

***COMBINED
NON-FINANCIAL
REPORT
2017***



ENTERTAIN. INFORM. ENGAGE.

CONTENTS

1	<i>CEO STATEMENT</i>
2	<i>INTRODUCTION</i>
2	<i>CORPORATE PROFILE</i>
3	<i>BUSINESS MODEL</i>
6	<i>MARKET ENVIRONMENT AND TRENDS</i>
7	<i>MANAGEMENT APPROACH AND MATERIAL TOPICS</i>
	9 Intellectual property and copyright
	10 Information security, data protection and privacy
13	<i>DIVERSITY</i>
	14 Diversity of people
	15 Diversity of content
17	<i>HUMAN RIGHTS</i>
	18 Editorial independence
20	<i>EMPLOYEE MATTERS</i>
	20 Learning
	21 Fair working conditions
	23 Health
25	<i>ANTI-CORRUPTION AND ANTI-BRIBERY</i>
27	<i>SOCIAL MATTERS</i>
	27 Content responsibility
	28 Community investment
31	<i>ENVIRONMENTAL MATTERS</i>
	31 Energy and emissions
34	<i>INDEX</i>
35	<i>IMPRINT & CREDITS</i>

CEO STATEMENT

I should start RTL Group's first Non-financial Report by pointing out the close relationship between Corporate Responsibility (CR) and my strategic themes for RTL Group, which are Creativity, Consumers, Technology and Talent. Or C-C-T-T.

Leadership in **creativity** requires a culture guided by freedom of expression and editorial independence. Ensuring high editorial standards and journalistic independence are at the very heart of RTL Group. In addition, creative talent for our many different businesses in the Total Video universe is important for us. This means recruiting people from a wide variety of backgrounds, including independent thinkers and go-getters. Clearly there is a big overlap between creativity and diversity.

As for **consumers**, we can only be close to them if we put their wishes and concerns first – issues such as the integrity of our news and protection of children. Our editors act independently of senior management and free from political or financial influence. And they do their job with responsibility and diligence, as expressed in our [➤ Newsroom Guidelines](#). This is one of our key assets, especially in times of fake news. What's more, it's important we reflect the diversity of our society and consumer base with great care, both on and off screen. Of course, we can also use our reach and profile to make a difference for people in need – particularly children.

Technology is the main driver of change in our sector. But aside from using our technical skills to grow our business, we put technology to work to support our commitment to responsibility. We use it to protect minors, consumers' personal data, or brand integrity for our advertising clients, or to protect the intellectual property rights of our creatives and partners. Technology is as vital to our integrity as it is to our growth.

With **Talent**, we will always strive to be the employer or partner of choice – whether for journalists, actors, writers, techies or young video talent. When people apply to work for us, we select on merit. And once someone starts, we ensure they receive fair recognition, treatment and working conditions, alongside opportunities for career development.

Above all, RTL Group is an opinion former and information provider for millions of people. We are aware that this position comes with great responsibility.



Bert Habets, Chief Executive Officer, RTL Group

We embrace and manage that responsibility – with independent news reporting, fair working conditions and a strong focus on talent management and development. In other words: CR done 'the RTL way'.

You can read all about these principles, with any relevant measures and figures from 2017, in this report.

A handwritten signature in blue ink, which appears to read 'Bert Habets'. The signature is stylized and written in a cursive-like font.

Bert Habets
CEO of RTL Group

INTRODUCTION

On 23 July 2016, [Directive 2014/95/EU](#) regarding the disclosure of non-financial and diversity information by certain large undertakings and groups was transposed into Luxembourg law [Article No. 156: publication d'informations non financières et d'informations relatives à la diversité](#). This Combined Non-financial Report (CNFR) fulfils RTL Group's reporting obligations under this law, and the information contained in this report applies equally to RTL Group's fully consolidated business units. Publicly listed Groupe M6 – a fully consolidated RTL Group business unit – publishes a separate [Sustainable Development and Corporate](#)

[Responsibility Report](#). The reporting period is the 2017 financial year – the first financial year for which such a report is mandatory.

The law requires certain companies to report on five aspects: environmental matters, employee matters, social matters, human rights, and anti-corruption/anti-bribery. This CNFR includes information that is necessary to understand RTL Group's business performance, results and situation, and if the Group's business operations impact one of these aspects.

CORPORATE PROFILE

With interests in 61 television channels, 30 radio stations, a global business for content production and distribution, and rapidly growing digital video businesses, RTL Group entertains, informs and engages audiences around the world.

The Luxembourg-based company owns stakes in TV channels and radio stations in Germany, France, Belgium, the Netherlands, Luxembourg, Spain, Hungary and Croatia. Its production arm, FremantleMedia, is one of the world's leading producers of television content: from talent and game shows to drama, daily soaps and telenovelas, including *Idols*, *Got Talent*, *Good Times – Bad Times* and *Family Feud*.

The Group's ownership interests in online video companies – BroadbandTV, StyleHaul, Divimove and, most recently, United Screens – make it a European leader in the online video space. RTL Group also owns the advanced video ad-serving platform SpotX, and the ad-tech platform Smartclip.

¹ Acquired in January 2018

RTL Group stock is publicly traded on the regulated market (Prime Standard) of the Frankfurt Stock Exchange and on the Brussels and Luxembourg stock exchanges. It has been included in the MDAX index in Germany since 2013. The company is headquartered in Luxembourg.

RTL Group's business comprises the following six reporting segments: Mediengruppe RTL Deutschland, Groupe M6 (including the French radio business around the RTL family of radio stations), FremantleMedia, RTL Nederland, RTL Belgium and Others (which includes RTL Hungary, RTL Croatia, RTL Group's Luxembourgish activities, the German radio business and the investment accounted for using the equity method, Atresmedia in Spain). The segment "Others" also includes RTL Group's ad-serving platform, SpotX, and the multi-platform networks BroadbandTV, StyleHaul, Divimove and United Screens¹.

BUSINESS MODEL

RTL Group believes that creativity in programming is the essence of success. In summary, the company's business model is to produce, aggregate, distribute and monetise the most attractive video content, across all formats and genres.

RTL Group operates different business models in its three main areas: broadcast, content (production and licensing) and digital – outlined in the diagram below. In short, RTL Group's general strategic goal within the Total Video universe is to maximise consumers' attention to its broad variety of video offers, across all devices.

BROADCAST

Broadcasters buy, produce and commission mostly local content. They also buy or license broadcasting rights for movies, TV series and sporting events. TV channels and radio stations create and schedule programming that helps them shape their channel brands. Rather than focusing on a single genre, RTL Group's flagship channels create a general interest programming mix across all genres, including drama, factual entertainment, news, talk, soaps, reality and sport. In today's fragmented marketplace, broadcasters need content that makes them stand out from the crowd.

Advertising is the primary source of revenue for RTL Group's broadcasters, who provide their

advertising clients with a range of ad formats, ranging from the traditional 30-second commercial to tailored packages of TV and digital ads.

RTL Group's advertising sales houses sell spots in the channel's linear and non-linear programming. The price advertisers pay depends on the reach and demographic structure of the audience they target: the higher the audience share – or the more sought-after the target group – the higher the price. (Prices are usually set in CPM, meaning cost per mille.)

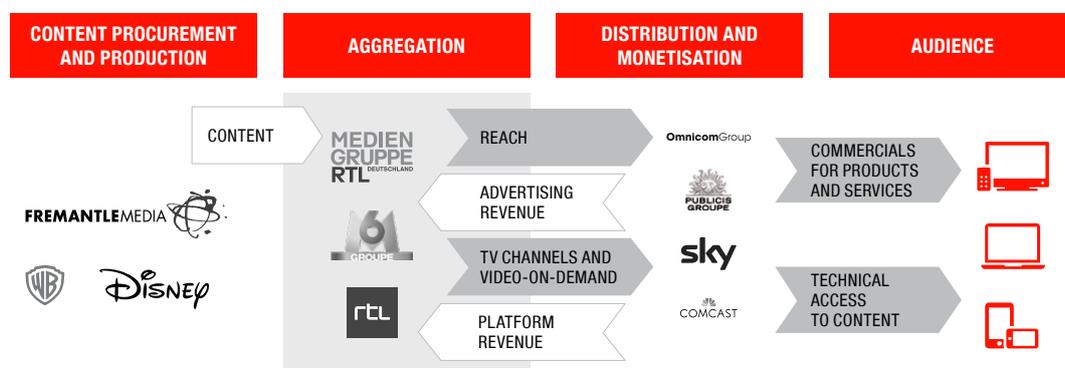
RTL Group channels broadcast their content terrestrially and distribute it through other platforms, such as cable, satellite and internet TV. In exchange for the broadcasting signal, they receive money from the platform operators. RTL Group reports this figure separately as platform revenue. Between 2012 and 2017, this revenue rose from €175 million to €319 million.

In addition, RTL Group's broadcasters have established their own digital on-demand platforms that make their content available on all devices: computers, smartphones, tablets, and internet-connected TVs (see [digital](#)).

STRATEGIC PRIORITIES

- Build and extend families of channels
- Increase non-advertising revenue
- Invest in exclusive, local content
- Offer pan-European (digital) advertising campaigns

GENERIC BROADCAST VALUE CHAIN



CONTENT

RTL Group's broadcasters produce and commission a wide variety of local content, while the Group's global production arm, FremantleMedia, is one of the world's largest creators, producers and distributors of television content, being responsible for around 12,500 hours of TV programming broadcast each year.

As one of the world's largest creators, producers and distributors of television content, FremantleMedia operates differently to RTL Group's broadcasters. The company produces, licenses and distributes a vast array of programmes that include high-end drama, game shows, daily soaps and entertainment. As a production company, FremantleMedia provides broadcasters, platforms and online services with content that is, in return, used by those clients to build their business. Through its network of local production and distribution companies, FremantleMedia operates in 30 countries.

FremantleMedia's distribution arm, FremantleMedia International, sells finished programmes and formats around the world, and acquires, develops, finances and co-produces new titles for the international market. Its catalogue contains a diverse and exciting range of programming that includes drama, comedy, factual, lifestyle and entertainment shows. FremantleMedia International's content regularly reaches audiences in over 150 countries. FremantleMedia International distributes more than 20,000 hours of content in over 200 territories worldwide.

STRATEGIC PRIORITIES

- Nurture established brands
- Invest into new formats and brands
- Diversify creative portfolio with a push into high-end drama
- Maximise the global network

CONTENT PRODUCTION VALUE CHAIN



² Pre-production will only start once the idea was sold to a commissioning client network

DIGITAL

RTL Group is the European leader and a top global player in online video. Its broadcasters have established their own on-demand platforms that make their programmes available on all devices at all times – predominantly financed by advertising. They have also branched out into new business models – including subscription video-on-demand (SVOD) – and are increasing their production of web-original content.

The next step is to combine the different VOD offerings into a so-called hybrid model, consisting of a free, advertising-funded service and a paid, premium content bundle – offering the programmes of linear TV channels, either exclusively produced or licensed from third parties.

Through key digital investments, RTL Group has become a leader in the YouTube ecosystem. Today, RTL Group fully owns, or has stakes in, several multi-platform networks (MPNs), such as BroadbandTV, StyleHaul, Divimove and, most recently, United Screens.

In general, the MPN business model in content aggregation is similar to that of RTL Group's broadcasters. Creators and so-called influencers create content for their own channels on an online video platform such as YouTube. As it is

rather difficult for individuals to sell advertising on their own, or to approach and cooperate with bigger brands, MPNs aggregate content to offer advertisers an attractive content package and, most importantly, reach and scale within a defined target group, such as young viewers.

While linear television remains the only medium to reach mass audiences on a daily basis, digital video advertising enables advertisers to connect their message to an engaged audience, which can be enhanced by the use of technology and data. This is done by a sophisticated process that automates the advertising sales process: within milliseconds, an ad on a website can be sold to advertisers looking for this demographic and willing to pay a set price.

In short, advertising technology fulfils two main goals: a) find the perfect match between advertiser and user, and b) find the perfect price for both advertiser and publisher.

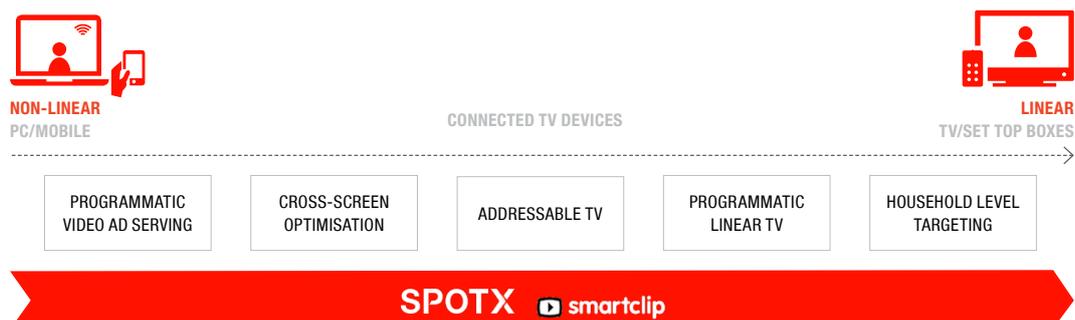
STRATEGIC PRIORITIES

- Expand premium linear TV content into non-linear
- Build hybrid VOD offers
- Extend short-form VOD network
- Create an independent, global monetisation platform

GENERIC MPN VALUE CHAIN



GENERIC AD-TECH VALUE CHAIN



MARKET ENVIRONMENT AND TRENDS

Digitisation has significantly transformed the TV market, with more channels and more content available than ever before. 92 per cent of EU households now receive their TV signal digitally. In Germany alone, viewers have access to over 75 linear television channels.

Digitisation has brought new ways of reaching viewers, such as IPTV and the open internet, which complement conventional modes of distribution, including terrestrial television, cable and satellite. Broadcasting companies such as RTL Group have welcomed the chance to distribute their programmes on both a linear (scheduled) and non-linear (on demand – anywhere, any time and on any device) basis.

At the forefront of the extensive changes in the technical infrastructure of content distribution, the development of devices such as smartphones and tablets led to far-reaching changes in viewing behaviour. In 2017, 38.5 per cent of the European population owned a tablet and 62.6 per cent owned a smartphone, though media convergence on digital devices became a reality long ago.

To most people, TV still refers to the screen in their living room. But the business model of TV, and the wider industry behind it, has moved on – and, with it, the definition of TV. At RTL Group, TV stands for Total Video.

The Total Video market comprises:

- linear TV (commercial free-to-air channels, pay-TV channels, public broadcasters),
- on-demand services financed by advertising, pay-per-view or subscriptions,
- YouTube, Facebook and other short-form online video platforms.

While linear TV is still the way most viewers consume video content, non-linear viewing is growing fast. This growth can be summarised by the following behavioural trends:

- the younger the target group, the higher the share of non-linear viewing,
- the younger the target group, the higher the share of viewing on mobile devices,
- watching video content on mobile devices increases the demand for short-form video (short clips that last just a few minutes),
- the higher the share of non-linear viewing, the higher the demand for high-end drama series, often with a niche appeal.

2017 showed the perils of digital media, from calls to action by major advertisers such as Procter & Gamble, to questionable content on YouTube and fraudulent behaviour around ad tech. Brand safety remains a crucial issue for RTL Group's ad-tech businesses and multi-platform networks. Several industry initiatives are currently under development – including IAB's ads.txt – while the platforms themselves are investing heavily in counter measures.

At the same time, this development also poses opportunities for operators of linear TV channels. The linear TV ecosystem has always provided brand safe environments, and its effectiveness is well documented. Common measurement systems established by independent third-party bodies provide reliable data on usage, audience shares and demographics.

RTL Group believes in the value of TV – it is the business with the broadest reach, highest frequency of exposure and longest viewing time. In terms of advertising effectiveness, brand building and brand safety, TV is the most reliable medium for advertisers to reach broad audiences.

Management approach

Diversity

Human rights

Employee matters

Anti-corruption and
anti-bribery

Social matters

Environmental matters

MANAGEMENT APPROACH AND MATERIAL TOPICS

RTL Group believes that Corporate Responsibility (CR) adds value not only to the societies and communities it serves, but also to the Group and its businesses. Acting responsibly and sustainably enhances the Group's ability to remain successful in the future.

Overall responsibility for the Group's CR strategy, management and performance lies with the RTL Group Executive Committee and Board of Directors. In line with the Group's decentralised organisation, the business units conduct their CR activities independently. However, the Group has established a number of committees to share CR knowledge and experience across the organisation. The most important of these is the CR Council (CRC) in Luxembourg.

Created in 2012, the CRC meets three times a year to discuss the Group's material CR issues and their implications for human resources, investor relations, legal affairs, compliance, risk and communications. The CRC consists of experts in these areas at RTL Group's Corporate Centre in Luxembourg and is currently chaired by the Executive Vice President of Corporate Communications & Marketing.

In March 2014, RTL Group established a broader forum of CR experts called the RTL Group CR Network, which consists of CR representatives from the business units and Corporate Centre. The CR Network meets once a year to share knowledge and best practice.

RTL Group also has a number of Synergy Committees (Sycos) set up to foster knowledge sharing and to encourage the replication of successes across the Group's decentralised organisation. These committees – which consist of executives and experts from each business unit and the Corporate Centre – meet regularly to discuss topics such as programming, news, radio, advertising sales and new media, as well as the CR aspects of these topics.

The Operations Management Committee (OMC) consists of the members of RTL Group's Executive Committee, senior management at the Corporate Centre, and the CEOs of the business units. It meets regularly to share information, discuss opportunities and challenges, and explore the potential for cooperation. CR topics such as training, professional development, and other sustainability issues are discussed in this committee as well.

The materiality assessment and management approach described in this report apply the standards of the Global Reporting Initiative. The performance indicators used in the chapters on employee and environmental matters are also based on these standards. In addition to this CNFR, RTL Group publishes a Corporate Responsibility Report within its Annual Report each year.

This CNFR has been approved by RTL Group's Executive Committee.

MATERIAL TOPICS

RTL Group conducts regular materiality assessments to identify the issues that are important to its stakeholders and to determine the relative priority of these issues. The assessment's findings help guide the Group's Corporate Responsibility strategy at both Group and business unit level. The findings of the 2017 assessment will be used to define new CR performance indicators.

RTL Group continually strives to improve the accuracy and information value of its materiality assessment, based on GRI Standards 102 and 103. For example, in autumn 2017 the process for assessing the importance of issues to internal stakeholders was updated. In addition, the 2017 materiality assessment included interviews with external stakeholders for the first time.

The stakeholder groups – which included audience members, potential employees, business partners, policymakers, creatives, NGOs, communities, and charities – took part in 19 structured and personal interviews on 20 pre-selected CR issues. The purpose was to obtain an external perspective on the relevance of these issues, and to gauge stakeholders' perception of RTL Group's performance on each one.

Based on the findings of the 2017 materiality assessment, the Group reaffirmed the material issues that are specific to RTL Group and, as far as possible, aligned these with the five mandatory aspects, as shown in the table on page 8.

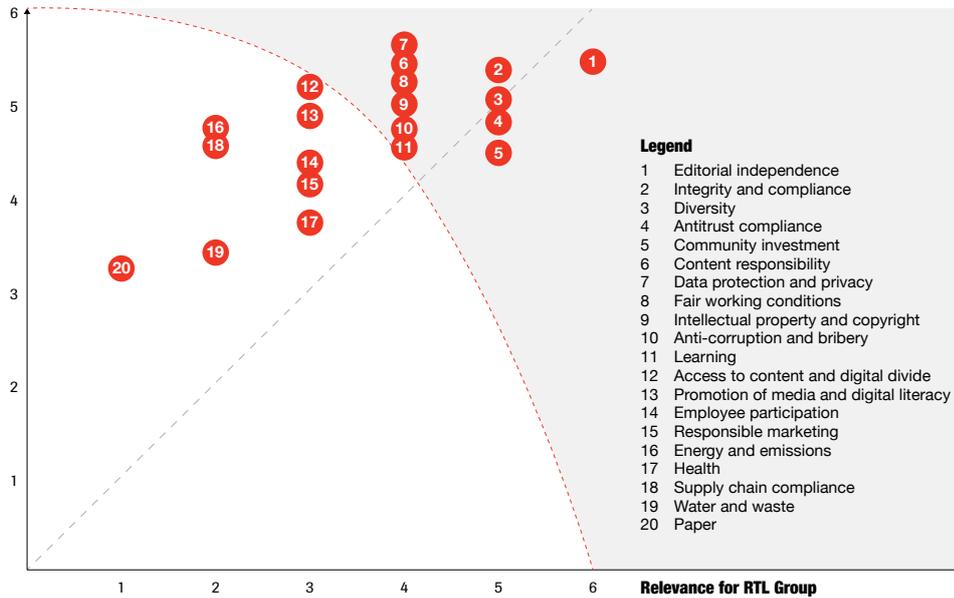
The criteria for materiality are the significance of the Group's economic, environmental, and social impacts as well as the impacts' influence on stakeholders' assessments and decisions. By law, issues are material for this CNFR if they could potentially have a significant

Management approach

- _____ Diversity
- _____ Human rights
- _____ Employee matters
- _____ Anti-corruption and anti-bribery
- _____ Social matters
- _____ Environmental matters

RELEVANCE MATRIX

Relevance for stakeholders



Relevance: 0 = none, 6 = very high

impact on RTL Group and third parties and if they are relevant for understanding the Group’s current and future development.

The most material issue for RTL Group’s stakeholders is ensuring creative and editorial independence. Integrity and compliance – included in the aspect anti-corruption and anti-bribery – are vital, and diversity is also highly important. This CNFR contains information about the Group’s two material diversity issues: diversity of people and diversity of content.

RTL Group’s risk management is described in detail in the Risk Matrix in the [Directors’ Report 2017](#). In this CNFR, the Group must disclose non-financial risks for the five mandatory aspects (environmental matters, employee matters, social matters, human rights, and anti-corruption/anti-bribery) if such risks are material and have a high likelihood of occurrence. These risks may arise from the Group’s own business operations or from its business relationships, and may relate to the Group itself, its business environment and/or its stakeholders. RTL Group’s adverse impacts could pose risks to its reputation, its attractiveness as an employer or business partner, and the risk of criminal prosecution or inclusion in do-not-source lists and indices. At the end of the financial year 2017, no significant risks were reported as part of the 2017 reporting for any of the five mandatory aspects.

OVERALL AMBITIONS

RTL Group’s main ambition is to align its CR activities to its business objectives as far as possible. These activities

focus on three main areas – editorial independence, society and employees – where management believes the Group can have the greatest positive impact.

All three have a diversity component, which is consistent with the Group’s commitment to diversity as articulated in its [Mission Statement](#): “We embrace independence and diversity in our people, our content and our businesses.”

Based on the findings of the 2017 materiality assessment, the CR Network identified three key objectives for RTL Group’s future CR efforts: audience proximity, employer branding and attractiveness for business partners.

Identifying material CR issues is an ongoing process. In the years ahead, the Group will regularly reassess whether it needs to adjust the set of issues or their prioritisation to reflect changing business priorities, market conditions or global trends.

RTL Group is listed in several indices, including the ECPI index, where it has been listed since 2016. ECPI is a pioneer in ethical indexes and index-linked sustainability investment.

In July 2017, RTL Group was independently assessed according to the FTSE4Good criteria. It satisfies the requirements needed to become a part of the FTSE4Good Index Series, which is designed to measure the performance of companies demonstrating strong environmental, social and governance practices.

Management approach

Diversity

Human rights

Employee matters

Anti-corruption and anti-bribery

Social matters

Environmental matters

RTL Group has been a member of Inspiring More Sustainability (IMS) Luxembourg, a network that helps organisations deliver on their commitment to CR, since 2010. It has participated in a pro bono workshop on social enterprise needs organised by IMS, and is a member of the Diversity Charter Lëtzebuerg, which was co-founded by IMS.

This section of the CNFR also contains a description of two issues – intellectual property and copyright, data protection and privacy – that were deemed to be material in the 2017 materiality assessment.

Issue: intellectual property and copyright

PROTECTING INTELLECTUAL PROPERTY, PROMOTING CREATIVITY

Viewers pay for television directly or indirectly. They pay for cable, satellite and internet TV directly through subscription fees. They pay for free-to-air and catch-up TV – which are funded by advertisers who purchase airtime from broadcasters – indirectly: the cost of TV advertising is included in the price of the products viewers buy. In both cases, some of this money TV companies receive is paid to the people who created the content, as the means – and the incentive – to create new content.

Broadcasters such as RTL Group take a financial risk by buying content from a production company, or by paying to produce content themselves. To recoup these investments, they are given exclusive rights to use the content in their geographical territory, and often the rights to on-demand and repeat showings.

The need to continue to make long-term investments in new products and services, to attract new creative talent, and to ensure a creative, innovative and diverse media landscape means it is vital for RTL Group to protect intellectual property rights. These rights ensure that artists and creators receive an appropriate reward for their talents. Without them, these rewards to creators would dwindle, as ultimately, would their creativity.

MANAGEMENT APPROACH

Intellectual property (IP) is a creation of the human mind, such as any literary work, music, film, television programme, graphic art or piece of software. IP is protected by copyright, trademark or patent laws, which vary significantly worldwide. Examples of an IP infringement include the performance, distribution or

exhibition of copyrighted works without appropriate permission, and the unauthorised reproduction or distribution of copies of protected IP.

RTL Group is committed to robust copyright protection worldwide – including the comprehensive and fair transfer of copyright protection from the analogue to the digital world – and lobbies actively for legislation to close gaps in copyright protection.

RTL Group's **Code of Conduct** and Information Security Policy require all employees to comply with copyright laws and licensing agreements. Sharing, downloading or exchanging copyrighted files is prohibited. The **Business Partner Principles** state the Group's expectation that its business partners also protect intellectual property.

FremantleMedia, RTL Group's production arm, has a strong record of developing ground-breaking formats that garner high ratings across all demographics. International law currently provides insufficient protection for television formats as unique intellectual properties. To help change this, FremantleMedia and its German subsidiary UFA Show & Factual (previously Grundy Light Entertainment) are members of the Format Recognition and Protection Association (FRAPA), a Netherlands-based trade association that lobbies for the legal recognition of format rights.

AMBITIONS

RTL Group will remain responsible in its treatment of intellectual property rights. It is also actively committed to raising awareness of the value of intellectual property, to strengthening its protection (especially in the digital world), and to taking action against the illegal distribution of content.

MEASURES IN 2017 TO PROMOTE THE PROTECTION OF INTELLECTUAL PROPERTY AND COPYRIGHT

In October 2017, as part of RTL Group's ongoing dialogue with stakeholders, Anke Schäferkordt, CEO of Mediengruppe RTL Deutschland, spoke at the 31st annual Munich Media Days Summit, a three-day media trade show with the motto 'Media – Trust – Machines – Confidence in the New Media Society'. Within her keynote Anke Schäferkordt focused on the concept of 'value' as it cannot be disregarded in the discussion about the media's role in society's opinion-forming process. In this context, she also highlighted the phenomenon of 'hate speech' – observing that the culture of debate on the internet and the consequences of hate speech are issues for society that also call for an holistic approach by media companies – as well as fake news.

Management approach

Diversity

Human rights

Employee matters

Anti-corruption and anti-bribery

Social matters

Environmental matters

Furthermore, Mediengruppe RTL Deutschland reached a royalties agreement with the German Society of Cinematographers (BVK). Under the agreement, cameramen and camerawomen who work or have worked on fictional prime-time productions for particularly successful Mediengruppe RTL Deutschland series, sitcoms or movies will receive subsequent, additional compensation. Income from foreign licensing fees will also be factored into this compensation.

Issue: information security, data protection and privacy

EARN AND RETAIN DIGITAL TRUST

The media industry is becoming more and more complex and the media landscape increasingly fragmented. Digital transformation means information and information systems are vital assets for almost all of RTL Group's business processes. At the same time, threats to data security are growing. Increasingly, viewers access and consume the Group's content on smartphones, tablets and internet-connected televisions and expect their personal data to be protected. In today's world, it is essential to earn and retain digital trust – which makes IT security and data protection more crucial than ever.

RTL Group collects, retains, uses and transmits personal data of customers, employees and third parties with great care and has developed a framework of policies and internal controls in order to adapt and comply with applicable laws and regulations. Neglecting information security (IS) challenges would jeopardise RTL Group's businesses, with risks such as data loss, identity theft, unauthorised access or copyright infringement. These, in turn, could put the Group in breach of contract, harm its reputation, impede its operations or cause financial loss.

MANAGEMENT APPROACH AND RESPONSIBILITIES

In 2014, RTL Group established a revised Group-wide framework of structured roles for the organisation and governance of IT and IS.

RTL Group's IT Governance Committee (ITGCo), which convenes three times a year, is responsible for ensuring the Group adopts a thorough and structured approach to IT. Chaired by RTL Group's Chief Financial Officer, it consists, besides others, of the Group's most senior IT managers. The ITGCo is required by RTL Group's Executive Committee to take decisions on all IT-related issues, including the design of the Group-wide IT strategy, governance, IT and IS policies,

and the definition and monitoring of Group-wide IT initiatives or projects.

RTL Group's Senior Vice President (SVP) Group IT is responsible for implementing the Group's IT strategy within RTL Group.

As stated in the RTL Group IT Guidelines, each business unit has appointed IT roles and responsibilities. These include Business Unit Information Security Officers, who are responsible for ensuring the implementation of IT policies and the continuous monitoring of cybersecurity risks, and License Compliance Managers, who oversee compliance with software licenses.

STRATEGIC APPROACH

RTL Group's IT strategy covers three-year programmes such as security, IT sourcing, digital working places and cloud connectivity, as well as finance and back-office-related applications delivery for RTL Group entities worldwide. The security programme is the most

GENERAL DATA PROTECTION REGULATION (GDPR)

In April 2016, the European Union adopted the General Data Protection Regulation (GDPR), which took effect in all member states in May 2018. Its purpose is to strengthen and unify data protection for individuals in the EU through a range of new or stricter requirements.

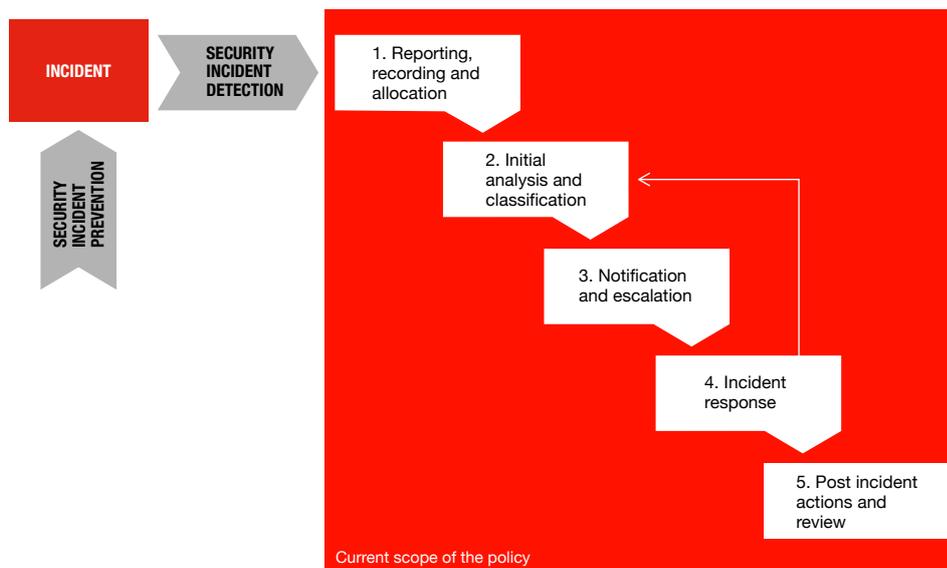
Each of RTL Group's business units is responsible for taking measures to ensure it complies with GDPR. This process is coordinated by the RTL Group Legal and Audit & Compliance departments. In 2016, RTL Group established a Privacy Office in Luxembourg to take the steps necessary to ensure compliance with GDPR in Luxembourg. In the light of GDPR, RTL Group has been investing significantly to rebuild the Group's data collection, storage and analysis for its on-demand services.

In March 2018, RTL Group adopted a **Privacy and General Data Protection Policy** that formulates the principles and organisational framework needed to comply with GDPR. This guidance enables the business units to ensure their affiliated companies comply with the new regulations.

Management approach

- _____ Diversity
- _____ Human rights
- _____ Employee matters
- _____ Anti-corruption and anti-bribery
- _____ Social matters
- _____ Environmental matters

SECURITY INCIDENT MANAGEMENT LIFECYCLE



important focus area of the Group-wide IT strategy. It encompasses governance and policies, and aims to increase the maturity of RTL Group’s security exposure, from IS risk assessment to mutualised detection and prevention tools and services, or the handling of cyber security incidents.

In 2014, RTL Group and Bertelsmann put in place an Information Security Management System (ISMS) based on ISO 27001, the recognised international standard for information security. Since then, RTL Group has conducted annual business impact assessments to identify relevant information and supporting assets, and to identify gaps in security baseline standards and related IT risks. IT risk treatment strategies are approved by management and the IT risks are evaluated. The results of the inventory and the outcome of the exercise are included in RTL Group’s Enterprise Risk Management, and reported to both RTL Group’s ITGCo and Bertelsmann’s Chief Information Security Officer.

POLICIES

The RTL Group **Code of Conduct** states the Group’s commitment to data protection and lays out general principles covering information security. In January 2018, RTL Group issued revised IT Guidelines to reflect the digital transformation in its businesses, its implications on the governance and role of IT.

REPORTING CHANNEL FOR CYBER SECURITY INCIDENTS

Employees are required to report all data and security incidents – from viruses and system crashes to non-authorised access and malfunctioning applications – to their IT department or Information Security Officer without delay. A reported incident triggers a five-step process in which incidents are analysed, classified and treated (see the graphic above).

All significant data or security incidents are subject to a formal post-incident report, and reported to the ITGCo, the RTL Group Audit Committee, and Bertelsmann’s Chief Information Security Officer. The actions taken at each step of the process depend on the type of incident. Depending on the incident, company management, Data Protection Officers and/or authorities must also be informed.

AMBITIONS AND TARGETS

RTL Group will continue to strive to protect information systems against internal and external misuse or threats and to collect, retain, use and transmit personal data and information in compliance with applicable laws and regulations.

Each business unit is encouraged to define and document its own IT strategy in line with the above-described Group-wide IT strategy, the purpose of which is to give the Group a robust IT framework. The ITGCo and Group IT department provide relevant support by monitoring and running RTL Group’s IT strategy programmes.

Management approach

Diversity

Human rights

Employee matters

Anti-corruption and anti-bribery

Social matters

Environmental matters

RTL Group aims to raise the IS maturity level of the Group to a target level set by the ITGCo. RTL Group refers to the Gartner IS maturity matrix, an internationally recognised tool for assessing the maturity of IS.

MEASURES TAKEN IN 2017 TO PROMOTE INFORMATION SECURITY AND DATA PROTECTION

RTL Group's Corporate Centre and the business units continued to provide regular IS awareness training to ensure all users are aware of the Group's IS policies, risks and best practices. A particular emphasis is placed on training new employees, so they understand the Group's policies when they first join the company. For example, the Corporate Centre continued to conduct periodic IT security training for new staff. The sessions cover a wide range of issues, including the secure use of email, the internet, and mobile devices. It also held a Cyber Security Week in October 2017, consisting of presentations and the distribution of useful information. A special emphasis was placed on personal data security and compliance with GDPR. Other issues included password security, social media and phishing.

IT Integration Days were held at FremantleMedia North America (FMNA) offices in March 2017. At the two-day event, senior managers of the IT and Digital departments of FMNA, FremantleMedia Australia, BroadbandTV, StyleHaul, SpotX and VideoAmp received a comprehensive overview of the Group's IT strategy and policies, along with details of compliance processes.

In October 2017, the Group held its third IT Integration Days at the Corporate Centre. This two-day immersion into the Group's IT strategy and policies organised by the Group IT department, brought together IT experts and managers from across the Group, with an European focus.

The Group IT department began delivering vulnerability scans and aims to further deploy mutualised referenced security solutions (such as third-party managed network monitoring services) to the business units. Group IT centrally provides services that also support smaller or recently acquired entities with the implementation of security solutions.

RTL Group issued a Security Incident Prevention policy (SIP). The SIP describes cyber security incident prevention measures, and IT tools that can help to prevent and detect security incidents. This policy also draws on the threat landscape released every year by the European Union Agency for Network and Information Security. The objective is to adapt the Group's detection and prevention rules to the fast-moving cyber security threat landscape.

To support the ISMS process, Group IT also deployed a new application that serves as a central repository for the inventory of both information assets and supporting assets, IS/IT policy compliance checks, and IT risks and remediation action plans for the entire Group.

Management approach

Diversity

Human rights

Employee matters

Anti-corruption and
anti-bribery

Social matters

Environmental matters

EMBRACING DIVERSITY IN OUR PEOPLE, OUR CONTENT AND OUR BUSINESSES

RTL Group is committed to diversity. Its family of channels and TV production companies offer audiences the broadest possible spectrum of entertainment and information programmes for the whole family: young and old, female and male, LGBTIQ or straight, black or white. Similarly, the composition of the Group's workforce should reflect the diverse public the company informs and entertains. RTL Group believes that the diversity of its people's talents, experiences, and opinions makes it a better place to work, and its content and services more attractive.

The Executive Vice President Corporate Communications & Marketing and Chairman Corporate Responsibility, and Executive Vice President Human Resources have overall responsibility for promoting diversity at RTL Group.

RTL Group's commitment to diversity is embedded in its processes and articulated in its corporate principles. The cornerstone is a [Diversity Statement](#), which unequivocally affirms the pledge to promote diversity and ensure equal opportunities throughout RTL Group. It sets guidelines and qualitative ambitions for the diversity of the Group's people, content and businesses.

Diversity is also addressed in other corporate principles, including:

- the RTL Group [Mission Statement](#), which establishes diversity as a corporate objective;
- the RTL Group [Code of Conduct](#), which forbids discrimination and requires all employees to interact with mutual respect, tolerance and trust;
- the RTL Group [Business Partner Principles](#), which set minimum diversity standards for the Group's suppliers and other business partners.

RTL Group updated its [Code of Conduct](#) in 2014, its [Mission Statement](#) in 2016, and its [Newsroom Guidelines](#) in 2017. The RTL Group [Diversity Statement](#) was issued in 2016. The Group will continue to review and revise its corporate principles and policies on an ongoing basis to reflect changes in society and stakeholders' expectations.

For example, in April 2018, RTL Group instituted the policy [Zero Tolerance Against Sexual Harassment](#). This policy articulates the company's attitude to harassment, which is also outlined in the [Code of Conduct](#), in greater detail. Speaking up without fear of retaliation is a key principle of the RTL Group [Code of Conduct](#).

The guiding principle of the policy is zero tolerance: RTL Group does not tolerate any form of harassment – including sexual harassment – exerted verbally, in writing, or by offensive physical contact, by any person engaged in RTL Group's business or acting on behalf of a Group company. The policy also provides information about the reporting channels available to employees if they believe they have been victims of, or witnesses to, any inappropriate behaviour, including sexual harassment.

In 2018, FremantleMedia instituted its global bullying and harassment policy. The company has its own reporting channels for suspected violations.

Just as RTL Group sets diversity standards for its business partners, it must meet such standards itself. For example in the UK, FremantleMedia complies with industry-imposed requirements for gender, race, and ethnic minorities, both on set and in their content. In this context, diversity is indispensable for the viability of the Group's production business.

Some countries require the disclosure of information about the pay of men and women. For example, from April 2017, UK companies with at least 250 full-time equivalent (FTE) employees must publish an annual gender pay gap report that breaks down pay by gender.

Employees are integral to the Group's diversity effort. If they have questions about diversity or equal opportunity, or suspect a violation of company policies, they can contact RTL Group's compliance channels which are published in RTL Group's [Diversity Statement](#).

Management approach

Diversity

Human rights

Employee matters

Anti-corruption and anti-bribery

Social matters

Environmental matters

Issue: diversity of people

PROMOTING AN INCLUSIVE CORPORATE CULTURE

RTL Group believes that a diverse workforce is more creative, innovative and motivated. The Group therefore aims to foster a diverse, inclusive and supportive work culture in which all employees – regardless of their age, gender, background or beliefs – feel valued and can achieve their potential. This will make RTL Group an even better place to work and thus enhances its attractiveness as an employer.

Employees say the Group is making good progress: in the 2016 Employee Survey, 85 per cent said that RTL Group provides a work environment in which people from different backgrounds and cultures feel included and valued.

MANAGEMENT APPROACH

The basis of diversity is equal opportunity. RTL Group's HR procedures are designed to ensure that decisions affecting employees – hiring, promotion and compensation – are based solely on their qualifications, performance and potential.

AMBITIONS

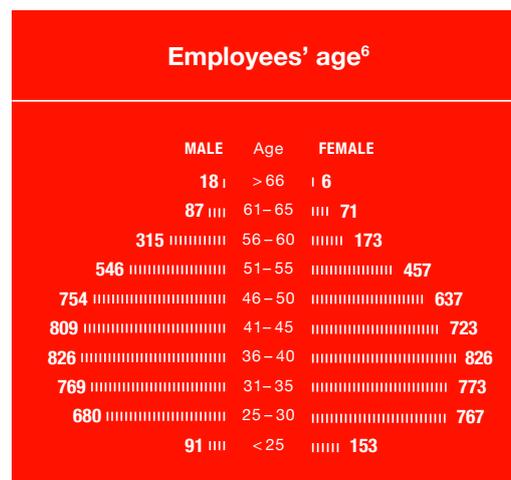
RTL Group is committed to making every level of the organisation more diverse with regard to nationality, gender, gender identity, age, ethnicity, religion, and socio-economic background. The Group intends to start by placing a special emphasis on gender diversity. Although RTL Group's workforce as a whole is balanced by gender (with 52 per cent men and 48 per cent women at the end of 2017), men in management positions outnumber women by a wide margin.

The Group's long-term ambition is for women and men to be represented equally across all management positions. As an intermediate step, it has set the following quantitative targets for 2025: to increase the share of women in top and senior management positions to 30 per cent (n=172). The Group reports on its progress toward these and other diversity targets each year.

PERFORMANCE IN 2017

At the end of 2017, women accounted for 22 per cent of top and senior management positions, 2 percentage points more than at the end of 2016. In detail, women accounted for 24 per cent of top management⁴ positions and 20 per cent of senior management⁵ positions.

Permanent RTL Group employees had an average age of 41 at the end of 2017. The 36 to 40 age group was the largest. Most RTL Group top managers are aged between 51 and 55, with an average age of 50. Most RTL Group senior managers are aged between 46 and 50, with an average age of 48. Overall, RTL Group managers have an average age of 49.



⁶ Headcount of permanent employees as at 31 December 2017

Our diversity target³

By 2025, we aim to increase our percentage of female leadership to

30%

in our management.
(2017: 22%)

³ RTL Group's management includes top management and senior management

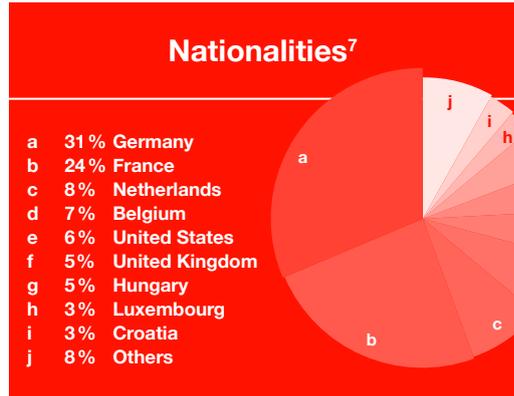
At the end of 2017, RTL Group's Board of Directors had an average age of 55, and both its Executive Committee and Operations Management Committee had an average age of 51.

RTL Group is very diverse when it comes to nationality: nine different nationalities are represented in top management, 12 in senior management and more than 57 in the workforce as a whole. Most employees are German, French, Dutch, Belgian or American.

⁴ Top management generally includes the members of the Executive Committee, the CEOs of the business units and their direct Management Board Members, and the Executive Vice Presidents of RTL Group's Corporate Centre

⁵ Senior management generally includes the Managing Directors of the businesses inside the business units, the heads of the business units' departments, and the Senior Vice Presidents of RTL Group's Corporate Centre

Management approach
Diversity
Human rights
Employee matters
Anti-corruption and anti-bribery
Social matters
Environmental matters



⁷ Headcount of permanent employees as at 31 December 2017. (According to Canadian labour law, BroadbandTV Corporation (CAN) may not report the nationalities (heads = 200))

MEASURES IN 2017 TO PROMOTE PEOPLE DIVERSITY

To comply with a new law in the United Kingdom, FremantleMedia Group Ltd compiled its first **Gender Pay Gap Report** which was published in March 2018. The report includes the disclosure of gender-specific pay at subsidiaries inside the UK.

FremantleMedia Group takes a variety of steps to promote gender-blind pay, including flexible work schedules, career coaching, enhanced maternity and adoption pay, and training and development. The company plans to launch a Fremantle Equality Network and a new mentoring programme.

FremantleMedia’s Operating Board invited 13 employees from around the business to form an Ignition Board to create a more agile, creative and entrepreneurial company. By bringing together employees with diverse views and backgrounds, FremantleMedia aims to make itself a more agile, creative and entrepreneurial company. At FremantleMedia the gender split is almost balanced, with already 44 per cent women in top and senior management positions.

On 21 March 2017, RTL Group emphasised its commitment to diversity by signing the Diversity Charter Lëtzebuerg, a corporate initiative to make companies in Luxembourg more inclusive and diverse. Signatories pledge to take steps to promote diversity that go beyond compliance with anti-discrimination laws. Mediengruppe RTL Deutschland has been a member of a similar German alliance, Charta der Vielfalt, since 2007.

On 17 May 2017, Bertelsmann unveiled ‘be.queer’, its first company-wide employee network, designed explicitly to promote an open working environment for all employees, regardless of their sexual identity or orientation. RTL Group’s contact person is Rhys Nölke, Senior Vice President Strategy. In Germany, UFA has also set up a team to explicitly promote an open

working environment for all employees, regardless of their sexual identity and orientation. The team hosted a meet and greet event in Cologne on Christopher Street Day early in July 2017, to foster an exchange of views and experiences between colleagues from a wide range of Bertelsmann divisions who had joined the company’s be.queer network. Beyond membership in these alliances, RTL Group pursues a wide range of measures at a local level to ensure it has a diverse organisation.

FremantleMedia North America promoted diversity on the production side by participating in a new industry-wide summer internship and mentoring programme. RTL Nederland formed a diversity working group consisting of seven employees to support it in maintaining an inclusive workplace. Mediengruppe RTL Deutschland established an inclusion agreement that contains rules for how management and employee representatives will work together to encourage the hiring of disabled people and foster their professional development. In France, Groupe M6 signed a similar agreement relating to the integration and retention in employment of disabled people. Groupe M6 also drafted a charter aimed at protecting the rights of minors who appear in its TV shows. It also received a CSR Innovation Award, for both Mission Handicap – its long-standing programme to combat discrimination and promote the inclusion of people with a disability – and its specific efforts to sensitise employees to the challenges faced by people with disabilities, such as the introduction to Cécifoot (Blind Football) and the disability-simulation workshops it held during European Disability Employment Week in 2017.

Issue: diversity of content

REFLECTING THE AUDIENCES’ RICH CULTURAL DIFFERENCES

The millions of people who turn to RTL Group each day for the latest local, national, and international news need a source they can trust. RTL Group therefore maintains a journalistic balance that reflects the diverse opinions of the societies it serves. The same commitment to diversity applies to the Group’s entertainment programming: it is essential for RTL Group to create formats for a wide range of audiences across all platforms. Content needs to be as representative as possible of the diversity of society so that many different segments of society can identify with it.

 Management approach

Diversity

 Human rights

 Employee matters

 Anti-corruption and anti-bribery

 Social matters

 Environmental matters

MANAGEMENT APPROACH

In keeping with the Group's decentralised management approach, local editors-in-chief and programming directors are solely responsible for selecting their own news and entertainment content.

In addition, some of the countries in which RTL Group operates have set standards for diverse programming. France, for example, empowers the Conseil Supérieur de l'Audiovisuel (CSA) – the country's independent authority "to protect audiovisual communication freedom" – to monitor the diversity of television programming.

In the UK, FremantleMedia complies with industry-imposed requirements for gender, race, and ethnic minorities, both on set and in its content. It is also an active member of key industry initiatives, such as the Cultural Diversity Network and Creative Access in the United Kingdom, to develop diverse on and off screen talent. It places a particular emphasis on recruitment, and runs a large number of work-experience placements and schemes.

AMBITIONS

RTL Group's news organisations strive for truthful, fair and impartial reporting, while protecting individual rights and shielding minors from inappropriate content. On the entertainment side, RTL Group aims to produce high-quality programming that can be enjoyed by its entire audience – regardless of an individual's age, gender, ethnicity or sexual orientation – and to make this programming available to people with disabilities as well. Consequently, many RTL Group television programmes have subtitles for the hard of hearing, descriptions for visually impaired people, and occasionally sign language.

MEASURES IN 2017 TO PROMOTE CONTENT DIVERSITY

Mediengruppe RTL Deutschland supported 'Audiovisual diversity? Gender representation in film and television in Germany', a study conducted by Rostock University and the Malisa Foundation. The study, the findings of which were presented in July 2017, involved a detailed analysis of more than 3,500 hours of television programmes broadcast by Germany's four largest TV groups in 2016, and over 800 German-language feature films from the past six years. It found that the country's media landscape is substantially male-dominated, and that women are under-represented as characters and presenters across all age groups. Although Mediengruppe RTL Deutschland's programmes were more diverse than the average, in 2017 it began the process of examining the study's findings to identify areas for improvement.

In October 2017 RTL Nederland partnered with the Dutch Public Broadcasting Agency (NPO), Vice Media Benelux, and Women Inc. a women's advocacy organisation, to form a coalition called Image-Forming in the Media. Until 2019, the coalition partners will take steps to make both their reporting and their organisations more inclusive.

The creators of *American Gods* – a drama series produced and released by FremantleMedia North America in 2017 – have made cultural inclusion integral to the writing and casting of the show.

Mediengruppe RTL Deutschland's series such as *Unters uns* (Among Us) and *Gute Zeiten, schlechte Zeiten* (Good Times, Bad Times) regularly addressed themes such as disabilities, depression and assisted suicide.

In March 2017, *SynDroom* – RTL 4's award-winning programme in the Netherlands focusing on people with Down's Syndrome and autism – entered its fourth season with a spinoff called *Hotel SynDroom*. In April 2017, RTL 4 premiered *Voor Ik Het Vergeet* (Before I Forget), a programme about people living with dementia.

Neighbours, FremantleMedia Australia's internationally acclaimed series, began airing on OutTV, Canada's only LGBTIQ television network, in April 2017. The series, which currently has three LGBTIQ characters, aims to accurately reflect society, and to promote diversity and acceptance.

The Group's online video companies, StyleHaul, Divimove and United Screens, have a diverse portfolio of content creators. For example, StyleHaul YouTuber Joey Graceffa frequently addressed his gayness in his posts during 2017 – also to act as a role model for other gay people who are afraid to come out.

On 3 December 2017, the International Day of Persons with Disabilities, M6 in France broadcast *Différents et alors!* (Different So What!), five short features highlighting top athletes with disabilities.

Overall, RTL Group broadcast 67,432 hours of subtitled, signed and audio-described programmes in 2017.

Management approach

Diversity

Human rights

Employee matters

Anti-corruption and anti-bribery

Social matters

Environmental matters

RESPECTING HUMAN RIGHTS, ENSURING PRESS FREEDOM

Responsible and ethical behaviour towards audiences, employees, advertisers, business partners, the creative community, government agencies and regulators is integral to RTL Group's values. RTL Group respects the dignity and individual rights of its employees, as well as their right to freedom of association and collective bargaining. The Group condemns forced or child labour and any form of exploitation or discrimination, and expects its business partners to share this attitude.

MANAGEMENT APPROACH

In line with RTL Group's decentralised organisation, the business units are responsible for ensuring that their organisations respect human rights. The Group's main human rights issue is press freedom, and its management approach for this issue is described in the next section.

Respect for human rights is a vital part of RTL Group's **↗ Code of Conduct**, which includes a decision-making guide that clarifies how to comply with the company's standards in case of doubt. The commitment to responsible and ethical business practices extends to the Group's business partners. In 2017, RTL Group established the RTL Group **↗ Business Partner Principles**, which set minimum standards for responsible business relationships. To report suspected human rights violations or unethical practices, employees and third parties can contact RTL Group's compliance reporting channels (directly or through a web-based reporting platform) or an independent ombudsperson. In all cases, they may do so anonymously.

RTL Group endorses the **↗ UN Global Compact** and the **↗ Charter of Fundamental Rights of the European Union**, which guarantees freedom of expression and information, while emphasising human dignity and the right to the integrity of the individual. Together with its majority shareholder Bertelsmann, RTL Group is committed to the core conventions of the **↗ International Labour Organisation**. The Group also complies fully with legislation such as the **↗ UK Modern Slavery Act** in the United Kingdom.

MEASURES IN 2017 TO PROTECT HUMAN RIGHTS

RTL Group has procedures in place to continually monitor, assess and analyse its content to ensure it meets the company's ethical standards. For example, Groupe M6 in France and RTL Luxembourg have established ethics councils for this purpose. Mediengruppe RTL Deutschland has established an Ethikrat (Ethics Council), which consists of four employees who meet when sensitive or controversial issues arise and submits recommendations in writing to the respective editor-in-chief.

RTL Group's news organisations conduct investigative journalism to shine a light on human rights violations and other abuse. For example, M6's award-winning programme *Enquête Exclusive* investigates stories in some of the world's most dangerous places: from religious radicalism in Yemen to gang culture in Honduras. The show, which has run for more than a decade and visited over 50 countries, reaches around 1.3 million viewers every Sunday evening.

As she has for many years, in 2017 Antonia Rados, Chief Foreign Affairs Correspondent of Mediengruppe RTL Deutschland, reported from volatile regions such as North Africa and the Middle East to provide viewers with an up-close look at the impact of war and violence and the causes of the refugee crisis.

RTL Television's *Team Wallraff – Reporter Undercover* conducts extensive research to uncover human rights abuses, corruption and other illegal activity. In 2017, it ran stories revealing the poor conditions at facilities for people with disabilities, serious irregularities at job centres, and inadequate hygiene and quality control at companies that prepare food for kindergartens, schools and retirement homes.

Similarly, *Reporters*, an investigative series produced by RTL-TVI in Belgium, uncovered a number of human rights violations in 2017, including systematic job discrimination against francophone Walloons in Flemish coastal regions.

Management approach

Diversity

Human rights

Employee matters

Anti-corruption and anti-bribery

Social matters

Environmental matters

Issue: editorial independence**EDITORIAL AND JOURNALISTIC INDEPENDENCE**

Trust is the basis of all good journalistic communication, and a robust, varied and high-quality broadcasting and internet landscape is essential for a democratic and diverse society. Each day, tens of millions of people watch RTL Group's news programmes and magazine shows to learn about events and information in their community and around the world. This enables the Group to support people's right to freedom of opinion, self-expression and information.

Press freedom is a vital part of this, and starts within the organisation. Consequently, RTL Group's broadcasting and news reporting are founded on editorial and journalistic independence. This not only helps maintain the Group's reputation as an impartial news source, it also improves the ability to attract talented journalists and minimise complaints and legal issues.

RTL Group's commitment to editorial and journalistic independence sometimes encounters external obstacles, such as in Hungary, where government restrictions have made independent journalism increasingly difficult in recent years. Despite this challenging environment, employees at RTL Hungary work hard to continue to apply the Group's journalistic principles. This was honoured with a combined prime-time audience share of the Hungarian RTL family of channels in the key demographic of 18 to 49-year-old viewers of 31.2 per cent with RTL Klub – the Group's Hungarian flagship channel – as the clear market leader, 6.1 percentage points ahead of its main commercial competitor, TV2. In addition, RTL Hungary's news broadcasts were the most balanced in Hungary according to the media monitoring body Mérték Médiaelemző Műhely.

MANAGEMENT APPROACH

Good journalism is founded on trust. Policymakers, regulators and, most importantly, the Group's millions of viewers and listeners expect to be able to trust RTL Group to inform them truthfully, credibly, responsibly and impartially. RTL Group's commitment to impartiality, responsibility and other core journalistic principles is articulated in its [Newsroom Guidelines](#) (see the text box on page 19). Maintaining audience trust has become even more important in an era when news organisations have been accused of publishing misleading stories, and individuals, radical political movements or even hostile powers post fake news on social networks to sow discord.

USER-GENERATED CONTENT (UGC) VERIFICATION TEAM

To ensure fair and impartial reporting in the age of social media and fake and alternative news, the Info Network Content Management team has founded a UGC verification team. It was set up after a major shooting incident in Munich in summer 2016, when the editorial team received 21 related UGC videos and photos, 13 of which were fake. The news specialists who prepare around seven hours of live content a day for RTL Television, N-TV and Mediengruppe RTL Deutschland's other news programmes expanded their UGC verification team to over 100 journalists by training colleagues across RTL Group and other partner companies. They check content upon request, using various tools and methods.

In 2017, the team received 200 requests which were checked with a 100 per cent success rate, and are currently dealing with an average of one task a day as their workload steadily rises.

RTL Group's decentralised set-up promotes journalistic and creative independence: editorial decisions are taken solely by local editors-in-chief, with no interference from top management, neither from the Group's Executive Committee or Board of Directors nor from the management of the various business units. As the Group wants the lessons it learns in one market to benefit the company around the world, it set up the RTL Group News Synergy Committee – a working group covering all news topics, including editorial independence and press freedom. The committee, which comprises editors-in-chief from all relevant business units and executives of the Corporate Centre, meets regularly to discuss relevant issues, projects, successes and challenges.

In addition, Bertelsmann has had a working group on press freedom since 2015. The group, which is chaired by RTL Group's Executive Vice President for Corporate Communications & Marketing, consists of representatives from other Bertelsmann divisions, with occasional guest speakers, including from RTL Group. At its annual meeting in 2017, the group again shared ideas and information about a wide range of issues relating to journalistic and editorial independence.

Management approach

Diversity

Human rights

Employee matters

Anti-corruption and anti-bribery

Social matters

Environmental matters

OUR JOURNALISTIC PRINCIPLES

RTL Group's **Newsroom Guidelines** define the journalistic principles of all its news organisations:

- We are fair and impartial
- We act responsibly with regard to personal rights
- We are cautious in showing violence and victims
- We handle the personal rights of minors with sensitivity
- We report truthfully and don't stage reality
- We are cautious and critical on third party messaging

AMBITIONS

RTL Group strives to maintain its strong tradition of journalistic independence, continuing not to give in to outside influence or to any form of intimidation of its journalists. In addition, it aims to reveal hard-to-uncover facts from corporations, government agencies and people to ensure these stories are told.

MEASURES IN 2017 TO PROMOTE EDITORIAL INDEPENDENCE

The RTL Group News Synergy Committee updated the **Newsroom Guidelines** in May 2017. At its meeting on 22/23 May 2017, the committee devoted particular attention to strategies for combating fake news and disinformation.

The Bertelsmann press freedom working group, chaired by RTL Group's Executive Vice President of Corporate Communications & Marketing, held its annual meeting in Hamburg to discuss current issues relating to editorial and journalistic independence across Bertelsmann's news organisations, and strategies to combat fake news.

Mediengruppe RTL Deutschland hosted the Group's first workshop on verifying user-generated content (UGC). Held in Cologne, it was attended by news editors from Mediengruppe RTL Deutschland, RTL Nederland, RTL Belgium, Groupe M6 and Enex. Participants received training in effective ways to verify UGC, and shared tips on how to respond to the challenge of fake news.

The RTL School of Journalism for TV and Multimedia in Germany continued to raise students' awareness of the importance of ethical standards, press law and quality criteria which are vital to maintaining high journalistic standards.

RTL Group's commitment to press freedom was recognised outside the organisation too: Hans Demmel, Managing Director of N-TV and Chairman of the Board of the German Association of Private Radio and Telemedia (VPRT), was honoured with the Signs Award in the 'credibility in communication' category.

In January 2018 the European Commission convened a High Level Expert Group (HLEG) to advise it on fake news and online disinformation. From 300 applicants, the commission chose 39 to serve in the HLEG, including RTL Group's Sonja Schwetje (Editor-in-Chief of N-TV in Germany). In its March 2018 report, *A Multi-Dimensional Approach to Disinformation*, HLEG makes a number of recommendations for an effective pan-European strategy to tackle the problem of disinformation.

Management approach

Diversity

Human rights

Employee matters

Anti-corruption and anti-bribery

Social matters

Environmental matters

OUR PEOPLE MAKE THE DIFFERENCE

In 2017, RTL Group had a total of 11,011 full-time employees in more than 30⁸ countries worldwide. They range from producers to finance professionals, and from journalists to digital technology experts. As the business is built on their skills, creativity and dedication, the Group does everything it can to ensure they receive equal treatment and have a fair and healthy work environment that enables them to flourish and realise their potential.

MANAGEMENT APPROACH

RTL Group's decentralised management approach guides how it handles employee matters. RTL Group's Executive Vice President Human Resources has overall Group-wide responsibility for employee matters, reporting to the RTL Group Executive Committee. Each business unit has its own HR Director and takes HR-related decisions as independently as possible, enabling it to act according to its needs.

However, the Group wants to ensure that experience gained in one market can benefit the organisation as a whole. It does this by sharing knowledge and best practice. At RTL Group level, the HR Committee meets three to four times a year for one or two days to discuss and coordinate common HR topics such as recruitment, training, talent development, internal mobility and diversity. The HR Committee consists of RTL Group's Executive Vice President Human Resources, the HR Directors of all business units, plus the Heads of Compensation & Benefits, Management Development and HR Information Systems from the Group's HR department.

The Group-wide Employee Survey, conducted every three years, provides valuable feedback on what employees believe the Group does well and what needs improvement. Based on the findings of the most recent survey, conducted in 2016, RTL Group defined career development as its main focus for improvement. As a result, it was decided to promote internal mobility and establish an international trainee programme, Smart Start, aimed at attracting, retaining and developing talented young people with strong digital skills.

In addition, the business units identified action areas related to employee matters, with training and development being one of the most frequent focus points. They then designed measures to address these

areas. Implementation began in 2017 and will continue throughout 2018. The main focus of the Group's response to the survey is reflected in this chapter's first material issue: training and development. Other material issues – fair working conditions and health – were also part of the survey.

Issue: learning

HELPING EMPLOYEES TO GROW, BOTH PERSONALLY AND PROFESSIONALLY

RTL Group is committed to providing employees with extensive training opportunities and to guiding their career development. The Group conducts systematic talent management and succession planning. The foundation is the annual performance review between all employees and their supervisors. The review is supplemented by regular follow-up meetings with the supervisor and the local HR team. This ongoing, constructive dialogue enables employees to identify and discuss their strengths, areas for development, and the skills they need to advance their careers.

AMBITIONS

RTL Group strives to be an employer of choice that attracts and retains the best talent. The objective is to equip employees with the necessary skills and attitudes needed to confidently address the company's current and future challenges. The Group does this by offering – and frequently reviewing – a number of training programmes covering a wide range of subjects, from strategy to leadership and individual coaching.

RTL Group's main tool for training and development management is Peoplenet, an online platform currently rolled out Group-wide. It provides employees with access to a large library of online courses and allows the planning and tracking of all training initiatives. At the end of 2017, 61 per cent of RTL Group employees had access to Peoplenet.

The Group also develops its employees by fostering internal mobility throughout the organisation, giving

⁸ Average of FTE's of fully consolidated undertakings as at 31 December 2017

Management approach

Diversity

Human rights

Employee matters

Anti-corruption and anti-bribery

Social matters

Environmental matters

them the chance to apply their talents in a new business setting and to acquire new insights and skills in other business units, enabling them to grow both professionally and personally.

In 2017, the Group designed an international trainee programme, Smart Start, to address talent attraction, development and internal mobility and to provide talented young people with the opportunity to gain end-to-end knowledge of the Group's digital businesses. The programme will be launched in 2018.

M6 Campus organised 520 training initiatives in 2017, providing in-house training in management, Group culture, quality of working life, and technical skills. In Germany, the RTL Radio Academy offers talented employees the opportunity to develop their leadership and organisational skills, thus enabling them to advance in their careers. In 2017, 45 of RTL Radio Deutschland's employees participated in the Academy's training courses. They participated in five training modules that translated into 60 courses, two to three days each, addressing leadership, strategy and radio programming.

PERFORMANCE⁹

RTL Group employees had 100,445 hours of training and development in 2017 – an average of 7.73 hours per headcount (HC). The average sum spent on training and development per HC in 2017 was €288, amounting to a total training and development spend of €3.74 million. At year-end 2017, RTL Group had 211 apprentices learning a variety of professions.

MEASURES IN 2017 TO PROMOTE LEARNING

RTL Group's majority shareholder, Bertelsmann, operates the flagship in-house learning institution Bertelsmann University (BU). RTL Group utilises this learning institution intensely. In 2017, the university continued to offer innovative, state-of-the-art learning solutions and formats that systematically promote and develop employees' competencies and skills worldwide.

The university is divided into four campuses:

- BU Strategy Campus, which promotes strategy and transformation targeting executives and talents;
- BU Leadership Campus, which offers leadership programmes and instruments designed for managers with supervisory responsibilities at different levels;
- BU Function Campus, which promotes competencies of employees working in specific business functions, such as HR, IT and Finance;
- BU Individual Campus, which provides a broad selection of learning programmes and digital training to develop the skills of all Group employees, with instruction in German, English, French, and Spanish.

The university partners with world-class institutions such as Harvard Business School, Stanford University, Institut Européen d'Administration des Affaires (INSEAD), Hautes Études Commerciales (HEC) Paris, and HHL Leipzig Graduate School of Management.

Several business units have in-house learning centres, such as Groupe M6's training organisation in France, M6 Campus.

The RTL School of Journalism for TV and Multimedia in Germany is a respected, accredited training centre, the mission of which is to prepare students for the fast-moving, highly competitive world of television journalism. The curriculum at the school's state-of-the-art facilities encompasses the study of practical training in online journalism, video for digital platforms, investigative research, and ethics. To date, 229 graduates have gone on to work for Mediengruppe RTL Deutschland as well as other broadcasters, TV production and media companies. The current class of 28 students will complete the two-year programme in 2018.

Many business units have mobility programmes that enable employees to work temporarily elsewhere in the unit. In 2016, RTL Group created a Group-wide mobility programme that facilitates postings from one business unit to another. The programme has compiled a mobility pool of approximately 200 employees who have expressed an interest in working in another business unit. This pool is reviewed before external candidates are recruited.

Issue: fair working conditions

ENABLING EMPLOYEES TO REALISE THEIR POTENTIAL

RTL Group has established a work environment where creativity and entrepreneurship can flourish, where employees feel confident and at ease, and where they can realise their full potential. In the 2016 Employee Survey, 76 per cent of respondents said that they are satisfied with their working conditions.

Responsible and ethical conduct toward employees, business partners, the general public and the environment are integral to the Group's values, defined in the ↗ **Code of Conduct**, which is binding for RTL Group. The Group also upholds the ↗ **Eight Fundamental Conventions of the International Labour Organisation**, and respects employees' rights to freedom of association and collective bargaining.

⁹ Figures exclude Media Assurances, RTL AdConnect and Stylehaul

Management approach

Diversity

Human rights

Employee matters

Anti-corruption and anti-bribery

Social matters

Environmental matters

Employee representatives may not be hindered in their duties or discriminated against in any way. Every manager at RTL Group plays their part in these efforts, leading by example and taking action to prevent conduct that doesn't comply with the law or the company's values.

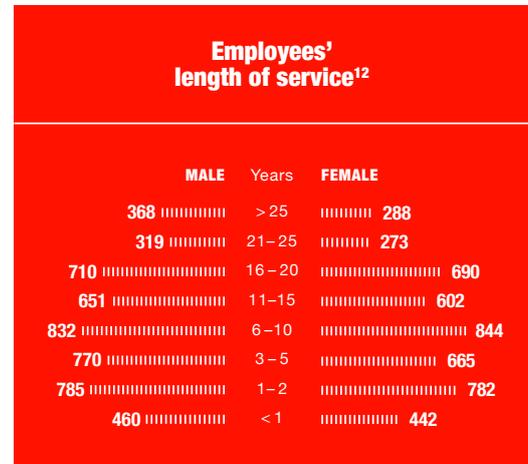
AMBITIONS

RTL Group's corporate culture is founded on fairness, partnership, mutual trust and commitment. The Group strives to ensure that all employees receive fair recognition, treatment and opportunities, and is committed to fair and gender-blind pay. The same applies to the remuneration of freelancers and temporary staff, ensuring that such employment relationships do not compromise or circumvent employee rights. The Group also strives to support flexible working arrangements.

PERFORMANCE^{10,11}

In 2017, the total employee turnover rate at RTL Group was 8.8 per cent. The voluntary employee turnover rate (resignations) was 4.6 per cent. 73 per cent of RTL Group's employees have a permanent employment contract (of those employees, 51 per cent are male and 49 per cent are female). The other 27 per cent of the

Group's employees are interns, freelancers or have a fixed term employment contract (of those 42 per cent of the employees are male and 58 per cent are female).



12 Headcount of permanent employees as at 31 December 2017

MEASURES IN 2017 TO PROMOTE FAIR WORKING CONDITIONS

RTL Group's most important forum for addressing cross-border aspects of fair working conditions is the European Works Council (EWC).

10 Total turnover includes resignations, dismissals, retirements as well as departures by mutual consent
 11 All figures exclude BBTv and RTL Radio (France)

EUROPEAN WORKS COUNCIL (EWC)

In 1997, RTL Group concluded a voluntary agreement with employee representatives establishing a European Works Council. The EWC, which consists of representatives from RTL Group's local works councils in the EU, maintains an open dialogue with RTL Group management on cross-border employment issues, including fair working conditions. It meets with the senior management team twice a year. Under the current voluntary agreement, these meetings serve as a forum for discussing social issues and consulting with employees. The EWC's task is to remind management of its responsibilities toward employees, in particular the responsibility to ensure fair working conditions.

The fifth addendum to the voluntary agreement extends the agreement for a five-year period, from 2018 to 2022. For the first time, the addendum includes an option to renegotiate, at the EWC's request, the voluntary agreement's content. The EWC Chairman will inform management by 1 January 2019 whether the EWC wishes to make this request. On 25 September 2017, the EWC

unanimously re-elected Kai Brettmann (RTL Nord, Hamburg) as its Chairman. He is also a member of the Bertelsmann Supervisory Board and Audit Committee. In addition, the EWC also re-elected its two Deputy Chairmen, Freddy Massin (RTL Belgium) and Rob van Loon (RTL Nederland).

In 2017, the EWC addressed key changes affecting employees. It worked with management to mediate the combination of the Group's TV and radio activities in France in a single entity and to negotiate a social plan for the proposed restructuring of RTL Belgium. This plan aimed to transform the company's organisational structure and operation, in particular by redefining and/or eliminating some of the roles that have existed within RTL Belgium. In 2018, the number of people affected by the social plan has been reduced from the originally communicated 105 to 88 employees, all of whom will receive severance pay commensurate to services rendered. In the years ahead, the EWC plans to work toward harmonising the standards for employee representation across all RTL Group entities.

Management approach

Diversity

Human rights

Employee matters

Anti-corruption and anti-bribery

Social matters

Environmental matters

Another measure RTL Group takes to promote fair working conditions is to offer attractive remuneration. Remuneration is based on objective criteria in line with market standards and statutory requirements. Periodic benchmarking ensures that the Group's salaries are competitive. In 2017, Mediengruppe RTL Deutschland awarded its 2,500 employees a profit-share of €15 million. Profit-shares and accrued interest are paid out to employees when they reach the age of 60. Since 1992, employees have been allocated profit-shares totalling €180 million. To help employees plan for their future, Mediengruppe RTL Deutschland has created an interest-bearing value account called 'Wertkonto'. Employees can set aside part of their salary, plus a supplemental amount from the company, and the money saved can be used to finance early retirement, long-term care plans, sabbatical leave or occupational training.

Groupe M6 has established three profit-sharing agreements for Groupe M6, the Ventadis division and Football Club des Girondins de Bordeaux (FCGB). In 2017, 2,249 employees benefited from a total of €8.1 million. Groupe M6 offers its employees a savings plan into which they can deposit part of their salary, bonuses and profit-shares, as well as a Groupe M6 contribution, which in 2017 totalled €13.9 million for Groupe M6 (excluding FCGB).

Moreover, Groupe M6 has made a commitment as part of the structure of working hours, to promote respect for personal life, for example with meetings to be set for times during working hours, flexible working time to match school term, etc. An innovative step has also been taken to extend the parental leave period to incorporate part-time working for a maximum of 80 per cent of working hours until the child is six years old.

Millennials' expectations regarding their job and work environment differ from those of older generations. They tend to place a higher priority on balancing work and free time, and on having greater freedom in planning their professional future. RTL Group is aware that attracting and retaining talented millennials is essential for its long-term success. For example, parents and children need time together as part of a healthy work-life balance. The Group therefore encourages its employees to make the most of the parental leave they are entitled to in their respective countries. The Group has also installed parent-child locations at some offices to support parents who are unable to arrange childcare at short notice.

RTL Group's commitment to fair working conditions extends beyond the organisation. The Group expects the same commitment from its business partners laid out in the RTL Group **Business Partner Principles** (BPP). The BPP states unequivocally that any company working with RTL Group should comply with all laws

and regulations relating to fair working conditions, such as remuneration, working hours, and privacy protection. They should also provide their employees with a safe, healthy and non-discriminatory workplace.

Issue: health

STAYING FIT AND HEALTHY IN TODAY'S FAST-PACED WORK ENVIRONMENT

As a responsible employer, RTL Group complies with applicable health laws and regulations. It also fosters numerous initiatives that promote employees' health and wellbeing, and raises awareness of the importance of taking responsibility for their own health. In the 2016 Employee Survey, 66 per cent of respondents said they maintain a healthy work-life balance.

In line with its decentralised business model, RTL Group expects each of its business units to create an environment in which employees can shape the future in a healthy and productive manner.

AMBITIONS

Healthy employees who enjoy coming to work and doing their jobs are essential to the Group's success. Thus, RTL Group is committed to providing a healthy work environment, to preventing work-related diseases, and to minimising risk factors. The Group strives to create working conditions that enable employees to stay healthy, which reduces absenteeism and fosters productivity.

MEASURES IN 2017 TO PROMOTE EMPLOYEE HEALTH

RTL Group's decentralised structure empowers the business units to pursue the health and wellbeing programmes that make the most sense for their employees in their particular market. Below are some of the different measures the units have taken:

- In Germany, RTL Radio Center Berlin organised an annual health day, and RTL Nord conducted a pilot project for integrated health management;
- To monitor their health on a regular basis, all Luxembourg-based RTL Group executives are offered a free health check;
- RTL Belgium provides training to enable managers to recognise stress signals in their team and to better prevent excessive stress and burnout;

EMPLOYEE MATTERS

Management approach

Diversity

Human rights

Employee matters

Anti-corruption and anti-bribery

Social matters

Environmental matters

- In France, Groupe M6 focuses primarily on employee safety and working conditions. For example, it continues to offer managers and employee representatives training to raise their awareness of psycho-social risks and to teach them how to respond;
- Employees in Luxembourg have free access to the in-house fitness centre. They enjoy fresh fruit every morning, subsidised healthy meals in the canteen, and supplemental health insurance.

Over the past ten years, RTL Group has won two awards for its health and wellbeing programmes: the Luxembourg Health Ministry's Healthy Workplace Award and the European Network for Workplace Health Promotion's Models of Good Practice Award.

RTL Group recognises that lack of exercise, repetitive motion, prolonged sitting and frequent stress pose serious health risks. Mediengruppe RTL Deutschland has responded with Moving Pause, a 15-minute series of low-intensity balancing exercises designed to relax muscles and reduce stress. Every 15 minutes between midday and 13:00 a new session begins in the in-house fitness centre at Cologne headquarters. Moving Pause is also webcast between 12:00 and 13:30 each day on the company's intranet, so that employees at other locations can participate. The company also ran an eight-session workshop entitled 'stress management through mindfulness' during 2017.

Management approach

Diversity

Human rights

Employee matters

**Anti-corruption and
anti-bribery**

Social matters

Environmental matters

PREVENTING CORRUPTION AND BUILDING TRUST

RTL Group is aware that the foundation for lasting business success is built on integrity and trustworthiness, and the Group takes a zero-tolerance stance to any form of illegal or unethical conduct. Violating laws and regulations – including those relating to bribery and corruption – is not consistent with RTL Group's values and could damage the Group. Non-compliance could harm the Group's reputation, result in significant fines, endanger its business success and expose its people to criminal or civil prosecution.

But even an act that may not be illegal – like offering or accepting a gift or a lavish meal – may still be unethical. It can create a conflict of interest or the appearance that a quid pro quo is expected.

MANAGEMENT APPROACH

To foster a compliance culture and prevent corruption and bribery, RTL Group has established a compliance management system (CMS). The CMS is developed and implemented by the Compliance department at the Corporate Centre and endorsed by the RTL Group Audit Committee. It consists of policies and procedures, risk assessment, communications measures to promote a compliance culture, and oversight mechanisms such as pathways for reporting potential violations and procedures for conducting compliance investigations. The Compliance department reviews these components on an ongoing basis and, if necessary, amends them so that they remain current.

RESPONSIBILITIES

The Compliance department provides Group-wide support and assistance on anti-corruption, anti-bribery, and other compliance-related matters. In addition to centralised management by the Compliance department, each business unit has a Compliance Responsible in charge of addressing compliance issues, including anti-corruption.

The RTL Group Audit Committee is composed of four non-executive directors, two of whom are independent. The committee meets at least four times a year to address a range of accounting, tax, and legal issues, including anti-corruption. The head of the Audit & Compliance department reports to the chairperson of the committee at the occasion of each of the committee's meetings during the year on any corruption or other compliance matters that have arisen.

Representatives of RTL Group management sit on the RTL Group Corporate Compliance Committee. The committee – chaired by RTL Group's Chief Financial Officer – is responsible for monitoring compliance activities, promoting ethical conduct and fighting corruption and bribery. It is kept informed about ongoing compliance cases and the measures taken to prevent compliance violations.

RTL Group's Corporate Responsibility Council, which meets three times a year, also discusses ethics and compliance issues.

POLICIES

All RTL Group employees are expected to be familiar with the RTL Group [↗ Code of Conduct](#), which sets binding minimum behaviour standards across the organisation. As a decision-making guide that provides support in compliance related matters in cases of doubt, the [↗ Code of Conduct](#) is a fundamental policy for compliance and anti-corruption principles. Within a short time of joining RTL Group, employees are expected to be trained on the code.

RTL Group's commitment to responsible and ethical business conduct extends to its business partners. In 2017, the Group articulated this commitment in the RTL Group [↗ Business Partner Principles](#), which set minimum standards for responsible business relationships with business partners and employees, as well as human rights and responsible use of natural resources. The Group encourages its business partners and their subcontractors to read and comply with these minimum standards.

The RTL Group [↗ Anti-Corruption Policy](#) is the Group's principal policy for fighting corruption. It outlines rules and procedures for conducting business in accordance with anti-corruption laws and Group principles. As with the [↗ Code of Conduct](#), RTL Group expects everyone in the organisation to be familiar with this policy.

REPORTING CHANNELS

RTL Group promotes an open dialogue and encourages any employees who suspect an alleged violation of a law, government regulation, or company policy to speak up. The [↗ Code of Conduct](#) provides employees with options for raising concerns, including speaking

Management approach

Diversity

Human rights

Employee matters

Anti-corruption and anti-bribery

Social matters

Environmental matters

to their supervisor, a senior manager, or RTL Group's Compliance, HR, Legal Affairs, or Finance departments. Employees are also encouraged to contact the Compliance department with any compliance-related questions, concerns or suggestions.

Business units are required to report significant compliance violations to RTL Group without delay. Anyone who has questions about RTL Group's standards, or wants to report an alleged compliance violation, can contact the Compliance department or an independent ombudsperson directly. If they prefer to remain anonymous, they can do so using a secure, anonymous, web-based system.

If a compliance matter is reported, RTL Group has procedures in place to handle it swiftly, equitably and in accordance with applicable laws and regulations. This includes safeguarding the rights of the accused.

AMBITIONS

The compliance landscape changes. New risks emerge, and existing risks may become more or less acute. RTL Group therefore continually and rigorously reassesses its compliance risks and, if necessary, revises its policies to address them. This process will continue in 2018.

RTL Group strives to foster a compliance culture in which everyone in the organisation is committed to ethical conduct. It will therefore continue to take a range of steps to reinforce awareness of anti-corruption and anti-bribery. These steps include employee communications and training. A new anti-corruption training programme will be rolled out in 2018.

MEASURES IN 2017 TO PROMOTE ANTI-CORRUPTION AND ANTI-BRIBERY

As part of RTL Group's ongoing effort to ensure that its compliance policies and procedures remain current, the Group updated the RTL Group **Anti-Corruption Policy** in November 2017. The policy's core principle – zero tolerance of corruption and bribery – remains unchanged. Updates include, among other things, new guidance for donations and sponsorships as well as adjustments to the monetary thresholds for giving and accepting gifts. Their purpose is to reinforce awareness of anti-corruption across the organisation.

Management approach

Diversity

Human rights

Employee matters

Anti-corruption and
anti-bribery**Social matters**

Environmental matters

BEING A GOOD CORPORATE CITIZEN THROUGH PROGRAMMING AND DONATIONS

As a leading media organisation and broadcaster, RTL Group has social responsibilities to the communities and audiences it serves – particularly children and young people. The Group must not only comply with child-protection laws but also ensure that its programming is suitable for children, or, if not, broadcast when they are unlikely to be viewing. In addition, RTL Group strives to give back to its communities by using its high profile to raise public awareness of, and funds for, important social issues, particularly those that might otherwise go unreported or underfunded. Consequently, RTL Group emphasises two main social issues: content responsibility and community investment.

Issue: content responsibility

PROTECTING MEDIA USERS AND CUSTOMERS

RTL Group wants the content it produces and distributes to reach as many people as possible. This brings with it an obligation to think carefully about this content's potential impact on media users – particularly the young. RTL Group has a responsibility to be mindful of child development and to select its programming and the airtimes accordingly. Increasingly, children watch the Group's content on smartphones, tablets and computers. RTL Group therefore works continually to develop and implement effective ways to protect children and young people across all media platforms.

MANAGEMENT APPROACH

RTL Group's [Newsroom Guidelines](#) define the Group's journalistic principles. They include the pledge to respect privacy, be cautious in showing violence, and protect the rights of minors. In line with its decentralised business model, RTL Group expects each of its business units to ensure its news programming abides by the [Newsroom Guidelines](#), and its entertainment programming protects media users and customers, and conforms with applicable child-protection laws. The steps they take to do this differ by country, but typically include a rating to alert parents and educators to programming that is unsuitable for children.

In Germany, Mediengruppe RTL Deutschland has established a Standards & Practices department to make sure that its programming is suitable for young viewers or is broadcast at a suitable time. The department advises programming directors, ensures legal compliance and serves as a contact point for viewers and regulatory agencies in issues surrounding child protection. Programmes that are potentially unsuitable for children are submitted in advance to the Freiwillige Selbstkontrolle Fernsehen (FSF), Germany's organisation for the voluntary self-regulation of television. The FSF reviews the programmes and takes a binding decision on whether and at what time of day they may be broadcast. Mediengruppe RTL Deutschland also has a Media Advisory Council that consists of representatives of political parties, religious groups, and cultural organisations, representing the company's diverse audience across all demographic groups. Furthermore, the Media Advisory Council meets with company management twice a year to discuss a range of issues, including the special responsibility of creating and broadcasting media content.

Through its involvement in the Netherlands' Institute for the Classification of Audio-visual Media (NICAM), RTL Nederland helped to establish Kijkwijzer, its country's age-specific content rating system. All RTL Nederland programming has a Kijkwijzer rating, which is displayed on-screen at the start of a programme and whenever a viewer switches to it. The rating also appears in print and digital TV guides.

Groupe M6 has been a pioneer in content rating in France, having introduced its own rating system in 1989. It still reviews and rates its own programming, but, since 1996, has used the rating categories proposed by France's Conseil Supérieur de l'Audiovisuel.

AMBITIONS

RTL Group complies with all applicable national and EU child-protection laws and regulations. Beyond this, the Group ensures that its content is suitable for younger viewers or is broadcast at times when they are unlikely to be watching TV. RTL Group strives for its content to be responsible, particularly with regard to violence, which should not be portrayed as omnipresent or as the solution to conflicts. RTL Group is in discussions to

Management approach

Diversity

Human rights

Employee matters

Anti-corruption and anti-bribery

Social matters

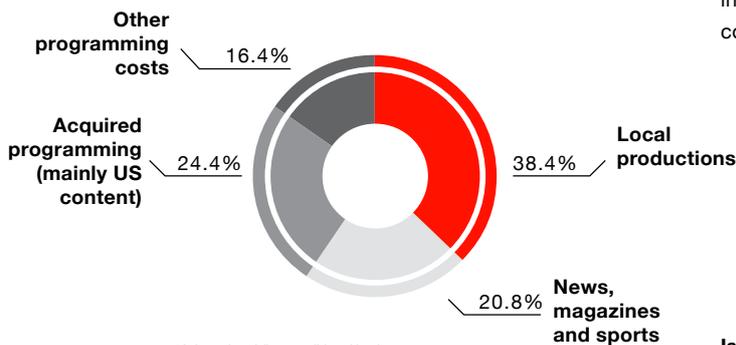
Environmental matters

establish a Group-wide network of managers responsible for media protection, providing a forum for them to share information and best practices. In addition, the Group takes e-safety seriously and works continually to develop solutions to protect children online.

PERFORMANCE

Every year, RTL Group invests €2 billion in Europe's creative community. With a strong focus on local productions, RTL Group contributes to democratic, diverse and connected societies that thrive on a healthy, varied and high-quality broadcast and internet landscape. A commitment to independence and diversity in the Group's content enables the societies we serve to maintain a journalistic balance that reflects the diverse opinions of these societies.

RTL GROUP'S BROADCASTERS' PROGRAMME SPEND IN 2017¹³



¹³ based on fully consolidated businesses

MEASURES IN 2017 TO PROMOTE CONTENT RESPONSIBILITY

RTL Group continued to broadcast numerous child-friendly programmes in 2017. Two stations, Super RTL in Germany and RTL Telekids in the Netherlands, are dedicated mainly to children's programming. Other RTL Group broadcasters set aside blocks of time for such programming. These include M6 Kid in France, Kölyök Klub (Kids Club) in Hungary and Kids Club in Belgium.

RTL Group embraces its duty to educate young viewers in media literacy, as well as protect them. Super RTL is a founding member of Media Smart, a non-profit organisation dedicated to improving children's understanding of media and advertising. Some of the Group's programming is designed to encourage kids to make good choices. 2017 saw the 10th anniversary of FragFinn, the most popular search engine for kids in Germany. Chaired by children's channel Super RTL, the non-profit association aims to create a secure place for children to surf the internet without seeing harmful

content. In April 2017, RTL Telekids in the Netherlands began broadcasting the third season of *Totally Fit Kidz*, a weekly programme to raise young viewers' awareness of healthy nutrition and exercise. In the summer it launched *Boekenwurm TV*, a 15-episode series in which Dutch celebrities read stories aloud to encourage kids to read. In November 2017, in partnership with Stiftung Lesen, a German foundation dedicated to promoting reading, Mediengruppe RTL Deutschland's stations began broadcasting *Es fängt mit Lesen an* (It All Starts With Reading), a series of public-service announcements to encourage parents to read to their kids.

Smartphones and other mobile devices have also become integral to children's lives. As part of the Group's commitment to e-safety, *Toggo*, Super RTL's web portal and app, offers a protected virtual surf-room in which children can explore the internet without encountering unsuitable content. In February 2017, Mediengruppe RTL Deutschland and Super RTL joined the Alliance to Better Protect Minors Online, a new international initiative to shield children from harmful content, conduct and contacts. The alliance is the successor organisation to the CEO Coalition to Better Protect Minors Online, of which RTL Group was a founding member. All of German channels in Germany have supported *Sicher Online Gehen* (Go Online Safely), a similar German initiative, since its founding in 2012.

Issue: community investment

USING OUR PLATFORMS TO IMPROVE LIVES AND HELP PEOPLE IN NEED

RTL Group believes it has a responsibility to use its position as a leading international media company to support worthy causes and raise money for charities. At the end of 2017, RTL Group established **Group-wide guidelines that define its criteria for donations, sponsorship and memberships**. Their purpose is to ensure that such measures reflect the Group's communications strategy and comply with applicable legal and tax stipulations. In addition, they provide guidance to the business units and make the Group's approach transparent to the general public and potential sponsorship partners.

MANAGEMENT APPROACH

At Group level, RTL Group's Corporate Communications & Marketing department oversees donations and

SOCIAL MATTERS

Management approach

Diversity

Human rights

Employee matters

Anti-corruption and anti-bribery

Social matters

Environmental matters

sponsorships. These require approval by the RTL Group Executive Committee if they are above €100,000 for single donations and sponsorships, or €50,000 for ongoing commitments. In line with the Group's decentralised structure, Group companies make their own decisions but must inform RTL Group's Corporate Communications & Marketing department about any significant commitments. In addition, they are required to define and document their donation and sponsorship strategy, record related activities, and keep all related documentation for five years.

General guidance for donations and sponsorships is provided by RTL Group's [Code of Conduct](#), and guidelines on anti-corruption and integrity. RTL Group companies, such as Groupe M6 in France, that are prevented by law from adopting certain Group-wide guidelines have established their own guidelines based on them.

AMBITIONS

As a good corporate citizen, RTL Group supports worthy causes and organisations through its own foundations and through donations, sponsorship and memberships. This support focuses on three main areas that reflect the Group's role as a major family-friendly media company: creative freedom and media freedom, help for children in need, and education. It is part of the Group's effort to maintain good relationships

with local non-governmental organisations, schools, and other stakeholders and to foster local engagement with charities. RTL Group strives to keep its donations at least on the level of the past five years.

PERFORMANCE

Free airtime is airtime that is not sold to advertising clients but is instead given to charities or non-profit organisations free of charge to enable them to raise awareness of their cause. In 2017, the estimated net value of free airtime totalled €17,311,568. In 2017, RTL Group donated a total of €4,727,830 to numerous charity initiatives and corporate foundations. Finally, RTL Group's flagship events broadcast in 2017 raised €21,014,005 for charity.

MEASURES IN 2017 TO PROMOTE COMMUNITY INVESTMENT

In 2017, RTL Group's business units conducted a variety of donation and aid programmes, many of which are long-running.

Télévie, the fundraising initiative managed by the Group's broadcasters in Belgium and Luxembourg, supports research aimed at preventing cancer. In 2017, it donated €11,027,650 to a total of 106 research projects. The 29th annual *Télévie* telethon was broadcast on 22 April 2017. In the years since its

COMMUNITY INVESTMENT IN 2017

€ 17,311,568

Estimated net value of free air time or donated media time given to charities

€ 4,727,830

Cash donations and budget allocated to corporate foundations or charity initiatives supported internally

€ 21,014,005

Funds raised for charity during flagship events

SOCIAL MATTERS

Management approach

Diversity

Human rights

Employee matters

Anti-corruption and
anti-bribery

Social matters

Environmental matters

inception *Télévie* has donated more than €173 million to 2,220 research projects.

Founded in 1996, Mediengruppe RTL Deutschland's Stiftung RTL – Wir helfen Kindern e.V. (registered association) has three objectives: improve the prospects for children and young people worldwide, alleviate child poverty in Germany, and provide disaster relief. The 2017 edition of the annual 24-hour telethon, *RTL-Spendenmarathon*, raised €9,188,527. A special focus of the foundation's support in 2017, consisting of around €1 million in funding, was projects in East Africa.

RTL Croatia's foundation, RTL pomaze djeci (RTL Helps Children), celebrated its 10th anniversary in 2017. The foundation supports projects that help sick, disabled and needy children in Croatia. RTL Croatia's annual *Budi mi prijatelj* (Be My Friend) TV show raised €300,000 in less than three hours.

Also celebrating its 10th anniversary was the RTL Commit Awards, with which RTL Television

honours primarily young people for their work as volunteers to build bridges between different cultures and generations in Germany. More than 100 projects were submitted by individuals and groups, six of which made it to the finals. The public voted for its favourite project online, and a celebrity jury presented awards to the top three individual and group projects.

RTL Group's smaller subsidiaries were active in social engagement, too. For example, StyleHaul co-sponsored the Elton John AIDS Foundation's 25th annual Academy Awards Viewing Party – one of the most highly visible and successful fundraising events in Hollywood on Oscar night. SpotX launched a gift-matching programme in which it matches up to \$250 of employees' charitable donations each year. Its employees took the initiative as well: in May 2017 10 SpotX employees volunteered at a non-profit organisation in Denver that helps people with life-threatening illnesses.

Management approach

Diversity

Human rights

Employee matters

Anti-corruption and
anti-bribery

Social matters

Environmental matters

REDUCING ENERGY CONSUMPTION AND CARBON EMISSIONS

As a media company with no industrial operations, RTL Group does not consume significant amounts of raw materials or fossil fuel and is not a major polluter. The Group is nevertheless mindful that resource conservation and climate protection are key issues for the 21st century. For this reason – together with employees and in dialogue with various stakeholders – RTL Group is committed to minimising its impact on the environment – starting with reducing its energy use and both direct and indirect greenhouse gas (GHG) emissions. RTL Group also strives to use water, materials and land responsibly. It expects its suppliers and other business partners to share its commitment to environmental protection, and the RTL Group **↗ Business Partner Principles** set minimum standards for environmental performance.

MANAGEMENT APPROACH

In 2017, RTL Group highlighted its commitment to environmental protection by designing its first **↗ Environmental Statement**, took effect in February 2018. The policy describes the Group's environmental protection ambitions and explains how it will pursue them in its decentralised organisation. It also highlights the importance of involving employees in these efforts, and engaging in transparent dialogue with stakeholders. Bertelsmann's Environmental Policy is also valid for RTL Group. As a general rule, the Group implements relevant aspects of Bertelsmann policies or incorporates them into its own policies.

Every RTL Group business unit has its own environmental specialist. These specialists share information in a Group-wide network chaired by the Group's Senior Vice President for Internal Services & Facility Management. With the support of the RTL Group Corporate Responsibility team, he coordinates the collection of environmental data for analysis and reporting purposes. He also represents RTL Group in the 'be green' team, a wider Bertelsmann network of environmental experts.

KEEN TO BE GREEN

RTL Group actively supports Bertelsmann's 'be green' strategy and **↗ Mission Statement**, and participates in the 'be green' team – an international, cross-divisional working group of environmental experts that develop, oversee and review the strategy's implementation. Members of the group share knowledge and best practice, discuss new developments in national and international environmental policies, and work together to find ways to improve the organisation's environmental performance. The group reports to the Bertelsmann CR Council chaired by the Bertelsmann Chief Human Resources Officer.

Issue: energy and emissions

USING LESS ENERGY, SHRINKING THE GROUP'S CARBON FOOTPRINT

RTL Group endorses the international community's goal of limiting global warming to less than 2° celsius. But climate protection makes sense for many reasons. Reducing energy consumption reduces costs, and lower emissions make cities cleaner and healthier places to live. RTL Group consumes electricity primarily to air-condition office buildings, studios and data centres, and to power broadcast equipment and data servers. Consequently, these are the areas where the Group primarily seeks to achieve improvements.

RTL Group has measured and published its carbon footprint since 2008. Serving as the key indicator for evaluating and continually improving the Group's climate performance, it was formerly calculated on the basis of each country's average energy mix. To improve data quality, since 2017 it has been calculated on the basis

Management approach

Diversity

Human rights

Employee matters

Anti-corruption and anti-bribery

Social matters

Environmental matters

of the emissions associated with the Group's individual electricity supply contracts.

RTL Group's environmental reporting follows the Global Reporting Initiative's sustainability standards, the United Nations Global Compact, and the Greenhouse Gas Protocol Corporate Standard (revised edition), including the appendices and guiding documents for scope 1-3 emissions.

AMBITIONS

In 2010, RTL Group set a target of reducing its annual carbon emissions by 20 per cent by 2020, relative to a 2008 baseline of 72,738 tonnes. Having achieved the target three years early, the Group decided to revise it in line with the evolved methodology for measuring its carbon footprint. Supported by environmental experts from Bertelsmann's 'be green' team, RTL Group's Corporate Responsibility team analysed the Group's consumption and emissions data, forecasts for business growth, and trends in energy and commodity markets. It also commissioned the World Wildlife Foundation to conduct a science-based climate-protection study to calculate the Group's contribution to limiting global GHG emissions in light of the reductions necessary in relevant industries by 2050.

After having already achieved the target of reducing its annual carbon emissions by 20 per cent by 2020, RTL Group set new targets in 2018 against a 2016 baseline (53,100 tonnes): to reduce its carbon emissions by 20 per cent by 2025 with an intermediate milestone of a 10 per cent reduction by 2020. The emissions totalled at 51,000 tonnes in 2017 – down by 4.0 per cent year-on-year.

The Group intends to continue to reduce its energy use – and thus its carbon emissions – primarily through local investment in energy-saving measures and a general improvement in the business units' infrastructure. It also plans to meet an increasing percentage of its energy needs with renewable sources. The active involvement of employees is also essential. The Group regularly takes steps to raise employees' awareness of environmental issues, and expects them to behave responsibly towards the environment and their community.

PERFORMANCE IN 2017

RTL Group calculates its carbon footprint and collects, analyses and aggregates environmental data on its use of energy, paper and water, its wastewater discharge and its waste disposal. This information creates transparency about the Group's impact on the environment and climate, and helps to identify areas for improvement.

MEASURES IN 2017 TO REDUCE ENERGY USE AND EMISSIONS

On 19 April 2017, RTL Group officially inaugurated RTL City, its new headquarters in Luxembourg. This state-of-the-art building complex is both highly functional and energy-smart, with a pixelated, double-skin façade, and internal blinds to reduce excess heat. RTL City is powered and heated by a high-efficiency cogeneration unit and cooled by thermo-active concrete and natural ventilation.

To learn more about the possibilities of e-mobility, Mediengruppe RTL Deutschland conducted a trial of an electric company car at its Cologne offices in June 2017, and installed a charge point at its broadcasting centre. The company also promotes sustainable mobility by providing employees with company bicycles for short trips and offering special terms for bicycle loans and car sharing. Elsewhere, *RTL Info* in Brussels bought two e-bikes to enable its journalists and camera crews to cut the emissions produced by reporting on location.

In Germany, UFA Serial Drama banned plastic and paper cups on its productions, issued all employees with a reusable coffee-to-go cup and a sustainably produced thermos flask, and eliminated all capsule-based coffee machines. It took similar steps on-screen: characters in RTL Television's daily series *Unter uns* now almost exclusively use reusable coffee cups, the Weigel bakery – a well-known location in the series – has used a hybrid vehicle since the summer of 2017, and the outdoor set features a charging point for an electric vehicle.

Some RTL Group programming seeks to raise viewers' awareness of environmental issues. FremantleMedia International started to distribute *Wasted! The Story of Food Waste* – an eye-opening documentary in which culinary celebrities transform what most people consider scraps into delicious dishes – around the world (excluding the US).

At the 2017 United Nations Climate Change conference in Bonn, RTL Radio (France) organised – in partnership with Fondation pour la Nature et l'Homme and *La Croix* newspaper – the second edition of the 'Journée des solutions' (Solutions Day), a day-long event highlighting positive examples of tackling climate change.

Elsewhere, RTL II in Germany joined forces with Tele 5, Bavaria Film and environmental initiative 'Plant-for-the-Planet' to encourage viewer donations to fund the planting of at least 77,777 trees.

ENVIRONMENTAL MATTERS

Management approach

ENVIRONMENTAL INDICATORS ACCORDING TO GRI STANDARDS¹⁴

	MATERIALS	ENVIRONMENTAL INDICATORS	UNIT	2016 ¹⁵	2017	PER CENT CHANGE
Diversity						
Human rights	301-1	Paper (total)	t	210	210	0
Employee matters	301-2	Recycled and certified paper	t	180	180	0
Anti-corruption and anti-bribery		<i>Share of recycled and certified paper</i>	%	86	86	-
Social matters						
Environmental matters						
		ENERGY				
	302-1	Energy consumption (total)	MWh	154,200	151,200	(2)
		<i>Electricity</i>	MWh	103,000	102,700	0
		<i>Thermal</i>	MWh	32,200	31,900	(1)
		<i>Energy from fuels</i>	MWh	19,000	16,600	(13)
	302-3	Energy intensity	MWh/ Mio €	24.8	23.8	(4)
	302-4	Reduction of energy consumption	%	(3)	(2)	-
		WATER				
	303-1	Total water withdrawal	m ³	2,368,300	2,253,500	(5)
		<i>from company wells</i>	m ³	2,193,100	2,083,700	(5)
		<i>from public supply</i>	m ³	175,100	169,800	(3)
		GREENHOUSE GAS (GHG) EMISSIONS				
	305-1	Direct GHG emissions (scope 1)	t CO ₂ e	8,800	7,600	(14)
	305-2	Indirect GHG emissions (scope 2 – location-based)	t CO ₂ e	34,400	34,900	+1
		Indirect GHG emissions (scope 2 – market-based)	t CO ₂ e	34,200	32,100	(6)
	305-3	Other indirect GHG emissions (scope 3)	t CO ₂ e	30,800	33,600	+9
		<i>Business travel</i>	t CO ₂ e	16,200	18,900	+17
		<i>Employee commuting</i>	t CO ₂ e	7,400	7,600	+3
		<i>Energy-related emissions</i>	t CO ₂ e	7,000	6,900	(1)
		<i>Paper</i>	t CO ₂ e	200	200	0
	305-4	GHG emissions intensity (scope 1, 2 – market-based)	t CO ₂ e/ Mio €	6.9	6.2	(10)
	305-5	Reduction of GHG emissions (scope 1, 2 – market-based)	%	(8)	(8)	-
		EFFLUENTS AND WASTE				
	306-1	Total water discharge	m ³	2,365,800	2,252,200	(5)
	306-2	Total weight of waste	t	3,100	3,000	(3)
		<i>Disposable waste</i>	t	1,100	900	(18)
		<i>Recyclable waste</i>	t	2,000	2,100	5
		<i>Hazardous waste</i>	t	3	2	0

¹⁴ The key figures include all fully consolidated RTL Group companies. The data is based on primary data collected by fully consolidated RTL Group companies, representing 87 per cent of the Group's employees. The data of companies not involved in the data collection were calculated using standard factors.

¹⁵ Data for 2016 has been adjusted for changes in the methodology and improved reporting by FremantleMedia.

INDEX

Mandatory aspects and RTL Group-specific issues

➤ **Diversity**
Diversity of people
Diversity of content

➤ **Human rights**
Editorial independence

➤ **Employee matters**
Learning
Fair working conditions
Health

➤ **Anti-corruption and anti-bribery**

➤ **Social matters**
Content responsibility
Community investment

➤ **Environmental matters**
Energy and emissions

References and comments

■ Combined Non-financial Report 2017: p. 13–16

The issue of diversity of people is managed centrally, including the setting of targets and performance indicators.

■ Combined Non-financial Report 2017: p. 17–19
■ Annual Report 2017: p. 59

Because RTL Group believes it is low risk with regard to human rights, it currently has no targets or performance indicators for this aspect.

Because local editors-in-chief make their own editorial decisions, the issue of editorial independence is managed decentrally by the business units based on the Group-wide [Newsroom Guidelines](#). Group-wide working groups share knowledge about this issue.

■ Combined Non-financial Report 2017: p. 20–24
■ Annual Report 2017: p. 46

The aspect of employee matters is managed decentrally by the business units. They define their own management approaches, targets and performance indicators for the specific issues.

The issue of health is also managed decentrally.

■ Combined Non-financial Report 2017: p. 25–26
■ [Code of Conduct](#)

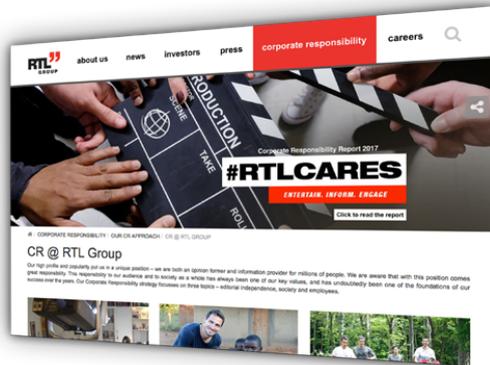
Training measures for this aspect will be revised in the 2017 reporting period.

■ Combined Non-financial Report 2017: p. 27–30

This aspect is managed decentrally by the business units. They define their own management approaches, targets and performance indicators for the specific issues.

■ Combined Non-financial Report 2017: p. 31 – 33
■ Annual Report 2017: p. 101

Non-financial performance indicators disclosed in this report have not been reviewed by an independent external auditor.



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IMPRINT & CREDITS

Publisher

RTL Group
43, boulevard Pierre Frieden
L-1543 Luxembourg
Luxembourg

Editorial deadline: 30 May 2018

[RTLGroup.com](https://www.rtlgroup.com)

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