

Declaration of Principles on the observance of human rights



RTL



Penguin Random House



BMG



arvato group



Bertelsmann Marketing Services



Bertelsmann Education Group



BI Bertelsmann Investments



BERTELSMANN

BERTEL

As a media, services and education company active in around 40 countries across the globe, Bertelsmann is aware that its responsibility for human rights extends beyond its own area of business. Bertelsmann is therefore committed to respecting and protecting human rights within the company as well as its supply chains.

Bertelsmann has set itself the goal of reconciling the impact of its business activities with people and the environment. To achieve this goal, Bertelsmann has developed a human rights strategy under which measures are taken to identify and counter risks relating to human rights and the environment.

Bertelsmann relies on the assistance of its employees and suppliers, in particular, to successfully implement this human rights strategy. Bertelsmann therefore expects cooperation in implementing this human rights strategy in order to minimize and eliminate risks and violations related to human rights and the environment.

Board of Directors

Principles and guidelines

International human rights standards form the foundation of Bertelsmann's actions.

Bertelsmann is committed to the principles of the Universal Declaration of Human Rights and the Guiding Principles on Business and Human Rights as well as the Free & Equal Standards of the United Nations. As a participant in the United Nations Global Compact, Bertelsmann also supports the 2030 Agenda for Sustainable Development. Furthermore, the company is committed to the International Labor Organization's core labor standards, largely follows the OECD Guidelines for Multinational Enterprises and uses the recommendations of the German Corporate Governance Code for good and responsible corporate governance for guidance.

In its guidelines, Bertelsmann has also explicitly set out these principles, its stance and expectations vis-à-vis relevant parties.

Within the Group, these principles are set out in writing in the Bertelsmann Code of Conduct and Code of Conduct training sessions are held regularly. This is intended to inform everyone in the company appropriately of laws and principles that apply in the company and to thus make them aware of risks in their daily work. The Bertelsmann Code of Conduct serves as a binding guideline to ensure legally compliant and ethically responsible conduct at Bertelsmann. Everyone in the company – employees, the Executive Board and the Supervisory Board – is obliged to comply with the principles set out therein. Knowledge of the Code of Conduct is reviewed regularly through a Group-wide survey.

Vis-à-vis business partners, these principles are set out in the Bertelsmann Supplier Code of Conduct. Bertelsmann expects all third parties who act for, on behalf of or together with Bertelsmann to comply with them.

In terms of content, this comprises, in particular:

- the prohibition of child labor
- the prohibition of forced labor
- the prohibition of all forms of slavery and human trafficking
- the prohibition of disregarding applicable occupational health and safety regulations
- the prohibition of disregarding the freedom of association
- the prohibition of unequal treatment
- the prohibition of withholding a reasonable wage
- the prohibition of causing harmful soil changes, water pollution, air pollution, harmful noise emission or excessive water consumption, which significantly impairs the natural basis for the preservation and production of food, deprives a person of access to drinking water or impedes access to sanitary facilities, or harms a person's health
- the prohibition of unlawful eviction or unlawful deprivation of a person's livelihood
- the requirement to instruct and control deployed security forces in order to avoid torture, injury to life and limb or interference with the freedom of association
- compliance with the provisions of the Minamata Convention on the production, use and treatment of mercury
- compliance with the provisions of the Stockholm Convention on the Production and Use of Persistent Organic Pollutants (POPs Convention)
- compliance with the requirements of the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal

Responsibilities

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 CCC submits an annual compliance report to the Bertelsmann Executive Board and the Supervisory Board's Audit and Finance Committee. The Chair of the CCC is the Head of Corporate Legal Affairs, who is also Bertelsmann's Human Rights Officer. The Integrity & Compliance (I&C) department, which reports to the CCC, is responsible for implementing the human rights strategy within the organization. The Human Rights Officer monitors the implementation of the human rights strategy. I&C informs employees throughout the Group of important legal requirements and internal guidelines, including those relating to respecting human rights. To this end, the individual Group companies have local compliance officers who ensure proximity and a local presence within the companies.

Measures

In addition to the aforementioned guidelines, further measures are implemented to ensure compliance with this human rights strategy.

1. Risk management

Bertelsmann has established a risk management system based on a regular risk analysis. This analysis identifies and assesses the risks relating to human rights and the environment at Bertelsmann and at Bertelsmann's direct suppliers. This risk analysis is supported by a software solution that systematically records all of Bertelsmann's relevant suppliers. These suppliers are assessed and prioritized with regard to risks relating to human rights and the environment using defined criteria and internationally recognized indices.

The **CSR Risk Check of the German Agency for Business and Economic Development** is also used to support risk identification. The recommendations of this analysis are in line with the United Nations Guiding Principles on Business and Human Rights and the German government's National Action Plan on Business and Human Rights (NAP).

As a further measure to identify risks or human rights violations, Bertelsmann occasionally communicates with parties who are potentially affected if a particularly high risk has been identified for them. Bertelsmann has established comprehensive communication channels through which human rights or environment-related violations and complaints can be reported by individuals who are potentially affected.

The following reporting channels and options are available to employees, involved persons or affected third parties to report violations at any time:

- By telephone, email or in person to contacts locally and at the Bertelsmann Corporate Center
- Email to the Integrity & Compliance Department (integrity@bertelsmann.de),
- An electronic whistleblower system, "Speak Up" (www.hinweisgeben.de) and
- Ombudspersons as an external contact (ombuds@hinweisgeben.de)

All reports of possible violations are processed and investigated by the Integrity & Compliance Department or the ombudspersons within the scope of defined confidential processes. If violations are identified, appropriate measures will be taken to remedy them promptly and prevent future violations. Persons who report suspected misconduct in good faith shall not be adversely affected by this.

Bertelsmann provides widely communicated information about the option of submitting reports via these channels and what happens after. Information about the Bertelsmann Speak-Up channels is available in various languages on the Bertelsmann website and intranet as well as in the Bertelsmann Code of Conduct and the Bertelsmann Supplier Code of Conduct.

2. Identifying and prioritizing risks for each division and Bertelsmann's supply chains

Due to the versatility of the various divisions and Bertelsmann's decentralized corporate structure, it is essential that each Bertelsmann company identifies and assesses the risks that are relevant to it. This is done as part of the annual risk analysis by the onsite compliance officers.

An overview of the risks identified and prioritized for each division and Bertelsmann's supply chains is provided [here](#) and is updated regularly.

3. Preventative measures

Preventive measures are taken to minimize risks based on the results of the risk analysis. Predefined criteria are used respectively to ensure that these measures are suitable and appropriate for countering the identified risks. These criteria include, in particular, the type and scope of business activities, the ability to influence the existing risk, the probability and expected severity of the risk occurrence and the causation contribution.

With regard to supplier relationships, the relevant purchasing departments already take the Bertelsmann Standards relating to the environment and human rights into account when selecting suppliers. The purchasing departments are made aware of relevant risks and risk mitigation measures are implemented on a risk basis.

When entering into contracts with new suppliers, compliance with Bertelsmann's minimum human rights and environmental standards is already agreed in writing. Where an increased risk profile exists with existing customers, where possible, previously agreed standards are raised to a stricter minimum level. Suppliers are also required to pass on these minimum standards to their suppliers.

In the case of suppliers for whom an increased risk potential still exists after weighing up and taking into account the defined assessment criteria, further preventive measures are carried out, such as obtaining information from external data sources (adverse media screenings), self-disclosures and information on the company's own risk-prone supplier relationships, training courses or audits.

4. Corrective action

If human rights or environmental violations occur, Bertelsmann takes immediate corrective action to remedy the violations. If Bertelsmann becomes aware of violations of human rights or environmental obligations at one of its suppliers, Bertelsmann will work with the supplier to remedy the violations. If the violations are not successfully stopped within a reasonable period of time, Bertelsmann shall endeavor to increase its influence on the supplier or temporarily suspend the business relationship. Termination of the business relationship is the last resort.

5. Effectiveness and adequacy check

The internal control system monitors the effectiveness and adequacy of the measures established in the companies on a risk basis.

The internal audit department regularly reviews the effectiveness of the internal control system.

In addition, the effectiveness of the measures is reviewed and ensured by I&C and the responsible persons within the companies. This includes, in particular, ensuring that resources and necessary expertise are available to meet the described challenges. With regard to measures that have already been implemented, a regular status update is documented and the risk development is looked at so that the effectiveness of these measures can be evaluated by the individual responsible persons within the companies.

The effectiveness of the complaints procedure is reviewed in terms of functionality and accessibility. Functionality is ensured by I&C test runs. Adequate accessibility for potentially affected individuals is evaluated to determine if language and resource challenges are being addressed.

6. Reporting and documentation

Bertelsmann documents the implementation of and compliance with this human rights strategy on an ongoing basis and prepares an annual report on the risk analysis results as well as measures taken and procedures established to comply with this human rights strategy. This report is made available free of charge and publicly on the company website.

