistic independence & freedom of expression

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

Material impacts, risks and opportunities

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

Impact, risk and opportunity management

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

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

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

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

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

UN-3 (Digital) media literacy

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

Material impacts, risks and opportunities

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

Impact, risk and opportunity management

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

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

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

UN-4 Artificial intelligence

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

Material impacts, risks and opportunities

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

Impact, risk and opportunity management

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

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

UN-5 Handling of data

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

Material impacts, risks and opportunities

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

Impact, risk and opportunity management

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

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

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

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

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

UN-6 Intellectual property

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

Material impacts, risks and opportunities

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

Impact, risk and opportunity management

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

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

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

Consolidated Financial Statements

Consolidated Income Statement

in € millions	Notes	2024	2023
Revenues	1	18,988	20,169
Other operating income	2	277	330
Cost of materials	13	(6,308)	(6,420)
Royalty and license fees		(1,696)	(1,551)
Personnel costs	3	(5,255)	(6,640)
Amortization/depreciation, impairment and reversals of impairment losses on intangible assets, property, plant and equipment and right-of-use assets	4	(1,151)	(1,259)
Other operating expenses	5	(3,172)	(3,529)
Results from investments accounted for using the equity method	11	16	67
Impairment and reversals of impairment losses on investments accounted for using the equity method	11	(7)	–
Results from disposals of investments		4	731
EBIT (earnings before interest and taxes)		1,697	1,899
Interest income	6	55	50
Interest expenses	6	(183)	(187)
Other financial income	7	109	80
Other financial expenses	7	(236)	(280)
Financial result		(255)	(337)
Earnings before taxes		1,442	1,563
Income tax expense	8	(406)	(237)
Group profit or loss		1,036	1,326
attributable to:			
Bertelsmann shareholders		784	923
Non-controlling interests		252	402

The prior-year comparatives have been adjusted. Further details are presented in the section “Prior-Year Information.”

Consolidated Statement of Comprehensive Income

in € millions	Notes	2024	2023
Group profit or loss		1,036	1,326
Items that will not be reclassified subsequently to profit or loss			
Remeasurement component of defined benefit plans		7	(30)
Changes in fair value of equity instruments		(7)	2
Share of other comprehensive income of investments accounted for using the equity method		9	(1)
Items that will be reclassified subsequently to profit or loss when specific conditions are met			
Exchange differences: changes recognized in other comprehensive income		60	(141)
Exchange differences: reclassification adjustments to profit or loss		–	27
Cash flow hedges: changes in fair value recognized in other comprehensive income		(26)	14
Cash flow hedges: reclassification adjustments to profit or loss		50	(23)
Share of other comprehensive income of investments accounted for using the equity method		–	(2)
Other comprehensive income net of tax	18	93	(155)
Group total comprehensive income		1,128	1,171
attributable to:			
Bertelsmann shareholders		917	777
Non-controlling interests		211	394

Consolidated Balance Sheet

in € millions	Notes	12/31/2024	12/31/2023
Assets			
Non-current assets			
Goodwill	9	8,802	8,403
Other intangible assets	9	4,238	4,077
Property, plant and equipment and right-of-use assets	10	3,033	2,808
Investments accounted for using the equity method	11	478	549
Minority stakes and other financial assets	12	1,503	1,414
Trade and other receivables	14	83	66
Other non-financial assets	16	1,351	1,194
Deferred tax assets	8	898	969
		20,387	19,480
Current assets			
Inventories	13	2,221	2,154
Trade and other receivables	14	3,994	3,726
Receivables relating to financial services	15	1,545	1,630
Other financial assets	12	284	503
Other non-financial assets	16	1,493	1,322
Current income tax receivables		96	95
Cash and cash equivalents	17	2,242	2,954
		11,875	12,383
Assets held for sale		689	758
		12,565	13,142
		32,951	32,622
Equity and liabilities			
Equity	18		
Subscribed capital		1,000	1,000
Capital reserve		2,345	2,345
Retained earnings		10,186	9,597
Bertelsmann shareholders' equity		13,532	12,942
Non-controlling interests		2,115	2,223
		15,647	15,165
Non-current liabilities			
Provisions for pensions and similar obligations	19	731	700
Other provisions	20	184	227
Deferred tax liabilities	8	176	157
Profit participation capital	21	413	413
Financial debt	22	4,276	4,616
Lease liabilities	23	1,143	1,066
Trade and other payables	24	578	609
Other non-financial liabilities	24	447	392
		7,947	8,180
Current liabilities			
Other provisions	20	216	257
Financial debt	22	850	604
Lease liabilities	23	275	268
Trade and other payables	24	5,444	5,324
Liabilities relating to financial services	25	439	377
Other non-financial liabilities	24	1,843	2,073
Current income tax payables		68	63
		9,136	8,967
Liabilities related to assets held for sale		221	309
		9,357	9,277
		32,951	32,622

The prior-year comparatives have been adjusted. Further details are presented in the section "Prior-Year Information."

Consolidated Cash Flow Statement

in € millions	2024	2023
EBIT (earnings before interest and taxes)	1,697	1,899
Taxes paid	(316)	(314)
Amortization/depreciation, impairment and reversals of impairment losses on non-current assets	1,158	1,283
Results from disposals of investments	(4)	(731)
Gains/losses from disposals of non-current assets	(15)	(34)
Change in provisions for pensions and similar obligations	(6)	(131)
Change in other provisions	(101)	128
Change in net working capital	(395)	(551)
Fair value measurement of investments	22	229
Interest received	75	95
Other effects	57	43
Cash flow from operating activities	2,172	1,915
Investments in intangible assets	(586)	(456)
Investments in property, plant and equipment	(396)	(441)
Investments in financial assets	(146)	(179)
Purchase price payments for consolidated investments (net of acquired cash)	(488)	(362)
Disposals of subsidiaries and other business units	13	488
Disposals of other fixed assets	315	410
Cash flow from investing activities	(1,287)	(539)
Issues of bonds and promissory notes	299	–
Redemption of bonds and promissory notes	(476)	(146)
Redemption of other financial debt	(118)	(113)
Proceeds from other financial debt	164	90
Redemption of lease liabilities	(302)	(328)
Interest paid	(300)	(318)
Dividends to Bertelsmann shareholders	(220)	(220)
Dividends to non-controlling interests and payments to partners in partnerships	(204)	(276)
Change in equity	(401)	(139)
Other effects	(71)	(171)
Cash flow from financing activities	(1,629)	(1,622)
Change in cash and cash equivalents	(744)	(246)
Exchange rate changes and other changes in cash and cash equivalents	16	(9)
Cash and cash equivalents as of 1/1	2,974	3,228
Cash and cash equivalents as of 12/31	2,246	2,974
Less cash and cash equivalents of disposal groups	(3)	(20)
Cash and cash equivalents as of 12/31 (according to the consolidated balance sheet)	2,242	2,954

Consolidated Statement of Changes in Equity

in € millions	Subscribed capital	Capital reserve[1]	Retained earnings: Other retained earnings	Accumulated other comprehensive income[2]: Exchange differences	Accumulated other comprehensive income[2]: Fair value reserve	Accumulated other comprehensive income[2]: Cash flow hedges	Accumulated other comprehensive income[2]: Share of other comprehensive income of investments accounted for using the equity method	Bertelsmann shareholders' equity	Non-controlling interests	Total
Balance as of 1/1/2023	1,000	2,345	9,043	101	8	10	31	12,538	2,505	15,043
Group profit or loss	–	–	923	–	–	–	–	923	402	1,326
Other comprehensive income	–	–	(27)	(111)	2	(8)	(2)	(146)	(8)	(155)
Group total comprehensive income	–	–	896	(111)	2	(8)	(2)	777	394	1,171
Dividend distributions	–	–	(220)	–	–	–	–	(220)	(273)	(493)
Transactions with subsidiaries that do not result in a loss of control[3]	–	–	(156)	(7)	–	–	–	(163)	(69)	(231)
Equity transactions with shareholders	–	–	(376)	(7)	–	–	–	(383)	(342)	(725)
Other changes[4]	–	–	13	–	–	(3)	–	10	(334)	(324)
Balance as of 12/31/2023	1,000	2,345	9,574	(16)	10	(1)	30	12,942	2,223	15,165
Balance as of 1/1/2024	1,000	2,345	9,574	(16)	10	(1)	30	12,942	2,223	15,165
Group profit or loss	–	–	784	–	–	–	–	784	252	1,036
Other comprehensive income	–	–	6	105	(5)	22	6	134	(41)	93
Group total comprehensive income	–	–	789	105	(5)	22	6	917	211	1,128
Dividend distributions	–	–	(220)	–	–	–	–	(220)	(204)	(424)
Transactions with subsidiaries that do not result in a loss of control[3]	–	–	(84)	(17)	–	–	–	(101)	(149)	(250)
Equity transactions with shareholders	–	–	(304)	(17)	–	–	–	(321)	(353)	(674)
Other changes[4]	–	–	–	–	–	(3)	(4)	(7)	34	27
Balance as of 12/31/2024	1,000	2,345	10,060	72	4	19	32	13,532	2,115	15,647

1 The capital reserve mainly includes share premiums received from the issue of ordinary shares in excess of their par values.
2 As of December 31, 2024, €0 million relates to assets classified as held for sale in accordance with IFRS 5 (December 31, 2023: €-14 million).
3 Transactions with subsidiaries that do not result in a loss of control mainly result from a further increase of the equity interest in the education company Afya, while the exercise of the put option in connection with the share increase in Sourcebooks has the opposite effect. In the previous year, transactions with subsidiaries that do not result in a loss of control mainly result from put options in connection with the share increase in Sourcebooks and from a further increase of the equity interest in the education company Afya.
4 In the financial year 2024, the other changes in non-controlling interests mainly resulted from the initial consolidation of RTL Group subsidiaries. In the financial year 2023, the other changes in non-controlling interests mainly resulted from the disposal of the interest in Majorel, while the initial consolidation of subsidiaries of Penguin Random House had the opposite effect.

Segment Information

in € millions	RTL Group 2024	RTL Group 2023	Penguin Random House 2024	Penguin Random House 2023	BMG 2024	BMG 2023	Arvato Group[2] 2024	Arvato Group[2] 2023	Bertelsmann Marketing Services 2024	Bertelsmann Marketing Services 2023
Revenues from external customers	6,873	6,839	4,917	4,532	960	902	3,792	5,397	940	1,170
Intersegment revenues	16	15	1	–	3	3	78	79	148	147
Divisional revenues	6,888	6,854	4,917	4,532	963	905	3,871	5,476	1,088	1,317
Operating EBITDA adjusted	1,158	1,173	739	664	265	194	641	895	34	29
EBITDA margin (in percent)[1]	16.8	17.1	15.0	14.6	27.5	21.4	16.6	16.3	3.2	2.2
Impairment (-)/reversals of impairment losses (+) on intangible assets, property, plant and equipment and right-of-use assets	(10)	(4)	3	(96)	(10)	(14)	(10)	(5)	(2)	(28)
Results from investments accounted for using the equity method	46	62	–	–	–	–	10	9	–	–
Impairment (-)/reversals of impairment losses (+) on investments accounted for using the equity method	(7)	–	–	–	–	–	–	–	–	–
Invested capital	8,142	7,756	3,081	2,721	2,513	2,233	2,421	2,383	–	(72)

in € millions	Bertelsmann Education Group 2024	Bertelsmann Education Group 2023	Bertelsmann Investments[3] 2024	Bertelsmann Investments[3] 2023	Total divisions 2024	Total divisions 2023	Corporate 2024	Corporate 2023	Consolidation 2024	Consolidation 2023	Total 2024	Total 2023
Revenues from external customers	924	876	558	430	18,964	20,145	24	24	–	–	18,988	20,169
Intersegment revenues	–	–	5	2	251	247	41	35	(292)	(282)	–	–
Divisional revenues	924	876	563	432	19,214	20,392	65	59	(292)	(282)	18,988	20,169
Operating EBITDA adjusted	347	283	75	21	3,259	3,258	(137)	(134)	(12)	(6)	3,111	3,119
EBITDA margin (in percent)[1]	37.5	32.3	13.3	4.9	17.0	16.0	n/a	n/a	n/a	n/a	16.4	15.5
Impairment (-)/reversals of impairment losses (+) on intangible assets, property, plant and equipment and right-of-use assets	(1)	–	(2)	–	(32)	(147)	(1)	–	–	–	(32)	(147)
Results from investments accounted for using the equity method	(47)	(12)	7	8	16	67	–	–	–	–	16	67
Impairment (-)/reversals of impairment losses (+) on investments accounted for using the equity method	–	–	–	–	(7)	–	–	–	–	–	(7)	–
Invested capital	2,394	2,536	1,484	1,388	20,034	18,944	110	110	(1)	(8)	20,143	19,046

Further details on segment reporting are presented in note 29 "Segment Reporting."
1 Operating EBITDA adjusted as a percentage of revenues.
2 The decrease in revenues and operating EBITDA adjusted is mainly due to the sale of shares in the customer experience company Majorel in the financial year 2023.
3 The business development of the venture capital organizations of Bertelsmann Investments is determined primarily on the basis of EBIT. EBIT of Bertelsmann Investments amounted to €85 million (previous year: €-219 million).

Reconciliation to Operating EBITDA Adjusted

in € millions	2024	2023
EBIT (earnings before interest and taxes)	1,697	1,899
Less special items		
Impairment on goodwill and other intangible assets with indefinite useful lives as well as gains from business combinations	–	(18)
Adjustment to carrying amounts on assets held for sale	(1)	(19)
Impairment (-)/reversals of impairment losses (+) on other financial assets at amortized cost	–	(4)
Impairment (-)/reversals of impairment losses (+) on investments accounted for using the equity method	(7)	–
Results from disposals of investments	4	731
Fair value measurement of investments	(22)	(229)
Reorganization expenses and other special items	(252)	(549)
Less amortization/depreciation, impairment and reversals of impairment losses on intangible assets, property, plant and equipment and right-of-use assets	(1,151)	(1,259)
Less adjustments to amortization/depreciation, impairment and reversals of impairment losses on intangible assets, property, plant and equipment and right-of-use assets included in special items	14	128
Operating EBITDA adjusted	3,111	3,119

Information by Geographical Area

	Germany		France		United Kingdom		Other European countries		United States		Other countries		Total	
in € millions	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Revenues from external customers	5,202	5,786	1,575	1,894	1,363	1,294	3,732	3,983	5,191	5,107	1,925	2,105	18,988	20,169
Non-current assets[1]	3,612	3,551	1,351	1,269	1,740	1,542	3,225	3,090	4,485	4,042	1,653	1,793	16,067	15,288

1 Non-current assets comprise intangible assets (including goodwill), property, plant and equipment, and right-of-use assets.
Details on segment reporting are presented in note 29 "Segment Reporting."

Information on Revenue Sources

	Own products and merchandise		Services		Advertising		Rights and licenses		Total	
in € millions	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
Revenues from external customers	4,973	4,705	6,614	8,206	3,489	3,532	3,912	3,726	18,988	20,169

General Principles

The Bertelsmann SE & Co. KGaA Consolidated Financial Statements as of December 31, 2024, were prepared in accordance with IFRS Accounting Standards that are applicable in the European Union (EU-IFRS). The supplementary requirements set out in section 315e of the German Commercial Code (HGB) were also met. The Consolidated Financial Statements are prepared in euros. Unless otherwise stated, all amounts are given in millions of euros (€ million). In individual cases, rounding may result in individual figures not adding up to the totals shown and percentages may not add up exactly to the figures shown. For the sake of clarity, certain items in the consolidated income statement, the consolidated statement of comprehensive income, the consolidated balance sheet and the consolidated cash flow statement are combined. These items are disclosed and explained in greater detail in the notes.

Bertelsmann SE & Co. KGaA is a partnership limited by shares with its registered office in Gütersloh, Germany. It is entered in the commercial register of the Gütersloh Local Court (Amtsgericht) under HRB 9194. The address of the company's registered headquarters is: Carl-Bertelsmann-Strasse 270, 33335 Gütersloh.

Bertelsmann operates in the core business fields of media, services and education in around 50 countries worldwide. The geographic core markets are Western Europe – in particular, Germany, France and the United Kingdom – and the United States. In addition, Bertelsmann is active in Brazil, India and China. The Bertelsmann divisions are RTL Group (entertainment), Penguin Random House (books), BMG (music), Arvato Group (services), Bertelsmann Marketing Services (direct marketing and printing activities), Bertelsmann Education Group (education) and Bertelsmann Investments (venture capital activities and Bertelsmann Next growth area). Further information on the main activities of Bertelsmann SE & Co. KGaA and its subsidiaries is presented in detail in the Combined Management Report.

Impact of New Financial Reporting Standards

The effects of the first-time application of new accounting standards, amendments of existing financial reporting standards of the IASB and published interpretations of the IFRS IC are not material to the Bertelsmann Group overall.

Impact of Issued Financial Reporting Standards That Are Not Yet Effective

The Bertelsmann Group has not opted for early adoption of any additional standards, interpretations or amendments that have been issued by the IASB or the IFRS IC but are not yet mandatory.

A financial reporting standard that is not yet effective that will have a material impact on Bertelsmann is IFRS 18 Presentation and Disclosure in Financial Statements issued in April 2024. IFRS 18 will replace the current IAS 1 Presentation of Financial Statements and will amend IAS 7 Statement of Cash Flows, IAS 33 Earnings Per Share and IAS 34 Interim Financial Statements. The new accounting standard aims to improve how companies communicate information in their financial statements, with a focus on information about financial performance in the income statement. IFRS 18 introduces new requirements

- to present specified categories and defined subtotals in the income statement;
- to disclose information in the notes about some performance measures defined by management, which IFRS 18 defines as management-defined performance measures (MPMs); and
- to aggregate and disaggregate information in both the primary financial statements and the notes.

IFRS 18 also introduces limited changes to the statement of cash flows. Subject to endorsement by the EU, the application of IFRS 18 will be mandatory for financial years beginning on or after January 1, 2027, and must be applied retrospectively for the corresponding comparative period. The Bertelsmann Group is currently analyzing the impact of IFRS 18 on the components of financial statements. Although the adoption of IFRS 18 will have no impact on the Group profit or loss, based on an initial preliminary assessment, the Group expects the assignment of items of income and expenses in the income statement into the new categories will impact how the new subtotals are calculated and reported. Based on the preliminary assessment, the Group does not expect any significant changes in the notes, however, the presentation of information might change as a result of the aggregation and disaggregation principles in IFRS 18. In addition, there will be new disclosures required for management-defined performance measures. For the first annual period of application of IFRS 18, a reconciliation for each line item in the income statement between the restated amounts presented by applying IFRS 18 and the amounts previously presented applying IAS 1.

The expected impact from other financial reporting requirements that have been issued but are not yet effective is not material to the Bertelsmann Group.

Impact of External Events on the Consolidated Financial Statements

Despite adverse external events such as ongoing geopolitical tensions, the Bertelsmann Group’s core businesses performed robustly in the financial year 2024. The economic challenges and associated uncertainties have been, from the outset, and will continue to be regularly monitored by management in order to intervene at an early stage if necessary. The balance sheet effects were therefore continuously analyzed for the particularly relevant areas including impairment of goodwill and individual assets, leasing, royalties payable to authors, program rights, inventories, trade receivables, deferred tax assets, provisions for onerous contracts and revenues. In the financial year 2024, a general decline in inflation rates and a further decrease in the interest rate level were accompanied by stagnating economic development in some of Bertelsmann's core markets. The direct and indirect effects of this development were appropriately taken into account in the accounting decisions made. Furthermore, no significant negative effects on the financial position or financial performance of the Bertelsmann Group are currently expected for the accounting areas classified as vulnerable.

The assessments are based on judgments, estimates and assumptions that contain additional uncertainties in the current situation characterized by geopolitical and economic challenges. Management is of the opinion that these uncertainties have been taken into account to an adequate degree.

Consideration of Climate Change

In the financial year 2024, Bertelsmann conducted a comprehensive analysis of climate-related risks and opportunities. The analysis covered all business areas and relevant parts of the value chain. A comprehensive description of the analysis conducted can be found in the Sustainability Report in the Combined Management Report 2024. Bertelsmann assumes that climate change will not have a material impact on the estimates and assumptions for accounting purposes as of December 31, 2024.

Consolidation

Principles of Consolidation

The Bertelsmann Consolidated Financial Statements include the financial statements of the parent company and its subsidiaries, joint ventures and associates.

Subsidiaries are companies controlled by Bertelsmann SE & Co. KGaA in accordance with IFRS 10. Consolidation begins on the date on which the ability to exercise control exists and ends when Bertelsmann loses the ability to exercise control. Profit or loss and each component of total comprehensive income are attributed to the shareholders of the parent company and the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. In accordance with IFRS 3, business combinations are accounted for using the acquisition method. Non-controlling interests are measured at the proportionate fair value of the assets and liabilities. If the consideration transferred for the business combination or the fair values attributable to the identifiable assets and liabilities of the company acquired can only be identified preliminarily on the date of initial accounting, the business combination is accounted for using these preliminary values. Initial accounting is finalized in accordance with IFRS 3.45, taking into account the maximum one-year measurement period. Comparative information for reporting periods prior to the completion of initial accounting is presented as if it had already been completed on the acquisition date. Changes in the parent's ownership interest in a subsidiary that do not lead to a loss of control are accounted for as equity transactions. After the loss of control of a subsidiary, it is deconsolidated in accordance with the requirements of IFRS 10.25 in conjunction with IFRS 10.B98 f. Any investment retained in the former subsidiary, as well as any amounts owed by or to the former subsidiary, are accounted for in accordance with the applicable IFRSs from the date when control is lost.

Joint ventures in accordance with IFRS 11 and associates are included in the Consolidated Financial Statements using the equity method in accordance with IAS 28. Associates are companies over which Bertelsmann exercises a significant influence. This is generally the case for voting rights between 20 percent and 50 percent. Smaller shareholdings are accounted for using the equity method if there is a significant influence in accordance with IAS 28.6. When changing the accounting treatment of investments to the equity method, IFRS 3 is applied correspondingly so that the fair value of the previously held interest is used in determining the cost of the investment accounted for using the equity method on the transition date. The difference between the fair value and the carrying amount of the previously held interest is recognized in profit or loss. The portfolio of investments held by the venture capital organizations of the Bertelsmann Investments division includes, among others, investments in associates recognized at fair value through profit or loss in accordance with IAS 28.18 in conjunction with IFRS 9. When applying the equity method to an associate or a joint venture that is an investment entity, Bertelsmann, which is a non-investment entity, generally retains the fair value measurement applied by the associate or joint venture to its interests in subsidiaries.

The Bertelsmann Group recognizes immaterial investments in accordance with IFRS 9.

The Riverty business unit, which belongs to Arvato Group, uses a structured entity for refinancing purposes, which is not included in the Consolidated Financial Statements, to sell receivables on a revolving basis that were acquired from third parties in the course of conducting its financial services. Further information can be found in note 27 in the section "Financial Services Related to Receivables Acquired and Sold and Further Disclosures to Structured Entities."

Scope of Consolidation

As of December 31, 2024, Bertelsmann is the majority shareholder of RTL Group, with an interest of 76.3 percent. Penguin Random House, BMG, Arvato Group, Bertelsmann Marketing Services, Bertelsmann Education Group and Bertelsmann Investments are each wholly owned by Bertelsmann.

Composition of Scope of Consolidation

	Subsidiaries		Joint ventures[2]		Associates[2]		Total	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023	12/31/2024	12/31/2023	12/31/2024	12/31/2023
RTL Group	372	328	9	11	26	25	407	364
Penguin Random House	113	117	–	–	–	–	113	117
BMG	62	64	–	–	–	–	62	64
Arvato Group	80	75	4	4	–	–	84	79
Bertelsmann Marketing Services	43	43	1	1	–	–	44	44
Bertelsmann Education Group	47	55	–	–	4	4	51	59
Bertelsmann Investments	42	56	–	–	1	1	43	57
Corporate[1]	37	37	–	–	–	–	37	37
Total	796	775	14	16	31	30	841	821

1 Including Bertelsmann SE & Co. KGaA.
2 The joint ventures and associates included in the table are investments accounted for using the equity method.

Changes in Scope of Consolidation

	Germany	France	United Kingdom	Other European countries	United States	Other countries	Total
Consolidated as of 12/31/2023	215	77	164	158	92	115	821
Additions	8	16	31	9	9	19	92
Disposals	26	3	16	12	3	12	72
Consolidated as of 12/31/2024	197	90	179	155	98	122	841

A total of 148 (previous year: 168) companies were excluded from the scope of consolidation. These consist of the associates in the venture capital organizations of the Bertelsmann Investments division and entities without significant business operations and of negligible importance for the financial position and financial performance of the Bertelsmann Group. The complete list of the Bertelsmann Group's shareholdings will be published in the "Bundesanzeiger" ("Federal Gazette") as an annex to these Consolidated Financial Statements in accordance with section 313 (2) of the German Commercial Code (HGB) and will be available at the General Meeting.

Acquisitions and Disposals

In the financial year 2024, the cash flow from acquisition activities totaled €488 million (previous year: €362 million), of which €360 million (previous year: €235 million) related to new acquisitions during the reporting period less cash and cash equivalents acquired, €90 million (previous year: €117 million) related to payments in connection with acquisitions made in previous years and €38 million (previous year: €10 million) related to an advance payments on acquisitions. The consideration transferred in accordance with IFRS 3 amounted to a total of €459 million (previous year: €338 million), taking into account contingent consideration of €9 million (previous year: €27 million). Furthermore, at the time of initial consolidation, put options in the amount of €74 million were accounted for in relation to the acquisitions made by the RTL Group division. In the financial year 2023, put options were recognized in connection with the increase of shares in Sourcebooks made by the Penguin Random House division.

In January 2024, Penguin Random House acquired 100 percent of the shares in book publisher Hay House with operations in the United States, the United Kingdom, Australia and India. Hay House is one of the leading publishers of self-help, health and wellness in the United States. The consideration transferred amounted to €85 million, of which €50 million was paid in cash. The remaining consideration will be paid in four equal annual installments. The first of these four installments was paid in January 2025. The purchase price allocation resulted in goodwill of €37 million, which is attributable to the usage of the Hay House marketing channels for the expansion of the ecosystems around Penguin Random House authors and to cost synergies. Goodwill is tax-deductible and was allocated to the cash-generating unit Penguin Random House. In the financial year 2024, transaction-related costs amounted to €1 million and were recognized in profit or loss in the item "Other operating expenses." Since initial consolidation, Hay House has contributed €73 million to revenue and €-4 million to Group profit or loss.

In March 2024, Fremantle fully acquired the parent company of Asacha Media Group, a European production group based in France that owns majority interests in eight production companies in France, Italy and the United Kingdom. The acquisition complements Fremantle's footprint in Europe and strengthens Fremantle's position as home to top and new talent. The consideration transferred amounted to €131 million and was fully paid in cash. Additionally, as part of the acquisition agreement, Fremantle repaid the acquiree's debt in the amount of €56 million immediately. The purchase price allocation resulted in goodwill of €174 million, which reflects the strengthening of Fremantle's market position in the United Kingdom, Italy and France as well as revenue and cost synergies. Goodwill is not tax-deductible and was allocated to the Fremantle cash-generating unit. There were a number of put option agreements in place with the co-owners of the production companies, in which Asacha Media Group has a majority stake. These put options were recognized in equity at the present value of the redemption amount (€72 million). Immediately following the transaction, additional shares were acquired from the co-owners as negotiated as part of the transaction. As a result, the recognized put options decreased by €19 million during the reporting period. In addition, an existing call option of €2 million was exercised in the reporting period. In the financial year 2024, transaction-related costs amounted to €3 million and have been recognized in profit or loss in the item "Other operating expenses." Since initial consolidation, Asacha has contributed €129 million to Group revenue and €-8 million to Group profit or loss. If consolidated as of January 1, 2024, Asacha would have contributed €151 million to revenue and €-14 million to Group profit or loss.

In July 2024, Afya acquired a 100 percent interest in Unidom Participações S.A., a group that offers university degree programs with a focus on medicine at four locations in the Brazilian state of Bahia. Through the acquisition, Afya is significantly expanding its number of government-approved medical study places. Further study places are currently still in the process of final approval by the relevant authorities. The consideration transferred amounted to €105 million. Of this amount, €58 million was paid in cash at the acquisition date. The remaining purchase price of €48 million will be paid over a total payment period of 10 years, depending on the progress of the approval process for the study places that have not yet been finally approved. The preliminary purchase price allocation resulted in goodwill of €33 million, which is mainly attributable to synergy and network effects. Goodwill is not tax-deductible and was allocated to the cash-generating unit Afya. In the financial year 2024, transaction-related costs were immaterial and were recognized in profit or loss in the item "Other operating expenses." Since initial consolidation, Unidom Participações has contributed €11 million to revenue and €5 million to Group profit or loss. If consolidated as of January 1, 2024, Unidom Participações would have contributed €20 million to revenue and €13 million to Group profit or loss.

In addition, the Bertelsmann Group made several acquisitions in the financial year 2024, none of which was material on a stand-alone basis. In total, the impact of these acquisitions on the Group's financial position and financial performance was also minor. Payments net of acquired cash and cash equivalents for these acquisitions amounted to €101 million; the consideration transferred in accordance with IFRS 3 for these acquisitions amounted to €138 million taking into account contingent consideration of €9 million. The other acquisitions resulted in goodwill totaling €102 million, which reflects synergy and future growth potential and is partly not tax-deductible. Transaction-related costs amounted to €5 million in the financial year 2024 and were recognized in profit or loss in the item "Other operating expenses."

The preliminary purchase price allocations consider all the facts and circumstances prevailing as of the respective dates of acquisition that were known prior to preparation of these Consolidated Financial Statements. In particular, the valuations have not yet been finalized. Therefore, the fair values of identifiable assets – especially intangible assets – and liabilities acquired have only been determined preliminarily. The accounting for the acquisitions will be finalized within the 12-month measurement period in accordance with IFRS 3, based on facts and circumstances that existed at the date of gain of control, and the purchase price allocations will be adjusted accordingly.

In accordance with IFRS 3, identifiable assets, liabilities and contingent liabilities acquired are measured at their acquisition-date fair values. Assets and liabilities are measured at the prices observed in active markets (market price-oriented method), if available. If measurement using the market price-oriented method is not feasible, as a rule the capital value-oriented method is to be applied. According to that method, the fair value of an asset or a liability corresponds to the present value of the future cash inflows or outflows (cash flows).

The following table shows the fair values of the assets and liabilities of the acquisitions on their dates of initial consolidation based on the purchase price allocations, some of which are currently preliminary:

Effects of Acquisitions

in € millions	Hay House	Asacha	Unidom Participações	Other	Total
Non-current assets					
Other intangible assets	32	78	78	17	205
Property, plant and equipment and right-of-use assets	1	10	6	39	56
Trade and other receivables	–	–	1	1	2
Other non-current assets	1	7	–	2	11
Current assets					
Inventories	7	56	–	14	77
Trade and other receivables	15	59	2	15	91
Other current assets	14	49	–	6	68
Cash and cash equivalents	3	31	1	18	53
Liabilities					
Provisions for pensions and similar obligations	–	–	–	–	(1)
Financial debt	(8)	(112)	(1)	(9)	(129)
Lease liabilities	(1)	(8)	(5)	(16)	(30)
Other financial and non-financial liabilities	(16)	(176)	(9)	(50)	(251)
Net assets acquired	48	(6)	73	37	152
Goodwill	37	174	33	102	345
Non-controlling interests	–	(37)	–	(1)	(38)
Consideration transferred in accordance with IFRS 3	85	131	105	138	459
Less deferred payments	(35)	–	(48)	–	(83)
Less contingent consideration	–	–	–	(9)	(9)
Less advance payments of the previous year	–	–	–	(11)	(11)
Consideration paid in cash	50	131	58	119	357
Cash and cash equivalents acquired	(3)	(31)	(1)	(18)	(53)
Repaid financial debt	–	56	–		56
Cash outflow from acquisitions in accordance with IFRS 3	46	156	57	101	360
Payments on prior year's acquisitions					90
Advance payments on acquisitions					38
Total cash flow from acquisition activities					488

On the acquisition date, the fair value of the acquired receivables was €93 million. Of that amount, €80 million is attributable to trade receivables and €13 million to other receivables. Trade receivables were impaired in the amount of €2 million, so that the gross amount is €82 million. The other receivables are not impaired, so that the fair value corresponds to the gross amount.

Since initial consolidation, all new acquisitions made in the financial year 2024 in accordance with IFRS 3 have contributed €282 million to revenue and €-8 million to Group profit or loss. If consolidated as of January 1, 2024, these would have contributed €356 million to revenue and €1 million to Group profit or loss.

The Bertelsmann Group made several disposals in the financial year 2024, none of which was material on a stand-alone basis. In total, the impact of these disposals on the Group's financial position and financial performance was also minor. After considering cash and cash equivalents disposed of, the Bertelsmann Group recorded cash flows in the amount of €13 million (previous year: €488 million) from all disposals. The disposals resulted in a gain from deconsolidation of €10 million (previous year: €715 million), which is recognized in the item "Results from disposals of investments." The following table shows their impact on the Bertelsmann Group's assets and liabilities at the time of deconsolidation. The reported carrying amounts relate in particular to DDV Mediengruppe, which was held by the Bertelsmann Investments division and recognized as an asset held for sale as of December 31, 2023.

Effects of Disposals

in € millions	Total
Non-current assets	
Goodwill	18
Other intangible assets	4
Property, plant and equipment and right-of-use assets	32
Other non-current assets	3
Current assets	
Inventories	4
Other current assets	30
Cash and cash equivalents	13
Liabilities	
Provisions for pensions and similar obligations	4
Financial debt	4
Lease liabilities	5
Other financial and non-financial liabilities	73

Assets Held for Sale and Liabilities Related to Assets Held for Sale

The carrying amounts of the assets classified as held for sale and related liabilities are presented in the following table:

Assets Held for Sale and Related Liabilities

in € millions	RTL Nederland	Other	Total as of 12/31/2024	Total as of 12/31/2023
Assets				
Non-current assets				
Goodwill	404	–	404	421
Other intangible assets	9	3	11	9
Property, plant and equipment and right-of-use assets	31	–	31	57
Investments accounted for using the equity method	3	–	3	5
Deferred tax assets	–	–	–	2
Other non-current assets	–	1	1	1
Current assets				
Inventories	99	–	99	99
Trade and other receivables	120	1	121	144
Other current assets	14	1	15	9
Current income tax receivables	–	–	–	2
Cash and cash equivalents	–	3	3	20
Impairment on assets held for sale	–	–	–	(11)
Assets held for sale	680	9	689	758
Liabilities				
Non-current liabilities				
Provisions for pensions and similar obligations	–	–	–	4
Other provisions	3	–	3	4
Deferred tax liabilities	2	1	2	
Financial debt	–	–	–	1
Lease liabilities	15	–	15	23
Trade and other payables	–	–	–	20
Other non-current liabilities	3	–	3	2
Current liabilities				
Other provisions	2	–	2	6
Financial debt	–	–	–	1
Lease liabilities	4	–	4	8
Trade and other payables	122	2	124	147
Other current liabilities	65	2	67	93
Current income tax payables	–	–	–	1
Liabilities related to assets held for sale	216	5	221	309

As of December 31, 2024, the carrying amounts of the assets classified as held for sale and related liabilities are mainly attributable to the RTL Group division.

In December 2023, RTL Group announced that it had signed an agreement for the intended sale of RTL Nederland. The total consideration amounts to €1.1 billion and will be paid upon closing. The transaction is subject to regulatory approvals. RTL Group expects to close the transaction in the second quarter of 2025. The disposal group RTL Nederland includes not only the directly attributable goodwill of €159 million, but also the relative share of the goodwill for the cash-generating unit “RTL Group, Group level” of €245 million attributable to the disposal.

As of December 31, 2024, further assets classified as held for sale and related liabilities are attributable to a disposal group within the BMG division.

For disposal groups, which were measured at fair value less costs to sell, impairment losses were recognized in the amount of €1 million. These impairment losses were attributable to completed disposals in the BMG division. The fair values are categorized within Level 3 of the hierarchy of non-recurring fair values. Valuations for Level 3 are based on information from contract negotiations. The impairment losses recognized in profit or loss are included in the item “Other operating expenses.”

As of December 31, 2023, the carrying amounts of the assets classified as held for sale and related liabilities were particularly attributable to RTL Nederland. In addition, DDV Mediengruppe was included as one of the assets held for sale in the item “Other.”

Foreign Currency Translation

Transactions denominated in a currency other than a subsidiary’s functional currency are recognized in the functional currency at the exchange rate applicable on the day of their initial accounting. At the end of the reporting period, monetary assets and liabilities denominated in foreign currency are revalued into the functional currency using the closing rate applicable at that time. As a rule, gains and losses from these foreign currency translations are recognized in profit or loss. Non-monetary balance sheet items in foreign currency are carried at the historical exchange rate.

The financial statements of subsidiaries, joint ventures and associates that were prepared in foreign currencies are translated into euros using the functional currency concept set out in IAS 21 before they are included in the Consolidated Financial Statements. Assets and liabilities are translated into the reporting currency at the closing rate at the end of the reporting period, while income statement items are translated at the average rate for the financial year. Foreign currency translation differences are recognized in other comprehensive income. Such differences arise from translating items in the balance sheet at a closing rate that differs from the previous closing rate, and from using the average rate for the period and the closing rate at the end of the reporting period to translate the Group profit or loss. At the time of deconsolidation of Group companies, the respective accumulated exchange differences recognized in other comprehensive income and accumulated in a separate component of equity are reclassified from equity to profit or loss. The following euro exchange rates were used for currency translation purposes for the most significant foreign currencies for the Bertelsmann Group:

Euro Exchange Rates for Significant Foreign Currencies

		Average rates		Closing rates	
Foreign currency unit per €1		2024	2023	12/31/2024	12/31/2023
Australian dollar	AUD	1.6397	1.6278	1.6772	1.6263
Brazilian real	BRL	5.8283	5.4024	6.4253	5.3618
Canadian dollar	CAD	1.4821	1.4596	1.4948	1.4642
Chinese renminbi	CNY	7.7875	7.6604	7.5833	7.8509
British pound	GBP	0.8466	0.8696	0.8292	0.8691
US dollar	USD	1.0824	1.0813	1.0389	1.1050

Accounting and Measurement Policies

Recognition of Income and Expense

Revenues from contracts with customers are recognized in accordance with IFRS 15. Under this standard, a contract-based five-step model is used to first identify and distinguish the relevant contracts with customers. In a next step, the separate performance obligations explicitly or implicitly stipulated in the contract are identified, and the contract is examined for fixed and variable consideration in order to use this as a basis for determining the respective transaction price. In doing so, constraining estimates of variable consideration are adequately taken into account. If more than one separate performance obligation is identified in a contract, the transaction price is then allocated to the identified performance obligations using the method of relative stand-alone selling prices, which are generally determined as prices on the markets relevant for the respective customers. Revenue recognition occurs upon satisfaction of the performance obligation either at a point in time or over time, depending on the underlying business model. If necessary, the extensive principal-agent considerations presented in IFRS 15 are also adequately taken into account in analyzing the contracts.

The prioritization of the five steps depends on the design of the underlying business model. Based on the underlying revenue sources in the Bertelsmann Group, the following key aspects are taken into consideration for revenue recognition:

- Own products and merchandise: As a rule, the revenues resulting from these contracts are recognized at a point in time when control is transferred. Depending on the underlying respective terms of sale, this is generally upon delivery to the customer. Expected returns from sales of products, mainly from physical books and magazines, are shown as liabilities in the balance sheet position “Trade and other payables.” Return assets are presented in the balance sheet position “Other non-financial assets.” In individual business models at RTL Group, giveaways to customers meet the criteria of a separate performance obligation. Any giveaways to an agent are capitalized as costs to obtain a contract and are amortized over the expected term of the subscription.
- Services: Services are generally rendered over a period of time, and the revenue is recognized based on an appropriate output method or input method for measuring progress (e.g., units consumed or delivered, expended working hours, costs incurred). If permissible, revenues are recognized in the amount of the invoice if this amount corresponds to the value of the performance provided. Revenue from financial services is recognized separately as revenue on an accrual basis if it results primarily from interest rate effects.
- Advertising: Advertising services are generally rendered over a period of time, and the revenue is recognized based on an appropriate output method for measuring progress (e.g., number of published advertisements, advertising spots or broadcast minutes, degree of implementation of advertising services). If several performance obligations are identified in an advertising contract, the transaction price is allocated on the basis of the relative stand-alone selling prices.
- Rights and licenses: The timing of revenue recognition for business models generating revenue from licenses depends on whether the license represents a right to access the intellectual property through the entire licensing period or a right to use when the license is granted. In particular, the underlying contracts are analyzed to determine whether the customer is exposed to significant changes to the intellectual property or whether the intellectual property remains in the condition defined upon entering into the contract throughout the term of the contract with regard to its content and scope. While revenues from licenses granted for a right to use are realized at the date of the transfer of control, revenues from licenses for rights to access are realized over a period of time throughout the term of the contract. The majority of licenses granted in the TV business represent a right to use the intellectual property at the date the license is granted. As a result, revenue is recognized at the point in time the license is granted to the licensee. In contrast, rights to access are used extensively in the music business, and these revenues are recognized throughout the term of the contract.

IFRS 15 stipulates some practical expedients of which the following are applied in the Bertelsmann Group:

- Costs of obtaining contracts are not capitalized if the underlying asset is amortized in no more than 12 months.
- The value of consideration is not adjusted for the effects of a material financing component if the financing component pertains to a period of no more than 12 months.
- For contracts with an original duration of not more than 12 months and for contracts for which revenue can be recognized according to the amount invoiced for simplification purposes, no disclosure of the aggregated transaction price is provided. For contracts with customers that contain both fixed and variable price components, only future revenues that are reasonably assured to be received are disclosed.

Advance payments received before satisfaction of the corresponding performance obligation are recognized as a contract liability. If contractual provisions make the invoicing of services completed to date causally dependent on the need to provide further goods or services, a contract asset is recognized. Receivables from contracts with customers are generally due in less than 12 months.

Interest income and expenses relating to financial assets measured at amortized cost are recognized on an accrual basis using the effective interest method in accordance with IFRS 9. Dividends are only recognized in profit or loss when the right to receive payment of the dividend is established. Other income is recognized when the economic benefits are probable and the amount can be measured reliably. Expenses are deferred on the basis of underlying facts or the period of time to which they relate.

Goodwill

In accordance with IFRS 3, goodwill resulting from a business combination is initially recognized at cost, with subsequent recognition at cost less accumulated impairment losses. Goodwill is subject to impairment testing at least annually in accordance with IAS 36. In the Bertelsmann Group, goodwill is tested for impairment as outlined in the section “Impairment.”

Other Intangible Assets

Non-current, internally generated intangible assets are capitalized at cost in accordance with IAS 38 if the corresponding requirements are met. Intangible assets acquired separately are carried at cost less accumulated amortization and accumulated impairment losses, also in accordance with IAS 38. Intangible assets acquired as part of a business combination are initially recognized at fair value on the acquisition date in accordance with IFRS 3. Intangible assets with finite useful life are amortized on a straight-line basis over their estimated useful life. Impairment and reversals of impairment losses are determined by applying the requirements for impairment testing in accordance with IAS 36. As a rule, capitalized software has a useful life of between three and five years. Acquired customer relationships are amortized over a period of two to 15 years, while the amortization period for trademarks and music and publishing rights is three to 25 years. Licenses are amortized on a straight-line basis over the term of the license agreement, assumed useful life or depending on performance (based on the ratios of income from use generated in the reporting period to the estimated total income from use over the entire useful life). Intangible assets with indefinite useful lives are not amortized. Instead, they are subject to at least annual impairment testing in accordance with IAS 36 and, if applicable, written down to their recoverable amount.

Property, Plant and Equipment

Items of property, plant and equipment are accounted for in accordance with IAS 16 and carried at cost less accumulated depreciation and accumulated impairment losses. Depreciation is determined on a straight-line basis over the estimated useful life of the asset. In the financial year 2024, depreciation was generally based on the following useful lives:
- buildings: 10 to 50 years
- technical equipment and machinery: four to 15 years
- other equipment, fixtures, furniture and office equipment: three to 15 years

Land is not subject to depreciation.

Impairment

Goodwill and intangible assets with indefinite useful lives are tested for impairment in accordance with IAS 36 annually as of December 31 and if a triggering event occurs. Intangible assets with a finite useful life as well as property, plant and equipment and right-of-use assets are tested for impairment at the end of each reporting period in accordance with IAS 36 only if there are any indications of impairment. An impairment loss in accordance with IAS 36 has occurred when the carrying amount of an asset or cash-generating unit exceeds its recoverable amount. The recoverable amount is the higher of fair value less costs of disposal and value in use. Fair value less costs of disposal and value in use are generally determined using the discounted cash flow method, which is based on future cash flow forecasts, which are part of company forecasts. Corresponding to the consideration of the right-of-use assets recognized in the balance sheet for determining the carrying amount, the lease payments are not deducted when determining the recoverable amount. In addition, any requirements for reinvestments as regards right-of-use assets are taken into account in the model. For assets held for sale, only the fair value less costs to sell is used as a basis for comparison.

For determining the value in use, estimated future cash inflows or outflows from future restructurings or from improvement or enhancement of the cash-generating units' performance are excluded unless, as of the end of the reporting period, the cash-generating unit is committed to the restructuring and related provisions have been recognized. If an active market exists, the market price or, if applicable, the price in the most recent comparable transaction, is used for fair value measurement. If there is no active market, the fair value less costs of disposal is generally calculated using the discounted cash flow method. If it is not possible to allocate cash flows to assets, the relevant impairment losses are determined on the basis of cash flows attributable to the cash-generating unit to which the assets belong. Projected cash flows are based on internal estimates for three detailed planning periods. Generally, two further detailed planning periods are applied in addition. For periods beyond this detailed horizon, a perpetual annuity is recognized, taking into account individual business-specific growth rates. Discounting is generally based on the weighted average cost of capital (WACC) after tax. Specific WACCs are derived for cash-generating units with different risk profiles. The Bertelsmann Group performs sensitivity analyses on the cash-generating units, especially on those where the headroom between the recoverable amount and the carrying amount is low.

If the reasons for an impairment loss recognized in prior periods no longer exist, the impairment loss is reversed up to a maximum of the carrying amount of the respective asset if the impairment loss had not been recognized. The latter does not apply to goodwill. The impairment loss and reversals of impairment losses are both recognized immediately in profit or loss.

Leases

Generally, for all leases with the Bertelsmann Group as a lessee, the related contractual rights and obligations are recognized on the balance sheet as a right-of-use asset and a lease liability. On the date of initial accounting, lease liabilities are recognized at the present value of the outstanding lease payments. The lease payments include fixed payments less any lease incentives due from the lessor, variable lease payments linked to an index or a rate, amounts expected to be payable under residual value guarantees, the exercise price of a purchase option if the exercise is reasonably certain and penalty payments for terminating the lease, if the lease term reflects the exercise of the termination option. Variable lease payments linked to sales are recognized in profit or loss in the period when the conditions for the payments have been met. The present value is determined using maturity-, currency- and risk-specific incremental borrowing rates. Subsequent measurement of a lease liability includes the increase of the carrying amount to reflect interest on the lease liability and reducing the carrying amount to reflect the lease payments made. Right-of-use assets are measured at cost less any accumulated depreciation and accumulated impairment losses. Cost comprises the amount of lease liabilities recognized, the initial direct costs and the lease payments made at or before the commencement date of the lease, less any lease incentives received. The right-of-use asset is depreciated on a straight-line basis over the shorter of the useful life or lease term. Short-term leases with a lease term of up to one year, and leases for low-value assets for which the Bertelsmann Group does not recognize right-of-use assets or lease liabilities, constitute an exception. For such leases, the payments are recognized on a straight-line basis as expenses in the income statement under “Other operating expenses.” If, in the context of sale-and-leaseback transactions, control of an underlying asset is transferred as defined in IFRS 15, the Bertelsmann Group as the seller and lessee recognizes the asset in the amount of the proportional right of use retained. The gain or loss from the sales transaction as the proportional amount of the rights transferred to the lessor is recognized through profit or loss in the item “Other operating income” or “Other operating expenses.”

Financial Assets

In accordance with the IFRS 9 classification and measurement approach for financial assets, there are three classification categories for financial assets in the Bertelsmann Group:

- at amortized cost,
- at fair value with changes in fair value through other comprehensive income (FVOCI) and
- at fair value with changes in fair value through profit or loss (FVTPL).

The allocation to the respective classification categories is based on the following criteria:

- the entity’s business model for managing the financial assets and
- contractual cash flow characteristics of the financial asset.

Financial assets (with the exception of trade receivables without a significant financing component) are recognized initially at fair value, taking into account transaction costs that are directly attributable to the acquisition of the financial asset. Financial assets are recognized on the settlement date of the transaction. Transaction costs of financial assets recognized at fair value through profit or loss are immediately expensed in profit or loss. Trade receivables without a significant financing component are initially recognized at their transaction price.

Subsequent measurement of financial instruments depends on the classification categories:

- At amortized cost: Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest on the principal amount outstanding are measured at amortized cost. This category mainly comprises trade receivables and other financial receivables. Any gain or loss arising on derecognition and impairment losses are recognized directly in profit or loss.
- FVOCI: Financial assets that are held for collection of contractual cash flows and for selling, where the assets' cash flows represent solely payments of principal and interest on the principal amount outstanding, are measured at fair value with changes in fair value through other comprehensive income. The Bertelsmann Group does not hold any debt instruments measured at fair value through other comprehensive income. Bertelsmann exercises the option for measurement of equity instruments at fair value through other comprehensive income mainly for individual immaterial investments. With deferred taxes taken into consideration, the gains and losses resulting from fluctuations in the fair value of these equity instruments are recognized through other comprehensive income. Gains and losses from the fair value are not reclassified to profit or loss after derecognition of the equity instruments. Dividends from such equity instruments continue to be recognized in profit or loss.
- FVTPL: Financial assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. Gains and losses resulting from fluctuations in fair value are recognized in profit or loss.

Impairment and measurement of expected credit losses:
Bertelsmann applies the expected credit loss (ECL) model in accordance with IFRS 9 for debt instruments at amortized cost and for contract assets. Accordingly, the amount of expected credit losses recognized as a loss allowance depends on the extent to which the default risk has increased since initial recognition. According to the so-called general approach, a distinction is made between the following two measurement bases:

- 12-month ECL: At initial recognition and if the default risk has not increased significantly from the initial recognition of the debt instrument, a loss allowance is recognized for expected credit losses within the next 12 months.
- Lifetime ECL: If the default risk has increased significantly, a loss allowance for expected credit losses is recognized for the entire life of the debt instrument.

For purchased or originated credit-impaired financial assets, only the cumulative changes in lifetime expected credit losses since initial recognition are recognized as a loss allowance.

Appropriate quantitative and qualitative information and analyses based on the Group's historical experience and reasonable assessments, including forward-looking information such as customer-specific information and forecasts of future economic conditions, are taken into consideration when determining the credit risk. When a financial asset is more than 30 days past due, its credit risk is assumed to have increased significantly. A default of a financial asset is assumed at the latest when the counterparty fails to make contractual payments within 90 days of when they fall due, unless reasonable and supportable information is available that justifies a different time of overdue payment. The Group assesses whether a financial asset is credit-impaired at the end of each reporting period. This is the case when one or more events that have a detrimental impact on the expected future cash flows of that financial asset have occurred. A financial asset is written off when it is no longer reasonably expected to be fully or partially recoverable.

For trade receivables and contract assets, Bertelsmann uses a simplified approach to measure expected credit losses. According to this, the loss allowance is measured using lifetime expected credit losses. For this purpose, impairment matrices based on historic bad debt losses, maturity bands and expected credit losses are prepared. The impairment matrices are created for division-specific or business unit-specific groups of receivables, each with similar default patterns. In addition, separate risk assessments are performed. Contract assets have substantially the same risk characteristics as trade receivables for the same types of contracts, so that the expected loss rates for trade receivables are also a reasonable approximation of the loss rates for contract assets.

Measurement at Fair Value

In the case of financial assets and financial liabilities measured at fair value, the valuation technique applied depends on the respective inputs present in each case. If listed prices can be identified for identical assets on active markets, they are used for measurement (Level 1). If this is not possible, the fair values of comparable market transactions are applied, and financial methods that are based on observable market data are used (Level 2).

If the fair values are not based on observable market data, they are identified using established financial methods or on the basis of observable market data, taking into account historical information and forecast developments (Level 3).

Inventories

Inventories – including raw materials and supplies, finished goods, work in progress and merchandise – are accounted for in accordance with IAS 2 and recognized at the lower of historical cost or net realizable value at the end of the reporting period. Similar inventories are measured at average cost or using the FIFO (first-in, first-out) method. In addition, inventories include all short-term film, television and similar rights that are intended for broadcast or exploitation within the Group's normal operating cycle. In particular, this includes films and TV shows currently in production, co-productions and acquired broadcasting rights. The carrying amount of such items at the end of the reporting period is also the lower of historical cost or net realizable value. Consumption of film and television rights is based on either the expected number of transmissions or expected revenue in order to match the costs of consumption with the benefits received as closely as possible. The rates of consumption applied for the majority of broadcasting rights are as follows:

- Blockbusters, mini-series, other films, series, TV movies and (co-)productions are consumed, run by run, over a maximum of four transmissions following a degressive approach for amortization depending on the agreed total number of transmissions.
- Soaps, in-house productions, quiz and game shows, sports and other events as well as music shows are fully consumed upon the first transmission.
- Children's programs and cartoons are consumed over the license period on a linear basis as there is a very slow saturation and a very high number of repetitions for the target group kids (three to 13 years of age).
- Program rights for pay television are consumed on a straight-line basis over the license period.
- Acquired content used for streaming purposes is amortized either degressive or on a straight-line basis depending on usage patterns and audience reach over time.

In very specific cases, different consumption methods may be applied where audience potential is considered to be particularly high for each broadcast.

The consumption of inventories and current film and television rights, changes in inventories of work in progress and finished goods as well as own costs capitalized are recognized in the income statement in the position "Cost of materials."

Income Taxes

In accordance with IAS 12, income taxes include both current taxes on income and deferred taxes. Current income taxes are calculated on the taxable income of the financial year and on all adjustments to taxable income of previous financial years, taking into account the tax rates applicable in each case. For the calculation of current and deferred taxes, the applicable tax laws and tax jurisdictions of the respective country in which the consolidated Group companies are registered are considered.

In accordance with IAS 12, deferred tax assets and liabilities are recognized for temporary differences between the tax base and the carrying amounts shown on the IFRS consolidated balance sheet, and for as yet unused tax loss carryforwards and tax credits. Deferred tax assets are reviewed at each balance sheet date and recognized to the extent it is probable that taxable income will be available against which the deductible temporary differences, tax loss carryforwards and tax credits can be utilized. Deferred tax assets that are unlikely to be realized within a clearly predictable period are reduced by valuation allowances. Deferred tax liabilities are generally recognized for all taxable temporary differences.

Deferred taxes are not recognized for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither earnings before taxes nor taxable income,
- temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that they will not be reversed in the foreseeable future, and
- taxable temporary differences arising on initial recognition of goodwill.

The tax rates applied for computation are those expected as of the date of reversal of temporary differences and use of tax loss carryforwards or tax credits, respectively. As a rule, current and deferred taxes are recognized in profit or loss unless they relate to items recognized in other comprehensive income. In this case, current and deferred taxes are recognized in other comprehensive income.

Current and deferred income tax items are offset if there is a legally enforceable right to set off current tax assets against current tax liabilities and the tax assets and tax liabilities relate to income taxes levied by the same taxation authority.

The Group is subject to global minimum tax according to the OECD model rules (Pillar Two). After applying the Country-by-Country Safe Harbor rules, the minimum taxation is applicable for the Group's activities in Ireland with a statutory tax rate of 12.5 percent as well as in in Argentina, Brazil, Malaysia and Turkey, where subsidiaries are taking advantage of government subsidy programs that reduce the effective tax rate to below 15 percent. Australia falls within the scope due to one-time true-up effects for 2023. The Group recognized a current tax expense of €9 million for Pillar Two top-up taxes that will be payable by the Group (2023: €0 million).

The Bertelsmann Group makes use of the exemption for the recognition of deferred taxes in connection with Pillar Two income taxes, which was subject of the amendments to IAS 12 published in May 2023. Australia, Ireland and Turkey each have tax legislation in force that provides for the imposition of the domestic minimum top-up tax since January 1, 2024. As a result, the subsidiaries will be subject to the domestic top-up taxes locally in each of those countries with respect to their business operations. In Malaysia and Brazil, the domestic minimum top-up tax will apply as of January 1, 2025.

Accumulated Other Comprehensive Income

Accumulated other comprehensive income includes net exchange differences and gains and losses from the fair value measurement of equity instruments with changes through other comprehensive income (IFRS 9 classification category FVOCI) and of derivatives used to hedge future cash flows (cash flow hedge) in accordance with IFRS 9. In addition, in accordance with IAS 28.10, changes in other comprehensive income for entities accounted for using the equity method are recognized in this item. Deferred taxes on the aforementioned items are also recognized directly in equity.

Provisions

Provisions for pensions and similar obligations are calculated using the projected unit credit method in accordance with IAS 19. The net interest expense included in pension expense is recognized in the financial result. Remeasurement effects of defined benefit pension plans (actuarial gains and losses on the defined benefit obligation, differences between actual investment returns and the returns implied by the net interest cost on the plan assets, and effects of the asset ceiling) are recognized immediately in equity under other comprehensive income and are not reclassified to profit or loss in a subsequent period (recycled). Remeasurement effects of defined benefit pension plans (actuarial gains and losses on the defined benefit obligation, differences between actual investment returns and the returns implied by the net interest cost on the plan assets, and effects of the asset ceiling) are recognized in the other retained earnings in the year in which these gains and losses are incurred as part of the reconciliation of total comprehensive income for the period in the statement of changes in equity. With the exception of the other personnel-related provisions calculated in accordance with IAS 19, all other provisions are recognized in accordance with IAS 37. Provisions are measured in the amount of the most likely outcome. Non-current provisions are discounted. The discount rates take into account current market expectations and, if necessary in individual cases, specific risks for the liability. As a rule, income from the reversal of provisions is generally included in the income statement line item to which the provision was previously charged.

Financial Liabilities

Trade payables and other primary financial liabilities, including profit participation certificates and liabilities relating to financial services, are initially measured at their fair value less transaction costs. Subsequent measurement is based on amortized cost using the effective interest method, unless the financial liability is classified as initially recognized at fair value through profit or loss. Future payments related to put options issued by the Bertelsmann Group on the equity interests of subsidiaries are accounted for as a financial liability. The liability is initially recognized at the present value of the redemption amount, with a corresponding charge directly to equity. In the case of a business combination with the transfer of the risks and rewards of the non-controlling interests underlying the put option to the Bertelsmann Group, the goodwill increases by a corresponding amount upon initial recognition. Subsequent measurement of liabilities from put options is recognized in profit or loss.

Derivative Financial Instruments

As set out in IFRS 9, all derivative financial instruments are recognized at fair value on the balance sheet. Derivative financial instruments are recognized as of the trade date of the transaction. When a contract involving a derivative is entered into, it is initially determined whether it serves to hedge a balance sheet item (fair value hedge) or to hedge future cash flows (cash flow hedge). Some derivatives do not meet the requirements set out in IFRS 9 for recognition as a hedge, despite this being their economic purpose (stand-alone hedge).

Changes in the fair values of derivatives are recognized as follows:

- Fair value hedge: Changes in the fair value of these derivatives used to hedge assets or liabilities are recognized in profit or loss; the corresponding gain or loss on the change in fair value of the underlying balance sheet item is also included in profit or loss.
- Cash flow hedge: The effective portion of the changes in the fair value of derivatives used to hedge future cash flows is recognized in other comprehensive income. Upon receiving an underlying non-financial asset or a non-financial liability, the amount is reclassified from accumulated other comprehensive income to the respective item. In other cases, the reclassification of the previously recognized gains and losses from equity to the income statement is performed when the hedged underlying transaction affects profit or loss. The ineffective portion of the changes in the fair value of the hedging instrument is recognized in profit or loss.
- Stand-alone hedge: Changes in the fair value of derivatives that do not meet the criteria for recognition as hedges are recognized in profit or loss.

No hedge of net investment in a foreign operation was made in the financial year 2024.

Share-Based Payments

Share-based payments for employees of the Bertelsmann Group include equity-settled share-based payment transactions and cash-settled share-based payment transactions. Equity-settled share-based payment transactions are granted to certain directors and senior employees in the form of share options. The options are granted at the market price on the grant date and are exercisable at that price. For share options, the fair value of the options granted is recognized as personnel costs with a corresponding increase in equity. The fair value is measured at the grant date and allocated over the vesting period during which the employees become unconditionally entitled to the options. The fair value of the options granted is measured using a binomial option pricing model, taking into account the terms and conditions at which the options were granted. The amount recognized as an expense is adjusted to reflect the actual number of share options vesting. Share options forfeited solely due to share prices not achieving the vesting threshold are excluded. The financial liability arising under cash-settled share-based payment transactions is measured initially at fair value at grant date using an option pricing model. Until the liability is settled, its fair value shall be remeasured at the end of each reporting period and at the date of settlement, with any value changes recognized in profit or loss as personnel costs of the period.

Non-Current Assets Held for Sale and Related Liabilities

Non-current assets or disposal groups are classified as held for sale if the associated carrying amount will be recovered principally through a sale transaction and not from continued use. These non-current assets and the associated liabilities are presented in separate balance sheet positions in accordance with IFRS 5. They are measured at the lower of the carrying amount or fair value less costs to sell. Depreciation/amortization is not recognized as long as a non-current asset is classified as held for sale or forms part of a disposal group that is classified as held for sale. Components of entities that fulfill the requirements of IFRS 5.32 are classified as discontinued operations and thus are carried separately in the income statement and cash flow statement. All the changes in amounts made during the reporting period that are directly connected with the sale of a discontinued operation in any preceding period are also stated in this separate category. If a component of an entity is no longer classified as held for sale, the results of this entity component that were previously carried under discontinued operations are reclassified to continuing operations for all the reporting periods shown.

Significant Judgments, Estimates and Assumptions

The preparation of the Consolidated Financial Statements requires the use of accounting judgments, estimates and assumptions that may impact the carrying amounts of assets, liabilities, income and expenses recognized. This assessment takes into account both current macroeconomic and geopolitical developments and their potential future developments, as necessary. Since these assessments are inherently subject to a high degree of uncertainty, the valuation takes into account potential developments and risk factors. Estimates and the underlying assumptions are reviewed on an ongoing basis. As a rule, adjustments to estimates are taken into account in the period in which the change is made and in future periods. Amounts actually realized may differ from estimated amounts. The following section presents accounting judgments, estimates and assumptions that are material in the Bertelsmann Consolidated Financial Statements for understanding the uncertainties associated with financial reporting:

Judgments

- Control of entities in which the Bertelsmann Group holds less than half of the voting rights: Management considers that the Bertelsmann Group has control of Groupe M6, which belongs to RTL Group, even though it holds less than 50 percent of the voting rights. RTL Group is the controlling shareholder of Groupe M6, while the balance of other holdings remains highly dispersed, and the other shareholders have not organized their interest in such a way that they intend to vote differently from the Bertelsmann Group.
- Significant influence although the Bertelsmann Group holds less than 20 percent of the equity shares in another entity: Although the Bertelsmann Group holds less than 20 percent of the equity shares of Atresmedia, management considers that the Group exercises a significant influence on Atresmedia in view of the representation of RTL Group on the Board of Directors and other governing bodies of Atresmedia. Despite the decrease in ownership from 18.7 percent to 15.1 percent in the financial year 2024, the assessment of significant influence remains unchanged.
- Leases: Some real estate lease contracts include extension or termination options. Payments from these optional periods are included in the lease liability, provided it is reasonably certain that the lease will be extended beyond the non-cancellable lease period or that a termination option will not be exercised. In assessing whether an option to extend or terminate will be exercised, management considers all facts and circumstances that are associated with an economic incentive to exercise the option or not to exercise it. These include, in particular, the amount of lease payments compared to market prices in the optional period, completed or expected leasehold improvements, and the importance of the underlying asset to the Bertelsmann Group's operations.

Estimates and Assumptions

- Recognition of income and expense: In the event of return rights, mostly for print products, estimates must be made with regard to the anticipated return volume, as revenues are recognized taking the anticipated returns into account. Return ratios determined using statistical methods are used to identify the anticipated returns. The transaction prices to be determined using the contract-based five-step model defined in IFRS 15 often include both fixed and variable consideration. The variable components are determined on the basis of estimates, which are made and updated in accordance with constraint conditions. Variable considerations are therefore only included to the extent that it is highly probable that revenue already recognized will not have to be reversed as soon as the uncertainty about the actual amount of the consideration no longer exists. External factors influencing the estimate, such as the long period until the value is determined, past experience and the number of performance obligations within a contract, are taken into account as far as possible. For various business models, qualitative estimates must be made as part of principal-agent considerations as to who is to be regarded as a customer of a Bertelsmann company and whether a Bertelsmann company is to be regarded as principal or agent in a transaction. In such business relationships, the transaction price is only recognized as revenue on a gross basis if the company acts as principal. The principal position exists if the Bertelsmann company bears primary responsibility for the fulfilment of the performance obligation. Otherwise, revenue is recognized on a net basis. Disclosures on anticipated returns are presented in note 24 “Liabilities.”
- Investments in minority stakes held by venture capital organizations: The measurement of various minority stakes held by venture capital organizations recognized at fair value (December 31, 2024: €1,074 million; December 31, 2023: €1,007 million) that are not based on prices quoted on active markets is generally based on observable prices obtained as part of the most recently implemented qualified financing rounds, taking into account the life and developmental cycle of the respective entity. Further adjustments are generally made for financial instruments with contractual lockups. Further explanations are presented in note 27 “Additional Disclosures on Financial Instruments.”
- Assumptions are also made for fair value measurement of other financial assets and financial liabilities. In this regard, Bertelsmann uses various financial methods that take into account the market conditions and risks in effect at the end of the respective reporting periods. The inputs to these models are taken from observable market data where possible, but where these are not available, fair value measurement is based on assumptions by management. These assumptions relate to inputs such as cash flows, discount rate, liquidity risk and default risks. If a right to early termination or repayment exists for financial debt, the determination of the remaining term takes into account whether there is actually an intention to exercise such right. Further explanations are presented in note 27 “Additional Disclosures on Financial Instruments.”
- In the case of purchase price allocations, assumptions are also made regarding the measurement of assets and liabilities assumed as part of business combinations. This applies in particular with regard to the acquired intangible assets, as measurements are based on fair value. As a rule, this is the present value of the future cash flows after taking into account the present value of the tax amortization benefit. In addition, the definition of uniform useful lives within the Group is based on management’s assumptions. General information on useful lives is presented in the sections “Other Intangible Assets” and “Property, Plant and Equipment.”
- In connection with non-current assets held for sale and related liabilities as well as the impairment tests for intangible assets, property, plant and equipment, and right-of-use assets, the determination of the fair value less costs to sell requires management judgments as it relates to estimates of proceeds of the disposal, residual obligations and direct disposal costs. The classification as assets held for sale and discontinued operations also requires management judgment.

- Trade and other receivables and receivables relating to financial services: Calculation of loss allowance for accounts receivable is based on historical credit loss rates for groups of financial assets with similar credit risk characteristics and on forward-looking information, including customer-specific information and forecasts of future economic conditions. Further explanations are presented in note 27 “Additional Disclosures on Financial Instruments.”
- Advance payments: Sales estimates and assumptions on future sales success are made in connection with advances paid to authors to secure exploitation rights for their publications. Disclosures on advance payments are presented in note 13 “Inventories.”
- Impairment: The management’s estimates of cash flow, on which impairment tests are based, are based on factors including assumptions of economic trends and the associated risks, the regulatory environment, the competitive environment, market share, investments, EBITDA margins and growth rates at the time of this assessment. A combination of long-term trends, industry forecasts and in-house knowledge, with special emphasis on recent experience, is used in forming the assumptions about the development of the various relevant markets in which the Bertelsmann Group operates. The relevant markets are an area highly exposed to the general economic conditions. The development of the relevant markets is just one of the key operational drivers used by the Bertelsmann Group to assess individual business models. The most important assumptions include estimated growth rates, the weighted average cost of capital and tax rates. All these different elements are variable, interrelated and difficult to isolate as the main drivers of the various business models and respective valuations. Future changes to these estimates as a result of more recent information could have a material impact on the amount of the possible impairment. The growth rates applied are based on long-term real growth rates for the relevant economies, growth expectations for the relevant sectors and long-term inflation forecasts for the countries in which the cash-generating units operate. The values allocated to the key assumptions are generally in line with external sources of information. The figures obtained using the respective discount rates reflect the recoverable amount of the cash-generating units. Material changes in the market or competitive environment may impair the value of cash-generating units. Details on impairment testing for intangible assets (including goodwill) in the Bertelsmann Group are presented in note 9 “Intangible Assets.” In addition, in the case of sports and film rights, estimates are made with regard to anticipated revenues, which are subject to increased uncertainty due to potential future changes in trends and viewer preferences.
- Pension obligations: Pension obligations are measured using the projected unit credit method. Using this approach, biometric calculations, the prevailing long-term capital market interest rates and, in particular, assumptions about future salary and pension increases are taken into account. Details on the assumptions made in pension accounting are presented in note 19 “Provisions for Pensions and Similar Obligations.”
- Provisions for onerous contracts and warranties are also based to a significant extent on management estimates with regard to their amount and probability of occurrence. Assessments of whether there is a present obligation, whether an outflow of resources is probable and whether it is possible to reliably determine the amount of the obligation are generally based on the expertise of in-house or third-party specialists. More recent information could change the estimates and thus impact the Group’s financial position and financial performance. The legal and regulatory environment in which Bertelsmann operates does not bear significant litigation risks. With regard to risk provisioning, a provision for potential losses from litigation is recognized when the risks of a loss are considered probable and when a reliable estimate of the anticipated financial impact is possible. For significant contingent liabilities for which the possibility of a future loss is more than remote but less than probable, the Bertelsmann Group estimates the possible loss where the Group believes that an estimate can be made. Contingent liabilities from litigation that were of subordinate significance from a Group perspective existed at the end of the reporting period. Management regularly reviews the recognition, measurement and use of provisions along with the disclosure requirements for contingent liabilities. Disclosures on provisions for onerous contracts and warranties are presented in note 20 “Other Provisions.”

- Put option liabilities: Put option liabilities are measured according to an underlying fair value or are based on forecasted performance targets. The performance targets are based, for example, on a multiple of earnings, meaning that judgment is required where there are adjustments to forecasted results or to the probability of meeting each performance target. In addition, the determination of the transaction-specific discount rates for non-current put option liabilities requires judgment. Further information on put options can be found in note 24 “Liabilities.”
- Lease liabilities are recognized at the present value of the outstanding lease payments using maturity-, currency- and risk-specific incremental borrowing rates. The starting point for determining the incremental borrowing rates is risk-free, country- and maturity-specific interest rates for government bonds. These interest rates are adjusted by a specific risk premium for Bertelsmann SE & Co. KGaA as well as a lease-specific risk premium and a security discount. The lease-specific risk premium takes into account in particular that the lease contracts are not concluded by Bertelsmann SE & Co. KGaA itself, but by its subsidiaries, as well as the different payment profile of a lease contract in contrast to a bullet government bond. Further explanations on lease liabilities are presented in note 23 “Lease Liabilities.”
- The activities of the Group companies are subject to the respective applicable tax laws and pronouncements. Assumptions and estimates also form the basis for judgments regarding the ability to realize uncertain tax positions and future tax benefits that may arise from the interpretation of tax regulations. Recognition of an asset or liability from an uncertain tax position is performed in accordance with IAS 12 if payment or refund in respect of the legal uncertainty is probable. Measurement of the uncertain tax assets and tax liabilities is at its most likely amount in accordance with IFRIC 23. Deferred tax assets are only carried to the extent that it is probable that they can be utilized against future taxable profits. When assessing the probability of the ability to use deferred tax assets in the future, various factors are taken into account, including past earnings, company forecasts, tax planning strategies and loss carryforward periods. Information relating to the ability to realize tax benefits is presented in note 8 “Income Taxes.”
- Estimates and assumptions also relate to the share-based payments. The conditions of the cash-settled share-based payment transactions and the stock option plans are presented in greater detail in the section “Share-Based Payments” in note 18 “Equity.”

Prior-Year Information

The structure of the consolidated balance sheet was adjusted for reasons of transparency. The receivables and liabilities relating to financial services recognized in the previous year in the balance sheet positions “Trade and other receivables” and “Trade and other payables” are presented separately from the financial year 2024 onwards. The prior-year comparatives have been adjusted to the current presentation to improve comparability. Based on the carrying amounts, the balance sheet position “Trade and other receivables” decreased by €1,630 million and the balance sheet positions “Trade and other payables” decreased by €377 million as of December 31, 2023, with a corresponding introduction of two new balance sheet positions “Receivables relating to financial services” and “Liabilities relating to financial services” in the respective amounts. This adjustment had no effect on the Group’s financial position and financial performance.

For reasons of transparency, the financial income and expenses from the remeasurement of put/call option liabilities are presented on a gross basis from the financial year 2024 onwards. The prior-year comparatives have been adjusted to the new presentation to improve comparability.

Notes to the Income Statement and the Balance Sheet

1 Revenues

In the financial year 2024, Group revenues of €18,521 million were generated from contracts with customers in accordance with IFRS 15 (previous year: €19,760 million). The other revenues amounting to €467 million (previous year: €409 million) not in the scope of IFRS 15 resulted from financial services in the Arvato Group division. The decline in revenue is mainly due to the sale of shares in the customer experience company Majorel in November 2023.

The following table only shows the revenues from contracts with customers in accordance with IFRS 15 by division and broken down by revenue source, geographical area and timing of revenue recognition. The categorization of revenue sources and geographical areas shown corresponds to that used in segment reporting.

Revenue from Contracts with Customers

	2024							
in € millions	RTL Group	Penguin Random House	BMG	Arvato Group	Bertelsmann Marketing Services	Bertelsmann Education Group	Bertelsmann Investments	Total divisions[1]
Revenue Sources								
Own products and merchandise	126	4,675	79	56	6	6	25	4,973
Services	322	163	3	3,270	932	917	519	6,125
Advertising	3,475	–	–	–	1	–	13	3,489
Rights and licenses	2,950	79	878	–	–	1	1	3,909
	6,873	4,917	960	3,325	940	924	558	18,497
Geographical Areas								
Germany	2,426	311	77	1,416	585	5	145	4,966
France	1,357	12	57	101	42	–	6	1,575
United Kingdom	372	509	124	284	57	–	17	1,362
Other European countries	1,664	409	156	1,015	126	–	109	3,478
United States	845	2,909	476	434	119	347	59	5,190
Other countries	208	768	69	75	11	572	222	1,925
	6,873	4,917	960	3,325	940	924	558	18,497
Timing								
Point in time	2,248	4,751	201	56	8	11	29	7,304
Over time	4,624	165	759	3,269	932	913	529	11,193
	6,873	4,917	960	3,325	940	924	558	18,497

1 Excluding Corporate activities.

in € millions	2023 RTL Group	Penguin Random House	BMG	Arvato Group	Bertelsmann Marketing Services	Bertelsmann Education Group	Bertelsmann Investments	Total divisions[1]
Revenue Sources								
Own products and merchandise	166	4,288	96	59	14	6	76	4,704
Services	346	173	7	4,930	1,143	870	309	7,777
Advertising	3,476	–	–	–	13	–	43	3,532
Rights and licenses	2,851	71	799	–	–	–	2	3,723
	6,839	4,532	902	4,988	1,170	876	430	19,736
Geographical Areas								
Germany	2,416	310	93	1,714	757	5	274	5,569
France	1,319	10	63	446	52	–	3	1,894
United Kingdom	305	454	115	340	78	–	2	1,293
Other European countries	1,607	372	100	1,518	146	–	24	3,768
United States	1,012	2,642	465	513	123	331	21	5,107
Other countries	179	743	65	457	14	540	106	2,105
	6,839	4,532	902	4,988	1,170	876	430	19,736
Timing								
Point in time	2,306	4,357	212	60	25	11	84	7,056
Over time	4,532	174	690	4,928	1,144	865	346	12,681
	6,839	4,532	902	4,988	1,170	876	430	19,736

1 Excluding Corporate activities.

During the reporting period, the revenues from contracts with customers comprise performance obligations satisfied at a certain point in time of €7,304 million (previous year: €7,056 million) and performance obligations satisfied over a certain period of time of €11,193 million (previous year: €12,681 million). If revenue is recognized at a point in time, the respective timing of revenue recognition is determined by the contractually agreed terms of sale. For performance obligations satisfied over time, a sufficient measure of progress is determined generally based on output methods to recognize revenue accordingly. Input methods are used to determine revenue recognition in business models for which they more accurately measure progress. Revenues amounting to €1 million (previous year: €1 million) result from performance obligations already satisfied in previous periods. Bertelsmann makes use of practical expedients set out in IFRS 15 and does not disclose any unsatisfied performance obligations for contracts with an original duration of no more than 12 months, or for contracts for which revenue can be recognized according to the amount invoiced for simplification purposes. As of December 31, 2024, Bertelsmann expects future revenues from existing long-term service level agreements of €1,586 million (previous year: €1,595 million), which will be attributable to unsatisfied (or partially unsatisfied) performance obligations as of the end of the reporting period and is expected to be recognized in the amount of €649 million (previous year: €616 million) in the next financial year and in the amount of €937 million (previous year: €979 million) in the following years.

2 Other Operating Income

in € millions	2024	2023
Income from reimbursements	64	45
Income from sideline operations	39	37
Gains from disposals of non-current assets	26	43
Foreign exchange gains	1	–
Sundry operating income	147	205
	277	330

In the item “Foreign exchange gains,” gains and losses from foreign currency transactions are offset to better reflect the economic substance. The item “Sundry operating income” consists of a number of individually immaterial matters in the subsidiaries.

3 Personnel Costs

in € millions	2024	2023
Wages and salaries	4,183	5,338
Statutory social security contributions	642	813
Expenses for pensions and similar obligations	127	127
Profit sharing	63	74
Other employee expenses	239	288
	5,255	6,640

The decline in the number of employees, due to the sale of shares in the customer experience company Majorel in November 2023, led to a reduction in personnel costs in the financial year 2024.

The contributions paid by the employer to state pension plans amounted to €338 million in the financial year 2024 (previous year: €424 million).

4 Amortization / Depreciation, Impairment and Reversals of Impairment Losses on Intangible Assets, Property, Plant and Equipment and Right-of-Use Assets

in € millions	2024	2023
Amortization/depreciation, impairment and reversals of impairment losses on		
– intangible assets	607	567
– property, plant and equipment and right-of-use assets	544	692
	1,151	1,259

Further details on amortization/depreciation, impairment and reversals of impairment losses shown are presented in note 9 “Intangible Assets” and note 10 “Property, Plant and Equipment and Right-of-Use Assets.”

5 Other Operating Expenses

in € millions	2024	2023
Administrative expenses	1,226	1,379
Selling and transmission expenses	652	605
Advertising costs	427	402
Loss allowances on receivables, loans and non-financial assets	391	341
Consulting and audit fees	177	194
Fair value measurement of investments	22	229
Fair value measurement of receivables relating to financial services	39	25
Operating taxes	90	101
Losses on disposals of non-current assets	11	9
Adjustment to carrying amounts on assets held for sale	1	19
Foreign exchange losses	–	2
Sundry operating expenses	137	222
	3,172	3,529

The item “Administrative expenses” includes repair and maintenance costs of €236 million (previous year: €236 million) and costs for IT services of €330 million (previous year: €361 million). In the financial year 2024, expenses from short-term leases in the amount of €38 million (previous year: €40 million) and expenses from leases for low-value assets in the amount of €14 million are also included in this item (previous year: €19 million). The item “Loss allowances on receivables, loans and non-financial assets” comprises mainly loss allowances on advance payments for royalties and licenses of the Penguin Random House division amounting to €306 million (previous year: €259 million). The item “Fair value measurement of investments” comprises, among others, effects from the measurement of financial instruments held in the portfolio of the Bertelsmann Investments division. Bertelsmann Investments assigns its minority stakes and fund of funds investments held by venture capital organizations to the fair value through profit or loss category in accordance with IFRS 9. Further details are presented in note 12 “Minority Stakes and Other Financial Assets.” The item “Fair value measurement of receivables relating to financial services” includes effects from the measurement of receivables for resale to financial intermediaries and structured entities by the Riverty business unit. In the item “Foreign exchange losses,” gains and losses from foreign currency transactions are offset to better reflect the economic substance. The item “Sundry operating expenses” consists of a number of individually immaterial matters in the subsidiaries.

6 Interest Income and Interest Expenses

in € millions	2024	2023
Interest income		
Interest income on cash and cash equivalents	39	36
Other interest income	16	15
	55	50
Interest expenses		
Interest expenses on financial debt	(173)	(173)
Interest expenses on interest rate derivatives	(1)	(1)
Other interest expenses	(10)	(13)
	(183)	(187)

Interest expenses on financial debt include interest expenses calculated using the effective interest method, adjusted for the effects of derivative financial instruments entered into as hedging instruments in accordance with IFRS 9 against changes in interest rates under hedge accounting.

7 Other Financial Income and Expenses

in € millions	2024	2023
Other financial income		
Financial income from put/call options	63	33
Minority interests in partnerships	2	–
Non-operating foreign exchange gains	–	7
Sundry financial income	44	39
	109	80
Other financial expenses		
Net interest on defined benefit plans	(16)	(18)
Interest expenses on lease liabilities	(59)	(59)
Dividend entitlement on profit participation certificates	(44)	(44)
Financial expenses from put/call options	(25)	(84)
Non-operating foreign exchange losses	(7)	–
Other non-operating expenses from derivatives	(5)	(10)
Sundry financial expenses	(80)	(66)
	(236)	(280)

To better reflect the economic substance, income and expenses from non-operating foreign currency hedging transactions are offset against the results from the measurement of the economically hedged items in foreign currency, and are recognized as non-operating foreign exchange gains or losses. In the financial year 2024, the net results from these non-operating foreign currency transactions of €50 million (previous year: €14 million) were offset against the net results from hedged foreign currency transactions amounting to €-57 million (previous year: €-6 million).

8 Income Taxes

Income taxes, broken down into current and deferred income taxes, are as follows:

in € millions	2024	2023
Earnings before income taxes	1,442	1,563
Current income taxes	(336)	(375)
Deferred income taxes	(70)	138
Total income taxes	(406)	(237)
Net income after income taxes	1,036	1,326

Tax loss carryforwards of €349 million (previous year: €257 million) were utilized in the financial year 2024, reducing current tax expenses by €67 million (previous year: €52 million). Of the tax loss carryforwards utilized, €1 million (previous year: €1 million) was due to German corporate income tax, €5 million (previous year: €1 million) was due to German trade tax and €343 million (previous year: €255 million) was due to foreign income taxes. These amounts include €5 million (previous year: €12 million) for tax loss carryforwards for which no deferred tax assets were recognized in the past. These relate with an immaterial amount to German corporate tax (previous year: €0 million) and to German trade tax (previous year: €0 million) and to foreign income taxes in the amount of €5 million (previous year: €12 million). As a result of this utilization, current tax expense decreased by €1 million (previous year: €3 million).

The recognition of previously unrecognized tax loss carryforwards, deductible temporary differences and tax credits resulted in a reduction in deferred tax expense of €54 million (previous year: €88 million). A net deferred tax expense of €2 million (previous year: €1 million) arose as a result of the write-down or reversal of deferred tax assets previously written down.

Deferred tax assets and liabilities resulted from the following items and factors:

Deferred Taxes

in € millions	12/31/2024 Assets	12/31/2024 Equity and liabilities	12/31/2024 Recognized in profit or loss in the financial year	12/31/2023 Assets	12/31/2023 Equity and liabilities	12/31/2023 Recognized in profit or loss in the financial year
Goodwill	56	167	(4)	46	148	2
Other intangible assets	92	375	26	102	383	30
Property, plant and equipment and right-of-use assets	61	287	57	67	339	25
Investments accounted for using the equity method	–	4	–	1	5	(3)
Minority stakes and other financial assets	12	32	24	11	57	14
Inventories	169	5	(20)	185	3	(16)
Trade and other receivables	154	32	16	132	30	(12)
Receivables relating to financial services	–	7	(2)	–	5	1
Other non-financial assets	66	138	4	38	115	(16)
Cash and cash equivalents	–	5	2	1	7	–
Provisions for pensions and similar obligations	872	570	(17)	925	604	(15)
Other provisions	119	25	(4)	122	25	44
Financial debt	–	20	(9)	7	18	14
Lease liabilities	274	10	(90)	352	10	(28)
Trade and other payables	79	35	(30)	127	56	(33)
Liabilities relating to financial services	10	–	(10)	20	–	(7)
Other non-financial liabilities	21	13	2	20	16	(4)
Loss carryforwards/tax credits	462		(15)	478		143
Total	2,447	1,725	(70)	2,633	1,821	138
Offset	(1,549)	(1,549)		(1,664)	(1,664)	
Carrying amount	898	176		969	157	

The item “Property, plant and equipment and right-of-use assets” includes deferred tax assets of €19 million (previous year: €25 million) and deferred tax liabilities of €216 million (previous year: €274 million) in connection with right-of-use assets in accordance with IFRS 16.

No deferred tax liabilities were recognized for temporary differences in the amount of €518 million (previous year: €501 million) in connection with investments in subsidiaries as Bertelsmann can control their reversal, and it is probable that these temporary differences will not be reversed in the foreseeable future.

In the companies that incurred a loss in the current or prior period, deferred tax assets are recognized that exceed deferred tax liabilities by €559 million (previous year: €591 million). These are mainly attributable to companies in the German tax group, totaling €554 million (previous year: €591 million), whereby the amounts mainly consist of deductible temporary differences. The losses resulted from one-time and non-recurring effects such as the termination of loss-making operations and RTL Group's German streaming business, which is currently being established. The future planned profits result from the business plans, which are based on internally determined assumptions and past experience, extended to include current expectations and substantiated by external market assessments. Positive economies of scale will contribute to the set profitability target of the RTL+ business in 2026. In addition, profitable companies were added to the tax group of Bertelsmann SE & Co. KGaA in the current financial year. Furthermore, structural measures were taken with regard to currency hedging, which will reduce currency losses in the tax group in the future. Management believes that the deferred tax assets are recoverable on the basis of the taxable income expected in the future.

Current and deferred tax assets and liabilities are offset against each other if they relate to the same tax authority and meet the criteria for offsetting. The term of the deferred taxes on temporary differences is mostly long-term.

Deferred tax assets in other comprehensive income amount to €355 million (previous year: €355 million).

Valuation allowances for deferred tax assets are recognized on temporary differences, tax loss carryforwards and tax credits when it is unlikely that they can be utilized in the foreseeable future. The need to recognize valuation allowances is assessed primarily based on existing deferred tax liabilities from temporary differences and projected taxable income within a planning period.

Temporary differences, tax loss carryforwards and tax credits for which no deferred taxes have been recognized can be carried forward as follows:

Expiration

in € millions	12/31/2024	12/31/2023
Temporary differences (unlimited carryforward period)	173	140
Tax loss carryforwards		
Unlimited carryforward period	4,895	4,956
To be carried forward for more than 5 years	353	14
To be carried forward for up to 5 years	58	67
Tax credits		
Unlimited carryforward period	2	1
To be carried forward for more than 5 years	–	1
To be carried forward for up to 5 years	1	1

A reconciliation of expected tax result to actual tax result is shown in the following table:

Reconciliation to Actual Tax Expense

in € millions	2024	2023
Earnings before income taxes	1,442	1,563
Income tax rate applicable to Bertelsmann SE & Co. KGaA (in percent)	31.10	31.20
Expected tax expense	(448)	(488)
The tax effects of the following items led to differences between the expected and actual tax expense:		
Adjustment to different national tax rates	122	162
Effect of changes in tax rate and tax law	(9)	3
Non-tax-deductible impairment on goodwill	–	(3)
Tax effects in respect of results from disposals of investments	(4)	178
Current income taxes for previous years	2	(14)
Deferred income taxes for previous years	(5)	14
Effects of measurements of deferred tax assets	(30)	33
Permanent differences	3	(112)
Other adjustments	(35)	(10)
Total of adjustments	42	250
Actual tax expense	(406)	(237)

Effects from measurement of deferred tax assets take into account the effects from the recognition of deferred tax assets based on estimates of future taxable income derived from internal forecasts. Permanent differences mainly include effects from tax-free income and fair value measurement effects. Other adjustments also include tax expenses from the top-up tax in connection with global minimum taxation and withholding taxes.

Effective Income Tax Rate

in percent	2024	2023
Corporate income tax including solidarity surcharge	15.83	15.83
Trade tax	15.27	15.37
Effective income tax rate	31.10	31.20

The effective tax rate is based on the tax rate of the German Group parent entity Bertelsmann SE & Co. KGaA and includes corporate income tax, the solidarity surcharge and trade tax. In addition, the Group operates mainly in the United States with a tax rate from 21.00 percent to 25.60 percent and in France with a tax rate of 25.00 percent to 25.83 percent.

9 Intangible Assets

in € millions	Goodwill	Other intangible assets					Total
		Music and film rights	Other rights and licenses	Internally generated intangible assets	Advance payments	Total	
Cost							
Balance as of 1/1/2023	9,344	3,792	3,454	1,399	31	8,676	18,020
Exchange differences	(61)	(38)	17	(18)	–	(39)	(100)
Additions through business combinations	192	–	256	–	–	256	448
Other additions	–	176	164	60	61	461	461
Reductions through disposal of investments	(14)	–	(11)	–	–	(11)	(25)
Other disposals	–	(37)	(39)	(21)	–	(97)	(97)
Reclassifications in accordance with IFRS 5	(624)	(6)	(146)	(2)	(3)	(157)	(781)
Reclassifications and other changes	20	44	(80)	65	(49)	(20)	–
Balance as of 12/31/2023	8,857	3,931	3,615	1,482	40	9,068	17,925
Exchange differences	60	132	(116)	25	1	42	102
Additions through business combinations	345	15	157	33	–	205	550
Other additions	–	265	193	66	49	573	573
Reductions through disposal of investments	(1)	–	–	–	–	–	(1)
Other disposals	–	(105)	(35)	(27)	–	(167)	(167)
Reclassifications in accordance with IFRS 5	–	(6)	(4)	–	–	(10)	(10)
Reclassifications and other changes	–	70	(92)	120	(51)	47	47
Balance as of 12/31/2024	9,261	4,302	3,718	1,699	40	9,759	19,020
Accumulated amortization							
Balance as of 1/1/2023	468	1,956	1,564	1,189	–	4,709	5,177
Exchange differences	–	(13)	(16)	(17)	–	(46)	(46)
Amortization	–	190	242	101	–	533	533
Impairment losses	18	14	–	1	3	18	36
Reversals of impairment losses	–	(3)	–	(1)	–	(4)	(4)
Reductions through disposal of investments	–	–	(1)	–	–	(1)	(1)
Other disposals	–	(37)	(35)	(23)	–	(95)	(95)
Reclassifications in accordance with IFRS 5	(32)	(6)	(101)	(2)	–	(109)	(141)
Reclassifications and other changes	–	(1)	(3)	(12)	1	(15)	(15)
Balance as of 12/31/2023	454	2,100	1,650	1,236	4	4,990	5,444
Exchange differences	5	46	16	29	–	91	96
Amortization	–	200	242	141	–	583	583
Impairment losses	–	13	11	4	2	30	30
Reversals of impairment losses	–	(5)	–	(1)	–	(6)	(6)
Reductions through disposal of investments	–	–	–	–	–	–	–
Other disposals	–	(105)	(35)	(27)	–	(167)	(167)
Reclassifications in accordance with IFRS 5	–	(4)	1	–	–	(3)	(3)
Reclassifications and other changes	–	7	(32)	26	–	1	1
Balance as of 12/31/2024	459	2,253	1,855	1,407	6	5,521	5,980
Carrying amount as of 12/31/2024	8,802	2,049	1,863	292	34	4,238	13,040
Carrying amount as of 12/31/2023	8,403	1,830	1,963	247	37	4,077	12,480

Other rights and licenses include brands and publishing rights, acquired customer relationships along with acquired software, and other licenses. In the financial year 2024, BMG acquired music catalogs in the amount of €243 million (previous year: €197 million), €210 million of which related to various music catalogs in the United States. Internally generated intangible assets mostly include own film and TV productions and internally generated software. In the financial year 2023, the reclassifications in accordance with IFRS 5 were mainly attributable to Majorel. As in the previous year, no intangible assets were subject to restrictions on disposal as of the end of the reporting period.

Goodwill and other intangible assets are attributable to the following cash-generating units:

Goodwill and Other Intangible Assets with Indefinite Useful Lives by Cash-Generating Units

	Goodwill		Other intangible assets with indefinite useful lives	
in € millions	12/31/2024	12/31/2023	12/31/2024	12/31/2023
RTL Group	5,198	4,983	164	164
RTL Group, Group level	1,834	1,834	–	–
Fremantle	1,450	1,251	–	–
RTL Deutschland	1,264	1,264	–	–
Groupe M6	617	600	164	164
Other	33	33	–	–
Penguin Random House	1,319	1,198	–	–
BMG	387	386	–	–
Arvato Group	425	434	–	–
Riverty	348	356	–	–
Other	77	78	–	–
Bertelsmann Marketing Services	–	–	–	–
Book Printing Group USA	–	–	–	–
Other	–	–	–	–
Bertelsmann Education Group	1,370	1,323	–	–
Afya	375	413	–	–
Relias Learning	989	904	–	–
Alliant University	6	6	–	–
Bertelsmann Investments	103	79	–	–
HR Tech (previously Embrace)	71	61	–	–
Other	32	18	–	–
	8,802	8,403	164	164

Intangible assets with indefinite useful lives primarily concern Groupe M6 trademark rights in France (€120 million; previous year: €120 million) and brands related to Gulli (€38 million; previous year: €38 million), which also belong to Groupe M6. In determining that the M6 trademark rights have an indefinite useful life, management has considered various factors such as the historical and expected longevity of the brand, the impact of possible changes in broadcasting technologies, the impact of possible evolutions of the regulatory environment in the French television industry, the current and expected audience share of the M6 channel, and management's strategy to maintain and strengthen the trademark "M6." As of December 31, 2024, based on the analysis of these factors, there is no foreseeable limit to the period of time over which the M6 brand is expected to generate cash inflows. Given their positioning, the market's awareness of the brands and their history, Gulli-related brands are considered to also have an indefinite useful life.

For the purpose of impairment testing in accordance with IAS 36, goodwill from a business combination is allocated to the cash-generating units that are expected to benefit from the synergies of the business combination. As of December 31, 2024, the market price of RTL Group S.A. shares on the Frankfurt Stock Exchange was €26.70 (previous year: €34.96). At that date, the recoverable amount for the goodwill impairment test of RTL Group recognized at Group level was based on the value in use using a discounted cash flow method, as management considered the share price of RTL Group does not fully reflect its ability to monetize both linear and non-linear content. This ability gives RTL Group a competitive advantage over pure-play streaming services and results in significant synergies between linear TV channels and RTL+. Management expects a more favorable market environment for RTL Group's streaming activities than assumed by the capital markets. Fremantle has launched several growth initiatives to drive long-term productivity. Furthermore, shares conveying a majority include a control premium compared to the valuation of individual listed shares. The value in use exceeded the carrying amount.

As of December 31, 2024, the market price of Métropole Télévision shares on the Paris Stock Exchange was €11.24 (previous year: €12.94). The recoverable amount of Groupe M6 at that date was based on the value in use using a discounted cash flow method, as management considered the share price of Groupe M6 does not fully reflect its earnings potential due to the expected growth in AVOD (advertising-funded Video On Demand) offers. The value in use exceeded the carrying amount. As of December 31, 2024, the market price of Afya shares, which represent partly a class of shares other than Bertelsmann shares, on the Nasdaq was US$15.88 (previous year: US$21.93). The recoverable amount derived from the stock market price exceeded the carrying amount.

For the other cash-generating units, the recoverable amount equals the fair value, which is derived from discounted cash flows less costs of disposal and which is categorized within Level 3 of the fair value hierarchy. Forecasted cash flows were based on internal estimates, which covers three detailed planning periods, and were supplemented by two further detailed planning periods. One exception to this is a cash-generating unit, in order to fully reflect the longer business model-specific investment cycle. For periods after this detailed horizon, a perpetual annuity was applied, taking into account individual business-specific growth rates.

The cash flow forecasts underlying the impairment testing of the individual cash-generating units bearing material goodwill are based on the following assumptions relating to the market development for the beginning of the detailed planning period: In 2025, for TV advertising markets in the countries of the DACH region as well as in France, and in Hungary, overall at least stable development is expected. The streaming market in Germany is expected to grow strongly. The streaming market in Hungary is expected to grow significantly. Furthermore, the market for printed books is expected to be stable overall. In the relevant music market, the music publishing market segment and recorded music market segment are expected to record strong and significant growth respectively. The markets for logistics, IT and financial services are predicted to show moderate growth in 2025. The German offset printing market is expected to record a moderate decline, while the book printing market in North America is expected to grow slightly. Overall, sustained significant to strong growth is anticipated for the relevant US education markets in the training and healthcare segments, and for the Brazilian market for medical university education.

In addition, recoverable amounts based on discounted cash flows were measured using the following individual business-specific growth rates and discount rates after taxes for periods after the detailed planning period:

Overview of Growth and Discount Rates

	Growth rate in % for the year		Discount rate in % for the year	
	12/31/2024	12/31/2023	12/31/2024	12/31/2023
RTL Group				
RTL Group, Group level[1]	0.8	0.8	7.8	8.3
Fremantle	1.8	1.8	8.1	8.0
RTL Deutschland	0.5	0.5	7.5	8.1
Groupe M6[2]	0.5	0.5	8.1	8.7
Other	2.0	2.0	9.4	9.8
Penguin Random House	0.5	0.5	8.8	9.1
BMG	2.0	2.0	7.5	9.0
Arvato Group				
Riverty	1.5	1.5	6.8	6.8
Other	1.0–1.5	1.0–1.5	8.6–9.2	8.7–10.9
Bertelsmann Marketing Services				
Book Printing Group USA[3]	n/a	0.0	n/a	7.5
Other[3]	n/a	0.0	n/a	8.2
Bertelsmann Education Group				
Afya[4]	n/a	n/a	n/a	n/a
Relias Learning	2.5	2.5	8.2	8.4
Alliant University	2.0	2.0	9.5	8.8
Bertelsmann Investments				
HR Tech (previously Embrace)	1.5	1.5	8.3	8.4
Other	1.5	1.5	7.5–11.7	10.1–13.2

1 Discount rate before taxes December 31, 2024: 10.5 percent (previous year: 11.2 percent).
2 Discount rate before taxes December 31, 2024: 11.0 percent (previous year: 11.7 percent).
3 Cash-generating units no longer carrying goodwill in the financial year 2024.
4 Recoverable amount derived from stock market price.

The key assumptions on which the development of the recoverable amount is based also include the future achievable EBITDA margin, which is derived from internally determined assumptions based on past experience, supplemented by current expectations and underpinned by external market assessments. For all cash-generating units, margin levels are expected to remain stable or continue to grow, due, among other things, to forecast economies of scale and efficiency measures.

In the financial year 2024, no impairment loss was recognized on goodwill (previous year: €18 million). In the previous year, the impairment loss was attributable to the cash-generating units Book Printing Group USA (€8 million) and Digital Marketing (€10 million), which belong to the Bertelsmann Marketing Services division.

Impairment losses on goodwill and other intangible assets with indefinite useful lives are recognized in the income statement under “Amortization/depreciation, impairment and reversals of impairment losses on intangible assets, property, plant and equipment and right-of-use assets.”

For the cash-generating unit Groupe M6, which belongs to the RTL Group division, the recoverable amount exceeds the carrying amount by €170 million. In the event of an increase in the discount rate by 0.7 percentage points, a decrease in the long-term growth rate by 1.0 percentage points or a decrease in the EBITDA margin by 1.3 percentage points, the recoverable amount would fall below the carrying amount.

For the cash-generating unit Fremantle, which belongs to the RTL Group division, the recoverable amount exceeds the carrying amount by €146 million. In the event of an increase in the discount rate by 0.4 percentage points, a decrease in the long-term growth rate by 0.7 percentage points or a decrease in the EBITDA margin by 0.5 percentage points, the recoverable amount would fall below the carrying amount.

For the goodwill to be tested at the level of the RTL Group division, the recoverable amount would fall below the carrying amount of the cash-generating unit in the event of an increase in the discount rate by 1.8 percentage points, a decrease in the long-term growth rate by 2.7 percentage points or a decrease in the EBITDA margin by 2.7 percentage points.

Other material goodwill was not subject to impairment, even given a change by one of the three most important factors: discount rate (increase of 1.0 percentage point), long-term growth rate (decrease of 1.0 percentage point) or EBITDA margin (decrease of 1.0 percentage point).

10 Property, Plant and Equipment and Right-of-Use Assets

Right-of-use assets from leased property, plant and equipment are capitalized in accordance with IFRS 16. The balance sheet position “Property, plant and equipment and right-of-use assets” comprises property, plant and equipment owned by the Bertelsmann Group and right-of-use assets from leased property, plant and equipment.

Property, Plant and Equipment and Right-of-Use Assets

in € millions	12/31/2024	12/31/2023
Owned property, plant and equipment	1,867	1,753
Right-of-use assets from leased property, plant and equipment	1,166	1,055
	3,033	2,808

Property, Plant and Equipment

in € millions	Land, rights equivalent to land and buildings	Technical equipment and machinery	Other equipment, fixtures, furniture and office equipment	Advance payments and construction in progress	Total
Cost					
Balance as of 1/1/2023	1,622	2,164	1,621	148	5,555
Exchange differences	(4)	(5)	(13)	1	(21)
Additions through business combinations	–	1	5	–	6
Other additions	30	76	178	142	426
Reductions through disposal of investments	–	–	(1)	–	(1)
Other disposals	(81)	(327)	(112)	(1)	(521)
Reclassifications in accordance with IFRS 5	(101)	(61)	(388)	(9)	(559)
Reclassifications and other changes	21	69	68	(165)	(7)
Balance as of 12/31/2023	1,487	1,917	1,358	116	4,878
Exchange differences	7	16	3	2	28
Additions through business combinations	–	3	3	–	6
Other additions	65	90	121	121	397
Reductions through disposal of investments	–	–	–	–	–
Other disposals	(50)	(378)	(106)	(3)	(537)
Reclassifications in accordance with IFRS 5	11	15	8	(1)	33
Reclassifications and other changes	30	70	25	(117)	8
Balance as of 12/31/2024	1,550	1,733	1,412	118	4,813
Accumulated depreciation					
Balance as of 1/1/2023	868	1,756	1,052	–	3,676
Exchange differences	(4)	(4)	(9)	–	(17)
Depreciation	49	96	151	–	296
Impairment losses	1	13	6	–	20
Reversals of impairment losses	–	(1)	(1)	–	(2)
Reductions through disposal of investments	–	–	(1)	–	(1)
Other disposals	(68)	(320)	(105)	–	(493)
Reclassifications in accordance with IFRS 5	(64)	(50)	(235)	–	(349)
Reclassifications and other changes	(7)	(13)	15	–	(5)
Balance as of 12/31/2023	775	1,477	873	–	3,125
Exchange differences	4	11	10	–	25
Depreciation	47	96	134	–	277
Impairment losses	–	4	2	–	6
Reversals of impairment losses	–	(1)	–	–	(1)
Reductions through disposal of investments	–	–	–	–	–
Other disposals	(42)	(370)	(100)	–	(512)
Reclassifications in accordance with IFRS 5	10	16	9	–	35
Reclassifications and other changes	–	(5)	(4)	–	(9)
Balance as of 12/31/2024	794	1,227	925	–	2,946
Carrying amount as of 12/31/2024	756	506	487	118	1,867
Carrying amount as of 12/31/2023	712	440	485	116	1,753

As in the previous year, no property, plant and equipment were subject to restrictions on disposal as of the end of the reporting period. In the financial year 2024, impairment testing of a cash-generating unit of the Bertelsmann Marketing Services division identified imputed shortfalls. Subsequent impairment testing of property, plant and equipment amounting to €10 million (previous year: €13 million) at the individual asset level resulted in no impairment (previous year: €2 million), which was mainly attributable to technical equipment and machinery. Impairment losses totaling €6 million were recognized for property, plant and equipment (previous year: €20 million). In the financial year 2023, the reclassifications in accordance with IFRS 5 were mainly attributable to Majorel.

Right-of-Use Assets

The vast majority of leases concern rental properties in the RTL Group, Penguin Random House, Arvato Group and Bertelsmann Education Group divisions. In addition, leases also exist for technical equipment and machinery, vehicles and other fixtures, furniture and office equipment. The existing lease contracts have different terms and a number of property leases include extension or termination options in order to maximize operational flexibility in terms of managing the assets used in the Group's operations. Details on the corresponding lease liabilities are presented in note 23 "Lease Liabilities."

The following table shows depreciation and impairment, additions and other changes to the right-of-use assets in the financial year 2024 as well as the carrying amounts of the right-of-use assets from leased property, plant and equipment as of December 31, 2024:

Change in Right-of-Use Assets

in € millions	Land, rights equivalent to land and buildings	Technical equipment and machinery	Other equipment, fixtures, furniture and office equipment	Total
Carrying amount of leased property, plant and equipment as of 1/1/2024	1,031	4	21	1,055
Additions	218	7	13	237
Depreciation and impairment	(247)	(4)	(11)	(262)
Other changes	137	–	(1)	136
Carrying amount of leased property, plant and equipment as of 12/31/2024	1,138	7	21	1,166

in € millions	Land, rights equivalent to land and buildings	Technical equipment and machinery	Other equipment, fixtures, furniture and office equipment	Total
Carrying amount of leased property, plant and equipment as of 1/1/2023	1,279	4	23	1,306
Additions	194	3	18	215
Depreciation and impairment	(364)	(3)	(13)	(380)
Other changes	(78)	(1)	(7)	(86)
Carrying amount of leased property, plant and equipment as of 12/31/2023	1,031	4	21	1,055

In the financial year 2024, the other changes mainly relate to lease contracts from acquisitions and extensions of existing lease contracts. In the financial year 2023, the item mainly related to disposals from the sale of Majorel and extensions of existing lease contracts.

11 Interests in Other Entities

Subsidiaries with Material Non-Controlling Interests

In the Group's view, material non-controlling interests relate to RTL Group and to the education company Afya. The proportion of ownership interests held by non-controlling interests in RTL Group, based in Luxembourg, is 23.7 percent (previous year: 23.7 percent). At RTL Group itself, material non-controlling interests relate to the subsidiary Groupe M6, based in Paris, France. RTL Group has an indirect interest in Groupe M6 of 48.6 percent (after considering treasury shares; previous year: 48.4 percent). Deviating from the ownership interests, the voting rights are 48.7 percent (previous year: €48.5 percent). Of the non-controlling interests of RTL Group, €811 million (previous year: €805 million) is attributable to Groupe M6. In addition, material non-controlling interests are attributable to the Brazilian based education company Afya. As of December 31, 2024, the non-controlling interests in the company, which belongs to the Bertelsmann Education Group division, amounted to 33.6 percent (previous year: 50.4 percent).

Change in Bertelsmann Shareholders’ Equity

In the financial year 2024, Bertelsmann Education Group further increased its interest in the Nasdaq-listed education company Afya and held, as of December 31, 2024, 76 percent (December 31, 2023: 61 percent) of the voting rights and – after adjustment of treasury shares held by Afya – 66 percent (December 31, 2023: 50 percent) of the equity interest. The transaction was accounted for as an equity transaction in accordance with IFRS 10. The transaction resulted in a decrease of the equity attributable to the Bertelsmann shareholders in the amount of €136 million (thereof a decrease in the currency translation reserve in the amount of €16 million) and a decrease of the equity attributable to the non-controlling interests in the amount of €119 million.

In the financial year 2024, Penguin Random House increased its investment in Sourcebooks LLC by a further 22 percent to 75 percent through the exercise of a put/call option (December 31, 2023: 53 percent). The transaction was accounted for as an equity transaction in accordance with IFRS 10. The transaction resulted in an increase of the equity attributable to the Bertelsmann shareholders in the amount of €22 million (thereof a decrease in the currency translation reserve in the amount of €1 million) and a decrease of the equity attributable to the non-controlling interests in the amount of €22 million.

The following table shows summarized financial information on RTL Group and Afya, including the interests in their subsidiaries, joint ventures and associates. The information disclosed shows the amounts before intercompany eliminations.

Financial Information for Subsidiaries with Material Non-Controlling Interests

	RTL Group		Afya	
in € millions	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Non-current assets	7,463	7,175	1,483	1,693
Current assets	4,829	4,547	247	224
Non-current liabilities	1,762	1,708	525	524
Current liabilities	3,279	2,861	180	217
Bertelsmann shareholders’ equity	5,430	5,383	789	782
Non-controlling interests	1,821	1,771	236	395

in € millions	2024	2023	2024	2023
Revenues	6,888	6,854	567	531
Profit or loss	543	637	65	62
– thereof of non-controlling interests	201	252	30	34
Total comprehensive income	597	600	(132)	115
– thereof of non-controlling interests	216	241	(27)	57
Dividends to non-controlling interests	191	224	3	3
Cash flow from operating activities	778	579	261	205
Cash flow from investing activities	(210)	(194)	(188)	(203)
Cash flow from financing activities	(567)	(399)	(10)	(97)
Increase/(decrease) in cash and cash equivalents	1	(14)	62	(95)

Investments Accounted for Using the Equity Method

The investments accounted for using the equity method relate to joint ventures in the amount of €21 million (previous year: €18 million) and to associates in the amount of €457 million (previous year: €531 million). In the financial year 2024, impairment losses on associates were recognized in the amount of €7 million (previous year: €0 million).

Investments in Joint Ventures

As of December 31, 2024, investments in 14 (previous year: 16) individually immaterial joint ventures were accounted for in the Consolidated Financial Statements. The following table shows summarized financial information on these joint ventures. The information given represents in each case the Bertelsmann Group's interest.

Financial Information on Individually Immaterial Joint Ventures

in € millions	12/31/2024	12/31/2023
Non-current assets	19	19
Current assets	33	60
Non-current liabilities	7	7
Current liabilities	17	60

in € millions	2024	2023
Earnings after taxes from continuing operations	12	12
Earnings after taxes from discontinued operations	–	–
Other comprehensive income	–	–
Total comprehensive income	12	12

Investments in Associates

As of December 31, 2024, investments in 31 (previous year: 30) associates were accounted for in the Consolidated Financial Statements. As in the previous year, the investment of RTL Group in the Spanish media group Atresmedia, based in San Sebastián de los Reyes, Spain, is individually material for the Group. As of December 31, 2024, the ownership interest of RTL Group in Atresmedia was 15.1 percent (previous year: 18.7 percent). As of December 31, 2024, the stock market value of Atresmedia, which is listed on the Madrid Stock Exchange, amounted to €986 million (previous year: €811 million) with a share price of €4.37 (December 31, 2023: €3.59). As of December 31, 2024, the fair value less costs of disposal amounted to €147 million for 15.1 percent of shares held by RTL Group (previous year: €149 million for 18.7 percent of shares held by RTL Group), which is assigned to Level 1 fair value measurement.

As of December 31, 2024, the investment in Atresmedia was tested for impairment in accordance with IAS 36. The recoverable amount of Atresmedia on December 31, 2024, was based on the value in use determined using a discounted cash flow model, as management considered the share price of Atresmedia did not fully reflect its earning potential, which includes the diversification strategy through expansion of its investment portfolio, strengthening its digital streaming offers and building its leading position in locally relevant content production. Strong competition and changing viewing preferences and continued dependence on linear television still leads to high uncertainty in terms of forecasts. As of December 31, 2024, neither an additional impairment loss nor a reversal of an impairment loss had to be recognized on the at-equity investment in Atresmedia. The value in use was measured on the basis of the following assumptions: a discount rate after tax of 9.2 percent (December 31, 2023: 9.8 percent) and a long-term growth rate of 0.0 percent (December 31, 2023: 0.0 percent). In the event of an increase in the discount rate by 2.0 percentage points, a decrease in the long-term growth rate of 3.1 percentage points or a decrease in the EBITDA margin of 1.5 percentage points, the recoverable amount would fall below the carrying amount. The discount rate before taxes was 12.5 percent (December 31, 2023: 13.4 percent).

The following table shows summarized financial information for Atresmedia. The information presented represents the amounts included in the financial statements of Atresmedia plus adjustments for using the equity method, and not the Bertelsmann Group's share of these amounts.

Financial Information on Individually Material Associates

	Atresmedia	
in € millions	12/31/2024	12/31/2023
Non-current assets	675	702
Current assets	828	762
Non-current liabilities	126	267
Current liabilities	547	437
Equity	830	760

in € millions	2024	2023
Revenues	1,018	970
Earnings after taxes from continuing operations	119	171
Earnings after taxes from discontinued operations	–	–
Other comprehensive income	52	(8)
Total comprehensive income	171	163
Dividends received from the associate	17	17

The reconciliation of the summarized financial information shown to the carrying amount of the interest in Atresmedia in the Consolidated Financial Statements is shown in the following table:

Reconciliation to Carrying Amount

in € millions	12/31/2024	12/31/2023
Equity	830	760
Proportionate equity	127	142
Goodwill	134	166
Impairment on investments accounted for using the equity method	(89)	(110)
Carrying amount	172	198

The following table shows summarized financial information on associates that management considers individually immaterial. The information given represents in each case the Bertelsmann Group's interest.

Financial Information on Individually Immaterial Associates

in € millions	12/31/2024	12/31/2023
Non-current assets	335	388
Current assets	135	137
Non-current liabilities	62	70
Current liabilities	134	133

in € millions	2024	2023
Earnings after taxes from continuing operations	(17)	23
Earnings after taxes from discontinued operations	–	–
Other comprehensive income	(4)	–
Total comprehensive income	(20)	23

The total carrying amount of the investments in all individually immaterial associates amounts to €284 million (previous year: €333 million) as of December 31, 2024. This includes €31 million (previous year: €82 million) for the three University Venture Funds, which invest in innovative companies in the education sector. Bertelsmann holds between 47.3 percent and 100.0 percent of the shares in these funds. As operational management and investment decisions in particular are the responsibilities of the respective fund managers, there is significant influence, but control as defined by IFRS 10 does not exist despite an ownership interest of over 50 percent in some cases. The decrease in the carrying amount results from valuation effects within the funds.

Results from Investments Accounted for Using the Equity Method

in € millions	2024	2023
Gains from investments accounted for using the equity method	67	87
– joint ventures	13	13
– associates	54	74
Losses from investments accounted for using the equity method	(51)	(20)
– joint ventures	(1)	(2)
– associates	(50)	(18)
Results from investments accounted for using the equity method	16	67
– joint ventures	12	12
– associates	4	55

In the financial year 2024, dividends received from investments accounted for using the equity method amounted to €60 million (previous year: €115 million).

12 Minority Stakes and Other Financial Assets

	Current		Non-current	
in € millions	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Loans	33	31	25	22
Minority stakes held by venture capital organizations	7	15	1,163	1,060
Fund of funds investments held by venture capital organizations	–	–	164	148
Other financial assets	201	414	145	155
Derivative financial instruments	44	43	6	29
	284	503	1,503	1,414

The item “Minority stakes held by venture capital organizations” includes investments purchased by the Bertelsmann Investments division. The fair value of its listed investments is measured on the basis of their market values and of its unlisted investments, if possible, on the basis of observable prices obtained as part of the most recently implemented qualified financing rounds which meet the minimum requirements for volume and participants, taking into account life and development cycles of the entity. Fund of funds investments held by venture capital organizations of the Bertelsmann Investments division are also measured at fair value through profit or loss. The measurement of their fair values is based on the valuations of the external management as presented in regular reporting and taking into account a fungibility discount. The gains and losses resulting from changes in the fair value of both minority stakes and fund of funds investments held by venture capital organizations are recognized as other operating expenses in the item “Fair value measurement of investments.” The changes in carrying amounts recognized in profit or loss of the financial instruments held by the Bertelsmann Investments division in the venture capital organizations amounted to €52 million in the financial year 2024 (previous year: €-209 million).

Bertelsmann exercises the option granted by IFRS 9 to measure equity instruments at fair value through other comprehensive income mainly for individually immaterial investments and investments in affiliates and recognizes these investments in “Other financial assets.” The minority stake in Teleperformance in the amount of €192 million (previous year: €304 million), measured at fair value through profit or loss, is also included in this item and classified as Level 1. As of December 31, 2023, RTL Group's minority stake in Magnite (€95 million) was also recognized in the item “Other financial assets,” which was also measured at fair value through profit or loss, and assigned to Level 1. The minority stake in Magnite was fully sold in the financial year 2024.

As in the previous year, no other financial assets were subject to restrictions on disposal as of the end of the reporting period.

13 Inventories

in € millions	12/31/2024	12/31/2023
Program rights	1,338	1,430
Raw materials and supplies	93	96
Work in progress	124	109
Finished goods and merchandise	436	385
Advance payments	230	134
	2,221	2,154

In the financial year 2024, write-downs on inventories were recognized in the amount of €-78 million (previous year: €-73 million). In addition, reversals of write-downs on inventories were recognized in the amount of €86 million (previous year: €124 million). As in the previous year, no inventories were subject to restrictions on disposal as of the end of the reporting period.

In the financial year 2024, the broadcast-based consumption of program rights recognized in profit or loss amounted to €2,718 million (previous year: €2,818 million). Expenses for raw materials and supplies amounting to €561 million (previous year: €754 million) were recognized, and the cost for merchandise amounted to €67 million (previous year: €75 million). Changes in inventories of work in progress and finished goods amounted to €64 million (previous year: €166 million). In addition, other own costs capitalized of €90 million (previous year: €72 million) were recognized.

14 Trade and Other Receivables

in € millions	12/31/2024	12/31/2023
Non-current		
Trade receivables	35	30
Contract assets	1	5
Other receivables	47	32
	83	67
Current		
Trade receivables	3,690	3,466
Contract assets	27	25
Receivables from participations	18	23
Other receivables	259	212
	3,994	3,726

Trade receivables are due for payment generally within 12 months. The item “Contract assets” covers the conditional right to consideration for completely satisfied performance obligations in accordance with IFRS 15. As of January 1, 2023, this item amounted to €24 million. As of the end of the reporting period, trade and other receivables totaling €17 million (previous year: €9 million) were subject to restrictions on disposal.

15 Receivables Relating to Financial Services

The amounts shown in the following table are mainly attributable to the Riverty business unit.

in € millions	12/31/2024	12/31/2023
Current		
Purchased receivables which are not credit-impaired	324	348
Receivables which are credit-impaired on purchase	480	403
Receivables relating to sold receivables	82	98
Receivables relating to financial services for resale	400	561
Continuing involvement	259	220
	1,545	1,630

Receivables relating to financial services were not subject to restrictions on disposal either as of December 31, 2024 or as of December 31, 2023.

16 Other Non-Financial Assets

in € millions	12/31/2024	12/31/2023
Non-current		
Other non-financial assets	1,351	1,194
	1,351	1,194
Current		
Other non-financial assets	1,493	1,322
– advance payments	704	605
– deferred items	236	230
– other tax receivables	139	138
– sundry non-financial assets	414	349
	1,493	1,322

The non-current other non-financial assets relate to advance payments for royalties and licenses in the amount of €1,125 million (previous year: €984 million). Loss allowances are generally recognized for advance payments for royalties and licenses if no recoupment is expected. The amount of these allowances is based on management estimates of future sales volumes and price changes using historical data. Costs for obtaining and fulfilling contracts with customers are recognized in the amount of €32 million (previous year: €32 million). The amount of amortization and impairment losses recognized for these costs was immaterial, both individually and in total.

17 Cash and Cash Equivalents

in € millions	12/31/2024	12/31/2023
Bank balances and cash on hand	1,265	1,115
Cash equivalents	977	1,840
	2,242	2,954

Cash equivalents include short-term, highly liquid securities with a term to maturity on acquisition of not more than three months. Furthermore, this item includes short-term investments in diversified money market funds with very good ratings, which are measured at fair value through profit or loss and are subject to only insignificant fluctuations in value. As of the end of the reporting period, cash and cash equivalents in the amount of €84 million were subject to restrictions on disposal (previous year: €133 million). Thereof, €79 million relates to payments received as part of Riverty’s receivables management service provided (previous year: €129 million). A further €5 million (previous year: €4 million) with restrictions on disposal relates to numerous immaterial items.

18 Equity

Subscribed Capital

Number of shares	12/31/2024	12/31/2023
Ordinary shares	83,760	83,760
Total shares	83,760	83,760

Compared with the previous year, the subscribed capital of Bertelsmann SE & Co. KGaA remained unchanged at €1,000 million and comprises 83,760 registered shares (ordinary shares). 80.9 percent of the capital shares in Bertelsmann SE & Co. KGaA are held indirectly by foundations (Bertelsmann Stiftung, Reinhard Mohn Stiftung, BVG-Familienstiftung, BVG-Stiftung), and 19.1 percent are held indirectly by the Mohn family. Bertelsmann Verwaltungsgesellschaft (BVG) controls all voting rights at the General Meeting of Bertelsmann SE & Co. KGaA and Bertelsmann Management SE (general partner).

In the financial year 2024, a dividend amounting to €220 million was distributed to the shareholders (previous year: €220 million). The dividend per ordinary share amounted to €2,627 (previous year: €2,627).

The change in other comprehensive income after taxes is derived as follows:

Changes to Components of Other Comprehensive Income after Taxes

in € millions	2024				
	Before-tax amount	Taxes	Net-of-tax amount	Attributable to Bertelsmann shareholders	Attributable to non-controlling interests
Items that will not be reclassified subsequently to profit or loss					
Remeasurement component of defined benefit plans	6	1	7	6	1
Changes in fair value of equity instruments	(10)	3	(7)	(5)	(2)
Share of other comprehensive income of investments accounted for using the equity method	9	–	9	7	2
Items that will be reclassified subsequently to profit or loss when specific conditions are met					
Exchange differences	60	–	60	105	(45)
Cash flow hedges	30	(6)	24	22	2
Share of other comprehensive income of investments accounted for using the equity method	–	–	–	–	–
Other comprehensive income net of tax	94	(2)	93	134	(41)

in € millions	2023				
	Before-tax amount	Taxes	Net-of-tax amount	Attributable to Bertelsmann shareholders	Attributable to non-controlling interests
Items that will not be reclassified subsequently to profit or loss					
Remeasurement component of defined benefit plans	(117)	87	(30)	(27)	(3)
Changes in fair value of equity instruments	3	(1)	2	2	–
Share of other comprehensive income of investments accounted for using the equity method	(1)	–	(1)	(1)	–
Items that will be reclassified subsequently to profit or loss when specific conditions are met					
Exchange differences	(114)	–	(114)	(111)	(4)
Cash flow hedges	(14)	5	(9)	(8)	(1)
Share of other comprehensive income of investments accounted for using the equity method	(2)	–	(2)	(2)	(1)
Other comprehensive income net of tax	(246)	91	(155)	(146)	(8)

Share-Based Payments

The Bertelsmann Group has granted cash-settled or equity-settled share-based payment awards. Significant share-based payments are attributable to Groupe M6, which belongs to RTL Group, and the education companies Afya and Relias, which belong to Bertelsmann Education Group. In addition, there are additional share-based payments within the Bertelsmann Group that are immaterial on a stand-alone basis and in total.

Performance Share Plans Groupe M6

There are various performance share plans at Groupe M6, which belongs to RTL Group, open to directors and certain employees. The number of performance shares granted to participants is approved by the Supervisory Board of Métropole Télévision SA in accordance with the authorization given by the General Meeting of Shareholders.

Plans awarded in the financial year 2024:

- one plan concerns a group of 171 beneficiaries and involves 322,200 shares, subject to the condition of presence in Groupe M6 on March 31, 2027 and the achievement of consolidated EBITA objectives in 2024;
- another plan concerns a group of 21 beneficiaries and involves 209,000 shares, subject to the condition of presence in Groupe M6 on March 31, 2027. It is awarded annually on the basis of multi-year performance conditions.

The fair value of performance shares granted is based on the value of the share at date of grant less the current value of future dividends estimated for the period of unavailability.

The following table shows the principal features of the performance share plans outstanding as of December 31, 2024, or which expired during the year, and for which a valuation of the fair value of the benefit granted was carried out:

Main Characteristics of the Performance Share Plans

Grant date	Share price (in €)	Risk-free interest rate (in percent)[1]	Expected return (in percent)	Fair value (in €)
10/10/2022 (2 plans)	10.34	2.07	6.15	8.38
5/15/2023 (2 plans)	13.32	2.79	7.89	11.40
5/6/2024 (2 plans)	13.08	3.07	10.57	10.69

1 Risk-free rate: specified term after 2 years.

For all performance share plans, the maturity corresponds to the vesting period (i.e., two years, two years and six months, two years and eight months or three years). In addition, it is assumed, based on historical observations, that five to ten percent of the shares will not be delivered due to the departure of beneficiaries during the vesting period.

During the financial year, the balance of shares granted changed as follows:

Development of Shares Granted

Grant date	Maximum number granted	Balance as of 12/31/2023	Change based on performance	Granted	Delivered	Forfeited	Balance as of 12/31/2024
10/10/2022	291,050	278,350	–	–	–	(7,500)	270,850
10/10/2022	224,700	218,700	(43,903)	–	–	(5,722)	169,075
5/15/2023	311,300	308,700	–	–	–	(11,500)	297,200
5/15/2023	191,900	191,900	(31,167)	–	–	(3,000)	157,733
5/6/2024	322,200	–	–	322,200	–	(8,500)	313,700
5/6/2024	209,000	–	(11,808)	209,000	–	–	197,192
Total	1,550,150	997,650	(86,878)	531,200	–	(36,222)	1,405,750

The forfeitures recorded during the financial year are due to beneficiaries leaving before the exercise period of their rights began. Forfeitures may also be due to non-achievement of financial performance targets set on allocating the plans.

The employee expenses related to the plans are as follows:

Personnel Costs

in € millions	2024	2023
Grant date		
4/20/2021 (2 plans)	–	1.3
10/10/2022 (2 plans)	1.4	1.6
5/15/2023 (2 plans)	1.7	1.1
5/6/2024 (2 plans)	1.2	–
Total	4.3	4.0

Afya Stock Options Plan

The stock option plan approved on August 30, 2019, and last amended on July 31, 2023, authorized senior executives and other employees to acquire shares in Afya Ltd. The stock options plan is accounted for as an equity-settled share-based payment transaction. Due to the modifications, the expense related to the share-based payment reflects the cost of the original award at grant date over the vesting period plus the incremental fair value of the repriced options at modification date over the vesting period of the options.

In the financial year 2024, Afya granted 113,900 (previous year: 467,000) stock options to its executives.

Inputs for Determining Fair Value

	2024
Strike price at the measurement date (in BRL)	74
Expected dividend yield (in percent)	0.0
Expected volatility (in percent)	32–45
Risk-free interest rate (in percent)	11–13
Expected life of stock option (in years)	1–5
Share price at the measurement date (in BRL)	92.78
Valuation model used	Binomial
Weighted average fair value at the measurement date (in BRL)	39.71

The number and movements in stock options granted during the period have developed as follows:

Development of the Number of Stock Options and Weighted Average Exercise Price

	Weighted average strike price (in BRL)	Number of shares 2024	Number of shares 2023
Balance as of 1/1	64.33	1,696,064	3,729,287
Granted	73.95	113,900	467,000
Exercised	62.70	(147,955)	(164,214)
Exchanged to Restricted Stock Units	–	–	(1,751,599)
Forfeited	102.74	(16,182)	(333,111)
Expired	62.82	(35,148)	(251,299)
Balance as of 12/31	67.31	1,610,679	1,696,064
Exercisable	77.10	427,202	242,235

In July 2023, the holders of stock options granted before July 11, 2022, with strike prices based on the IPO price or above, were offered a replacement award to exchange the stock options for a number of Restricted Stock Units (RSUs), resulting in a weighted average conversion ratio of 0.12 RSUs per stock option. In the financial year 2024, expenses for this stock option plan amounted to €3 million (previous year: €4 million) and were recognized in profit or loss as personnel expenses.

Incentive Compensation Rights Bertelsmann Education Group

In addition, on January 1, 2019, the Bertelsmann Education Group adopted an incentive compensation plan that provides participants an opportunity to receive a cash payment, based on plan instruments subject to vesting. The amount of the cash payment depends on the increase in the enterprise value between the vesting commencement date and the exercise date. The incentive compensation rights could be exercised indefinitely from December 31, 2023. As of December 31, 2023, there were 29 participants in the plan. The measurement of the liability is based on the enterprise value of Relias LLC, which was determined using a discounted cash flow method and corroborated for reasonableness using a market approach. In the financial year 2024, the incentive compensation rights were fully exercised. The liability was adjusted to the actual amount of payment. This resulted in income of €4 million. In the financial year 2023, the expense from these incentive compensation rights amounted to €13 million. As of December 31, 2023, the liability still amounted to €22 million.

19 Provisions for Pensions and Similar Obligations

in € millions	12/31/2024	12/31/2023
Defined benefit obligation	676	649
Similar obligations	54	52
	731	700

The Bertelsmann Group operates various pension plans for current and former employees and their surviving dependents. The model of such plans varies according to the legal, fiscal and economic environment of the country concerned. These company pension plans include both defined contribution and defined benefit plans.

In the case of defined contribution plans, the company makes payments into an external pension fund or another welfare fund through a statutory, contractual or voluntary model. The company has no obligation to provide further benefits once it has made these payments, so no provisions are recognized. Expenses for defined contribution plans in the amount of €68 million were recognized in the financial year 2024 (previous year: €71 million). The contributions paid by the employer to state pension plans amounted to €338 million in the financial year 2024 (previous year: €424 million).

All other pension plans are defined benefit plans. The US companies' obligations for healthcare costs for employees after they retire (medical care plans) are also defined benefit obligations and are included in the provisions on the balance sheet. For all the retirement benefit plans, a distinction must be made as to whether or not these are financed through an external investment fund.

Net Defined Benefit Liability Recognized in the Balance Sheet

in € millions	12/31/2024	12/31/2023
Present value of defined benefit obligation of unfunded plans	579	559
Present value of defined benefit obligation of funded plans	2,825	2,809
Total present value of defined benefit obligation	3,404	3,368
Fair value of plan assets	(2,904)	(2,874)
Impact from asset ceiling	–	–
Net defined benefit liability recognized in the balance sheet	500	494
– thereof provisions for pensions	676	649
– thereof other assets	176	155

Provisions are recognized for these defined benefit plans. The following tables show the breakdown of the benefit by plan beneficiary and by type of benefit plan:

Plan Beneficiaries

	Number of employees		in € millions	
	2024	2023	2024	2023
Active members	17,872	18,327	809	815
Deferred members	11,567	11,012	655	631
Pensioners	17,314	17,197	1,940	1,922
Total	46,753	46,536	3,404	3,368
– thereof vested			3,349	3,318

Benefit Plans

in € millions	12/31/2024	12/31/2023
Flat salary plans	1,719	1,761
Final salary plans	1,070	1,049
Career average plans	354	327
Other commitments given	208	181
Medical care plans	53	50
Present value of defined benefit obligation	3,404	3,368
– thereof capital commitments	146	147

The obligations and plan assets available for the existing pension plans are, in some cases, exposed to demographic, economic and legal risks. The demographic risks are primarily the longevity risk for pensioners. Economic risks include, in this respect, mostly unforeseeable developments on the capital markets and the associated impacts on plan assets and pension obligations. Legal risks can result from restrictions to investments and minimum funding requirements. A Group-wide pension guideline was introduced in 2004 to substantially minimize these risks. This stipulates that all new pension plans are, as a rule, only to be designed as defined contribution plans so that the charges from benefit commitments are always acceptable, calculable and transparent, and so that no risks can arise that the company cannot influence. In addition, the Bertelsmann Group aims, in particular, to transfer existing final salary-related pension agreements to plans with fixed amounts and capital commitments that are independent from trends. As a result of these measures, the obligations are almost entirely due to the plans that have been closed.

The Bertelsmann Group has minimum funding obligations for the plans in the United States and the United Kingdom. The pension plan in the United States is subject to the minimum funding agreements according to the “Employee Retirement Income Security Act of 1974” (ERISA). In general, the aim under this agreement is to have a fully funded pension plan so that the annual contributions to the plan assets are limited to the pension entitlements the insured employee has earned during the year, as is the case for a defined contribution plan. If the pension obligations are not fully covered by the plan assets, an additional amount sufficient to ensure full financing over a seven-year period must be applied in excess of this contribution. The plans in the United Kingdom are subject to the “Pensions Act 2004,” which includes reviewing the full financing of the pension plan from an actuarial perspective every three years with annual monitoring and, if necessary, eliminating any deficits that may have arisen by means of further additions to plan assets. There are no other material regulatory conditions over and above the minimum funding regulations in the United States and the United Kingdom.

Furthermore, one Group company participated in a multi-employer plan with other non-affiliated companies until December 31, 2014. As the relevant information required to account for this as a defined benefit plan was neither available on time nor available to a sufficient extent, this benefit plan was carried in the Consolidated Financial Statements in line with the requirements for defined contribution benefit plans. In the financial year 2015, the withdrawal from the plan with retrospective effect from January 1, 2015, was declared. In June 2024, the withdrawal was finalized with a payment of €9 million. The related provision in the balance sheet position “Other provisions” (item “Other employee benefits”) of €10 million has been used in the amount of €9 million and the remaining amount of €1 million was recognized through profit or loss.

The provisions are determined using actuarial reports in accordance with IAS 19. The amount of provisions depends on the employees' length of service with the company and their pensionable salary. Provisions are computed using the projected unit credit method, in which the benefit entitlement earned is allocated to each year of service, thus assuming an increasing cost of service in comparison to the entry age normal method. When identifying the present value of the pension obligation, the underlying interest rate is of material importance. In the Bertelsmann Group, this is based on the "Mercer Yield Curve Approach." With this approach, separate spot rate yield curves are created for the eurozone, the United Kingdom and the United States on the basis of high-quality corporate bonds. In order to appropriately present the time value of money in accordance with IAS 19.84, the basis does not consider either spikes for which the risk estimate may be substantially higher or lower, or bonds with embedded options that distort interest rates. Biometric calculations of domestic plans are based on the 2018 G mortality tables of Heubeck-Richttafeln-GmbH. Comparable country-specific calculation methods are used for foreign pension plans.

Further significant actuarial assumptions were made based on a weighted average as follows:

Actuarial Assumptions

	12/31/2024				12/31/2023			
	Germany	United Kingdom	United States	Other countries	Germany	United Kingdom	United States	Other countries
Discount rate	3.50 %	5.60 %	5.55 %	3.08 %	3.61 %	4.80 %	4.97 %	3.37 %
Salary trend	2.25 %	2.67 %	3.50 %	1.89 %	2.25 %	4.24 %	3.50 %	2.47 %
Pension trend	1.88 %	2.97 %	n/a	1.97 %	2.04 %	2.96 %	n/a	2.24 %

An increase or decrease in the assumptions set out above compared to the assumptions actually applied would have had the following effects on the present value of the defined benefit obligation as of December 31, 2024:

Effect of Actuarial Assumptions

in € millions	Increase	Decrease
Effect of 0.5 percentage point change in discount rate	(184)	206
Effect of 0.5 percentage point change in salary trend	12	(12)
Effect of 0.5 percentage point change in pension trend	136	(96)
Effect of change in average life expectancy by 1 year	118	(119)

In order to determine the sensitivity of the longevity, the mortality rates for all beneficiaries were reduced or increased evenly, so that the life expectancy of a person of a country-specific retirement age increases or decreases by one year.

Changes in the present value of defined benefit obligations and plan assets in the reporting period were as follows:

Development of the Defined Benefit Plans

in € millions	Defined benefit obligation (I) 2024	2023	Fair value of plan assets (II) 2024	2023	Net defined benefit balance (I)-(II)[1] 2024	2023
Balance as of 1/1	3,368	3,198	2,874	2,687	494	511
Current service cost	32	33	–	–	32	33
Interest expenses	127	134	–	–	127	134
Interest income	–	–	111	116	(111)	(116)
Past service cost	–	(7)	–	–	–	(7)
Income and expenses for defined benefit plans recognized in the consolidated income statement	**159**	**160**	**111**	**116**	**48**	**44**
Income/expense on plan assets excluding amounts included in net interest expenses	–	–	20	97	(20)	(97)
Actuarial gains (-) and losses (+)						
– changes in financial assumptions	(42)	151	–	–	(42)	151
– changes in demographic assumptions	(1)	30	–	–	(1)	30
– experience adjustments	58	34	–	–	58	34
Remeasurements for defined benefit plans recognized in the consolidated statement of comprehensive income	**15**	**215**	**20**	**97**	**(6)**	**118**
Contributions to plan assets by employer	–	–	(108)	15	108	(15)
Contributions to plan assets by employees	2	2	2	2	–	–
Pension payments	(168)	(162)	(30)	(26)	(138)	(136)
Cash effects from settlements	–	–	–	–	–	–
Change of consolidation scope	(1)	(51)	–	(26)	–	(25)
Changes associated with assets held for sale	1	(1)	–	–	–	–
Exchange rate changes	30	6	35	9	(6)	(3)
Other changes	(1)	1	(1)	–	–	–
Other reconciling items	**(137)**	**(205)**	**(102)**	**(26)**	**(35)**	**(179)**
Balance as of 12/31	3,404	3,368	2,904	2,874	500	494
thereof						
Germany	2,638	2,624	2,097	2,105	542	518
United Kingdom	479	463	641	606	(162)	(143)
United States	144	144	111	112	33	31
Other European countries	116	112	41	37	75	74
Other countries	27	25	14	13	12	12

1 In the financial year 2024, for calculating the “Net defined benefit balance,” the effects of the asset ceiling in accordance with IAS 19 amounting to €0 million were taken into account in the item “Other changes” (previous year: €0 million).

Of the contributions to plan assets, €2 million (previous year: €2 million) pertains to Germany. Employer contributions to plan assets are expected to amount to €9 million in the next financial year. Reimbursement rights for defined benefit obligations in Germany amount to €22 million (previous year: €21 million) and are recognized in the balance sheet position “Trade and other receivables.”

The expenses for defined benefit plans are broken down as follows:

Expenses for Defined Benefit Plans

in € millions	2024	2023
Current service cost	32	33
Past service cost and impact from settlement	–	(7)
Net interest expenses	16	18
Net pension expenses	48	44

The portfolio structure of plan assets is composed as follows:

Portfolio Structure of Plan Assets

in € millions	12/31/2024	12/31/2023
Debt instruments[1]	1,995	1,935
Equity instruments[1]	630	583
Cash and cash equivalents	89	71
Qualifying insurance policies	127	119
Other funds	102	73
Derivatives	(50)	82
Property	7	7
Other	3	4
Fair value of plan assets	2,904	2,874

1 For almost all equity and debt instruments, market prices are listed on an active market.

The plan assets in the Bertelsmann Group are used exclusively for the fulfillment of benefit obligations. To avoid a concentration of risk, plan assets are invested in various classes of investments. The majority of plan assets are managed by Bertelsmann Pension Trust e.V. under a contractual trust arrangement (CTA) by pension commitments of Bertelsmann SE & Co. KGaA and some of the German subsidiaries. There is no funding requirement for the CTA. In the financial year 2024, no contribution was made to plan assets; instead, Bertelsmann SE & Co. KGaA was reimbursed €114 million for the 2023 pension payments through the CTA. The trust assets were invested in accordance with the investment guideline of the trustor, using a long-term total return approach. This approach is based on the aim of using strategic asset allocation to generate a suitable return in the long term regardless of short-term market fluctuations and/or crises. The management board of the pension trust is responsible for the investment and regularly informs the trustor of the status and performance of the pension assets.

The weighted-average duration of the pension obligations as of December 31, 2024, is as follows:

Weighted Average Duration

in years	2024	2023
Germany	13	13
United Kingdom	14	16
United States	10	11
Other countries	13	12

The maturity profile of the anticipated undiscounted pension payments is presented in the following table:

Maturity Profile of Pension Payments

in € millions	Expected pension payments
2025	181
2026	187
2027	192
2028	199
2029	206
2030–2034	1,010

Similar obligations relate to provisions for bonuses for employee service anniversaries, amounts due but not yet paid to defined contribution plans, partial retirement and severance payments at retirement. Severance payments at retirement are made when employees leave the company and are based on statutory obligations. Provisions for employee service anniversary bonuses and severance payments at retirement are recognized in the same way as defined benefit plans, but with actuarial gains and losses recognized in profit or loss. Employees in Germany who are at least 55 years old and have a permanent employment contract with the company qualify for the partial retirement schemes. The partial retirement phase lasts two to six years.

The following table shows the breakdown in similar obligations:

Breakdown of Similar Obligations

in € millions	12/31/2024	12/31/2023
Provisions for employee service anniversaries	25	24
Provisions for old-age part-time schemes	11	9
Other	18	20
Similar obligations	54	52

20 Other Provisions

	12/31/2023							12/31/2024	
in € millions		of which > 1 year	Additions	Reversal	Usage	Other effects	Accrued interest		of which > 1 year
Onerous contracts	166	94	24	(9)	(49)	6	5	143	86
Litigation	49	25	11	(10)	(5)	4	–	48	25
Restructuring	162	50	45	(12)	(93)	(8)	4	98	27
Other employee benefits	19	11	8	(1)	(13)	(2)	–	12	1
Other	88	47	27	(16)	(8)	9	–	99	45
	484	227	116	(49)	(169)	8	10	400	184

The provisions for onerous contracts concern RTL Group in the amount of €23 million (previous year: €38 million) and were recognized mainly for program rights. Of that amount, €22 million (previous year: €36 million) relates to RTL Deutschland. A further €88 million of the provisions for onerous contracts relates to the Penguin Random House division (previous year: €93 million), thereof €78 million are attributable to an onerous lease contract of Penguin Random House in the United States (previous year: €82 million). Provisions for litigation pertain in the amount of €22 million (previous year: €25 million) to RTL Group companies.

In accordance with IAS 37, restructuring provisions include termination benefits and other costs relating to market-related restructuring measures. Provisions in the amount of €98 million (previous year: €162 million) are recognized for various restructuring programs within the Bertelsmann Group. The additions relate mainly to the RTL Group (€21 million) and Arvato Group (€20 million) divisions. In February 2023, it was announced that RTL Deutschland is reorganizing its publishing business and focusing on core brands. The related restructuring provision amounted to €36 million as of December 31, 2024 (previous year: €44 million). In August 2024, a major customer of Arvato announced the discontinuation of its business operations in Germany by the end of 2024 and its e-commerce activities by the end of August 2024. Arvato also decided and announced in August 2024 that it would carry out necessary restructuring measures at the logistics site concerned. The related restructuring provision amounted to €17 million as of December 31, 2024. The restructuring provision related to the restructuring of the US publishing areas of Penguin Random House was €9 million as of December 31, 2024 (previous year: €17 million).

As of December 31, 2023, the provisions for other employee benefits contained an obligation of €10 million in connection with the withdrawal from a multi-employer plan. The provision has been used in the amount of €9 million. The remaining amount of €1 million was reversed to profit or loss. Further details are presented in note 19 “Provisions for Pensions and Similar Obligations.” The item “Other” is mainly attributable to the Arvato Group (€41 million, previous year: €28 million) and Bertelsmann Marketing Services (€21 million, previous year: €20 million) divisions. In the Bertelsmann Marketing Services division, a provision in the amount of €13 million (previous year: €14 million) refers to compensation obligations from pension entitlements for former employees at the Prinovis location in Ahrensburg toward Axel Springer SE.

21 Profit Participation Capital

in € millions	12/31/2024	12/31/2023
Profit participation capital 1992	23	23
Profit participation capital 2001	390	390
	413	413

The market value of the 2001 profit participation certificates was €785 million with a closing rate of 276.00 percent on the last day of trading in the past financial year on the Frankfurt Stock Exchange (previous year: €719 million with a rate of 253.00 percent) and, correspondingly, €22 million for the 1992 profit participation certificates with a rate of 131.20 percent (previous year: €22 million with a rate of 128.22 percent). The market values are categorized within Level 1 of the fair value hierarchy. Further information on profit participation capital is presented in detail in the Combined Management Report.

22 Financial Debt

Financial debt includes all interest-bearing liabilities to banks and capital markets as of the end of the reporting period. Carrying amounts are calculated as follows:

Current and Non-Current Financial Debt

	Current		Non-current	
in € millions	12/31/2024	12/31/2023	12/31/2024	12/31/2023
Bonds	512	466	3,855	4,071
Promissory notes	150	–	175	325
Liabilities to banks	128	88	112	64
Other financial debt	59	51	133	156
	850	604	4,276	4,616

The Bertelsmann Group has access to floating-rate and fixed-rate funds through various contractual arrangements. Financial debt is generally unsecured.

In July 2024, a €300 million floating-rate bond with a term of two years was issued as part of a private placement. The bond of €50 million due in August 2024 was repaid on schedule. In addition, Bertelsmann repaid the bond of €500 million due in October 2024 on schedule; of this amount, €74 million had already been repaid ahead of schedule. At the end of the reporting period, the Group had publicly listed bonds, private placements and promissory notes outstanding with a nominal volume of €4,713 million (previous year: €4,905 million).

The differences in carrying amount versus nominal amount in the table below result from transaction costs, discounts and fair value effects from hedge accounting in connection with the conclusion of derivatives. In addition, early redemptions of €233 million were taken into account in calculating the carrying amount of the €750 million bond maturing in September 2025. Furthermore, early redemptions in the nominal amount of €57 million were considered for the calculation of the carrying amount of the bond maturing in April 2026.

Bonds and Promissory Notes

	in millions	in € millions			
		Carrying amount		Fair value	
Interest rate; emission; maturity; fixed interest	Nominal amount	12/31/2024	12/31/2023	12/31/2024	12/31/2023
1.500%; 2017; 2024; fixed-interest bond	€50	–	50	–	49
1.750%; 2014; 2024; fixed-interest bond[1]	€500	–	416	–	419
1.250%; 2018; 2025; fixed-interest bond[1]	€750	512	504	512	501
1.787%; 2015; 2025; fixed-interest promissory note	€150	150	150	149	147
1.125%; 2016; 2026; fixed-interest bond[1]	€500	443	442	435	426
3 months EURIBOR + 53 Bp.; 2024; 2026; Floating Rate Note	€300	299	–	300	–
1.000%; 2019; 2026; floating- and fixed-interest promissory note[2]	€75	75	75	74	72
1.600%; 2020; 2027; fixed-interest promissory note	€100	100	100	98	96
1.000%; 2020; 2027; fixed-interest bond	€100	100	100	97	94
CDI (Certificado de Depósito Interbancário) + 180 bp; 2022; 2028; floating-rate bond[1,3]	BRL500	77	93	78	99
2.000%; 2020; 2028; fixed-interest bond[1]	€750	747	746	733	721
3.500%; 2022; 2029; fixed-interest bond[1]	€750	745	744	770	761
1.500%; 2020; 2030; fixed-interest bond[1]	€750	745	745	702	678
3.700%; 2012; 2032; fixed-interest bond	€100	99	99	106	105
3.500%; 2015; 2075; fixed-interest hybrid bond[1]	€600	599	599	597	573
		4,692	4,862	4,651	4,741

1 Listed.
2 €10 million floating rate (6-month EURIBOR + 100 bp).
3 Of which BRL 250 million maturing in the financial year 2027.

The documentation of the bonds from Bertelsmann SE & Co. KGaA in the years 2012, 2014, 2016, 2018, 2020 and 2024 is within the framework of a base documentation for debt issuance programs. The hybrid bonds and promissory notes as well as the bonds of 2017 and 2022 were issued on the basis of separate documentation. The bonds mainly have a rating of "Baa2" (Moody's) and "BBB" (Standard & Poor's). The debt issuance program was last updated in April 2024. Transaction costs and agreed discounts or premiums are taken into account in the interest result over the term, impacting the carrying amount of the bonds and promissory notes. This led to a difference to the nominal volume of €18 million (previous year: €22 million) at the end of the year.

As a rule, the quoted prices at the end of the reporting period are used to determine the fair value of the bonds issued. On December 31, 2024, the cumulative fair value of the listed bonds totaled €3,827 million (previous year: €4,178 million), with a nominal volume of €3,888 million (previous year: €4,330 million) and a carrying amount of €3,868 million (previous year: €4,289 million). The stock market prices are categorized within Level 1 of the fair value hierarchy.

The fair values of private placements and promissory notes are determined using actuarial methods based on yield curves adjusted for the Group's credit margin. The interest premium results from the market price for credit-default swaps at the end of the respective reporting periods. Fair value is measured on the basis of discount rates ranging from 2.66 percent to 2.79 percent. The fair values of the private placements and promissory notes are categorized within Level 2 of the fair value hierarchy.

Credit Facilities

The Bertelsmann Group has access to a syndicated loan agreement entered into with major international banks in the amount of €1,500 million (previous year: €1,200 million), which was extended to 2029 ahead of schedule in July 2024. Bertelsmann SE & Co. KGaA can draw down this credit facility using floating-rate loans in euros on a revolving basis.

In addition, Bertelsmann has access to further bilateral credit facilities in the amount of €180 million (previous year: €180 million), which can also be drawn down primarily using floating-rate loans on a revolving basis. The credit facilities were not drawn down as of December 31, 2024, or December 31, 2023.

In August 2024, Afya entered into a loan agreement with International Finance Corporation. The credit facility of up to BRL 500 million had been fully utilized by December 31, 2024, and will be repaid in seven equal semi-annual installments starting in April 2027.

23 Lease Liabilities

The maturities of lease liabilities are presented in the table below.

Maturity Analysis for Lease Liabilities

		Undiscounted cash flows			
in € millions	Carrying amount	Up to 1 year	1 to 5 years	Over 5 years	Total
Balance as of 12/31/2024	1,418	308	798	454	1,559
Balance as of 12/31/2023	1,333	312	729	429	1,470

As of December 31, 2024, potential future cash outflows of €536 million (previous year: €368 million) were not included in the lease liabilities, as it could not be assumed with reasonable certainty that the leases would be extended (or would not be terminated). Future payments arising from short-term leases and leases for low-value assets are not recognized as right-of-use assets and lease liabilities. For such leases, the payments are recognized on a straight-line basis as expenses (further explanations are presented in note 5 “Other Operating Expenses”). Expenses from variable lease payments not included in the lease liability were immaterial as in the previous year. The same applies for income from subleasing right-of-use assets and the resulting lease payments expected in the future. Details on the corresponding right-of-use assets are presented in note 10 “Property, Plant and Equipment and Right-of-Use Assets.”

24 Liabilities

in € millions	12/31/2024	12/31/2023
Trade and other payables		
Non-current		
Trade payables	179	145
Derivative financial instruments	23	24
Sundry financial payables	376	440
	578	609
Current		
Trade payables	4,321	4,221
Refund liabilities	473	421
Derivative financial instruments	28	104
Sundry financial payables	621	579
	5,443	5,325
Other non-financial liabilities		
Non-current		
Contract liabilities	36	15
Sundry non-financial payables	410	377
	447	392
Current		
Contract liabilities	785	886
Sundry non-financial payables	1,058	1,188
– personnel-related liabilities	610	640
– tax liabilities	135	139
– social security liabilities	95	91
– deferred items	12	41
– other	206	277
	1,843	2,074

The item “Contract liabilities” includes payments received by Bertelsmann in advance; that is, prior to satisfaction of the contractual obligations in accordance with IFRS 15. They are recognized as revenue as soon as the contractual obligation has been rendered. Accordingly, revenues amounting to €872 million were recognized in the financial year 2024 (previous year: €947 million), which were included in the balance of contract liabilities at the beginning of the financial year. The reported revenues also comprise the amounts included in the balance of contract liabilities at the beginning of the financial year for companies newly included in the scope of consolidation. As in the previous year, the contract liabilities as of December 31, 2024, mainly relate to deferred revenue from productions at RTL Group, deferred licensing revenue at BMG and services by the Arvato Group and Bertelsmann Education Group divisions, which will be usually rendered in the following period. As of January 1, 2023, contract liabilities amounted to €1,059 million.

In accordance with IFRS 15, the item “Refund liabilities” mainly comprises liabilities for expected returns of the Penguin Random House and RTL Group divisions of €296 million (previous year: €273 million). Correspondingly, in the balance sheet position “Other non-financial assets,” an asset for an immaterial amount is recognized for the customers’ right to recover products from customers upon settling the refund liability. Non-current sundry financial payables also include liabilities from put options relating to shareholders with non-controlling interests of €240 million (previous year: €286 million), minority interests in partnerships of €3 million (previous year: €2 million) and liabilities from the acquisition of assets in the amount of €125 million (previous year: €143 million). The put options have a term of between one and six years. Current sundry financial payables also comprise liabilities from the acquisition of assets in the amount of €217 million (previous year: €199 million) and liabilities to participations in the amount of €17 million (previous year: €19 million).

25 Liabilities Relating to Financial Services

The amounts shown in the following table are attributable to the Riverty business unit.

in € millions	12/31/2024	12/31/2023
Current		
Liabilities relating to the receivables management service provided	91	71
Liabilities relating to sold receivables	53	45
Liabilities from transfer of cash and cash equivalents to financial intermediaries and structured entities	35	41
Continuing involvement	259	220
	439	377

26 Off-Balance-Sheet Liabilities

Off-balance-sheet liabilities break down as follows at the end of the financial year:

Contingent Liabilities and Other Commitments

in € millions	12/31/2024	12/31/2023
Commitments from productions and co-productions, TV licenses and broadcasting rights, as well as other rights and licenses	1,785	1,746
Commitments from royalty agreements	1,356	1,275
Commitments from assets under construction and lease contracts not recognized on the balance sheet	11	88
Purchase commitments for inventories	52	34
Commitments for the acquisition of intangible assets and property, plant and equipment	20	6
Guarantees	1	1
Other	406	458
	3,631	3,607

Of the commitments from productions and co-productions, TV licenses and broadcasting rights, as well as other rights and licenses, €1,785 million (previous year: €1,746 million) pertains to RTL Group. Commitments from royalty agreements relate to Penguin Random House in the amount of €1,277 million (previous year: €1,186 million) and to BMG in the amount of €79 million (previous year: €88 million). Commitments from assets under construction and lease contracts not recognized on the balance sheet comprise leases not yet commenced, but to which the lessee is committed.

27 Additional Disclosures on Financial Instruments

Both of the following tables show the carrying amounts and measurement categories of financial assets and financial liabilities in accordance with IFRS 9 as of December 31, 2024:

Carrying Amounts and Measurement Categories of Financial Assets

in € millions	Balance sheet position	12/31/2024	12/31/2023
Financial assets measured at amortized cost			
– loans	Minority stakes and other financial assets	24	29
– trade receivables	Trade and other receivables	3,724	3,495
– receivables from participations	Trade and other receivables	18	23
– sundry financial receivables	Trade and other receivables	306	243
– purchased receivables which are not credit-impaired	Receivables relating to financial services	324	348
– receivables which are credit-impaired on purchase	Receivables relating to financial services	480	403
– receivables relating to sold receivables	Receivables relating to financial services	82	98
– bank balances and cash on hand	Cash and cash equivalents	1,265	1,115
– cash equivalents	Cash and cash equivalents	175	850
Financial assets measured at fair value through other comprehensive income			
– other financial assets	Minority stakes and other financial assets	21	31
Primary financial assets measured at fair value through profit or loss			
– loans	Minority stakes and other financial assets	34	24
– minority stakes held by venture capital organizations	Minority stakes and other financial assets	1,170	1,075
– fund of funds investments held by venture capital organizations	Minority stakes and other financial assets	164	148
– receivables relating to financial services for resale	Receivables relating to financial services	400	561
– sundry financial receivables	Trade and other receivables	1	1
– other financial assets	Minority stakes and other financial assets	325	538
– cash equivalents	Cash and cash equivalents	802	989
Derivative financial instruments	Minority stakes and other financial assets	50	72
Continuing involvement	Receivables relating to financial services	259	220
		9,623	10,264

Carrying Amounts and Measurement Categories of Financial Liabilities

in € millions	Balance sheet position	12/31/2024	12/31/2023
Financial liabilities measured at amortized cost			
– profit participation capital	Profit participation capital	413	413
– bonds and promissory notes	Financial debt	4,692	4,862
– liabilities to banks	Financial debt	241	152
– other financial debt	Financial debt	193	207
– trade payables	Trade and other payables	4,501	4,367
– liabilities to participations	Trade and other payables	17	19
– liabilities relating to the receivables management service provided	Liabilities relating to financial services	91	71
– liabilities relating to sold receivables	Liabilities relating to financial services	53	45
– liabilities from transfer of cash and cash equivalents to financial intermediaries and structured entities	Liabilities relating to financial services	35	41
– other	Trade and other payables	1,291	1,150
Primary financial liabilities measured at fair value through profit or loss	Trade and other payables	162	271
Derivative financial instruments	Trade and other payables	51	128
Continuing involvement	Liabilities relating to financial services	259	220
		12,000	11,944

The fair values of the bonds and promissory notes are presented in note 22 “Financial Debt.” The carrying amounts of the other financial assets and liabilities measured at amortized cost represent a reasonable approximation of fair value.

Financial Assets Measured at Fair Value Categorized Using the Fair Value Measurement Hierarchy

in € millions	Level 1: Quoted prices in active markets	Level 2: Observable market data	Level 3: Unobservable market data	Total as of 12/31/2024
Loans	–	–	34	34
Minority stakes held by venture capital organizations	96	–	1,074	1,170
Fund of funds investments held by venture capital organizations	–	–	164	164
Receivables relating to financial services for resale	–	–	400	400
Sundry financial receivables	–	–	1	1
Other financial assets	260	–	85	345
Cash equivalents	–	802	–	802
Primary and derivative financial assets held for trading	–	37	–	37
Derivatives with hedge relation	–	13	–	13
	356	852	1,757	2,966

in € millions	Level 1: Quoted prices in active markets	Level 2: Observable market data	Level 3: Unobservable market data	Total as of 12/31/2023
Loans	–	–	24	24
Minority stakes held by venture capital organizations	69	–	1,007	1,075
Fund of funds investments held by venture capital organizations	–	–	148	148
Receivables relating to financial services for resale	–	–	561	561
Sundry financial receivables	–	–	1	1
Other financial assets	462	5	102	569
Cash equivalents	–	989	–	989
Primary and derivative financial assets held for trading	–	42	–	42
Derivatives with hedge relation	–	30	–	30
	531	1,066	1,843	3,439

It is possible to allocate the financial instruments measured at fair value in the balance sheet to the three levels of the fair value hierarchy by category, based on the tables showing carrying amounts and measurement categories for the respective financial year. The financial assets of Level 1 are mainly attributable to the minority stake in Teleperformance in the amount of €192 million (previous year: €304 million), measured at fair value through profit or loss. As of December 31, 2023, this item comprised also the RTL Group's minority stake in Magnite (€95 million), which was also measured at fair value through profit or loss, and fully sold in the financial year 2024. The financial assets of Level 3 pertain mainly to investments held by the Bertelsmann Investments division, which were recognized at fair value.

Level 2 financial assets primarily comprise investments in diversified money market funds reported as cash equivalents, which are measured at fair value through profit or loss and are subject to only insignificant fluctuations in value.

Financial Assets Measured at Fair Value Categorized within Level 3

in € millions	Loans	Minority stakes held by venture capital organizations	Fund of funds investments held by venture capital organizations	Receivables relating to financial services for resale	Sundry financial receivables	Other financial assets	Total
Balance as of 1/1/2024	24	1,007	148	561	1	102	1,843
Total gain (+) or loss (-)	–	33	(5)	(3)	(1)	2	27
– in profit or loss	(1)	33	(6)	(3)	(1)	10	34
– in other comprehensive income	–	–	1	–	–	(8)	(7)
Purchases	18	74	28	402	–	9	532
Transfers into Level 3 (including first-time classification as Level 3)	1	–	–	–	1	–	2
Transfers out of Level 3	–	(23)	–	–	–	(1)	(24)
Sales/settlements	(6)	(21)	(8)	(561)	(1)	(29)	(625)
Reclassifications and other changes	(3)	3	–	–	–	3	3
Balance as of 12/31/2024	34	1,074	164	400	1	85	1,757
Gain (+) or loss (-) for assets still held at the end of the reporting period	(1)	32	(6)	(3)	–	(10)	13

in € millions	Loans	Minority stakes held by venture capital organizations	Fund of funds investments held by venture capital organizations	Receivables relating to financial services for resale	Sundry financial receivables	Other financial assets	Total
Balance as of 1/1/2023	31	1,119	150	14	–	157	1,471
Total gain (+) or loss (-)	1	(151)	(23)	(2)	(1)	(103)	(279)
– in profit or loss	1	(151)	(22)	(2)	(1)	(105)	(280)
– in other comprehensive income	–	–	(1)	–	–	1	–
Purchases	17	71	29	563	3	40	722
Transfers into Level 3 (including first-time classification as Level 3)	–	–	–	–	–	7	7
Transfers out of Level 3	–	–	–	–	–	(2)	(2)
Sales/settlements	(20)	(25)	(7)	(14)	–	(8)	(75)
Reclassifications and other changes	(5)	(8)	–	–	–	11	(2)
Balance as of 12/31/2023	24	1,007	148	561	1	102	1,843
Gain (+) or loss (-) for assets still held at the end of the reporting period	1	(155)	(22)	(2)	(2)	(103)	(283)

In the financial year 2024, the purchases of minority stakes and fund of funds investments held by venture capital organizations relate exclusively to various new and follow-up investments by the Bertelsmann Investments division, in particular investments by the Bertelsmann India Investments (BII) fund, none of which was material on a stand-alone basis. The sales/settlements of these two items also relate exclusively to the Bertelsmann Investments division, none of which was material on a stand-alone basis. Transfers out of Level 3 were made in the financial year 2024 mainly at Bertelsmann Investments as a result of expiring lock-up periods. The transfers into Level 3 were immaterial in the financial year 2024.

In the financial year 2023, the purchases of minority stakes and fund of funds investments held by venture capital organizations related fully to various new and follow-up investments by the Bertelsmann Investments division, with a focus on the digital health sector, none of which were material on a standalone basis. The sales/settlements of these two items also relate fully to the Bertelsmann Investments division, in particular the Bertelsmann Digital Media Investments fund. The transfers into and out of Level 3 were immaterial in the financial year 2023.

Financial Liabilities Measured at Fair Value Categorized Using the Fair Value Measurement Hierarchy

in € millions	Level 1: Quoted prices in active markets	Level 2: Observable market data	Level 3: Unobservable market data	Total as of 12/31/2024
Financial liabilities measured at fair value through profit or loss	–	–	162	162
Primary and derivative financial liabilities held for trading	–	20	–	20
Derivatives with hedge relation	–	31	–	31
	–	51	162	213

in € millions	Level 1: Quoted prices in active markets	Level 2: Observable market data	Level 3: Unobservable market data	Total as of 12/31/2023
Financial liabilities measured at fair value through profit or loss	–	–	271	271
Primary and derivative financial liabilities held for trading	–	58	–	58
Derivatives with hedge relation	–	70	–	70
	–	128	271	398

The changes in fair values from financial derivatives as of December 31, 2024, compared to December 31, 2023, are mainly attributable to interest rates derivatives used to hedge against interest rate risks from interest-bearing receivables and liabilities and currency derivatives that were concluded to hedge against exchange rate risks from intercompany financing. Reasons are, in particular, changes in market conditions and the appreciation of the US dollar against the euro as well as hedge prolongations and terminations at the respective quoted exchange rates.

Financial Liabilities Measured at Fair Value Categorized within Level 3

in € millions	Financial liabilities measured at fair value through profit or loss	Total
Balance as of 1/1/2024	271	271
Total gain (-) or loss (+)	33	33
– in profit or loss	24	24
– in other comprehensive income	8	8
Purchases	17	17
Settlements	(114)	(114)
Reclassifications and other changes	(44)	(44)
Balance as of 12/31/2024	162	162
Gain (-) or loss (+) for liabilities still held at the end of the reporting period	23	23

in € millions	Financial liabilities measured at fair value through profit or loss	Total
Balance as of 1/1/2023	68	68
Total gain (-) or loss (+)	76	76
– in profit or loss	81	81
– in other comprehensive income	(5)	(5)
Purchases	145	145
Settlements	(57)	(57)
Transfers into Level 3 (including first-time classification as Level 3)	58	58
Reclassifications and other changes	(20)	(20)
Balance as of 12/31/2023	271	271
Gain (-) or loss (+) for liabilities still held at the end of the reporting period	77	77

The settlements in the financial year 2024 mainly relate to liabilities from put options as part of the acquisition of further shares in Sourcebooks LLC and earn-out liabilities in connection with an acquisition by the Bertelsmann Investments division in the 2023 financial year. Reclassifications and other changes are mainly due to the non-exercise of put options in the financial year 2024. There were no transfers into or out of Level 3 in the financial year 2024. In the financial year 2023, the transfers into Level 3 (including first-time classification as Level 3) related to liabilities from put options measured at fair value.

Level 1:
The fair value of the listed financial instruments is determined on the basis of stock exchange listings at the end of the reporting period, if there are no contractual lockups.

Level 2:
For measuring the fair value of unlisted derivatives, Bertelsmann uses various financial methods reflecting the prevailing market conditions and risks at the respective balance sheet dates. Irrespective of the type of financial instrument, future cash flows are discounted at the end of the reporting period based on the respective market interest rates and yield curves at the end of the reporting period. The fair value of forward exchange transactions is calculated using the middle spot prices at the end of the reporting period and taking into account forward markdowns and markups for the remaining term of the transactions. The fair value of interest rate derivatives is calculated on the basis of the respective market rates and yield curves at the end of the reporting period. The fair value of forward commodity transactions is derived from the stock exchange listings published at the end of the reporting period. Any mismatches to the standardized stock exchange contracts are reflected through interpolation or additions. The fair values of the money market funds correspond to the price quotations of funds not directly listed on the stock exchange.

Level 3:
If no observable market data is available, fair value measurement is based primarily on cash flow-based valuation techniques. As a rule, so-called qualified financing rounds are used for minority stakes held by venture capital organizations in the Bertelsmann Investments division. Listed financial instruments with contractual lockups are also categorized within Level 3. Riverty's receivables relating to financial services for resale are measured as part of a revolving calculation based on historical defaults and taking into account the forecast payment behavior.

The measurement of financial assets and financial liabilities according to Level 2 and Level 3 requires management to make certain assumptions about the model inputs, including cash flows, discount rate and credit risk, as well as the life and development cycle in the case of start-up investments. Transfers between levels of the fair value hierarchy are recognized at the date of the event or change in circumstances that caused the transfer. There were no transfers between Level 1 and 2 during the financial years 2024 and 2023.

Financial assets and liabilities are offset on the balance sheet if master netting agreements or similar agreements allow the Bertelsmann Group and the counterparty to reach settlement on a net basis. Settlement on a net basis is thus legally valid both as part of ordinary business activities and in the event of payment default by one of the parties. In addition, Bertelsmann enters into transactions in financial derivatives that do not meet the criteria for offsetting on the balance sheet, as future events determine the right to offset. As of December 31, 2024, as in the previous year, no on-balance-sheet offsetting was performed, whereas there was a non-recognized offsetting potential of €23 million (previous year: €63 million) in connection with derivative financial instruments.

Credit Risk

In accordance with IFRS 9, Bertelsmann uses a simplified approach to measure expected credit losses on trade receivables and contract assets. According to this, the loss allowance is measured using lifetime expected credit losses. For this purpose, impairment matrices based on historic bad debt losses, maturity bands and expected credit losses are prepared. The impairment matrices are created for division-specific or business unit-specific groups of receivables, each with similar default patterns. In addition, separate risk assessments are performed. Bertelsmann also considers other quantitative and qualitative information and analyses based on the Group’s historical experience and reasonable assessments, including forward-looking information such as customer-specific information and forecasts of future economic conditions. Contract assets have substantially the same risk characteristics as trade receivables for the same types of contracts, so that the expected loss rates for trade receivables are also a reasonable approximation of the loss rates for contract assets.

Based on this, the loss allowance as of December 31, 2024, was determined as follows for both trade receivables and contract assets:

Credit Risk for Trade Receivables and Contract Assets

in € millions	Not credit-impaired				
	Not overdue	Overdue 1 to 30 days	Overdue 31 to 90 days	Overdue more than 90 days	Credit-impaired
Expected loss rate (in percent)	0.68	0.93	3.42	7.14	n/a
Trade receivables and contract assets	2,219	432	117	98	1,043
Loss allowance for expected credit losses	(15)	(4)	(4)	(7)	(107)
Balance as of 12/31/2024	2,204	428	112	90	936

in € millions	Not credit-impaired				
	Not overdue	Overdue 1 to 30 days	Overdue 31 to 90 days	Overdue more than 90 days	Credit-impaired
Expected loss rate (in percent)	0.68	1.27	3.09	6.84	n/a
Trade receivables and contract assets	2,044	394	97	117	1,020
Loss allowance for expected credit losses	(14)	(5)	(3)	(8)	(93)
Balance as of 12/31/2023	2,030	390	93	108	927

The expected loss rates correspond to the average rates for the respective division-specific or business unit-specific groups of receivables. In the financial year 2024, impairment losses and reversals of impairment losses amounting to €-32 million (previous year: €-14 million) were recognized on trade receivables and contract assets.

The following table shows a reconciliation from the opening balance to the closing balance of loss allowances for trade receivables and contract assets in the financial year 2024:

Reconciliation of Loss Allowance for Trade Receivables and Contract Assets

in € millions	2024	2023
Balance as of 1/1	(123)	(145)
Additions	(58)	(66)
Usage	19	24
Reversal	26	52
Change of consolidation scope	(1)	11
Exchange rate effects	–	1
Balance as of 12/31	(138)	(123)

Bertelsmann applies the general approach for all other financial assets that are subject to the expected credit loss model. The following table shows a reconciliation from the opening balances to the closing balances of loss allowances for the corresponding financial instruments:

Reconciliation of Loss Allowance for Other Financial Assets

in € millions	Loans	Purchased receivables which are not credit-impaired	Sundry financial receivables	Purchased receivables which are credit-impaired	Total
Balance as of 1/1/2024	(37)	(99)	(19)	(37)	(191)
Additions	–	(17)	(3)	(61)	(82)
Usage	–	1	–	1	1
Reversal	–	6	–	47	54
Change of consolidation scope	28	–	7	–	34
Exchange rate effects	–	1	–	–	1
Balance as of 12/31/2024	(8)	(108)	(15)	(51)	(182)
– thereof 12-month expected credit loss	(4)	(6)	(4)	n/a	(15)
– thereof lifetime expected credit loss but not credit-impaired	–	(100)	(1)	n/a	(101)
– thereof lifetime expected credit loss and credit-impaired	(4)	(1)	(9)	n/a	(15)

in € millions	Loans	Purchased receivables which are not credit-impaired	Sundry financial receivables	Purchased receivables which are credit-impaired	Total
Balance as of 1/1/2023	(33)	(109)	(21)	(28)	(190)
Additions	(5)	(11)	(8)	(15)	(38)
Usage	1	17	–	–	17
Reversal	1	5	6	6	18
Change of consolidation scope	–	–	1	–	1
Exchange rate effects	–	(1)	3	–	2
Balance as of 12/31/2023	(37)	(99)	(19)	(37)	(191)
– thereof 12-month expected credit loss	(33)	(4)	(8)	n/a	(45)
– thereof lifetime expected credit loss but not credit-impaired	–	(94)	(1)	n/a	(94)
– thereof lifetime expected credit loss and credit-impaired	(4)	–	(10)	n/a	(15)

The impairment loss identified for cash and cash equivalents was immaterial in both the financial year 2024 and the previous year.

As in the previous year, the carrying amount of all receivables, loans and securities constitutes the Bertelsmann Group's maximum default risk as of the end of the reporting period.

The following table presents the contractually fixed undiscounted cash flows of the financial liabilities for settlements. The figures are based on undiscounted cash flows at the earliest date at which the Bertelsmann Group can be held liable for payment.

Maturity Analysis for Non-Derivative Financial Liabilities

		Undiscounted cash flows			
in € millions	Carrying amount	Up to 1 year	1 to 5 years	Over 5 years	Total
Profit participation capital	413	–	413	–	413
Fixed-interest bonds and promissory notes	4,305	667	2,208	1,450	4,325
Floating-rate bonds and promissory notes	386	–	388	–	388
Liabilities to banks	241	128	104	11	243
Other financial debt	193	59	130	4	193
Trade payables	4,501	4,321	174	6	4,501
Liabilities relating to financial services	439	439	–	–	439
Liabilities to participations	17	17	–	–	17
Other	1,453	1,074	435	1	1,511
Balance as of 12/31/2024	11,948	6,705	3,852	1,472	12,030
Profit participation capital	413	–	413	–	413
Fixed-interest bonds and promissory notes	4,760	476	2,126	2,200	4,802
Floating-rate bonds and promissory notes	103	–	103	–	103
Liabilities to banks	152	88	64	–	152
Other financial debt	207	51	152	4	207
Trade payables	4,367	4,221	182	1	4,404
Liabilities relating to financial services	377	377	–	–	377
Liabilities to participations	19	19	–	–	19
Other	1,420	980	406	86	1,473
Balance as of 12/31/2023	11,819	6,213	3,446	2,291	11,950

Current cash outflows from financial liabilities are offset by planned cash inflows from receivables and other financial assets. To cover current cash flows, Bertelsmann SE & Co. KGaA also has adequate financial reserves in the amount of cash and cash equivalents and unutilized credit facilities existing at the end of the reporting period.

The maturity analysis for lease liabilities as of December 31, 2024, is presented in note 23 “Lease Liabilities.”

Based on the remaining contractual terms of its financial liabilities at the end of the reporting period, the Bertelsmann Group will have to make the following future interest payments:

Future Interest Payments

	Undiscounted interest payments			
in € millions	Up to 1 year	1 to 5 years	Over 5 years	Total
Profit participation capital	45	136	–	181
Bonds and promissory notes	115	294	22	431
Liabilities to banks	23	31	–	54
Other financial debt	12	3	–	15
Balance as of 12/31/2024	195	464	22	681
Profit participation capital	45	181	–	226
Bonds and promissory notes	115	347	64	526
Liabilities to banks	14	7	–	21
Other financial debt	12	14	–	26
Balance as of 12/31/2023	186	549	64	799

Financial Services Related to Receivables Acquired and Sold and Further Disclosures to Structured Entities

In certain individual cases, the Riverty business unit sells receivables purchased from third parties to financial intermediaries and a structured entity.

The criteria for the revolving acquisition by the structured entity are contractually specified and relate to a purchase up to a maximum financing volume of €250 million. During the term of the contract, which runs until March 31, 2026, Riverty has no influence on the selection, volume or quality of the receivables to be purchased by the structured entity. The structured entity is refinanced by a financial intermediary. In the financial year 2024, receivables with a nominal volume of €1,699 million (previous year: €0 million) were sold to the structured entity. Riverty provides the financial services for the receivables sold to the structured entity, but can be dismissed at any time. The fee received for this is at arm's length.

The receivables sold to financial intermediaries and the structured entity relate primarily to short-term receivables, some covered by credit insurance, that Riverty acquires from third parties in the course of conducting its financial services, and resells on a partly ongoing basis. With regard to sales to financial intermediaries, this business can be changed at any time during the year. As part of the contractual agreements on the sale of receivables, substantially neither all the rewards nor all risks that are associated with the receivables were transferred or retained. This relates in particular to possible defaults and late payments of receivables sold, so that a receivable was accounted for in the amount of the continuing involvement of €259 million (previous year: €220 million) as of December 31, 2024. Of this amount, €63 million (previous year: €0 million) is attributable to the structured entity and is included in the balance sheet position “Receivables relating to financial services.” The carrying amount of the associated liability is €275 million (previous year: €231 million), of which €63 million (previous year: €0 million) is attributable to the structured entity included in the balance sheet position “Liabilities relating to financial services.” The underlying volume of outstanding receivables sold amounts to €1,062 million as of the end of the reporting period (previous year: €909 million), of which €265 million (previous year: €0 million) is attributable to receivables sold to the structured entity.

Risk Management of Financial Instruments

Financial Risk Management

The Bertelsmann Group is exposed to various forms of financial risk through its international business operations. Above all, this includes the effects of changes in foreign exchange rates and interest rates. Bertelsmann’s risk management activities are designed to effectively mitigate these risks. The Executive Board establishes basic risk management policies, outlining general procedures for hedging currency and interest rate risks and the utilization of derivative financial instruments. The Central Financial Department advises subsidiaries on operating risks and hedges risks using derivative financial instruments as necessary. However, subsidiaries are not obliged to use the services provided by this department for their operating risks. Some subsidiaries, such as RTL Group in particular, have their own finance department. They report their hedge transactions to the Central Finance Department each quarter. Further information on financial market risks and financial risk management is presented in the Combined Management Report.

Currency Risk

The Bertelsmann Group is exposed to exchange rate risk in various foreign currencies. Its subsidiaries are advised, but not obliged, to hedge themselves against foreign currency risks in the local reporting currency by signing forward agreements with banks that have a high credit rating. Loans within the Bertelsmann Group that are subject to currency risk are hedged using derivative financial instruments. If foreign currency transactions designated as hedging instrument adequately meet effectiveness requirements, hedge accounting as defined by IFRS 9 is applied under the cash flow hedge model. A number of subsidiaries are based outside the eurozone. The resulting translation risks to the leverage factor (ratio of economic debt to operating EBITDA adjusted) is managed over the long term by aligning the debt in the main foreign currencies with the current leverage factor and the maximum defined leverage cap of 2.5 for the entire Group.

Interest Rate Risk

There are interest rate risks for interest-bearing assets and financial debt. Interest rate risk in the Bertelsmann Group is analyzed centrally and managed on the basis of the Group's planned net financial debt. A key factor in this management is the Group's interest result over time and its sensitivity to interest rate changes. The Group aims for a balanced relationship between floating rates and long-term fixed-interest rates, under consideration of the absolute amount, forecast performance of the interest-bearing liability and interest level. This is implemented using underlying and derivative financial instruments for control.

Liquidity Risk

Liquidity risks may arise through a lack of rollover financing (liquidity risk in a narrow sense), delayed receipt of expected payment and unforeseen expenditure (budgeting risk). Budgeting risk is determined by comparing deviations in actual spending with budget and reserve amounts. In a narrow sense, liquidity risk depends on the volume of debt due within a given period. Liquidity risk is monitored on an ongoing basis with reference to the budget for current and future years. New and unplanned transactions (e.g., acquisitions) are continuously tracked. The maturity profile of financial assets and liabilities is also reconciled on a regular basis. Budget risks are managed through effective cash management and constant monitoring of projected versus actual cash flows. Debt maturities are also diversified over the time to ensure that rising financing costs do not have a short-term impact. Credit facilities with banks are also maintained for unplanned expenditures.

Counterparty Risk

The Bertelsmann Group is exposed to default risks in the amount of the invested cash and cash equivalents and the positive fair value of the derivatives in its portfolio. Transactions involving money market securities and other financial instruments are exclusively conducted with a defined group of banks with a high credit rating ("core banks"). The credit ratings of core banks are constantly monitored and classified on the basis of quantitative and qualitative criteria (rating, CDS spreads, stock price, etc.). Counterparty limits determined on the basis of credit ratings refer to cash holdings and positive fair values of the derivatives in its portfolio. The drawdown of limits is monitored on a regular basis. Funds are invested in very short-term portfolios in some cases to preserve flexibility in the event of credit rating changes. Furthermore, cash and cash equivalents are held in money market funds with high credit ratings for the purpose of risk diversification. Default risks arising from trade receivables and other receivables and receivables relating to financial services are partially mitigated through credit insurance coverage. The Bertelsmann Group has obtained credit collateralization in the amount of €697 million for these receivables (previous year: €679 million).

Capital Management

The financing guidelines adopted by the Bertelsmann Group are designed to ensure a balance between financing security, return on equity and growth. The Group’s indebtedness is based specifically on the requirements for a solid investment-grade credit rating. Bertelsmann is currently rated “Baa2” (stable outlook) by Moody's and “BBB” (stable outlook) by S&P. Financial management at Bertelsmann is conducted using quantified financing objectives that are a central factor in ensuring the Group’s independence and capacity to act. These objectives, as elements of the planning process and regular monitoring, are broadly defined performance indicators. The key performance indicator for limiting economic debt within the Bertelsmann Group is a maximum leverage factor of 2.5. As of December 31, 2024, the leverage factor was 2.0 (previous year: 1.8). In addition, the coverage ratio is to remain above four. The coverage ratio amounted to 11.0 on December 31, 2024 (previous year: 8.3). The equity ratio is not to fall below 25 percent of total assets. Management of the equity ratio is based on the definition of equity in IFRS. Although minority interests in partnerships represent equity in financial terms, they are classified as debt for accounting purposes. As of December 31, 2024, the equity ratio was 47.5 percent (previous year: 46.5 percent), meeting the internal requirements.

Interest Rate and Currency Sensitivity

For the analysis of interest rate risk, a distinction is made between cash flow and present value risks. Financial debt, cash and cash equivalents and interest rate derivatives with variable-interest terms are subject to a greater degree of cash flow risk, as changes in market interest rates impact the Group’s interest result almost immediately. In contrast, medium- and long-term interest rate agreements are subject to a greater degree of present value risks. The accounting treatment of present value risks depends on the respective financial instrument or a hedging relationship documented in conjunction with a derivative (micro-hedge). Upon initial recognition, originated financial debt is measured at fair value less transaction costs. Subsequent measurement is based on amortized cost. Changes in fair value are generally limited to opportunity effects, as changes in interest rates have no effect on the balance sheet or the income statement. Where primary financial liabilities and derivative hedging transactions are designated as fair value hedges, changes in the fair value of the hedged item and the hedging instrument due to changes in interest rates almost completely offset each other. Furthermore, the effects of derivative financial instruments from interest rate changes are generally recognized in the income statement. In the case of documented hedging relationships (cash flow hedges), however, these effects are recognized in other comprehensive income.

The cash flow or present value risks existing at the end of the reporting periods are analyzed using a sensitivity calculation as an after-tax observation. A parallel shift in the interest rate curve of plus or minus 1 percent is assumed for all significant currencies. The analysis is performed on the basis of financial debt, cash and cash equivalents, and derivatives at the end of the reporting period. The underlying total risk position amounts to €1,194 million (previous year: €1,951 million). The results are shown in the following table:

Sensitivity Analysis of Cash Flow and Present Value Risks

	12/31/2024		12/31/2023	
in € millions	Shift +1%	Shift -1%	Shift +1%	Shift -1%
Cash flow risks (income statement)	8	(8)	14	(14)
Present value risks (income statement)	–	–	–	–
Present value risks (equity)	6	(6)	7	(7)

The analysis of foreign currency sensitivity includes the Group’s financial debt and operating transactions at the end of the reporting period and the hedging relationships entered into. The calculation is performed for the unsecured net exposure on the basis of an assumed 10 percent appreciation of the euro versus all foreign currencies, and is presented after tax. Based on a total risk position of €62 million (previous year: €55 million), a uniform devaluation of foreign currencies would have resulted in a change in the carrying amount recognized in profit or loss of €-4 million (previous year: €-4 million). Thereof, €-7 million (previous year: €-4 million) relates to fluctuations in the US dollar exchange rate with a net exposure of US$114 million (previous year: US$60 million). Shareholders' equity would have changed by €-10 million (previous year: €-15 million) as a result of fluctuations in the fair values of documented cash flow hedges. Thereof, €-10 million (previous year: €-16 million) relates to fluctuations in the US dollar exchange rate on the basis of a documented cash flow hedge volume of US$156 million (previous year: US$250 million). If there had been a uniform increase in the value of foreign currencies, this would have led to opposite changes in these amounts for the Bertelsmann Group.

Other Price Risks and Sensitivity

The valuation model for the minority stakes in the Bertelsmann Investments division comprises an extensive portfolio of about 380 investments in companies and other funds, the vast majority of which are classified in Level 3 of the fair value hierarchy. Due to the numerous inputs, some of which are only relevant for subsets of the portfolio, developing a meaningfully interpretable sensitivity indication for the model addressing the specifics of the valuation objects in the venture capital environment is only possible to a limited extent – in contrast to traditional discounted cash flow or multiplier-based models. This, together with the fragmented size structure and the fact that no meaningful and feasible alternative assumptions can be derived for a variety of inputs – such as the maturity structure underlying the life-cycle model – necessitates a restriction of sensitivity indication in quantitative terms to the fungibility discounts for fund of funds investments held by venture capital organizations and to the effects of contractual lockups for listed instruments: As of December 31, 2024, the valuation of fund of funds investments held by venture capital organizations would have been €65 million (previous year: €57 million) higher excluding fungibility discounts. There were no contractual lockups for listed instruments as of December 31, 2024. The valuation would have increased by €23 million as of December 31, 2023.

The main factor influencing the measurement of Riverty's receivables relating to financial services for resale, which are measured at fair value through profit or loss (Level 3), is the credit risk of the respective debtors and the associated discount of the financial intermediaries or structured entities. The fair value of the receivables on the respective measurement date is determined as part of a revolving calculation based on historical defaults and taking into account the forecast payment behavior. As in the previous year, a change in this parameter by +/- 10 percent as of December 31, 2024, leads to an immaterial change in the fair values of the receivables pool, assuming that the receivables pool remains unchanged.

Financial Derivatives

Bertelsmann uses standard market financial derivatives, primarily unlisted (OTC) instruments. These include, in particular, forward agreements, currency swaps and interest rate swaps. Transactions are entered into solely with banks with a high credit rating. As a rule, the Central Financial Department's transactions are only performed with a group of banks approved by the Executive Board. The nominal volume is the total of all underlying buying and selling amounts of the respective transactions.

Nominal Volume and Fair Values of Financial Derivatives

	12/31/2024				
	Nominal volume				Fair value
in € millions	< 1 year	1 to 5 years	> 5 years	Total	
Currency derivatives					
Forward contracts and currency swaps	4,258	1,210	122	5,591	10
– without hedge relation	3,772	94	–	3,866	17
– in connection with cash flow hedges	486	1,116	122	1,725	(7)
Interest rate derivatives					
Interest rate swaps	475	347	–	822	(11)
– without hedge relation	25	2	–	27	(1)
– in connection with cash flow hedges	150	345	–	495	(4)
– in connection with fair value hedges	300	–	–	300	(6)
	4,733	1,557	122	6,413	(1)

	12/31/2023				
	Nominal volume				Fair value
in € millions	< 1 year	1 to 5 years	> 5 years	Total	
Currency derivatives					
Forward contracts and currency swaps	4,593	1,239	4	5,836	(19)
– without hedge relation	4,135	158	4	4,296	(12)
– in connection with cash flow hedges	458	1,082	–	1,540	(7)
Interest rate derivatives					
Interest rate swaps	970	385	–	1,355	(36)
– without hedge relation	105	25	–	130	(3)
– in connection with cash flow hedges	465	60	–	525	(6)
– in connection with fair value hedges	400	300	–	700	(27)
	5,563	1,624	4	7,191	(56)

The majority of the financial derivatives at the end of the reporting period with a gross nominal volume of €6,413 million (previous year: €7,191 million) are used to hedge currency rate risks from intercompany financing activities. These financial derivatives account for a total of €3,351 million or 52 percent as of the balance sheet date (previous year: €3,520 million or 49 percent). The average forward price for the main hedges in US dollars that meet the requirements for hedge accounting is 1.11 (previous year: 1.15). A total of €2,241 million or 35 percent (previous year: €2,316 million or 32 percent) is due to financial derivatives used to hedge currency risks from operating business as of the end of the reporting period. The average forward price for the main hedges in US dollars that meet the requirements for hedge accounting is 1.11 (previous year: 1.11). Financial derivatives are also used to hedge against interest rate risks from interest-bearing receivables and liabilities. By entering into interest rate derivatives designated as fair value hedges, changes in the fair value of the hedged item and the hedging instrument due to changes in interest rates almost completely offset each other. However, changes in interest rates have an impact on the amount of interest payments and therefore also on the interest result (note 6 “Interest Income and Interest Expenses”). Further hedges of interest rate risks mainly have an impact either on cost of materials, on interest income or expenses (note 6 “Interest Income and Interest Expenses”), or on other financial income or expenses (note 7 “Other Financial Income and Expenses”). Financial derivatives are used exclusively for hedging purposes.

All relationships between hedging instruments and hedged items are documented, in addition to risk management objectives and strategies in connection with the various hedges. This method includes linking all derivatives used for hedging purposes to the underlying assets, liabilities, firm commitments and forecasted transactions. Furthermore, the Bertelsmann Group assesses and documents the degree to which changes in the fair values or cash flows of hedged items are effectively offset by changes in the corresponding derivatives used as hedging instruments, both when the hedges are initiated and on an ongoing basis.

The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows, particularly in connection with foreign currency risk relating to the purchase and sale of program rights and output deals for the TV business. Bertelsmann hedges between 80 percent and 100 percent of the short-term (within one year) future cash flows, and between 10 percent and 80 percent of the longer-term (two to five years) future cash flows. As a rule, the derivatives used are recognized as cash flow hedges, taking into account the volume of the cash flows to be hedged. In individual cases, the Group also hedges certain foreign currency risks arising from intercompany monetary items and financial instruments in foreign currencies. In this case, only the change in the fair value of the spot element is recognized as a hedging instrument in the cash flow hedge. In addition, interest rate swaps concluded to hedge interest rate risks are designated as cash flow hedges.

The effective portion of changes in the fair value of a cash flow hedge is recognized in accumulated other comprehensive income until the effects of the hedged underlying transaction affect profit or loss, or until a basis adjustment occurs. In the financial year 2024, €4 million (previous year: €3 million) from the cash flow hedge reserve was recognized as a reduction of the initial costs of non-financial assets. Losses in the amount of €50 million were reclassified from accumulated other comprehensive income to the income statement in relation to cash flow hedges (previous year: gains in the amount of €24 million). These are amounts before tax. In the consolidated statement of comprehensive income, the reclassification amount is included in the item “Cash flow hedges: reclassification adjustments to profit or loss.” The reclassification to the income statement primarily affected the item “Other financial expenses” in non-operating foreign exchange losses of €-45 million (previous year: “Other financial income” in non-operating foreign exchange gains of €35 million), in the item “Other financial expenses” in other non-operating expenses from derivatives of €-9 million (previous year: €-10 million) and in the item “Other operating income” in foreign exchange gains of €4 million (previous year: €0 million). The portion remaining in accumulated other comprehensive income as of December 31, 2024, will mainly impact the income statement in the years to come. Bertelsmann exercised the option not to designate the forward elements and foreign currency basis spreads as part of the hedging relationship, but to recognize them separately in equity as hedging costs in the amount of €19 million as of December 31, 2024, for individual hedges of the period-related underlying transactions (previous year: €4 million). As was the case at December 31, 2023, there was a minor ineffective portion of cash flow hedges as of December 31, 2024.

In the financial year 2024, the effects from fair value hedges for hedging interest rate risks led to an increase of the carrying amount of the reported financial debt in the amount of €17 million (previous year: increase of €18 million). The carrying amount of the hedged item (including cumulative fair value adjustments) amounts to €512 million as of the end of the reporting period (December 31, 2023: €920 million). As was the case as of December 31, 2023, there was a minor ineffective portion of fair value hedges as of December 31, 2024.

The following table provides an overview of the carrying amounts of the derivative financial instruments, which correspond to their fair values. A distinction is made between derivatives that are included in an effective hedging relationship in accordance with IFRS 9 and those that are not.

Derivative Financial Instruments

in € millions	Carrying amount 12/31/2024	Carrying amount 12/31/2023
Assets		
Forward contracts and currency swaps		
– without hedge relation	37	42
– in connection with cash flow hedges	13	30
Equity and liabilities		
Forward contracts and currency swaps		
– without hedge relation	20	54
– in connection with cash flow hedges	21	37
Interest rate swaps		
– without hedge relation	1	3
– in connection with cash flow hedges	4	6
– in connection with fair value hedges	6	27

The following table presents the remaining terms of the contractual amounts to be exchanged in a derivative financial instrument for which gross cash flows are exchanged:

Liabilities from Derivatives with Gross Settlement

	Remaining term of liabilities		
in € millions	Up to 1 year	1 to 5 years	Over 5 years
Cash outflow	(1,417)	(1,001)	–
Cash inflow	1,395	937	–
Balance as of 12/31/2024	(22)	(63)	–
Cash outflow	(3,025)	(455)	–
Cash inflow	2,947	436	–
Balance as of 12/31/2023	(78)	(19)	–

28 Cash Flow Statement

The Bertelsmann consolidated cash flow statement has been prepared in accordance with IAS 7 and is used to evaluate the Group’s ability to generate cash and cash equivalents. Cash flows are divided into those relating to operating activities, investing activities and financing activities. Cash flows from operating activities are presented using the indirect method, whereby EBIT (earnings before interest and taxes) are adjusted for the effects of a non-cash nature, any deferrals or accruals of past or future operating receipts or payments (including provisions), and items of income or expense associated with cash flows from investing activities. In addition, cash flows arising from income taxes and interest received are classified as cash flows from operating activities as well as other cash flows that are neither investing nor financing.

The change in provisions for pensions and similar obligations represents the balance of personnel costs for pensions and similar obligations and company payments for these obligations (further explanations are presented in note 19 “Provisions for Pensions and Similar Obligations”). The net withdrawals from the pension plans in the amount of €108 million (previous year: contributions of €-15 million) are also recognized in this item. “Other effects” of the cash flow from operating activities mainly include the adjustments of results from investments accounted for using the equity method, taking into account dividends received from these investments, and adjustments in connection with non-cash income and expenses.

The consolidated cash flow statement includes the effects of changes in foreign currencies and changes in the scope of consolidation. Items in the consolidated cash flow statement thus cannot be reconciled with changes in items reported on the consolidated balance sheet. Investing activities include payments for investments in non-current assets and purchase price payments for acquisitions as well as proceeds from the disposal of non-current assets and investments. Further explanations concerning acquisitions made during the financial year are presented in the section “Acquisitions and Disposals.” Disposals made during the financial year are also presented separately in that section. Financial debt of €129 million (previous year: €13 million) was assumed during the financial year 2024. In the financial year 2024, losing control of subsidiaries or other businesses resulted in the disposal of financial debt in the amount of €4 million. In the financial year 2023, losing control of subsidiaries or other businesses resulted in the disposal of financial debt in the amount of €125 million, €124 million of this amount resulted from the disposal of the interest in Majorel.

Cash flow from financing activities includes changes in equity, financial debt, lease liabilities and dividend distributions affecting cash, and interest paid (including interest paid due to leases). Total cash outflows from leases amounted to €-361 million (previous year: €-386 million) in the financial year 2024. The item "Change in equity" amounts to €-401 million and relates mainly to a further increase of shares in the education company Afya and to the share increase in Sourcebooks. In the financial year 2023, this item amounted to €-139 million and related with an amount of €-114 million mainly to the acquisition of additional Afya shares. In the financial year 2024, as in the previous year 2023, the item "Other effects" in the "Cash flow from financing activities" was mainly attributable to due derivative currency hedging transactions in connection with intercompany loans.

The following tables show the cash changes and non-cash changes of liabilities including accrued interest arising from financing activities:

Changes in Liabilities Arising from Financing Activities

		Cash changes	Non-cash changes				
in € millions	1/1/2024		Additions through business combinations	Reductions through disposal of investments	Exchange rate changes	Other changes	12/31/2024
Bonds	4,603	(299)	–	–	(16)	144	4,432
Promissory notes	325	–	–	–	–	–	325
Liabilities to banks	154	23	73	(4)	(19)	18	245
Lease liabilities	1,333	(361)	25	(5)	3	423	1,418
Other financial debt	211	(58)	56	–	(26)	15	198
Liabilities arising from financing activities	6,626	(695)	154	(9)	(58)	600	6,618

		Cash changes	Non-cash changes				
in € millions	1/1/2023		Additions through business combinations	Reductions through disposal of investments	Exchange rate changes	Other changes	12/31/2023
Bonds	4,706	(254)	–	–	5	146	4,603
Promissory notes	325	–	–	–	–	–	325
Liabilities to banks	295	(47)	6	(124)	4	20	154
Lease liabilities	1,537	(386)	15	(142)	(16)	325	1,333
Other financial debt	209	(7)	7	(2)	6	(2)	211
Liabilities arising from financing activities	7,072	(694)	28	(268)	(1)	489	6,626

In financial years 2024 and 2023, the other non-cash changes mainly relate to newly concluded and extensions of existing lease contracts.

The following table shows the changes in net liabilities arising from financing activities:

Changes in Net Liabilities Arising from Financing Activities

in € millions	2024	2023
Net liabilities arising from financing activities as of 1/1	(3,672)	(3,844)
Cash flow from operating activities	2,172	1,915
Cash flow from investing activities	(1,287)	(539)
Dividends and changes in equity, additional payments	(825)	(636)
Exchange rate changes and other changes in net liabilities arising from financing activities	(762)	(568)
Net liabilities arising from financing activities as of 12/31	(4,375)	(3,672)

Net liabilities arising from financing activities are the balance of the balance sheet positions “Cash and cash equivalents,” “Financial debt” and “Lease liabilities” plus accrued interest.

29 Segment Reporting

IFRS 8 Operating Segments requires that external segment reporting must be based on the internal organizational and management structure, and on management and reporting indicators used internally. As before, the Bertelsmann Group comprises seven operating reportable segments (RTL Group, Penguin Random House, BMG, Arvato Group, Bertelsmann Marketing Services, Bertelsmann Education Group and Bertelsmann Investments), differentiated according to the type of products and services offered and which are reported by segment managers to the Executive Board of Bertelsmann Management SE in its role as the chief operating decision-maker in accordance with IFRS 8.

Corporate is mainly responsible for activities in the areas of taxes, legal, human resources, information technology, internal audit, accounting and reporting, corporate communications and management, internal control and strategic development of the Group, securing the required financing, risk management and optimization of the Group’s investment portfolio.

Intersegment eliminations are included in the column “Consolidation.”

As in the past, specific segment information is defined according to the definitions on which Group management is based. As a rule, accounting and measurement in the segment reporting uses the same IFRS principles as in the Consolidated Financial Statements. Invested capital is calculated on the basis of the Group’s operating assets less non-interest-bearing operating liabilities. Intercompany revenues are recognized using the same arm’s-length conditions applied to transactions with third parties.

Operating EBITDA adjusted serves as a key performance indicator for a sustainable determination of operating result. Assessment of the operating segments’ performance is also based on this performance indicator. Operating EBITDA adjusted represents the operating earnings generated by the respective segment management before interest and taxes, as well as amortization/depreciation, impairment and reversals of impairment losses, and it is adjusted for special items. Elimination of these special items allows the determination of a normalized performance indicator, thus simplifying forecasting and comparability. Segment amortization/depreciation, impairment and reversals of impairment losses relate to property, plant and equipment and right-of-use assets, and to intangible assets as set out in notes 9 “Intangible Assets” and 10 “Property, Plant and Equipment and Right-of-Use Assets.” For segment reporting, intercompany leases are generally presented as operating leases with income and expenses recognized using the straight-line method in accordance with IFRS 8, in line with internal management. The business development of the venture capital organizations of Bertelsmann Investments is presented primarily on the basis of EBIT.

Each segment shows the investments accounted for using the equity method and their results, provided these companies can be clearly allocated to the segment concerned. In addition to the segment breakdown, revenues are broken down by customer location and revenue source. Non-current assets are also stated according to the location of the respective company.

Tabular segment information is presented on page 149.

The following table shows the reconciliation of segment information to the Consolidated Financial Statements:

Reconciliation of Segment Information to Group Profit or Loss

in € millions	2024	2023
Operating EBITDA adjusted	3,111	3,119
Amortization/depreciation, impairment and reversals of impairment losses on intangible assets, property, plant and equipment and right-of-use assets	(1,151)	(1,259)
Adjustments on amortization/depreciation, impairment and reversals of impairment losses on intangible assets, property, plant and equipment and right-of-use assets included in special items	14	128
Special items	(277)	(88)
EBIT	1,697	1,899
Financial result	(255)	(337)
Earnings before taxes	1,442	1,563
Income tax expense	(406)	(237)
Group profit or loss	1,036	1,326

30 Related Party Disclosures

For the Bertelsmann Group, related parties as defined in IAS 24 are those persons and entities that control or exercise a significant influence over the Bertelsmann Group, and those persons and entities controlled or jointly controlled by the Bertelsmann Group, or over which it exercises a significant influence. Accordingly, certain members of the Mohn family, the members of the Executive Board of Bertelsmann Management SE as the general partner, and the Supervisory Board of Bertelsmann SE & Co. KGaA, including close members of their families and including the companies that are controlled or jointly managed by them, and the joint ventures and associates forming part of the Bertelsmann Group and their subsidiaries, are defined as related parties. Furthermore, Bertelsmann Pension Trust e. V. is considered a related party (further details on this are presented in note 19 “Provisions for Pensions and Similar Obligations”).

The voting rights of Bertelsmann SE & Co. KGaA are exercised by Bertelsmann Verwaltungsgesellschaft mbH (BVG), Gütersloh, a holding company with no operating activities. The voting rights of BVG are controlled by its highest decision-making body, the steering committee, which is dominated by members of the Mohn family, in particular by the family spokesperson Christoph Mohn. Johannes Mohn GmbH has informed Bertelsmann SE & Co. KGaA that it directly owns more than 50 percent of the shares in Bertelsmann Management SE and of Bertelsmann SE & Co. KGaA. Reinhard Mohn Verwaltungsgesellschaft mbH continues to own more than one quarter of the shares in Bertelsmann Management SE and in Bertelsmann SE & Co. KGaA, respectively.

In the legal form of a KGaA, the business is managed by a general partner. In the case of Bertelsmann SE & Co. KGaA, Bertelsmann Management SE, represented by its Executive Board, is responsible for the management of the business. The statutory bodies consist of the Supervisory Board and the General Meeting at the Bertelsmann SE & Co. KGaA level and the Executive Board, Supervisory Board and General Meeting at the Bertelsmann Management SE level. The Supervisory Board of the KGaA is elected by the limited partners at the General Meeting. The members of the Bertelsmann Management SE Supervisory Board are appointed at the General Meeting of Bertelsmann Management SE. BVG controls the voting rights at the Bertelsmann SE & Co. KGaA and Bertelsmann Management SE General Meeting.

Remuneration for key management personnel includes the following:

Remuneration for Key Management Personnel

in € millions	2024	2023
Short-term employee and termination benefits	19	15
Post-employment benefits	–	–
Other long-term benefits	9	6

The remuneration shown also includes remuneration for activities by the members of the Supervisory Board of Bertelsmann SE & Co. KGaA on the Supervisory Board of Bertelsmann Management SE. Transactions with subsidiaries included in the scope of consolidation are eliminated and are not further disclosed.

In addition to transactions with consolidated subsidiaries, the following transactions with related parties and entities were conducted:

Transactions with Related Parties

in € millions	Parent and entities with significant influence	Key members of management	Joint ventures	Associates	Other related parties
2024					
Goods delivered and services provided to	–	1	10	37	–
Goods and services received from	–	(2)	(16)	(35)	(3)
Receivables from	–	–	10	17	–
Amounts owed to	–	42	22	17	37
2023					
Goods delivered and services provided to	–	1	20	48	–
Goods and services received from	–	(2)	(17)	(30)	(1)
Receivables from	–	–	11	22	–
Amounts owed to	–	36	17	20	32

The amounts owed to key members of management include pension obligations, variable remuneration components and long-term incentives. The item “Other related parties” primarily includes transactions with the general partner Bertelsmann Management SE. The obligations as of the end of the reporting period result from recharged expenses.

Other Transactions with Joint Ventures and Associates

in € millions	2024	2023
Outstanding contingent liabilities by		
– joint ventures	1	1
– associates	11	9
Contribution obligations to		
– associates	7	10
Capital contributions to		
– joint ventures	1	4
– associates	4	1
Capital distributions from		
– associates	–	15
Loans granted to		
– joint ventures	–	18
Loans received from		
– joint ventures	5	2

As in the previous year, in the financial year 2024, the contribution obligations to associates are fully attributable to the University Ventures Funds.

31 Events after the Reporting Period

In November 2024, Arvato signed an agreement to acquire 90 percent of the shares in ATC Computer Transport & Logistics, a global transport and logistics service provider headquartered in Ireland with further branches in Europe and New Zealand. The remaining 10 percent of the shares are scheduled to be acquired in January 2027. The acquisition offers Arvato new opportunities in the rapidly growing market for data center services. The transaction will be accounted for as a business combination in accordance with IFRS 3. The acquisition date is January 1, 2025. At the time the Consolidated Financial Statements were prepared, the purchase price allocation considering the preliminary estimated consideration of €37 million was at a very preliminary stage.

In December 2024, Arvato signed an agreement to acquire 100 percent of the shares in the US third-party logistics provider Carbel LLC, as well as United Customs Services, Inc. and Astur Cargo LLC. This step marks the company's entry into the growth market of e-commerce services for fashion, beauty and lifestyle providers in the United States. The transaction will be accounted for as a business combination in accordance with IFRS 3. The acquisition date is February 1, 2025. At the time the Consolidated Financial Statements were prepared, the purchase price allocation considering the preliminary estimated consideration of €170 million was at a very preliminary stage.

32 Exemption for Subsidiaries in Accordance with Sections 264 (3) and 264b of the German Commercial Code (HGB)

The following subsidiaries took advantage of the exemption regulations set out in section 264 (3) of the German Commercial Code (HGB) for the financial year ended December 31, 2024. The Bertelsmann Consolidated Financial Statements are the exempting Consolidated Financial Statements for these subsidiaries.

Name of the entity	Place
99 pro media GmbH	Leipzig
adality GmbH	Gütersloh
Ad Alliance GmbH	Cologne
adjoe GmbH	Hamburg
AppLike Group GmbH	Hamburg
arvato distribution GmbH	Harsewinkel
Arvato SE	Gütersloh
arvato services Dresden GmbH	Dresden
Arvato Systems Digital GmbH	Leipzig
arvato systems GmbH	Gütersloh
Ausbildung.de GmbH	Bochum
AVE Gesellschaft für Hörfunkbeteiligungen mbH	Berlin
AZ Direct Beteiligungs GmbH	Gütersloh
AZ Direct GmbH	Gütersloh
BAG Business Information Beteiligungs GmbH	Gütersloh
BAI GmbH	Gütersloh
BCE Germany GmbH	Cologne
BDMI GmbH	Gütersloh
BePeople GmbH	Gütersloh
Bertelsmann Aviation GmbH	Gütersloh
Bertelsmann Capital Holding GmbH	Gütersloh
Bertelsmann China Holding GmbH	Gütersloh
Bertelsmann Data Services GmbH	Gütersloh
Bertelsmann Global Business Services GmbH	Gütersloh
Bertelsmann Global Business Services Schwerin GmbH	Schwerin
Bertelsmann Investments Digital Health GmbH	Gütersloh
Bertelsmann Transfer GmbH	Gütersloh
Bertelsmann Treuhand- und Anlagegesellschaft mit beschränkter Haftung	Gütersloh
BI Capital GmbH	Gütersloh
BI Capital Verwaltungs GmbH	Gütersloh
BI Consulting GmbH	Gütersloh
BMG Production Music (Germany) GmbH	Berlin
BMG RIGHTS MANAGEMENT (Europe) GmbH	Berlin
BMG RIGHTS MANAGEMENT GmbH	Berlin
Campaign Services Neckarsulm GmbH	Neckarsulm
Campaign Services Offenbach GmbH	Frankfurt am Main
Checkout Charlie GmbH	Berlin
Chefkoch GmbH	Bonn
CLT-UFA Germany GmbH	Cologne
Cormeo GmbH	Gütersloh
COUNTDOWN MEDIA GmbH	Hamburg
Der Audio Verlag GmbH	Berlin
DeutschlandCard GmbH	Munich
Digital Media Hub GmbH	Cologne
Direct Analytics GmbH	Gütersloh
direct services Gütersloh GmbH	Gütersloh
Dorling Kindersley Verlag GmbH	Munich
DPV Deutscher Pressevertrieb GmbH	Hamburg
Eat the World GmbH	Berlin
EMBRACE GmbH	Gütersloh
Erste TD Gütersloh GmbH	Gütersloh
Erste WV Gütersloh GmbH	Gütersloh

Name of the entity	Place
European SCM Services GmbH	Gütersloh
EXTEDO GmbH	Ottobrunn
frechverlag GmbH	Stuttgart
FremantleMedia International Germany GmbH	Potsdam
FT Studios GmbH	Hamburg
GGP Media GmbH	Pößneck
G+J Digital Ventures GmbH	Berlin
G+J Electronic Media Sales GmbH	Hamburg
G+J LIVING Digital GmbH	Hamburg
G+J Medien GmbH	Hamburg
Global Assekuranz Vermittlungsgesellschaft mit beschränkter Haftung	Gütersloh
GR Apps GmbH	Hamburg
Gruner + Jahr Deutschland GmbH	Hamburg
Henri-Nannen-Schule Gruner+Jahr/DIE ZEIT GmbH	Hamburg
Immobiliengesellschaft Dresden Ostra-Allee 18 GmbH	Dresden
infoscore Business Support GmbH	Baden-Baden
infoscore Finance GmbH	Baden-Baden
infoscore Portfolio Management International GmbH	Gütersloh
inmediaONE] GmbH	Gütersloh
justDice GmbH	Hamburg
justtrack GmbH	Hamburg
mbs Nürnberg GmbH	Nuremberg
milch & zucker GmbH	Gießen
Mohn Media Energy GmbH	Gütersloh
Mohn Media Mohndruck GmbH	Gütersloh
MSP Medien-Service und Promotion GmbH	Hamburg
Penguin Books Deutschland Gesellschaft mit beschränkter Haftung	Munich
Penguin Random House Verlagsgruppe GmbH	Gütersloh
Prinovis Ahrensburg Weiterverarbeitung und Logistik GmbH	Hamburg
PRINOVIS Service GmbH	Hamburg
Prinovis Verwaltungs GmbH	Gütersloh
Probind Mohn media Binding GmbH	Gütersloh
PSC Print Service Center GmbH	Oppurg
Random House Audio GmbH	Cologne
Reinhard Mohn GmbH	Gütersloh
Relias Learning GmbH	Berlin
rewards arvato services GmbH	Munich
Riverty Administration Services GmbH	Münster
Riverty Group GmbH	Baden-Baden
Riverty Services GmbH	Verl
RM Buch und Medien Vertrieb GmbH	Gütersloh
RM Chemnitz GmbH	Chemnitz
RM Elfte Beteiligungsverwaltungs GmbH	Gütersloh
RM Hamburg Holding GmbH	Hamburg
RM Neubrandenburg GmbH	Neubrandenburg
RM Schwerin GmbH	Schwerin
Rote Liste Service GmbH	Frankfurt am Main
RTL AdAlliance GmbH	Cologne
RTL Advertising GmbH	Cologne
RTL Audio Center Berlin GmbH	Berlin
RTL Audio Vermarktung GmbH	Berlin
RTL Deutschland GmbH	Cologne
RTL Group Business Services GmbH	Cologne
RTL Group Business Services Schwerin GmbH	Schwerin
RTL Group GmbH	Cologne
RTL Group Markenverwaltungs GmbH	Cologne
RTL Group Vermögensverwaltung GmbH	Cologne
RTL Hessen GmbH	Frankfurt am Main
RTL interactive GmbH	Cologne
RTL Journalistenschule GmbH	Cologne
RTL MUSIC PUBLISHING GmbH	Cologne
RTL NEWS GmbH	Cologne
RTL Nord GmbH	Hamburg
RTL Radio Berlin GmbH	Berlin
RTL Radio Deutschland GmbH	Berlin
RTL Radio Luxemburg GmbH	Cologne
RTL STUDIOS GmbH	Cologne
RTL Technology GmbH	Cologne
RTL West GmbH	Cologne
rtv media group GmbH	Nuremberg
smartclip Europe GmbH	Düsseldorf
Sonopress GmbH	Gütersloh
SSB Software Service und Beratung GmbH	Gütersloh
Studyflix GmbH	Augsburg
SUNDAY GmbH	Hamburg
Tabbler GmbH	Hamburg
Telamo Musik & Unterhaltung GmbH	Munich
TERRITORY GmbH	Hamburg
TERRITORY Influence GmbH	Munich
TERRITORY MEDIA GmbH	Munich
TERRITORY Smart Agency GmbH	Hamburg
trndnxt GmbH	Munich
trndsphere blue GmbH	Munich
UFA Distribution GmbH	Potsdam
UFA Documentary GmbH	Potsdam
UFA Fiction GmbH	Potsdam
UFA Fiction Productions GmbH	Potsdam
UFA Film und Fernseh GmbH	Cologne
UFA GmbH	Potsdam
UFA Mitte GmbH	Leipzig
Ufa Radio-Programmgesellschaft in Bayern mbH	Ismaning
UFA Serial Drama GmbH	Potsdam
UFA Show & Factual GmbH	Cologne
Verlag RM GmbH.	Gütersloh
Verlegerdienst München GmbH	Gilching
VIVENO Group GmbH	Gütersloh
Vogel Druck und Medienservice GmbH	Höchberg
VOX Holding GmbH	Cologne
we are era GmbH	Berlin

In addition, the exemption regulations set out in section 264b of the German Commercial Code (HGB) were used by the following companies for the financial year ended December 31, 2024. The Bertelsmann Consolidated Financial Statements are the exempting Consolidated Financial Statements for these subsidiaries.

Name of the entity	Place
Antenne Niedersachsen GmbH & Co. KG	Hannover
AVE II Vermögensverwaltungsgesellschaft mbH & Co. KG	Cologne
AZ fundraising services GmbH & Co. KG	Gütersloh
infoscore Portfolio Management GmbH & Co. KG	Verl
infoscore Portfolio Management II GmbH & Co. KG	Baden-Baden
Prinovis GmbH & Co. KG	Gütersloh

The consolidated subsidiary Arvato Ireland Limited in Dublin, Ireland, has used the exemption option offered in section 357 of the “Republic of Ireland Companies Act 2014” for publication requirements for its annual financial statements. The consolidated subsidiary Arvato Netherlands B.V. in Heijen, the Netherlands, has elected to make use of the exemption to publish annual accounts in accordance with section 403 (1) of book 2 of the Dutch Civil Code.

33 Additional Information in Accordance with Section 315e of the German Commercial Code (HGB)

The compensation of the Supervisory Board of Bertelsmann SE & Co. KGaA for the financial year 2024 amounted to €2 million plus statutory value-added tax. Members of the Executive Board received total remuneration in the financial year 2024 of €25 million, including €24 million from Bertelsmann Management SE. Former members of the Executive Board of Bertelsmann Management SE and Bertelsmann AG and their surviving dependents received compensation of €7 million, including €5 million from Bertelsmann SE & Co. KGaA. The provisions for both pension obligations and transitional payments to former members of the Executive Board of Bertelsmann AG and Bertelsmann Management SE accrued at Bertelsmann SE & Co. KGaA and Bertelsmann Management SE amount to €72 million. The members of the Supervisory Board and Executive Board are listed in the chapter “Boards/Mandates” of this Annual Report.

The following fees were incurred in the financial year for the services of the auditor of the consolidated financial statements, KPMG AG Wirtschaftsprüfungsgesellschaft:

in € millions	2024
Audit services	5.4
Other audit-related services	1.2
Other services	–
Total	6.6

The audit services include the fees for the audit of the consolidated financial statements, the review of the interim consolidated financial statements and the audit of the statutory financial statements of Bertelsmann SE & Co. KGaA and its subsidiaries. Other audit-related services include audits required by law or contract, assurance services for the Combined Group Sustainability Statement and voluntarily commissioned assurance services in connection with information technology and internal control systems.

The following table shows the number of employees as of December 31, 2024, and on an annual average:

Number of Employees

	Number of employees (closing date)	Number of employees (average)
RTL Group	17,612	18,828
Penguin Random House	13,201	13,137
BMG	1,020	1,073
Arvato Group	24,850	25,009
Bertelsmann Marketing Services	5,250	5,585
Bertelsmann Education Group	10,090	10,632
Bertelsmann Investments	984	2,007
Corporate	1,600	1,575
Total	74,607	77,845

34 Proposal for the Appropriation of Net Retained Profits

The general partner Bertelsmann Management SE and the Supervisory Board of Bertelsmann SE & Co. KGaA will propose to the General Meeting that the net retained profits of Bertelsmann SE & Co. KGaA of €1,528 million be appropriated as follows: payment of a dividend to shareholders of €220 million (dividend per ordinary share thus amounts to €2,627) and carry forward to the new financial year in the remaining amount of €1,308 million.

The general partner Bertelsmann Management SE approved the Consolidated Financial Statements for submission to the Supervisory Board of Bertelsmann SE & Co. KGaA on March 19, 2025. The Supervisory Board’s task is to review the Consolidated Financial Statements and declare whether it approves these.

Gütersloh, March 19, 2025

Bertelsmann SE & Co. KGaA,
Represented by:
Bertelsmann Management SE, the general partner
Executive Board

Thomas Rabe Carsten Coesfeld Thomas Coesfeld

Rolf Hellermann Immanuel Hermreck

Responsibility Statement

To the best of our knowledge, and in accordance with the applicable reporting principles, the Consolidated Financial Statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group, and the Combined Management Report includes a fair review of the development and performance of the business and the position of the Bertelsmann Group and Bertelsmann SE & Co. KGaA, together with a description of the material opportunities and risks associated with the expected development of the Bertelsmann Group and Bertelsmann SE & Co. KGaA.

Gütersloh, March 19, 2025

Bertelsmann SE & Co. KGaA,
Represented by:
Bertelsmann Management SE, the general partner
Executive Board

Thomas Rabe	Carsten Coesfeld	Thomas Coesfeld

Rolf Hellermann	Immanuel Hermreck

Independent Auditor’s Report

To Bertelsmann SE & Co. KGaA, Gütersloh

Report on the Audit of the Consolidated Financial Statements and of the Combined Management Report

Opinions

We have audited the consolidated financial statements of Bertelsmann SE & Co. KGaA, Gütersloh, and its subsidiaries (the Group), which comprise the consolidated income statement, the consolidated statement of comprehensive income, the consolidated balance sheet, the consolidated cash flow statement and consolidated statement of changes in equity for the financial year from 1 January to 31 December 2024, and notes to the consolidated financial statements, including significant information on the accounting policies. In addition, we have audited the management report for the Company and the Group (hereinafter: the “combined management report”) of Bertelsmann SE & Co. KGaA for the financial year from 1 January to 31 December 2024.

In accordance with German legal requirements, we have not audited the content of those parts of the combined management report listed in the “Other information” section of our auditor’s report.

In our opinion, on the basis of the knowledge obtained in the audit,
- the accompanying consolidated financial statements comply, in all material respects, with the IFRS Accounting Standards issued by the International Accounting Standards Board (IASB) (hereinafter referred to as “IFRS Accounting Standards”) as adopted by the EU, and the additional requirements of German commercial law pursuant to Section 315e (1) HGB [Handelsgesetzbuch: German Commercial Code] and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as at 31 December 2024, and of its financial performance for the financial year from 1 January to 31 December 2024, and
- the accompanying combined management report as a whole provides an appropriate view of the Group’s position. In all material respects, this combined management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our opinion on the combined management report does not cover the content of those parts of the combined management report listed in the “Other information” section.

Pursuant to Section 322 (3) sentence 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the combined management report.

Basis for the Opinions

We conducted our audit of the consolidated financial statements and of the combined management report in accordance with Section 317 HGB and the EU Audit Regulation No 537/2014 (referred to subsequently as “EU-APrVO”) and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). Our responsibilities under those requirements and principles are further described in the “Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements and of the Combined Management Report” section of our auditor’s report. We are independent of the group entities in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. In addition, in accordance with Article 10 (2)(f) of the EU-APrVO, we declare that we have not provided non-audit services prohibited under Article 5 (1) of the EU-APrVO.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinions on the consolidated financial statements and on the combined management report.

Key Audit Matters in the Audit of the Consolidated Financial Statements

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements for the financial year from 1 January to 31 December 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, we do not provide a separate opinion on these matters.

Impairment testing of goodwill

Please refer to the general principles set out in the notes to the consolidated financial statements for information on the accounting policies applied. Please also refer to Section 9 of the notes to the consolidated financial statements concerning the assumptions used.

The financial statement risk

Goodwill amounted to EUR 8,802 million as at 31 December 2024 and, at 27 % of total assets and 56 % of group equity, has a significant impact on the financial position.

Goodwill is tested for impairment annually at the level of the cash-generating units to which the relevant goodwill is allocated, without this requiring a specific cause. If impairment triggers arise during the financial year, an event-driven impairment test is also carried out during the year. For the impairment test of goodwill, the carrying amount is compared with the recoverable amount of the respective cash-generating unit. If the carrying amount is higher than the recoverable amount, there is a need for an impairment. The recoverable amount is the higher of fair value less costs of disposal and value in use of the cash-generating unit. The effective date for the impairment test is 31 December of a financial year.

For the listed cash-generating units RTL Group, Afya and Groupe M6, the fair value less costs of disposal derived from the market capitalization is compared with the carrying amount of the cash-generating unit in a first step. For the RTL Group and Groupe M6 units, the value in use determined on the basis of a discounted cash flow (DCF) method is compared with the carrying amount of the cash-generating unit in a second step. For the impairment tests of the other cash-generating units, the recoverable amount is determined as the fair value less costs of disposal on the basis of the expected future cash inflows using a DCF method and compared with the carrying amount of the cash-generating unit.

During the review of the parameters that may indicate a decrease in the recoverable amount of cash-generating units, a triggering event was identified for the cash-generating unit Fremantle. As a result, the recoverability of this cash-generating unit was tested on an ad hoc basis as at 30 June 2024. As a result of this impairment test, no need for impairment was identified.

No goodwill impairment loss was recognized in the course of the annual goodwill impairment test as of 31 December 2024.

The impairment test of goodwill is complex and is based on a number of discretionary assumptions. These include, among other things, the expected business and earnings development of the cash-generating units for the detailed planning period, the assumed long-term growth rates and the discount rate used.

There is a risk for the consolidated financial statements that an existing impairment loss has not been recognized or that the identified impairment has not been recognized in an appropriate amount. In addition, there is a risk that the related disclosures in the notes are inappropriate.

Our audit approach

With the involvement of our valuation specialists, we assessed, among other things, the appropriateness of the Company's material assumptions and calculation method for both the event-driven and the annual impairment test. To this end, we discussed the expected business and earnings development in the detailed planning period as well as the assumed long-term growth rates with those responsible for planning. We also carried out reconciliation with the 2025 budget prepared by the Executive Board and approved by the Supervisory Board as well as the medium-term business plan (2026 and 2027) and made an assessment of planning updates into the detailed planning period as well as the termination period.

Further, we have convinced ourselves of the company's forecast quality to date by comparing plans for previous financial years with the results actually realised and analysing deviations.

We compared the assumptions and data underlying the discount rates, in particular the risk-free interest rates, the market risk premiums and the beta factors, with our own assumptions and publicly available data.

To ensure the arithmetical correctness of the valuation method used, we have reproduced the company's calculations and reproduced them on the basis of risk-oriented selected elements on the basis of our own calculations.

In order to take account of the existing forecast uncertainty, we have examined the effects of possible changes in the discount rate, earnings development or long-term growth rate on the recoverable amount by reconstructing the sensitivity analyses carried out by the company and comparing them with the valuation results.

The risk-oriented focus of our audit was on six cash-generating units, for which we performed detailed analyses.

Finally, we assessed whether the disclosures in the notes regarding impairment of goodwill are appropriate. This also included an assessment of the appropriateness of the disclosures in the notes pursuant to IAS 36.134(f) on sensitivities in the event of a reasonably possible change in key assumptions underlying the evaluation.

Our observations

The calculation methods on which the event-driven and annual goodwill impairment tests are based are appropriate and in line with the applicable accounting policies. The Company's assumptions and data used for measurement are appropriate. The related disclosures in the notes are appropriate.

Measurement of non-controlling interests held by venture capital organizations for which no observable market data is available

Please refer to the "Accounting policies" section in the notes to the consolidated financial statements and section 27 for information on the accounting policies applied and the assumptions used. Information on the amount of minority interests held by venture capital organizations for which no observable market data is available and information on the amount of changes in fair value recognized in profit or loss can be found in section 27.

The financial statement risk

The non-controlling interests held by venture capital organizations for which no observable market data is available totaled EUR 1,074 million as of 31 December 2024, and, at 3 percent of the total assets and 7 % of the group equity, are significant for assets and liabilities.

Non-controlling interests held by venture capital organizations for which no observable market data is available are classified at fair value through profit or loss in respect of measurement according to IFRS 9. Investments in associates that are measured at fair value through profit or loss in application of IAS 28.18 are also included here. The fair value determined as of 31 December 2024, of the non-controlling interests held by venture capital organizations is based on non-observable market data (level 3 valuation). The determination of fair value is based largely on different complex valuation models.

Determining the measurement of the non-controlling interests held by venture capital organizations for which no observable market data is available is based on a series of assumptions that require judgment. These include the investment-specific assumptions about credit risks as well as life and development cycles of the investments that are required as inputs of the model.

There is the risk for the consolidated financial statements that the assumptions and estimates made for the calculation of fair value as of the reporting date do not materialize in the future and that the changes in value resulting from this are not recognized in the appropriate amount. There is also the risk that the related disclosures in the notes are not appropriate.

Our audit approach

We have assessed the appropriateness and setup of controls that the Company has established to ensure that the data for the inputs for measuring the non-controlling interests held by venture capital organizations for which no observable market data is available is determined correctly and in full.

In addition, we assessed the appropriateness of the Company’s key assumptions as well as the valuation methods used. To ensure the computational accuracy of the valuation methods used, we verified the Company’s calculations on the basis of selected risk-based elements and compared them with contractual information from the most recent financing rounds as well as publicly available data. In addition, we have carried out an analysis of potentially valuation-relevant information for risk-oriented selected investments.

Finally, we assessed whether the disclosures in the notes on the measurement of the non-controlling interests held by venture capital organizations for which no observable market data is available are appropriate.

Our observations

The valuation models underlying the calculation of the non-controlling interests held by venture capital organizations for which no observable market data is available are appropriate and consistent with the applicable accounting policies. The Company’s assumptions and data used for measurement are appropriate. The related disclosures in the notes are appropriate.

Recognition of deferred tax assets

Please refer to the general principles set out in the notes to the consolidated financial statements for the accounting and valuation principles applied. Please refer to Section 8 of the notes to the consolidated financial statements for information on deferred tax assets and liabilities.

The financial statement risk

Deferred tax assets of EUR 898 million are reported in the consolidated financial statements as of 31 December 2024, of which EUR 554 million is attributable to the German tax group.

For the recognition of deferred tax assets, the Executive Board estimates the extent to which the existing deferred tax assets can be utilized in subsequent reporting periods. The realization of these claims presupposes that sufficient taxable income will be generated in the future. If there are reasonable doubts about the future usability of the calculated deferred tax assets, deferred tax assets are not recognized or deferred taxes already recognized are written down.

The recognition of deferred tax assets is highly dependent on the estimates and assumptions of the Executive Board with regard to the operating performance of the entities and the Group’s tax planning and is therefore subject to significant uncertainties. Furthermore, the realization depends on the respective tax law environment.

In the current financial year and in the two previous financial years, the German tax group generated tax losses. In the opinion of the Management Board, there is convincing other evidence that sufficient taxable income will be generated in the future to be able to use the deferred tax assets on loss carryforwards and temporary differences.

There is a risk for the consolidated financial statements that the Executive Board’s assessment is not appropriate and that the deferred tax assets recognized for the German tax group are not recoverable. There is also a risk that the disclosures in the notes to the consolidated financial statements are not appropriate.

Our audit approach

We involved our tax specialists in the audit to assess the recognition of deferred tax assets. Firstly, we critically analysed the tax calculation for the current financial year and the calculation of the temporary differences between the IFRS carrying amounts and the tax base, particularly in the case of the German tax group. In addition, we reconciled the loss carryforwards to the available tax assessments and the tax calculations for the current and previous financial year.

We assessed the recoverability of the deferred tax assets on the basis of the Company’s internal forecasts of future taxable income and critically evaluated the underlying assumptions. The basis for the forecast is the tax planning, which is based on the planning of the Executive Board, which is approved by the Supervisory Board. We assessed the planning, including the key planning assumptions and other substantive evidence, and evaluated the appropriateness of the key assumptions, taking into account general and industry-specific market expectations. We obtained an explanation from management of the estimates regarding the sustained improvement in the earnings position of the German tax group.

Further, we satisfied ourselves of the quality of the company’s forecasts to date by comparing forecasts from previous financial years with the results actually realised at a later date and analysing any deviations.

Finally, we assessed whether the disclosures in the notes on the recoverability of deferred tax assets in loss-making situations are appropriate.

Our observations

The assumptions underlying the recognition of deferred tax assets are appropriate overall.

We consider the related disclosures in the notes to be appropriate.

Other Information

The Executive Board and the Supervisory Board are responsible for the other information. The other information comprises the following non-audited components of the combined management report:
- the combined non-financial statement of the Group and the Company, which is included in the “Combined Group Sustainability Statement (Sustainability Report)” section of the combined management report, and
- the information extraneous to management reports pursuant to Section A.5 of the German Corporate Governance Code 2022 on the effectiveness of the RMS and ICS included in section “Risk management system” of the combined management report.

The other information also includes the Annual Report expected to be made available to us after the date of this auditor’s report. The other information does not include the consolidated financial statements, the combined management report information audited for content and our auditor’s report thereon.

Our opinions on the consolidated financial statements and on the combined management report do not cover the other information, and consequently we do not express an opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information and, in so doing, to consider whether the other information
- is materially inconsistent with the consolidated financial statements, with the combined management report information audited for content or our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

Responsibilities of the Executive Board and the Supervisory Board for the Consolidated Financial Statements and the Combined Management Report

The Executive Board is responsible for the preparation of consolidated financial statements that comply, in all material respects, with IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. In addition, the Executive Board is responsible for such internal controls as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud (i.e. fraudulent financial reporting and misappropriation of assets) or error.

In preparing the consolidated financial statements, the Executive Board is responsible for assessing the Group’s ability to continue as a going concern. It also has the responsibility for disclosing, as applicable, matters related to going concern. In addition, it is responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the Executive Board is responsible for the preparation of the combined management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the Executive Board is responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a combined management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the combined management report.

The Supervisory Board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the combined management report.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Combined Management Report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the combined management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our opinions on the consolidated financial statements and on the combined management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Section 317 HGB and the EU-APrVO and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this combined management report.

We exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements and of the combined management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures relevant to the audit of the combined management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group´s internal control or of these arrangements and measures.
- Evaluate the appropriateness of accounting policies used by the Executive Board and the reasonableness of estimates made by the Executive Board and related disclosures.
- Conclude on the appropriateness of the Executive Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the combined management report or, if such disclosures are inadequate, to modify our respective opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRS Accounting Standards as adopted by the EU and the additional requirements of German commercial law pursuant to Section 315e (1) HGB.
- Plan and perform the audit of the consolidated financial statements to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business segments within the Group to provide a basis for our opinions on the consolidated financial statements and on the combined management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our opinions.
- Evaluate the consistency of the combined management report with the consolidated financial statements, its conformity with [German] law, and the view of the Group's position it provides.
- Perform audit procedures on the prospective information presented by the Executive Board in the combined management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the Executive Board as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with the relevant independence requirements and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, the related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Other Legal and Regulatory Requirements

Report on the Assurance on the Electronic Rendering of the Consolidated Financial Statements and the Combined Management Report Prepared for Publication Purposes in Accordance with Section 317 (3a) HGB

We have performed assurance work in accordance with Section 317 (3a) HGB to obtain reasonable assurance about whether the rendering of the consolidated financial statements and the combined management report (hereinafter the "ESEF documents") contained in the electronic file „bertelsmann-2024-12-31-de.zip" (SHA256-hash value: 00e95420a4c389104f7da5bd78dae962a32b0f8ebe1de93c3c98021916f5e982) made available and prepared for publication purposes complies in all material respects with the requirements of Section 328 (1) HGB for the electronic reporting format ("ESEF format"). In accordance with German legal requirements, this assurance extends only to the conversion of the information contained in the consolidated financial statements and the combined management report into the ESEF format and therefore relates neither to the information contained in these renderings nor to any other information contained in the file identified above.

In our opinion, the rendering of the consolidated financial statements and the combined management report contained in the electronic file made available, identified above and prepared for publication purposes complies in all material respects with the requirements of Section 328 (1) HGB for the electronic reporting format. Beyond this assurance opinion and our audit opinion on the accompanying consolidated financial statements and the accompanying combined management report for the financial year from 1 January to 31 December 2024 contained in the “Report on the Audit of the Consolidated Financial Statements and the Combined Management Report” above, we do not express any assurance opinion on the information contained within these renderings or on the other information contained in the file identified above.

We conducted our assurance work on the rendering of the consolidated financial statements and the combined management report contained in the file made available and identified above in accordance with Section 317 (3a) HGB and the IDW Assurance Standard: Assurance Work on the Electronic Rendering of Financial Statements and Management Reports Prepared for Publication Purposes in Accordance with Section 317 (3a) HGB (IDW PS 410 (06.2022)). Our responsibility in accordance therewith is further described below. Our audit firm applies the IDW Standard on Quality Management: Requirements for Quality Management in Audit Firms (IDW QMS 1 (09.2022)).

The Company’s Executive Board is responsible for the preparation of the ESEF documents including the electronic rendering of the consolidated financial statements and the combined management report in accordance with Section 328 (1) sentence 4 item 1 HGB and for the tagging of the consolidated financial statements in accordance with Section 328 (1) sentence 4 item 2 HGB.

In addition, the Company’s Executive Board is responsible for such internal control that it has considered necessary to enable the preparation of ESEF documents that are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB for the electronic reporting format.

The Supervisory Board is responsible for overseeing the process of preparing the ESEF documents as part of the financial reporting process.

Our objective is to obtain reasonable assurance about whether the ESEF documents are free from material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB. We exercise professional judgement and maintain professional scepticism throughout the assurance work. We also:

- Identify and assess the risks of material intentional or unintentional non-compliance with the requirements of Section 328 (1) HGB, design and perform assurance procedures responsive to those risks, and obtain assurance evidence that is sufficient and appropriate to provide a basis for our assurance opinion.
- Obtain an understanding of internal control relevant to the assurance on the ESEF documents in order to design assurance procedures that are appropriate in the circumstances, but not for the purpose of expressing an assurance opinion on the effectiveness of these controls.
- Evaluate the technical validity of the ESEF documents, i.e. whether the file made available containing the ESEF documents meets the requirements of the Delegated Regulation (EU) 2019/815, as amended as at the reporting date, on the technical specification for this electronic file.
- Evaluate whether the ESEF documents provide an XHTML rendering with content equivalent to the audited consolidated financial statements and the audited combined management report.
- Evaluate whether the tagging of the ESEF documents with Inline XBRL technology (iXBRL), in accordance with the requirements of Articles 4 and 6 of Delegated Regulation (EU) 2019/815, as amended as at the reporting date, enables an appropriate and complete machine-readable XBRL copy of the XHTML rendering.

Further Information Pursuant to Article 10 of the EU-APrVO

We were elected as auditor of the consolidated financial statements at the Annual General Meeting on 6 May 2024. We were engaged by the Supervisory Board on 14 August 2024. We have been the group auditor of Bertelsmann SE & Co. KGaA since financial year 2020.

We declare that the opinions expressed in this auditor's report are consistent with the additional report to the Audit and Finance Committee pursuant to Article 11 of the EU-APrVO (long-form audit report).

Other Matter – Use of the Auditor's Report

Our auditor's report must always be read together with the audited consolidated financial statements and the audited combined management report as well as the examined ESEF documents. The consolidated financial statements and the combined management report converted to the ESEF format – including the versions to be entered in the German Company Register [Unternehmensregister] – are merely electronic renderings of the audited consolidated financial statements and the audited combined management report and do not take their place. In particular, the ESEF report and our assurance opinion contained therein are to be used solely together with the examined ESEF documents made available in electronic form.

German Public Auditor Responsible for the Engagement

The German Public Auditor responsible for the audit is Frank Thiele.

Bielefeld, March 20, 2025

KPMG AG
Wirtschaftsprüfungsgesellschaft

Dr Tonne Wirtschaftsprüfer [German Public Auditor]	Thiele Wirtschaftsprüfer [German Public Auditor]

Assurance Report of the Independent German Public Auditor on a Limited Assurance Engagement in relation to the Combined Group Sustainability Statement

To Bertelsmann SE & Co. KGaA, Gütersloh

Assurance Conclusion

We have conducted a limited assurance engagement on the Combined Group Sustainability Statement, included in section “Combined Group Sustainability Statement (Sustainability Report)” (further: “Group Sustainability Statement”) of the combined management report of Bertelsmann SE & Co. KGaA, Gütersloh (further: “Bertelsmann SE & Co. KGaA” or “Company”) for the financial year from 1 January to 31 December 2024. The Group Sustainability Statement was prepared to fulfil the requirements of Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 (Corporate Sustainability Reporting Directive, CSRD) and Article 8 of Regulation (EU) 2020/852 as well as Sections 315b and 315c of the HGB [Handelsgesetzbuch: German Commercial Code] for a consolidated non-financial statement and Sections 289b to 289e of the HGB for a non-financial statement of the Company.

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the accompanying Group Sustainability Statement is not prepared, in all material respects, in accordance with the requirements of the CSRD and Article 8 of Regulation (EU) 2020/852, Sections 315b and 315c HGB for a consolidated non-financial statement, Sections 289b to 289e of the HGB for a non-financial statement of the Company and the supplementary criteria presented by the Executive Board of the Company. This assurance conclusion includes that nothing has come to our attention that causes us to believe that:

- the accompanying Group Sustainability Statement does not comply, in all material respects, with the European Sustainability Reporting Standards (ESRS), including that the process carried out by the Company to identify information to be included in the Group Sustainability Statement (the materiality assessment) is not, in all material respects, in accordance with the description set out in section “IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities” of the Group Sustainability Statement, or
- the disclosures in section “EU Taxonomy” of the Group Sustainability Statement do not comply, in all material respects, with Article 8 of Regulation (EU) 2020/852.

Basis for the Assurance Conclusion

We conducted our assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised): Assurance Engagements Other Than Audits or Reviews of Historical Financial Information issued by the International Auditing and Assurance Standards Board (IAASB).

The procedures in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Our responsibilities under ISAE 3000 (Revised) are further described in the section “German Public Auditor’s Responsibilities for the Assurance Engagement on the Group Sustainability Statement”.

We are independent of the entity in accordance with the requirements of European law and German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. Our audit firm has applied the requirements for a system of quality control as set forth in the IDW Quality Management Standard issued by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW): Requirements for Quality Management in the Audit Firm (IDW QMS 1 (09.2022)) and International Standard on Quality Management (ISQM) 1 issued by the IAASB. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our assurance conclusion.

Responsibilities of the Executive Board and the Supervisory Board for the Group Sustainability Statement

The Executive Board is responsible for the preparation of the Group Sustainability Statement in accordance with the requirements of the CSRD and the applicable German legal and other European requirements as well as with the supplementary criteria presented by the Executive Board of the Company and for designing, implementing and maintaining such internal controls that they have considered necessary to enable the preparation of a Group Sustainability Statement in accordance with these requirements that is free from material misstatement, whether due to fraud (i.e., fraudulent sustainability reporting in the Group Sustainability Statement) or error.

This responsibility of the Executive Board includes establishing and maintaining the materiality assessment process, selecting and applying appropriate reporting policies for preparing the Group Sustainability Statement, as well as making assumptions and estimates and ascertaining forward-looking information for individual sustainability-related disclosures.

The Supervisory Board is responsible for overseeing the process for the preparation of the Group Sustainability Statement.

Inherent Limitations in Preparing the Group Sustainability Statement

The CSRD and the applicable German legal and other European requirements contain wording and terms that are subject to considerable interpretation uncertainties and for which no authoritative, comprehensive interpretations have yet been published. Therefore, the members of the Executive Board have disclosed their interpretations of such wording and terms in the Group Sustainability Statement. The Executive Board is responsible for the reasonableness of these interpretations. As such wording and terms may be interpreted differently by regulators or courts, the legality of measurements or evaluations of sustainability matters based on these interpretations is uncertain. As further set forth in the Group Sustainability Statement, the quantification of the non-financial performance indicators is also subject to inherent uncertainties.

These inherent limitations also affect the assurance engagement on the Group Sustainability Statement.

German Public Auditor’s Responsibilities for the Assurance Engagement on the Group Sustainability Statement

Our objective is to express a limited assurance conclusion, based on the assurance engagement we have conducted, on whether any matters have come to our attention that cause us to believe that the Group Sustainability Statement has not been prepared, in all material respects, in accordance with the CSRD, the applicable German legal and other European requirements and the supplementary criteria presented by the Executive Board of the Company, and to issue an assurance report that includes our assurance conclusion on the Group Sustainability Statement.

As part of a limited assurance engagement in accordance with ISAE 3000 (Revised), we exercise professional judgment and maintain professional skepticism. We also:

- obtain an understanding of the process used to prepare the Group Sustainability Statement, including the materiality assessment process carried out by the entity to identify the disclosures to be reported in the Group Sustainability Statement.
- identify disclosures where a material misstatement due to fraud or error is likely to arise, design and perform procedures to address these disclosures and obtain limited assurance to support the assurance conclusion. The risk of not detecting a material misstatement resulting from fraud is higher than the risk of not detecting a material misstatement resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal controls. In addition, the risk of not detecting a material misstatement in information obtained from sources not within the entity's control (value chain information) is ordinarily higher than the risk of not detecting a material misstatement in information obtained from sources within the entity's control, as both the entity's Executive Board and we as practitioners are ordinarily subject to restrictions on direct access to the sources of the value chain information.
- consider the forward-looking information, including the appropriateness of the underlying assumptions. There is a substantial unavoidable risk that future events will differ materially from the forward-looking information.

Summary of the Procedures Performed by the German Public Auditor

A limited assurance engagement involves the performance of procedures to obtain evidence about the sustainability information. The nature, timing and extent of the selected procedures are subject to our professional judgment.

In performing our limited assurance engagement, we:

- evaluated the suitability of the criteria as a whole presented by the Executive Board in the Group Sustainability Statement
- inquired of the Executive Board and relevant employees involved in the preparation of the Group Sustainability Statement about the preparation process, including the materiality assessment process carried out by the entity to identify the disclosures to be reported in the Group Sustainability Statement, and about the internal controls relating to this process
- evaluated the reporting policies used by the Executive Board to prepare the Group Sustainability Statement
- evaluated the reasonableness of the estimates and related information provided by the Executive Board. If, in accordance with the ESRS, the Executive Board estimates the value chain information to be reported for a case in which the Executive Board are unable to obtain the information from the value chain despite making reasonable efforts, our assurance engagement is limited to evaluating whether the Executive Board has undertaken these estimates in accordance with the ESRS and assessing the reasonableness of these estimates, but does not include identifying information in the value chain that the Executive Board was unable to obtain
- performed analytical procedures and made inquiries in relation to selected information in the Group Sustainability Statement
- conducted site visits
- considered the presentation of the information in the Group Sustainability Statement
- considered the process for identifying taxonomy-eligible and taxonomy-aligned economic activities and the corresponding disclosures in the Group Sustainability Statement.

Restriction of Use / Clause on General Engagement Term

This assurance report is solely addressed to Bertelsmann SE & Co. KGaA.

The engagement, in the performance of which we have provided the services described above on behalf of Bertelsmann SE & Co. KGaA., was carried out on the basis of the General Engagement Terms for Wirtschaftsprüferinnen, Wirtschaftsprüfer und Wirtschaftsprüfungsgesellschaften (Allgemeine Auftragsbedingungen für Wirtschaftsprüferinnen, Wirtschaftsprüfer und Wirtschaftsprüfungsgesellschaften) dated as of 1 January 2024 (www.kpmg.de/AAB_2024). By taking note of and using the information as contained in our report each recipient confirms to have taken note of the terms and conditions stipulated in the aforementioned General Engagement Terms (including the liability limitations specified in item No. 9 included therein) and acknowledges their validity in relation to us.

Hanover, March 20, 2025

KPMG AG
Wirtschaftsprüfungsgesellschaft

Thiele Wirtschaftsprüfer [German Public Auditor]	Mund Wirtschaftsprüferin [German Public Auditor]

Corporate Governance at Bertelsmann

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

Bertelsmann SE & Co. KGaA is a capital market-oriented, unlisted company. The corporate governance of Bertelsmann SE & Co. KGaA largely follows the recommendations and suggestions contained in the German Corporate Governance Code (“Code”), the current version of which entered into force on April 28, 2022. Due to Bertelsmann’s closed group of shareholders, the company predominantly deviates from those recommendations and suggestions of the Code that are primarily aimed at publicly traded companies with a larger group of shareholders. Bertelsmann is not required to issue a declaration pursuant to section 161 of the German Stock Corporation Act stating that it complies with the recommendations of the Code.

Statutory Bodies of the Company

Bertelsmann’s legal form is that of a Kommanditgesellschaft auf Aktien (KGaA) (partnership limited by shares). The statutory bodies of the KGaA are the General Meeting, the Supervisory Board and the general partner. The general partner serves as the management and representative body of the KGaA. In the case of Bertelsmann, this is Bertelsmann Management SE, a European stock corporation (Societas Europaea), represented by its Executive Board. Bertelsmann SE & Co. KGaA and Bertelsmann Management SE each have their own Supervisory Boards. The members of the Executive Board of Bertelsmann Management SE are appointed and monitored by the Supervisory Board of Bertelsmann Management SE (dual leadership structure). The Supervisory Board of Bertelsmann SE & Co. KGaA supervises the management of the business by Bertelsmann Management SE. The duties and responsibilities of the individual bodies are clearly defined in each case and are strictly separated from each other. Simultaneous membership in the Executive Board of Bertelsmann Management SE and the Supervisory Board of Bertelsmann Management SE and of Bertelsmann SE & Co. KGaA, respectively, is not permitted. The Bertelsmann boards are obliged to secure the continuity and independence of the Group and to enhance the enterprise value in the long term through responsible and sustainable corporate management.

Closed Group of Shareholders

80.9 percent of the capital shares in Bertelsmann SE & Co. KGaA are held indirectly by foundations (Bertelsmann Stiftung, Reinhard Mohn Stiftung, BVG-Familienstiftung, BVG-Stiftung), and 19.1 percent are held indirectly by the Mohn family. Bertelsmann Verwaltungsgesellschaft (BVG) controls all voting rights at the General Meetings of Bertelsmann SE & Co. KGaA and Bertelsmann Management SE. BVG is responsible for upholding the interests of the foundations invested in Bertelsmann and of the Mohn family as indirect shareholders in Bertelsmann SE & Co. KGaA, as well as ensuring the continuity of the company’s management and Bertelsmann’s corporate culture. BVG is controlled by a steering committee composed of three representatives of the Mohn family and three additional non-family members.

Corporate Management

Transparent structures and clear decision-making processes are characteristic for Bertelsmann’s corporate management. The general partner, Bertelsmann Management SE, represented by its Executive Board, is responsible for independently managing the Group. Its duties consist of determining the corporate objectives, the strategic direction of the Group, management training, corporate planning, financing and management. Bertelsmann is committed to fulfilling its corporate responsibility and pursues high standards in this regard. To this end, Bertelsmann defines Group-wide ESG (environmental, social, governance) goals and incorporates them into management and decision-making processes.

Corporate responsibility, lawful behavior and acting with integrity toward employees, customers, business partners and government agencies also form an integral part of the value system at Bertelsmann. Bertelsmann has always been committed to the principle of adhering to laws and internal policies.

The Executive Board provides the respective Supervisory Boards with regular, prompt and comprehensive reports on all matters that are relevant to business development and strategy implementation, planning, financial position and results of operations, and the risk situation and risk management. It ensures compliance with the provisions of law and corporate guidelines within the Group. The members of the Executive Board bear joint responsibility for the overall management. Matters of fundamental or material significance and matters concerning the spheres of responsibility of multiple Executive Board members are addressed by the overall Executive Board. Notwithstanding this overall responsibility, the individual members of the Executive Board manage their departments as part of the duties stipulated by the overall Executive Board. The Executive Board Chairman coordinates the cooperation within the Executive Board and between the Executive Board and the Supervisory Boards, and has regular consultation meetings with the chair of the two Supervisory Boards. In addition, the Executive Board has established the Group Management Committee (GMC), which advises on important corporate strategy and development matters, and other issues that affect the Group as a whole. This committee includes the Executive Board as well as executives representing key businesses, countries, regions and select Group-wide functions.

The Supervisory Board of Bertelsmann SE & Co. KGaA supervises the management of the business by the general partner and uses its extensive information and control rights for this purpose. In addition, the Supervisory Boards advise the Executive Board on strategic matters and significant transactions. The Executive and Supervisory Boards work in close, trusting cooperation and are able to reconcile the demands of effective corporate governance with the need for rapid decision-making processes. The organization and duties of the Supervisory Board of Bertelsmann SE & Co. KGaA are described in greater detail in the Report of the Supervisory Board. The work of the Supervisory Board in the 2024 financial year is also covered in the report. The members of the Executive and Supervisory Boards are obliged to serve the company’s best interests in their work.

The Bertelsmann SE & Co. KGaA and Bertelsmann Management SE shareholders exercise their rights and vote at the respective General Meetings. The General Meetings vote on matters such as amendments to the articles of association and the distribution of profit, and elect the members of the respective Supervisory Boards.

Executive Board Supervisory Board

Report of the Supervisory Board

Christoph Mohn
Chairman of the Supervisory Board of Bertelsmann SE & Co. KGaA

Dear shareholders,

Overall, the global economy expanded at a moderate pace in the 2024 financial year. While the US economy grew rapidly, there was no growth in the eurozone. In this environment, Bertelsmann's relevant markets developed unevenly. European TV advertising markets saw stable development in France, but recorded slight declines in Germany and the Netherlands. By contrast, streaming markets in Germany and the Netherlands continued to grow. The relevant markets for printed books, e-books, and digital audiobooks saw growth in English-speaking regions. Sales of printed books also increased in Spanish-speaking regions, but stagnated in German-speaking ones. Meanwhile, music publishing and label markets, as well as Bertelsmann's relevant service and education markets, continued to grow. The decline in the German offset printing market, on the other hand, continued unabated. In this mixed market environment, Bertelsmann generated Group revenue of €19 billion and, despite the sale of its customer experience business Majorel in 2023, achieved an operating EBITDA adjusted of €3.1 billion, matching the previous year's level.

This report covers the activities of the Supervisory Board of Bertelsmann SE & Co. KGaA. It does not address the activities of the Supervisory Board of Bertelsmann Management SE. The Supervisory Board of Bertelsmann SE & Co. KGaA supervises the management of the business by the Executive Board of Bertelsmann Management SE and uses its extensive information and control rights for this purpose. In addition, the Supervisory Board advises the Executive Board of Bertelsmann Management SE on strategic matters and significant transactions. The Executive and Supervisory Boards work in close, trusting cooperation and are able to reconcile the demands of effective corporate governance with the need for rapid decision-making processes.

For some time, the delegation of tasks to committees of experts has been an integral component of the Supervisory Board's work at Bertelsmann. This increases the monitoring efficiency and advisory expertise of the Supervisory Board bodies. The committees also prepare topics to be dealt with in plenary meetings. The committee chairs – or, where applicable, their representatives – then report to the plenaries on the work performed by their committees.

The Supervisory Board has formed an Audit and Finance Committee and the Working Group of Employee and Management Representatives. The Audit and Finance Committee of the Supervisory Board of Bertelsmann SE & Co. KGaA deals with matters such as financial reporting, the accounting process, the sustainability reporting process and the effectiveness of the risk management, internal control and internal auditing systems. Other important topics regularly discussed are compliance, information security and data protection. A key focus of the work is auditing the Annual and Consolidated Financial Statements as well as monitoring the quality of the audit process. The Audit and Finance Committee is also responsible for reviewing the Sustainability Report.

The responsibilities of the Supervisory Board of Bertelsmann SE & Co. KGaA are complemented by those of the Supervisory Board of Bertelsmann Management SE, which has established a Personnel Committee and a Program Committee. The Personnel Committee of Bertelsmann Management SE also serves as the Nomination Committee and, in this capacity, proposes suitable candidates for the Supervisory Board to the plenary. Acting in place of the Supervisory Board, the Program Committee decides on the approval of program supply contracts, such as those for feature films, series or sports rights.

Advising and Monitoring the Executive Board of Bertelsmann Management SE in the 2024 Financial Year

In the reporting period, the Supervisory Board of Bertelsmann SE & Co. KGaA once again diligently fulfilled its legal and statutory responsibilities. It regularly advised and monitored the general partner, Bertelsmann Management SE, represented by its Executive Board, in managing and directing the company's operations. As part of its advisory and monitoring activities, the Supervisory Board of Bertelsmann SE & Co. KGaA was directly involved in important company decisions and transactions at an early stage, and discussed and reviewed these at length on the basis of reports from the Executive Board.

The general partner provided the Supervisory Board with regular, prompt and comprehensive written and verbal reports on all significant issues of strategy, planning, business performance, intended business policies and other fundamental management issues of importance for Bertelsmann SE & Co. KGaA. A wide range of topics and projects was presented for discussion at the meetings of the Supervisory Board during the 2024 financial year.

Supervisory Board Plenary Meetings

In the plenary meetings, the Supervisory Board of Bertelsmann SE & Co. KGaA regularly heard reports from the Executive Board on the current business and financial position of the Group and of the individual divisions. The Board also heard reports on Group planning and material business transactions, particularly major planned investments and divestments. The Chairman of the Supervisory Board, who at the same time is the Chairman of the Supervisory Board of Bertelsmann Management SE, reported regularly and comprehensively to the plenary meetings of the Supervisory Board concerning the topics and the progress of the discussions of the Supervisory Board of Bertelsmann Management SE and in its committees. The Supervisory Board was kept regularly informed of the status of the implementation of the Group's strategy by the Executive Board. To the extent stipulated by law and the articles of association and bylaws, the necessary decisions were made during the plenary meetings. In 2024, the meetings of the Supervisory Board and its committees were held in person, with the first meeting in January 2024 being held as a hybrid meeting with the option to participate by video. In the 2024 financial year, the Supervisory Board held four regular meetings and also met with the Executive Board for a strategy retreat.

The first meeting of the Supervisory Board, on January 31, 2024, focused on discussing the Group budget prepared by the Executive Board for 2024 and on the report of the current business situation and financial position. Subsequently, the Supervisory Board was updated in detail on the implementation of the Group strategy, including the ongoing investment and divestment measures.

At the next meeting on March 22, 2024, the Executive Board reported in particular on the current business situation and the status of strategy implementation. The main focus of the meeting was on addressing the Annual and Consolidated Financial Statements for 2023 and the Combined Management Report. At the recommendation of the Audit and Finance Committee and after discussion with the auditors KPMG AG Wirtschaftsprüfungsgesellschaft, Berlin, the Supervisory Board approved the Annual and Consolidated Financial Statements for the 2023 financial year and the Combined Management Report of Bertelsmann SE & Co. KGaA. The proposal of the general partner for the profit distribution was also approved. The Supervisory Board also reviewed and approved the summarized non-financial statement. In addition, the Supervisory Board followed the recommendation of the Audit and Finance Committee for the auditor for the 2024 financial year and for the auditor of the Interim Report, and approved its corresponding proposal to the Annual General Meeting. Furthermore, the Supervisory Board resolved on its report for the Annual General Meeting and approved the Corporate Governance Report that it prepared together with the Executive Board for the 2023 financial year. The Supervisory Board also dealt with the current business figures and the top Group risks.

At the two-day meeting on July 3 and 4, 2024, the Supervisory Board was once again briefed on the current business situation, the development of Group business activities and the status of strategy implementation. The Supervisory Board also focused on further developing the management development structure and the new leadership guidelines.

In the last Supervisory Board meeting of the financial year on November 14, 2024, the Supervisory Board again dealt with the Group's business situation and financial position and with internal Supervisory Board matters. In addition, the Executive Board gave the Supervisory Board a report on the outlook for the overall 2024 financial year. The Supervisory Board also discussed a report on ESG development at Bertelsmann and the status of implementation of the current ESG program.

The annual joint strategy dialogue between the Executive Board and Supervisory Board, which had already begun on the previous day, November 13, 2024, was also held during this meeting. The Supervisory Board was first updated on the status of strategy implementation. Bertelsmann made noticeable progress in its portfolio transformation in 2024; the quality of its business portfolio continued to improve and its financial position is very good. The implementation of the Boost strategy continued to progress in the individual divisions. The Group's growth ambitions remain the same despite the persistently challenging macroeconomic and geopolitical environment and other business-related developments, such as the rapid adoption of Generative AI.

Bertelsmann's strategic focus is to build a fast-growing, digital, international, and diversified Group portfolio. New businesses in which Bertelsmann invests are required to have strong long-term growth prospects, global reach, sustainable business models, high market-entry barriers and scalability. The strategic priorities are to strengthen the core business, expand global content businesses, grow through global services, expand the education business and develop the investment portfolio. The Group aims to grow in existing and new lines of business through organic initiatives and acquisitions. Bertelsmann's corporate strategy and planning also include due consideration of ecological and social goals. Based on the insights gained during the strategy retreat, the Supervisory Board believes that the Group is continuing to make good progress.

Supervisory Board Audit and Finance Committee

The Supervisory Board of Bertelsmann SE & Co. KGaA formed the Audit and Finance Committee to perform its tasks within its sphere of responsibility efficiently. The Audit and Finance Committee has four members, but the Chairman of the Supervisory Board does not serve as its chair. The Chair of the Audit and Finance Committee is Bodo Uebber. Both the Chair of the Audit and Finance Committee and at least one additional committee member are independent as defined by the Code and have special knowledge and experience in the areas of financial reporting and auditing. The competence profile also encompasses expertise on sustainability issues that are important to the company. All members of the Audit and Finance Committee are familiar with the sectors in which Bertelsmann SE & Co. KGaA operates.

In line with its mandate for the reporting year, the Audit and Finance Committee focused in particular on matters of corporate financing, the financial position of the Group, financial planning, fiscal policy and individual negative deviations in the performance of Group businesses relative to budget. The Committee also extensively addressed the financial reporting and financial reporting processes and monitored the effectiveness and functional capability of the risk management system, the internal control system and the internal auditing system. It also requested regular reports from the Head of Corporate Audit and Consulting. Furthermore, the Committee addressed issues relating to integrity and compliance, in particular the effectiveness and proper functioning of the compliance management system. In this context, it heard reports on significant compliance-related events in the Group. The Audit and Finance Committee determined to its satisfaction that Bertelsmann has an adequate and effective internal control system and risk management system with regard to the scope and risk situation of the company.

In addition, the Audit and Finance Committee reviewed the implementation of the EU's General Data Protection Regulation (GDPR) at Bertelsmann. During this part of the meeting, the Audit and Finance Committee was briefed on the further development of the data protection strategy, the status of its implementation, and the evolving data protection requirements. The situation and development of cyber security and the IT security structure within the Group were regularly discussed at the meetings of the Audit and Finance Committee. Against the backdrop of a high and tense global information security threat, expanding cybersecurity remains a top priority for the Group. After the successful conclusion of the multi-year Basic Infrastructure Measures (BIM) initiative to further develop and improve the security level in the existing IT infrastructures, the Basic Application Measures (BAM) initiative additionally covers the area of applications and, in this context, addresses the technological development and changes in the threat level.

Another key focus of the Audit and Finance Committee during the reporting year was the implementation of the Corporate Sustainability Reporting Directive (CSRD) and the Group's sustainability reporting process. The statutory implementation of the CSRD in Germany was not carried out on schedule. Nevertheless, the Bertelsmann Executive Board, in coordination with the Audit and Finance Committee, decided to report voluntarily in compliance with the applicable legal situation in accordance with the ESRS.

As required by law, the Committee focused on the auditing of the Annual and Consolidated Financial Statements (see also the section "Audit of the Annual and Consolidated Financial Statements" below). The Audit and Finance Committee had already discussed the focal points of the 2023 audit with the auditor during the 2023 financial year and then finalized them in a meeting at the end of August 2023. The key audit matters from the auditor's report were likewise discussed with the auditor in advance during the committee meeting held at the end of January 2024. The Chair of the Audit and Finance Committee regularly discussed with the auditor the provisional findings from the audit of the Annual and Consolidated Financial Statements for the 2023 financial year; all members of the Audit and Finance Committee then also discussed these findings with the auditor in a video conference that took place on March 7, 2024.

The financial review meeting of the Audit and Finance Committee was held on March 21, 2024. The meeting was attended by the auditor, who was available to address the Committee members' questions while the Annual Financial Statements and audit reports were discussed in detail. The findings of the auditor were reviewed in an internal audit of the Annual and Consolidated Financial Statements. The Audit and Finance Committee also reviewed the Executive Board's sustainability reporting as part of the combined non-financial statement, presented as a separate section of the management report, as well as the Executive Board's declaration at the end of its voluntary report for Bertelsmann SE & Co. KGaA concerning relationships with affiliated companies. In the financial review meeting of the Supervisory Board, the Audit and Finance Committee reported comprehensively to the plenary concerning the audit of the Annual and Consolidated Financial Statements and the audit reports and related reviews; the Committee also proposed the corresponding resolutions.

The Committee monitored the quality of the audit on the basis of an annual report by the auditor and using specifically developed qualitative and quantitative audit quality indicators. Another element was a detailed statement from the Executive Board member responsible for Finance. In this context, the Audit and Finance Committee also thoroughly examined the auditor's independence and the additional services provided. There was no indication of grounds for bias or a risk to independence. By closely monitoring the preparation and execution of the audit, as well as engaging continuously and in-depth with the audit process and other accounting-related matters, the Audit and Finance Committee made an important contribution to ensuring the integrity of both the accounting and sustainability reporting processes at Bertelsmann. The Audit and Finance Committee of Bertelsmann SE & Co. KGaA held four regular meetings during the 2024 reporting year, one of which was held in hybrid format. The Committee also held one extraordinary video conference in the reporting period in preparation for the financial review meeting. The Chair of the Audit and Finance Committee continuously briefed the Supervisory Board plenary on the committee's work through regular reports. Relevant department heads attended meetings for specific agenda items, and the Chair of the Audit and Finance Committee also held individual meetings with the responsible auditor.

Audit of the Annual and Consolidated Financial Statements for the 2024 Financial Year

KPMG AG Wirtschaftsprüfungsgesellschaft, based in Berlin, has been the auditor for Bertelsmann SE & Co. KGaA and the Group since the 2020 financial year. The German Public Auditors responsible for signing the audit since then have been Dr. Knut Tonne and Frank Thiele.

KPMG has audited the Annual and Consolidated Financial Statements prepared by the Executive Board of Bertelsmann Management SE as well as the Combined Group Management Report of Bertelsmann SE & Co. KGaA, which is combined with the management report of the Company for the financial year from January 1, 2024, to December 31, 2024, and issued an unqualified audit opinion. In this context, and on behalf of the Audit and Finance Committee, KPMG also audited the Combined Group Sustainability Declaration – an integral component of the Group Management Report (hereinafter referred to as the "sustainability report") – with respect to the disclosures required under sections 315b and 315c in conjunction with sections 289b to 289e of the German Commercial Code (HGB) for the purpose of obtaining limited assurance. It was conducted in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised): "Assurance Engagements other than Audits or Reviews of Historical Financial Information." As the auditors responsible for the audit of the sustainability report, Frank Thiele and Dagmar Mund sign the agreement.

The Annual Financial Statements were prepared in accordance with the German Commercial Code (HGB); the Consolidated Financial Statements of Bertelsmann SE & Co. KGaA were prepared in accordance with International Financial Reporting Standards (IFRS) as applicable in the European Union and the additional requirements of German law pursuant to section 315e (1) HGB. The auditor was mandated by the Supervisory Board's Audit and Finance Committee to audit the Annual and Consolidated Financial Statements in accordance with the Annual General Meeting resolution.

The auditor performed the audit in observance of German accepted auditing principles established by the German Institute of Independent Auditors (IDW). The auditor was additionally instructed to audit the risk early-warning system at Bertelsmann SE & Co. KGaA, which it found to be satisfactory in terms of section 91 (2) of the German Stock Corporation Act (AktG) to identify developments that may threaten the Company's continued existence at an early stage. The sustainability report was prepared in accordance with the European Standards for sustainability reporting (ESRS), which were voluntarily applied as a framework pursuant to section 289d of the HGB. Since all aspects described above apply equally to Bertelsmann SE & Co. KGaA and the Group, a framework within the meaning of section 289d of the HGB was not applied separately to the parent company. The voluntary limited assurance review of the sustainability report did not reveal any findings indicating that the report for the 2024 financial year was not prepared, in all material respects, in compliance with the applicable provisions of the HGB, the ESRS and the corresponding delegated acts. The provisional results of key audit matters were discussed with the auditor in a video conference on March 7, 2025. The Annual Financial Statements and audit reports were provided to all members of the Supervisory Board in a timely manner ahead of the financial statement meeting. The auditors attended the meetings of the Audit and Finance Committee and the Supervisory Board plenary on March 27, 2025, where they gave an extensive report and answered questions. They were able to confirm that, in the course of the audit, no significant weaknesses had been identified in the accounting-related internal control system. The Audit and Finance Committee discussed the Annual Financial Statements and audit reports in detail. The auditor's findings were carefully considered during the committee's review of the Annual and Consolidated Financial Statements. The Audit and Finance Committee presented a detailed report to the Supervisory Board plenary on its examination of the Annual and Consolidated Financial Statements, the Combined Management Report – including the Sustainability Report – and the audit reports.

Taking into account the recommendation of the Audit and Finance Committee, the auditor's reports and further discussions with the auditor, the Supervisory Board's plenary session on March 27, 2025, reviewed and discussed in detail the Annual and Consolidated Financial Statements as well as the Combined Management Report (including the Sustainability Report). The Supervisory Board concurred with the audit findings. After its own final scrutiny of the Annual and Consolidated Financial Statements and the Combined Management Report (including the Sustainability Report), the Supervisory Board – acting in accordance with the Audit and Finance Committee's recommendation – raised no objections. The financial statements prepared by the Bertelsmann Management SE Executive Board were thus approved. Moreover, the Supervisory Board approved the Report of the Supervisory Board for the Annual General Meeting and the Corporate Governance Report, as well as its resolution proposals concerning the agenda items for the ordinary Annual General Meeting taking place on May 5, 2025. The Supervisory Board also reviewed the Executive Board of Bertelsmann Management SE's proposal as to the amount of net retained profit distribution to shareholders, and concurs with said proposal. The amount of the dividend proposed by the Executive Board of Bertelsmann Management SE is appropriate, in the view of the Supervisory Board, in consideration of the level of net retained profits, the economic environment, the company's economic situation, and the interests of the shareholders.

Changes in the Executive Board of Bertelsmann Management SE and in the Supervisory Board, Objectives for the Composition of the Supervisory Board

The business operations of Bertelsmann SE & Co. KGaA are managed by its general partner, Bertelsmann Management SE, represented by its Executive Board.

The following changes occurred in the Executive Board of Bertelsmann Management SE in the past financial year: At its meeting on November 9, 2023, the Supervisory Board of Bertelsmann Management SE appointed Carsten Coesfeld to the Executive Board of Bertelsmann Management SE effective January 1, 2024. At the meeting of the Supervisory Board on July 4, 2024, Thomas Coesfeld was also appointed as a member of the Executive Board of Bertelsmann Management SE with immediate effect.

The following change occurred in the Supervisory Board of Bertelsmann SE & Co. KGaA during the financial year and reporting period: On May 8, 2023, the ordinary Annual General Meeting of Bertelsmann SE & Co. KGaA appointed Pablo Isla to the Supervisory Board of Bertelsmann SE & Co. KGaA effective April 1, 2024. Currently, all eleven members of the Supervisory Board of Bertelsmann Management SE also serve on the 16-member Supervisory Board of Bertelsmann SE & Co. KGaA.

The appropriate size of the Supervisory Board committees and the experience and professional expertise of their members, who are drawn from a broad range of industries and areas of activity, are key factors in the effectiveness and independence of the work carried out by the Supervisory Board. With the exception of Supervisory Board members who are also members of the Mohn family (Dr. Brigitte Mohn, Christoph Mohn, Liz Mohn) and the employee representatives on the Supervisory Board (Günter Göbel, Theonitsa Ghosh-Roy (Kalispera), Jens Maier, Ilka Stricker) or the representative of the Bertelsmann Management Representative Committee (Núria Cabutí), the Supervisory Board considers all other members of the Supervisory Board (Dominik Asam, Prof. Dr. Werner Bauer, Pablo Isla, Bernd Leukert, Gigi Levy-Weiss, Henrik Poulsen, Hans Dieter Pötsch, Bodo Uebber) to be independent as defined in the German Corporate Governance Code. Accordingly, the Supervisory Board has an appropriate number of independent members among the shareholders. All Supervisory Board members attended at least half of the Supervisory Board meetings convened. No potential conflicts of interest arose on the Supervisory Board.

From a strategic point of view, the Supervisory Board also aims to properly fulfil its monitoring and consulting function by ensuring diversity among its members. Bertelsmann SE & Co. KGaA is an unlisted company and is not subject to parity codetermination. The “Act to Amend the Rules Regarding Equal Participation of Women in Leadership Positions in the Private and Public Sector” does not apply to the Supervisory Board. Nevertheless, Bertelsmann supports the goals of this legislation. Five of the 16 Supervisory Board members are women. While the Supervisory Board will not be setting a target quota for women on the Supervisory Board for the time being, it intends to maintain at least the current level of female representation in future appointments. When proposing new Supervisory Board members for the Annual General Meeting, attention is always paid to the feasibility of increasing the number of female and/or international members (see also section GOV-1 “General Information” in the Sustainability Report). The Supervisory Board recognizes the intention of the Government Commission on the German Corporate Governance Code in its call for a specification of targets for an age limit and a standard limit for length of service on the Supervisory Board. In view of Bertelsmann’s special shareholder structure and the age limit regulation already contained in the company’s Articles of Association, it does not seem appropriate for the Supervisory Board to formulate further or more extensive target settings for Bertelsmann with respect to the age limit and length of service.

The members of the Supervisory Board undertake the training measures required for their duties in principle on their own initiative and receive appropriate support from the company in this regard. For example, Bertelsmann supports members of the Supervisory Board in attending specific seminars as needed and covers the associated costs. Members of the Supervisory Board appointed for the first time are also introduced to specific topics relevant to the Bertelsmann Group in detail as part of a comprehensive onboarding process. Internal information sessions on specific topics are offered as needed for targeted training. In addition, Supervisory Board members are regularly briefed about the regulatory environment relevant to their Supervisory Board activities and other legal developments affecting them.

From the Bertelsmann Group's perspective, the 2024 financial year can be described as successful on the whole despite the ongoing geopolitical challenges. This success was made possible by the employees and the entrepreneurial leadership of the Executive Board and managers. With their high level of personal commitment and sense of responsibility, they all played a decisive role in ensuring that Bertelsmann is able to look back on a successful 2024 financial year.

The Supervisory Board would like to express its sincere thanks and appreciation for this to all employees, all executives and the members of the Executive Board.

Gütersloh, March 27, 2025

Christoph Mohn
Chairman of the Supervisory Board

Supervisory Board

Christoph Mohn
Chairman
Chairman of the Board of Bertelsmann Verwaltungsgesellschaft mbH (BVG)
Chairman of the Reinhard Mohn Stiftung
Managing Director, Christoph Mohn Internet Holding GmbH
- Bertelsmann Management SE (Chairman)

Prof. Dr.-Ing. Werner J. Bauer
Vice Chairman
Former Executive Vice President of Nestlé AG for Innovation, Technology, Research and Development
- Bertelsmann Management SE (Vice Chairman)
- SIG Group AG

Dominik Asam
Member of the Executive Board, Chief Financial Officer, SAP SE
- Bertelsmann Management SE
- SAP America, Inc.
- SAP Japan Co., Ltd.

Núria Cabutí
Chairwoman of Management Representative Committee of Bertelsmann SE & Co. KGaA (BMRC)
- CELESA S.A.

Theonitsa Ghosh-Roy (Kalispera)
Executive Vice President, Global Supply Chain, BMG

Günter Göbel
Chairman of the Corporate Works Council, Bertelsmann SE & Co. KGaA

Pablo Isla (since April 1, 2024)
Former Chief Executive Officer Industria de Diseño Textil S.A. (Inditex S.A.)
- Bertelsmann Management SE
- Fonte Films S.L. (Chairman)
- Nestlé S.A. (Vice Chairman)

Bernd Leukert
Member of the Executive Board for Technology, Data and Innovation of Deutsche Bank AG
- Bertelsmann Management SE
- DWS Group GmbH & Co. KGaA (until June 6, 2024)

Gigi Levy-Weiss
General Partner NfX, Angel Investor
- Bertelsmann Management SE
- Authorizon, Inc.
- Caja Elastic Dynamic Solutions Ltd. (until July 31, 2024)
- Elmik Touristic Services Ltd.
- Emcie Co. Ltd. (since May 28, 2024)
- Enso Technologies Ltd. (since May 28, 2024)
- Faddom Ltd.
- Fun Crafters (since April 18, 2024)
- GameJam Ltd.
- Gigantic Ltd. (until November 13, 2024)
- IMA Ventures Ltd.
- ImagenAI Ltd.
- Inception VR, Inc. (until July 23, 2024)
- Inception VR (Israel) Ltd. (until July 23, 2024)
- Inception VR (UK) Ltd. (until July 23, 2024)
- Karma Ltd.
- Komodor, Inc.
- Landa Holdings, Inc. (until December 14, 2024)
- Moon Active Ltd.
- Mov.AI Ltd.
- Mrkter Technologies L.B.O. Ltd. (Payouts) (since June 6, 2024)
- NFX Capital Israel Ltd.
- NFX Capital UK, Ltd.
- Opmed Inc. (since March 20, 2024)
- Papaya Gaming Ltd.
- PayEM Card, Ltd.
- Permit, Inc.
- Premium Domains Ltd.
- Propel Ltd.
- Remepy. Inc. (since February 28, 2024)
- Renegade Insurance, Inc.
- Ridge Ltd. (until November 26, 2024)
- Sauce (Say2Eat, Inc.)
- ScaleOps Labs Ltd.
- Super.ai, Inc.
- Triple Whale, Inc.
- TrustMed Ltd.
- Ultra Horse Ltd.
- Unibeam Ltd. (since August 18, 2024)
- Utila Inc.
- Veriti Ltd.
- Walnut Ltd.

- Membership of statutory domestic supervisory boards
- Membership of comparable domestic and foreign supervisory bodies of business enterprises
- Membership in other bodies

Jens Maier
Chairman of Gruner + Jahr Publishing House Hamburg Works Council
Chairman of RTL Deutschland Corporate Works Council

Dr. Brigitte Mohn
Member of the Executive Board, Bertelsmann Stiftung
- Bertelsmann Management SE
- Phineo gAG
- Stiftung RTL – Wir helfen Kindern e.V.
- Clue by Biowink GmbH

Liz Mohn
Founder and Chairwoman of the Executive Board of the Liz Mohn Stiftung
- Bertelsmann Management SE

Hans Dieter Pötsch
Chairman of the Supervisory Board, Volkswagen AG
Chairman of the Executive Board, Porsche Automobil Holding SE
- AUDI AG, Ingolstadt
- Bertelsmann Management SE
- Dr. Ing. h.c. F. Porsche AG
- TRATON SE, Munich (Chairman)
- Wolfsburg AG
- Autostadt GmbH, Wolfsburg
- Porsche Austria Gesellschaft m.b.H., Salzburg (Chairman)
- Porsche Holding Gesellschaft m.b.H., Salzburg (Chairman)
- Porsche Retail GmbH, Salzburg (Chairman)

Henrik Poulsen
Chairman of the Supervisory Board of Carlsberg A/S
Senior Advisor to A.P. Møller Holding
- Bertelsmann Management SE
- Faerch A/S (Chairman)
- Novo Holdings A/S
- Novo Nordisk A/S (Vice Chairman)

Ilka Stricker
Vice Chairwoman of the General Works Council, Arvato
Vice Chairwoman of the Corporate Works Council, Bertelsmann SE & Co. KGaA
Chairwoman of the Works Council, European SCM Services GmbH

Bodo Uebber
Independent Management Consultant
Former Member of the Executive Board, Daimler AG Finance & Controlling / Daimler Financial Services
- Adidas AG
- Bertelsmann Management SE
- Flix SE (Chairman)
- Evercore GmbH (Chairman)

- Membership of statutory domestic supervisory boards
- Membership of comparable domestic and foreign supervisory bodies of business enterprises
- Membership in other bodies

Bertelsmann SE & Co. KGaA's Supervisory Board Committees 2024

Audit and Finance Committee
Bodo Uebber (Chairman)
Günter Göbel
Christoph Mohn
Hans Dieter Pötsch

Working Group of Employee Representatives
Liz Mohn (Chairwoman)
Núria Cabutí
Theonitsa Ghosh-Roy (Kalispera)
Günter Göbel
Jens Maier
Ilka Stricker

Bertelsmann Management SE's Supervisory Board Committees 2024

Personnel Committee
Christoph Mohn (Chairman)
Prof. Dr.-Ing. Werner J. Bauer
Liz Mohn
Hans Dieter Pötsch
Bodo Uebber

Program Committee
Christoph Mohn (Chairman)
Prof. Dr.-Ing. Werner J. Bauer
Dr. Brigitte Mohn
Hans Dieter Pötsch

Executive Board

Thomas Rabe
Chairman and Chief Executive Officer
Chief Executive Officer of RTL Group
- Adidas AG[1] (Chairman)

Carsten Coesfeld
Member of the Executive Board
Chief Executive Officer of Bertelsmann Investments
- RTL Group S.A.

Thomas Coesfeld
Member of the Executive Board (since July 4, 2024)
Chief Executive Officer of BMG

Rolf Hellermann
Chief Financial Officer
- Bertelsmann, Inc. (Chairman)
- RTL Group S.A.

Immanuel Hermreck
Chief Human Resources Officer
- RTL Group S.A.

• Membership of statutory domestic supervisory boards
• Membership of comparable domestic and foreign supervisory bodies of business enterprises

1 External mandates.

Selected Terms at a Glance

Alternative Performance Measures
Additional financial measures that are not directly specified by financial reporting regulations. These are determined by means of a company-specific reconciliation and are based on mandatory (IFRS) measures.

Cash Flow
A company’s cash inflows and outflows during a specific period.

Contractual Trust Arrangement (CTA)
The concept of funding and insolvency protection of pension obligations by transferring assets into a structure similar to a trust. Assets are classified as plan assets under IFRS and are netted against the company’s pension obligations.

Corporate Governance
The term for responsible corporate management and control in the interest of creating sustainable value.

Coverage Ratio
The (interest) coverage ratio is a financing target. It represents the ratio of operating EBITDA adjusted to financial result. Amounts reported in the Consolidated Financial Statements are modified in calculating the coverage ratio.

CSRD
Abbreviation for Corporate Sustainability Reporting Directive, a European Union directive regarding sustainability reporting.

Enabling Activity
Economic activity that directly enables other activities to make a substantial contribution to one or more of the environmental objectives.

Equity Method
The equity method is a method of accounting to recognize associates and joint ventures, whereby the investment is initially recognized at cost and adjusted thereafter for the post-acquisition change in the investor’s share of the investee’s net assets.

ESRS
Abbreviation for European Sustainability Reporting Standards, which regulates the sustainability reporting of companies in the European Union.

Goodwill
Goodwill represents the future economic benefits arising from those assets acquired in a business combination that are not individually identified and separately recognized.

IFRS Accounting Standards
IFRS is the abbreviation of International Financial Reporting Standards. IFRS Accounting Standards are intended to ensure internationally comparable accounting and reporting.

Leverage Factor
The leverage factor is the ratio of economic debt to operating EBITDA adjusted. In order to enable Bertelsmann’s actual financial strength to be reflected on an economic level, the figures reported in the Consolidated Financial Statements are modified.

Minimum Safeguards
Procedures that are implemented to ensure the alignment of labor and human rights.

Operating EBITDA Adjusted
Earnings before interest, taxes, amortization, depreciation, impairment and reversals of impairment losses and special items.

Rating
An expression of the creditworthiness of a creditor or financial instrument by an agency specialized in evaluating credit risk.

SE & Co. KGaA
A partnership limited by shares (KGaA) with a European stock corporation (Societas Europaea, or SE) as the general partner. The general partner is responsible for the management and representation of the KGaA.

Significant Harm
Significant and long-term harm to one of the environmental objectives.

Special Items
Income and expense items that are distinguished by their nature, amount or frequency of occurrence, and the disclosure of which is relevant for assessing the earnings power of the company or its segments in the period affected. They include, for example, reorganization expenses, impairment and capital gains or losses. Not included in the special items are disposal effects of strategic real estate transactions.

Syndicated Credit Facility
A credit facility involving a consortium of banks.

Transitional Activity
Economic activity that assists the transition to a climate-neutral economy.

Financial Calendar

May 6, 2025
Payout of dividends on profit participation certificates for the 2024 financial year

May 15, 2025
Announcement of figures for the first three months of 2025

August 28, 2025
Announcement of figures for the first half of 2025

November 18, 2025
Announcement of figures for the first nine months of 2025

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