



Deutsche Bahn AG's policy statement on protecting and respecting human rights



Foreword

At Deutsche Bahn, we consider sustainability to be a central principle of our business activities and it is firmly anchored in our Group's Strong Rail strategy. We pursue an integrated approach that encompasses the environmental, social and economic dimension of sustainability.

We know that corporate responsibility goes beyond economic key figures. As a member of the United Nations Global Compact (UNGC), Deutsche Bahn has pledged to uphold the principles of the UNGC and is clearly committed to the United Nations Universal Declaration of Human Rights. For us, this means taking a stand and safeguarding human rights as well as maintaining high environmental and social standards. This aligns with the clear commitment to social responsibility that the Group Management Board and the employees of DB AG demonstrate.

As an international mobility and logistics company, we are also aware of the great responsibility we carry within our supply chains. It is therefore important to us to ensure responsible and sustainable value creation along our supply chain – in Germany, but also in all other countries in which we operate. We also expect our suppliers and our other business partners to treat people and the planet with respect as the basis for a reliable and sustainable partnership. For us, economic success and socially responsible action are not contradictory, but rather mutually dependent. This is important to us in our cooperation with our business partners.

With around 326,000 employees worldwide (as of September 30, 2023), billions of passengers traveling every year in local, regional and long-distance transport, and a large number of business partners in freight transport, we take a central place in society. It is clear to us that sustainable and responsible corporate governance can only be based on respect for people and the environment.



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I. Introduction

As a leading mobility and logistics provider, Deutsche Bahn AG is active in more than 130 countries worldwide and employs around 326,000 people (as of September 30, 2023). The focus of our business activities is on rail transportation in Germany. Our aim is to shift more traffic to climate-friendly rail. To achieve this, we take an integrated approach to operating transport services and rail infrastructure, link up all modes of transport in an economically and environmentally intelligent manner, and act as a partner in German, European and international networks.

As a globally active company, we are aware of our great social and environmental responsibility. Our goal is to ensure responsible and sustainable value creation along our supply chains.

With the adoption of the Act on Corporate Due Diligence Obligations in Supply Chains (*Lieferkettensorgfaltspflichten-gesetz*, "LkSG")¹, a framework for this has been created in German legislation. In recognition of the crucial role companies play in promoting human rights, environmental protection and sustainability in global supply chains, companies above a certain size are now legally obliged to implement human rights and environmental due diligence obligations in their supply chains in an appropriate manner and to establish responsible management of their supply chains. The aim is to improve the protection of human rights and the environment along supply chains, strengthen social and corporate responsibility and create enforcement potential in supply chains.

This policy statement expresses our commitment and dedication to respecting human rights and environmental responsibilities:

- We are committed to **sustainable and responsible corporate governance**.
- We describe the **procedures** we use to implement our due diligence obligations pursuant to the LkSG.²
- We address the **human rights and environmental topics** that are particularly relevant in the context of our business activities and that we have identified as priorities on the basis of our risk analysis.
- We define the **expectations** we have of ourselves and of our suppliers and other business partners in order to ensure compliance with human rights and environmental obligations.

In addition to DB AG, other DB Group companies are also obligated to act under the LkSG due to their size. The policy statements of these DB subsidiaries are published on the companies' websites. While DB AG's policy statement sets out the Group-wide human rights strategy and outlines an overarching risk profile for the DB Group as a whole, the policy statements of the obligated DB subsidiaries differ particularly in that they each present the specific risk situation of the subsidiary.

II. Our commitment to sustainable and responsible corporate governance

We have made sustainability an essential part of our business operations and it is a central component in our Group strategy. In order to achieve sustainable and responsible value creation in our own business activities and along our supply chain, we are committed to upholding and promoting internationally recognized human rights, respecting labor standards and protecting the environment as part of our business activities. In addition, we strive to make a positive contribution to the protection and promotion of human and environmental rights through our actions.

We comply with applicable law in the conduct of our business activities. This is the foundation to also ensure compliance with the LkSG. Our business activities are based in particular on the following internationally recognized human and environmental rights standards:

- the **International Bill of Human Rights**, consisting of the United Nations Universal Declaration of Human Rights (UDHR), the International Covenant on Civil and Political Rights (ICCPR) and the International Covenant on Economic, Social and Cultural Rights (ICESCR),
- the **UN Guiding Principles on Business and Human Rights** (UNGPR),
- the **core labor standards of the International Labour Organization** (ILO) on fundamental rights and obligations at work,
- the ten principles of the **UN Global Compact** (UNGC),
- the **Guidelines for Multinational Enterprises** of the Organization for Economic Cooperation and Development (OECD).

We pursue an integrated sustainability strategy based on the two pillars of Green Transformation and social responsibility. To meet our environmental responsibility, we take a precautionary approach to environmental protection that goes beyond compliance with applicable environmental law and is driving forward Deutsche Bahn's Green Transformation in the four environmental fields of actions of climate protection, nature conservation, resource protection and noise reduction. Within the framework of social responsibility, four standpoints shape the basis for our actions: our responsibility for strengthening community, our commitment to social engagement, the promoting of diversity and taking responsibility for our history. In this way, we want to help leave future generations with a planet worth inhabiting.



¹German Act on Corporate Due Diligence in Supply Chains of July 16, 2021 (Federal Law Gazette I, p. 2959).

²Description of the procedure by which we fulfill our obligations under Section 4 (1), Section 5 (1), Section 6 (3) to (5) and Sections 7 to 10 LkSG.

III. Our measures to implement our due diligence obligations

In order to fulfill our human rights and environmental due diligence obligations even more effectively, we align our business activities with the requirements of the LkSG. We put in place appropriate and effective risk management instruments to implement targeted measures to fulfill our due diligence responsibility. We see dealing with human rights and environmental risks as an ongoing process that we are gradually anchoring firmly in our operational structures.

1. Comprehensive risk management

At the heart of our risk management is a comprehensive and systematic risk analysis in which we identify and assess the potential and actual risks of our business activities on people and the environment. As part of our annual risk analysis, we consider the following risk areas in particular, both for our own business area and for our direct suppliers:

- Violation of the prohibition of **child labor**
- Violation of the prohibition of **forced labor** and all forms of **slavery**
- Disregard for **occupational health and safety** and **work-related health hazards**
- Disregard for the **freedom to form coalitions**, the **freedom of association** and the **right to collective bargaining**
- Violation of the prohibition of **unequal treatment in employment**
- Withholding of **an adequate wage**
- Destruction of the natural basis of life through **environmental pollution**
- Illegal violation of **land rights**

- Violation of the prohibition on commissioning or the use of private/public **security forces** if they adversely affect human rights due to lack of instruction or control
- Prohibited production, use and/or disposal of **mercury** (Minamata Convention)
- Prohibited production and/or use of substances within the scope of the Stockholm Convention on Persistent Organic Pollutants (**POPs**) and non-environmentally sound handling of waste containing POPs
- Prohibited import/export of **hazardous waste** as defined by the Basel Convention

Our annual risk analysis is structured in two stages and begins with an **abstract risk analysis** with regard to the above-mentioned risk areas. We take a variety of factors into account when determining an abstract risk value (gross risk). We check in which countries our business operations and direct suppliers are located and to which industry they belong. To create abstract risk profiles of countries and industries, we use publicly available country and industry-specific information and indices. When determining a risk value, we also take into account the severity of a possible risk violation. The gross risk calculated in this way is then checked for plausibility with regard to the country and sector allocation so that business-specific risks such as cross-border business activities can also be factored in.

If our abstract risk analysis reveals increased gross risks in particular, we then subject subsidiaries and suppliers to a more detailed investigation, which is known as a specific risk analysis. The aim of the **specific risk analysis** is to precisely identify the actual risks of violations of human and environmental rights in our own business activities and within our supply chain (net risks). In order to decide which companies or suppliers to look at in more detail, we take a risk-based and relevance-oriented approach.

Existing risks can be minimized through appropriate preventive measures. In order to determine specific risks (net risks) and identify measures already implemented, we make particular use of standardized questionnaires completed by our companies and suppliers and consider recognized sustainability assessments. In this way, we are able to identify risk reduction measures that are potentially missing and initiate the implementation of further risk reduction measures.

If there are actual indications, such as special events, complaints or reports, that point to possible risks or violations of human rights or environmental obligations in our own business area or our supply chain, we also carry out **ad hoc risk analyses**. We do this, for example, if we obtain substantiated knowledge of possible violations of a human rights or environmental obligation by our direct or indirect suppliers. Similarly, the need for an ad hoc risk analysis is indicated if a significantly changed or significantly expanded risk situation is expected – as a result of the introduction of new products or entry into new markets, for instance.

We use the insights gained from regular and ad hoc risk analyses to make sound, sustainable business decisions, be they strategic decisions such as market entries and exits, participation in specific projects, or the anchoring of appropriate preventive and remedial measures. We strive to continuously improve our risk analysis approach by constantly expanding our data base and continuously incorporating the insights we gain from fulfilling our due diligence obligations and through our complaints procedure.



2. Preventive and remedial measures

If we identify increased risks, we immediately take appropriate preventive measures. Here, we also follow a risk-based approach and focus on the areas in which we have identified the greatest human rights and environmental risks. The aim of preventive measures is to avoid any violation of a human rights or environmental obligation by minimizing the risks caused by or contributed to by our business activities.

We take a wide range of measures aimed at reducing the risks to people and the environment, including the further development of existing measures and the establishment of new ones.³

The following preventive measures should be emphasized in particular:

- Publication of this policy statement and anchoring it in the DB Group
- Definition of clear responsibilities, in particular designation of a Group LkSG officer to monitor our risk management
- Further development and implementation of our Codes of Conduct (internal and for business partners), in particular against the background of the requirements of the LkSG

- Risk-based consideration of human rights and environmental requirements in our procurement strategies and purchasing practices
- Consideration of human rights and environmental requirements when selecting new suppliers (e.g. through recognized sustainability assessments) and gaining of their contractual assurance of the requirements
- Amendment of the General Terms and Conditions of Procurement and the bidder's own declaration on the requirements of the LkSG
- Amendment of our contractual clauses (e.g. on audit rights)
- Implementation of regular and ad hoc risk-based control measures
- Risk-based development of specific corrective action plans
- Further training and sensitization of employees and business partners through regular information and training on LkSG-relevant topics as well as continuous development of information and training concepts
- Exchange and involvement in industry initiatives (e.g. econsense, Railsponsible)
- Design and implementation of effectiveness tests

We endeavor to appropriately involve any parties, with their diverse interests, potentially affected by our business activities in the development and implementation of measures to fulfill our due diligence obligations in order to ensure the effectiveness of our due diligence measures.

If we identify an imminent or actual violation of a human rights or environmental obligation, we take appropriate remedial action without undue delay. These actions are aimed at avoiding or ending the violation or minimizing the extent of the violation if ending it is not possible. For this purpose, we develop catalogues of possible remedial measures with regard to the individual risk fields.

In the implementation of preventive and remedial measures, we attach great importance to a cooperative relationship with our business partners. In the event of serious violations, however, we reserve the right to impose appropriate sanctions on the respective business partner or – as a last resort – to terminate a contract or an entire business relationship.

3. Complaints procedure

Another key component of our due diligence processes is the provision of an appropriate and effective complaints procedure. This can be used to report human rights and environmental risks as well as violations of human rights or environmental obligations, regardless of whether they have occurred in the supply chain or in our own business area.

In addition to the option of contacting us by mail, the "Business Keeper Monitoring System" (BKMS), an electronic whistleblowing system is available as a complaints channel and has been expanded in line with the requirements of the LkSG. The system can be used in 22 languages. Protecting people who submit complaints or information from being discriminated against or penalized as a result of whistleblower reports or information they submit is an important part of our complaint process. All reports are treated in strict confidence and, if requested, anonymously.

We review all reports and tips received in connection with the LkSG to determine whether the facts reported indicate a human rights or environmental risk or a violation of human rights or environmental obligations. If this is the case, the report is transferred to the appropriate company. If an initial suspicion is confirmed, necessary measures are taken to minimize or end risks or violations. All complaints and information are handled only by a small group of selected and specially trained employees. By implementing our complaints procedure, we have the opportunity to learn about risks or breaches of duty that were previously unknown to us. In addition to the risk analysis, the complaints procedure thus plays a key role in enabling us to continuously improve and develop risk management in the Group. We review the effectiveness of our complaints procedure once a year and on an ad hoc basis as required.

The rules of procedure for our complaints procedure are publicly available [here](#).



³An overview of measures already in place within the DB Group can be found in the [Integrated Report](#).

4. Reporting and documentation

In addition to our existing comprehensive reporting activities, in particular integrated reporting, we will report annually to the German Federal Office for Economic Affairs and Export Control (BAFA) on the fulfillment of our human rights and environmental due diligence obligations in the previous fiscal year from 2024 onward. We will publish the report no later than four months after the end of the fiscal year on our website, where it will be available for seven years. Our procedures for complying with statutory due diligence requirements are documented on an ongoing basis. We keep the documents – starting from the time of their creation – for seven years.



5. Responsibilities

Safeguarding human and environmental rights in our business operations and along the global supply and value chains is of paramount importance to the Group Management Board. Responsibility for the effective implementation of the LkSG at DB AG therefore lies with the Management Board of DB AG (Group Management Board) at the most senior management level. For their part, the members of the Management Board define clear responsibilities to ensure the effective implementation and monitoring of risk management.

The Group Management Board appoints a Group LkSG officer to monitor the implementation of the statutory due diligence requirements at DB AG. The Group Management Board informs itself regularly, at least once a year, as well as on an ad hoc basis, about the work of the Group LkSG officer. To this end, the Group LkSG officer provides the Management Board with information on the main results of the risk analysis, on preventive and remedial measures taken, and on information gained from the complaints procedure. He or she also reports on whether the procedures embedded in operations and the measures taken to implement due diligence are appropriate and effective. This ensures that Management Board always has all the relevant information it needs to fulfill its responsibilities and make sound decisions.

The Group LkSG officer is closely involved in the implementation and updating of the risk management system and carries out risk-based control measures to verify compliance with human rights and environmental obligations. The Group LkSG officer's other duties include providing external reports to the BAFA, releasing the rules of procedure for the complaints procedure and participating in centralized expert bodies of Group Management.

During the set-up phase, the implementation of due diligence is being coordinated in the DB Group by a Group-wide project that is managed by the Sustainability and Environment Group Management function in cooperation with the Compliance, Human Resources Strategy, Legal Affairs and Central Procurement Group Management functions.

Within DB AG, the operational implementation of human rights and environmental due diligence obligations is ensured and managed by a Group LkSG coordinator, who is appointed by the Sustainability and Environment Group Management function. The relevant functional departments, specifically Purchasing, are responsible for the practical implementation of due diligence processes and receive advisory support from other departments. All these departments contribute to the effective implementation of due diligence in their daily work.

The subsidiaries of DB AG that are independently obligated to act under the LkSG due to their size are responsible for their own LkSG matters. The management of each subsidiary appoints an LkSG officer to monitor the implementation of the legal obligations. An LkSG coordinator is also appointed in each of the obligated DB subsidiaries to manage the implementation of human rights and environmental due diligence responsibilities at an operational level.

In order to implement the principles of the LkSG uniformly within the DB Group, Group Management performs a governance function in relation to the DB subsidiaries obligated by the Act. This involves, in particular, creating and updating DB AG's human rights strategy, providing methods and templates for the decentralized implementation of due diligence by the obligated DB subsidiaries and performing functional management of the LkSG coordinators in the DB subsidiaries.

IV. The human rights and environmental topics we prioritize

We recognize that our business activities in our own business area and along our global supply and value chains can potentially have an impact on human rights and the environment. The risk analysis that we carried out in 2023 initially revealed abstract risks in almost all risk areas covered by the LkSG. Following the subsequent specific risk analysis, we were able to determine that the probability of these risks actually occurring in our own business area is predominantly low, as numerous effective preventive measures are already in place. On the supply chain side, we were able to identify low as well as medium and high risks.

In order to (further) reduce our overall risks and act preventively, we are implementing measures relating to all LkSG risk areas. Our focus is in particular on the risks prioritized on the basis of our risk analysis.

1. Risks in our own business area

Our risk analysis has revealed only low risks for our **business operations in Germany**. Nevertheless, we prioritize the following risk area here for systemic action:

- **Violation of the prohibition of unequal treatment in employment** (Section 2 (2) No. 7 LkSG)

The decision to prioritize this risk for systemic action is based partly on the fact that we have received a relevant number of reports on this topic via our complaints procedure and take these into account in our annual risk analysis.

⁴With the exception of Schenker AG. The results of DB Schenker's risk analysis were not integrated into the DB Group's Group-wide risk profile presented here due to the different methodologies used in the risk analysis. DB Schenker's prioritized risks are derived from the policy statement of Schenker AG.

Another reason is that the CSR Risk Check for Germany identified a risk in the area of discrimination under labor laws. This prompts us to focus in particular on this area despite existing preventive measures such as our internal Code of Conduct (Corporate Principles on Ethics), our active diversity management ("Einziganders"/"Uniquely Different" Group initiative), our Group-internal ombudspersons for protection against discrimination, and our promotion of women in management positions.

Our risk analysis has also shown that the risks of an adverse impact on people and/or the environment are higher overall in our foreign subsidiaries than in our own domestic operations. This is due in particular to the fact that higher abstract risks exist at country-specific level in relation to those subsidiaries. **In our business operations abroad⁴**, we prioritize the following areas:

- **Disregard for occupational health and safety and work-related health hazards** (Section 2 (2) No. 5 LkSG)
- **Disregard for the freedom to form coalitions, freedom of association and the right to collective bargaining** (Section 2 (2) No. 6 LkSG)
- **Withholding of an adequate wage** (Section 2 (2) No. 8 LkSG)

Due in particular to preventive measures that have been established within the Group for years (e.g. a wide range of measures in the area of occupational health and safety management, internal Code of Conduct, guaranteeing payment of the local minimum wage), we were unable to identify any high risks in these areas. However, we decided to prioritize these issues for systemic action because at least two of our foreign companies were shown to have a relevant risk in this context after completion of the specific risk analysis and because corporate guidelines are not applicable to subsidiaries based outside Germany.

2. Risks in the supply chain

In our direct supply chain, we have identified the following areas as having the highest risk after conducting the annual risk analysis:

- **Disregard for occupational health and safety and work-related health hazards** (Section 2 (2) No. 5 LkSG)
- **Violation of the prohibition of unequal treatment in employment** (Section 2 (2) No. 7 LkSG)
- **Violation of the prohibition on causing harmful changes to soil, water pollution, air pollution, harmful noise emissions or excessive water consumption** (Section 2 (2) No. 9 LkSG)
- **Prohibited production and/or use of persistent organic pollutants (POPs) and non-environmentally sound handling of waste containing POPs** (Section 2 (3) Nos. 4-5 LkSG)
- **Prohibited import/export of hazardous waste as defined by the Basel Convention** (Section 2 (3) Nos. 6-8 LkSG)

Our DB Code of Conduct for Business Partners already contains requirements for all of the above-mentioned topics, which are verified through risk-based queries (e.g. via EcoVadis ratings) and supplier audits.

With regard to the identified and priority risks, we conduct awareness-raising workshops with the relevant decision-makers both in our own business and in the supplier area. Based on these workshops, we then take further measures, such as adjusting our procurement practices.

We will publish any changes in priority risks resulting from future or ad hoc risk analyses in the next update of this policy statement.



V. The expectations we have of our employees and business partners

When it comes to complying with our human rights and environmental due diligence obligations, we have high expectations of ourselves and our business partners. In light of the priority risks identified in Section IV above and in affirmation of the commitment to sustainable and responsible corporate governance set out in Section II, we have the following expectations:

We are committed to conducting all our business activities in an ethical and legal manner and in accordance with the principles set out in this policy statement. This commitment is inextricably linked to the way we conduct ourselves in the course of our work. In our business activities, we comply with the applicable law and respect internationally recognized human rights and environmental legal standards.

Our commitment to respecting human rights and the environment is already reflected in our internal Code of Conduct (**Corporate Principles on Ethics**), in which we set out binding standards and expectations for our daily conduct. All management board members, managing directors, managers and employees worldwide are committed to the principles set out in our internal Code of Conduct. As role models, managers have a special obligation to uphold these principles.

In implementing our legal obligations under the LkSG, we expect our employees to contribute to the best possible fulfillment of our human rights and environmental due diligence obligations through their daily decisions.

As an international company, we are aware that we have a responsibility that goes beyond our own actions. We therefore not only set high standards for ourselves, but also demand social and environmental standards from our business partners. We expect them, too, to conduct their business with integrity, implement appropriate processes to respect human rights and environmental laws, and take appropriate steps to make our expectations known throughout their supply chain.

We set out our specific requirements and principles for cooperation with our business partners in our **DB Code of Conduct for Business Partners**. Suppliers and other business partners pledge to comply with our Code of Conduct or equivalent requirements.

We work closely with our suppliers and other business partners to ensure that they adhere to the same high standards as we do and communicate these standards along their supply chain. We promote transparency and information-sharing to ensure that they understand and meet our expectations. We expect them to act honestly, responsibly, transparently and fairly. One of our expectations is that our suppliers and business partners provide information on how they comply with our principles when requested to do so. Should our own behavior lead to a situation that makes it difficult for suppliers to comply with our principles, we encourage our business partners to inform us proactively and we commit to finding appropriate solutions together.

VI. Continuous further development of our due diligence processes

We are aware that the implementation of human rights and environmental due diligence is an ongoing process. We therefore review this policy statement annually, as well as on an ad hoc basis, and will update it without delay if, for example, we identify changed or increased risks.

More information is available on our website at deutschebahn.com/human-rights.



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