

# How to report compliance concerns and how reports are handled

Speak-up Guide

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## 1. Why is speaking up about potential compliance violations important?

At Bertelsmann, we place great value on entrepreneurial freedom, and we trust our employees to use this freedom responsibly. Openly addressing potential issues is expressly welcomed. It is the responsibility of all managers to be open to discussions about company practices, the working environment, their own conduct, and the conduct of other employees.

Bertelsmann Executive Board

Being able to speak up freely helps to prevent misconduct, and to detect and correct it should it occur. We encourage critical and imaginative thinking and value an open work environment where employees can approach their supervisors or senior management to raise issues or voice criticism without any concerns. Managers encourage open dialogue, support their employees and address their concerns in a fair and impartial manner.

Bertelsmann Code of Conduct

## 2. What is a compliance violation?

Bertelsmann encourages employees and third parties to report concerns about potential compliance violations (“compliance concerns”). Compliance violations are intentional or negligent acts or omissions constituting violations of law, government regulations, or internal company policies (e.g., the Code of Conduct, Executive Board guidelines).

This includes for example:

- // fraudulent acts (e.g. corruption, fraud, embezzlement, theft, misappropriation);
- // violations of antitrust law or foreign trade law;
- // human rights violations, sexual harassment, or a violation of antidiscrimination laws;
- // violations of environmental regulations;
- // breaches of confidentiality requirements;
- // violations causing economic damage to a group company;
- // violations damaging the reputation of a group company (e.g. through regional or wider negative media coverage);
- // acts resulting in a Group company losing existing contracts or being excluded from future contracts (debarment, “do not source” listing, blacklisting, etc.);
- // behavior resulting in action by a regulatory or law enforcement body (e.g., regulator, prosecutor’s office);
- // indications of breaches of duty involving board members or executives (in particular the violation of supervisory duties);
- // violations that require an accounting adjustment to the books and records; and
- // ineffective internal controls resulting in violations of the law or internal guidelines.

### **Reporting obligation for significant violations**

Managers and employees whose role or position holds them particularly responsible for ensuring compliance have an obligation to report specific evidence or suspicion of a significant compliance violation immediately to a suitable department in the Bertelsmann Corporate Center, in particular the Integrity & Compliance department.

## 3. How can I communicate my compliance concerns?

### **Choice of resources**

Consider raising your compliance concerns with contacts at your local company, such as the HR department or the local Compliance Officer. Employees can find the contact information for their local Compliance Officer in the Bertelsmann worldwide intranet and in their local intranet, where available.

If you are uncomfortable addressing your concern locally, or if doing so has been ineffective, then you can use any of the following speak-up channels which Bertelsmann makes available to employees and third parties alike. All concerns raised through one of these channels are handled according to the principles described in this guide.

### **The Bertelsmann Integrity & Compliance department**

You can reach the Bertelsmann Integrity & Compliance department by phone or e-mail:

Integrity & Compliance

Germany: Phone +49 (0) 5241-80-76000

USA: Phone +1 212-782-1057

integrity@bertelsmann.com

### Speakup System

The Bertelsmann Speakup System is available in multiple languages and accessible by phone or internet. It allows for a confidential dialogue with the Bertelsmann Integrity & Compliance department, secured by special encryption and anonymous if desired. You can access the system at [www.reportconcerns.com](http://www.reportconcerns.com).

### Ombudspersons

You may also contact an external ombudsperson appointed by Bertelsmann. The ombudsperson holds all communications with those seeking assistance in strict confidence, and discloses any content of the communications, or the identity of the inquirer to Bertelsmann Integrity & Compliance, only if given explicit permission to do so by the person raising the concern.

#### Ombudsperson for Europe, Africa, Asia, and Australia (located in Germany)

Phone +49 (0) 32-211 11 23 39 | Toll-free (from Germany only): 0800-664-7879  
[ombuds@discussconcerns.com](mailto:ombuds@discussconcerns.com)

#### Ombudsperson for North and South America (located in the USA)

Phone +1 646-981-0753 | Toll-free (from USA only): 877-278-0303  
[ombuds2@discussconcerns.com](mailto:ombuds2@discussconcerns.com)

Upon request, an **in-person conversation** with a compliance professional from the Bertelsmann Integrity & Compliance department or your local group company is also possible<sup>1)</sup>.

In the event that individuals still do not wish to entrust their compliance concerns to one of Bertelsmann's points of contact, they may alternatively turn to the **relevant external reporting bodies**. External reporting channels are increasingly being established, especially for member states of the European Union. An overview of existing external reporting channels is provided [here](#) and will be continually updated.

### Minimum information required

To allow for an effective and actionable review we ask you to provide the following when raising a compliance concern:

- // Please specify which Bertelsmann group company and which location you are referring to.
- // Describe your concern in as much detail as possible and be specific about what happened (who, what, when, how, how often, continuing or not). General assertions without specific factual allegations are often not sufficient to trigger an investigation.
- // Let us know if you have already raised the matter with someone locally and what the outcome was.
- // Be prepared and available to answer questions which may become necessary during the review: If you use the Speakup system, check back for questions and updates. If you contact the Bertelsmann Integrity & Compliance department or the Ombudsperson, provide information on how you can be reached.

## 4. How is my message handled? Who will know about it?

### Bertelsmann Integrity & Compliance

The Bertelsmann Integrity & Compliance department has been tasked with managing the Bertelsmann speak-up channels, handing incoming messages, and coordinating investigations or other follow-up measures. Only designated compliance professionals in the Bertelsmann Integrity & Compliance department have access to incoming reports. It is ensured that the designated compliance professionals who handle reports are independent, have the necessary expertise and that there is no conflict of interest with other roles they hold in the organization.

1) Any specific timeframes for the scheduling of in-person conversations as outlined by some European jurisdictions will be adhered to.

### **Confidentiality and need-to-know-principle**

Any information, specifically personally identifiable information, is shared only on a strict need-to-know basis, in accordance with applicable data protection and consent requirements and to the extent necessary to allow for an adequate initial review and, if applicable, for an investigation and follow-up measures.

Everyone at Bertelsmann who might learn of information regarding a compliance allegation because of their role in the review, investigation of or response to an allegation has a strict confidentiality obligation, including towards other Bertelsmann employees.

### **Data on the reporting person**

The identity and personal data of a reporting person are handled confidentially throughout the entire process. This information will only be disclosed to anyone beyond staff members tasked with receiving or investigating reports

- // after written consent and only if this is necessary for an adequate review, investigation or for follow-up measures; or
- // if there is a need for disclosure to external bodies (for example in the case of fine proceedings, court decisions, reports to the Financial Services Authority, or disclosure to the prosecution authority in the event of criminal proceedings). In such cases, the reporting person shall be informed of this in writing, provided that this does not jeopardize the investigations or court proceedings in question; or
- // if incorrect information is reported intentionally or through gross negligence.

### **Data of the persons named in the report**

The identity and personal data of persons named in a notification will also be treated confidentially and with the utmost care. This information will only be shared

- // with the consent of the data subject; or
- // if it is necessary to share this information with specific persons with a need-to-know to allow for internal review, investigation and follow-up measures; or
- // in criminal or fine proceedings or judicial decisions.

## **5. What happens after I send my report?**

### **Feedback**

- // You will receive confirmation that your message was received within seven days. This may be given verbally, by email or through the Bertelsmann Speakup system, depending on the communication channel chosen by you.
- // Please be available to respond to follow-up questions.
- // Generally, you will receive feedback on the outcome of your communication no later than three months after confirmation of receipt. For complex investigations, it might take up to six months until you receive a final response.
- // Information will be shared with you only to the extent that it does not affect internal inquiries or investigations and does not prejudice the rights of individuals who are subject of a report or who are named in the report. We cannot share, for example, whether disciplinary measures were taken.
- // You will also receive feedback if, for valid reasons, the report could not be followed up on or no measures were taken.

### **Using the Speakup system**

When you send a message using the Bertelsmann Speakup System you will receive an individual case number and will be prompted to set up a password.

- // Please write down both the number and your password and keep this information safe. They are your personal key to the report you have filed.
- // You will be asked to enter this number and password each time you access the system.

- // You can choose to be notified when a response to your report has been posted.
- // You can go back to the Speakup system anytime to see if feedback has been posted, to respond to questions and communicate with the designated compliance professionals handling your report.

### **Initial assessment**

- // Designated compliance professionals in the Bertelsmann Integrity & Compliance department determine whether your message includes minimum actionable information to allow for further action.
- // If your initial report lacks sufficient information, a designated compliance professional will get in touch with you, if possible, to ask for additional information.
- // The compliance concern will be closed due to lack of substantiation if there is no actionable information, there is no possibility to ask for additional information from the reporter, or the reporter fails to timely respond to the designated compliance professional's request for additional information.

### **Review/Investigation**

- // The designated compliance professionals of the Bertelsmann Integrity & Compliance Department determine who will conduct further investigations (the „Investigative Team“).
- // The Investigative Team assigned in the specific case (for instance, designated staff in the HR or Audit department on corporate or local level) is responsible for verifying the content of the compliance allegations.

### **Measures in response to a compliance violation**

- // If a compliance violation is substantiated, appropriate measures in response will be considered, including potential disciplinary action against the responsible parties.
- // The results of an objective examination of all relevant facts are the decisive factor in determining appropriate disciplinary action.
- // It is the responsibility of the affected Group company in coordination with the Bertelsmann Integrity & Compliance Department to take measures in response to a substantiated compliance violation and to ensure that these measures meet the requirements of applicable law.

### **Documentation**

- // The Bertelsmann Integrity & Compliance department documents the results of the initial review, and if applicable, the results of an investigation and response measures in a secure central case management system, taking into account data privacy requirements.
- // The documentation is kept for the period as required by applicable data protection regulations and legal retention periods.

The responsibilities and processes described above have been defined in the Executive Board Guidelines C6.6 Handling of suspected Compliance Violations and C6.7 Process for compliance violations, available to Bertelsmann employees in the Bertelsmann intranet.

## **6. What are my rights as a reporting person?**

### **Whistleblower protection**

- // As stated in the Bertelsmann Code of Conduct, intimidation or retaliation against someone who reports suspected or actual misconduct in good faith will not be tolerated. "In good faith" means that an individual believes that what he or she asserts is true, whether or not a subsequent investigation proves that report to be true.
- // Examples of retaliation can be disciplinary measures, demotion or denial of promotions, and other substantial modification of working conditions, if these measures are taken as a result of or in response to the employee raising a concern.
- // Where appropriate, the subject of disciplinary action and anyone in a position to take adverse action against the whistleblower must be informed that retaliation against whistleblowers is strictly prohibited.

- // If you believe you have suffered intimidation or retaliation after having reported concerns about a potential compliance violation or you observe intimidation or retaliation against someone who reported compliance concerns you should contact the Bertelsmann Integrity & Compliance Department.
- // Any retaliation concern will be reviewed and investigated according to the procedures set forth above. Retaliation constitutes a compliance violation.

## 7. What are my rights if I am the implicated person

### **Procedural rights of suspected persons**

- // The principle of the presumption of innocence applies.
- // The person suspected of misconduct must be informed of the allegations against them and given the chance to make a personal statement as early as possible, as long as this does not compromise the investigation or prejudice the rights of the person making the report.

### **Principles regarding disciplinary measures**

- // Disciplinary measures must be free of conflicts of interest (e.g. due to kinship, friendship, etc.).
- // By using a sufficiently transparent and documented procedure, the company ensures that disciplinary decisions are verifiable and comprehensible.
- // When determining appropriate disciplinary action, the particular circumstances of the case, the seriousness of the violation, its consequences, and applicable employment law must all be considered.
- // In making this determination, mitigating and/or exacerbating factors shall be considered.

## 8. What happens in cases of mistaken or deliberately false reporting?

### **Mistaken reporting**

- // Employees who report suspected or actual misconduct in good faith will be protected against retaliation even if an allegation is not proven to be correct in the investigation process.
- // "In good faith" means that an individual believes that what he or she asserts is true, whether or not a subsequent investigation proves that report to be true.

### **Deliberate misreporting**

Knowingly making an untruthful report of misconduct with the aim of willfully and falsely accusing another person constitutes a compliance violation and will result in appropriate measures being taken.

## 9. Kontakt

For questions on the topic of speaking up and how concerns are handled please contact the Bertelsmann Integrity & Compliance department by email at [integrity@bertelsmann.com](mailto:integrity@bertelsmann.com) or by phone at +49 (0) 52 41-80-76000 (Germany) or at +1 (212) 782-1051 (USA)

If you believe that your compliance report or a compliance allegation against you has not been reviewed or handled properly please contact the Bertelsmann Integrity & Compliance department at [integrity@bertelsmann.com](mailto:integrity@bertelsmann.com) or via [www.reportconcerns.com](http://www.reportconcerns.com).