

Policy statement on the human rights strategy of DB Cargo AG

Foreword

For us at DB Cargo, sustainability is a central principle of our business activities and is firmly anchored in our Group strategy Strong Rail. We pursue a holistic approach that encompasses the ecological, social and economic dimensions of sustainability.

We know that corporate responsibility goes beyond economic indicators. The UN Global Compact is the world's largest and most important initiative for responsible corporate governance. By joining the UN Global Compact in 2009, the DB Group committed itself to supporting its ten principles and is clearly committed to the United Nations Universal Declaration of Human Rights. For us, this means taking a stand and standing up for human rights and high environmental and social standards. This is also in line with the clear commitment of the Group Management Board and the employees of the DB Group to social responsibility.

As one of the leading logistics service providers and largest providers of rail freight transport in Europe, we are also aware of our great responsibility within the supply chains. It is therefore important to us to promote 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 service partners, suppliers and other business partners to treat people and the environment with respect as the basis for reliable and sustainable cooperation. For us, economic success and socially responsible action are not contradictory, but rather mutually dependent. This is also important to us when working with our business partners.

The original German declaration is signed by all Board members.

Dr. Sigrid Nikutta

Dr. Martina Niemann

Michael Fritz

Ralf-Günter Kloß

Pierre Timmermans

I. Introduction.....	3
II. Our commitment to sustainable and responsible corporate governance	4
III. Our measures to implement our due diligence obligations	5
1. Risk Analysis.....	5
2. Preventive and remedial measures	7
3. Complaint procedure	8
4. Reporting and documentation	9
5. Responsibilities	9
IV. Our priority human rights and environmental topics	10
1. Risks in own business area	11
2. Risks in the supplier sector.....	11
V. Our expectations of our employees and business partners.....	12
VI. Continuous further development of our due diligence processes	13

I. Introduction

With around 4,200 railway sidings and additional services in 17 European countries, DB Cargo offers its customers access to one of the largest rail networks in the world, extending as far as China, making it the number one in European rail freight transport. With around 30,000 employees worldwide, around 198 million tons of goods transported annually and a large number of business partners, we occupy a central position in the middle of society. Our aim is to shift more traffic to climate-friendly rail. It is clear to us that sustainable and responsible corporate management can only be based on respect for people, society and the environment.

As an international company, we are aware of our great social and ecological responsibility. Our aim is to ensure responsible and sustainable value creation along our supply chain.

With the adoption of the Act on Corporate Due Diligence Obligations in Supply Chains (LkSG),¹ the German legislator has created the framework conditions for this. Aware of the crucial role of companies in promoting human rights, environmental protection and sustainability in global supply chains, companies above a certain size are now also 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.

In summer 2024, the European Union adopted the EU-wide Corporate Sustainability Due Diligence Directive (CSDDD). The CSDDD obliges large European and foreign companies throughout the EU to ensure compliance with certain environmental and human rights standards in their supply and value chains. The CSDDD is conceptually based on the LkSG, but also contains changes, particularly in the environmental area. It must be transposed into national law two years after it comes into force."²

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

- We are committed **to sustainable and responsible corporate governance.**

¹ Supply Chain Due Diligence Act of July 16, 2021 (Federal Law Gazette I p. 2959).

² Directive 2024/1760 of the European Parliament and of the Council of June 13, 2024 on due diligence obligations of companies with regard to sustainability and amending Directive (EU) 2019/1937 and Regulation (EU) 2023/2859.

- We describe the **procedures** we use to implement our due diligence obligations in accordance with the LkSG.³
- We address the **human rights and environmental issues** that are particularly relevant to our business activities and that we have identified as priorities based on our risk analysis.
- We set out the **expectations** we have of ourselves, our suppliers and other business partners to ensure compliance with human rights and environmental obligations.

In addition to DB Cargo AG, other DB Group companies and the parent company of the DB Group, Deutsche Bahn AG, are obliged under the LkSG. While Deutsche Bahn AG's policy statement sets out the Group-wide human rights strategy and provides an overarching risk profile for the entire DB Group, this policy statement from DB Cargo AG differs in particular in that it presents the specific risk situation of the subsidiary.

II. Our commitment to sustainable and responsible corporate governance

Our business activities are committed to the principle of sustainability. Sustainability is a central component of our corporate strategy. To achieve sustainable and responsible value creation in our own business area and along our supply chain, we are committed to complying with 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 the applicable law when conducting our business activities. In this way, we will 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),

³ Description of the procedure we use to fulfill our obligations under § 4 paragraph 1, § 5 paragraph 1, § 6 paragraphs 3 to 5 and §§ 7 to 10 LkSG.

- the **core labor standards of the International Labor 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 a holistic sustainability strategy. This is based on the two pillars of green transformation and social responsibility. In order to fulfill our ecological responsibility, we pursue a precautionary approach to environmental protection that goes beyond compliance with applicable environmental law and drive forward Deutsche Bahn's green transformation in the four environmental action areas of climate protection, nature conservation, resource conservation and noise abatement. In the context of social responsibility, four attitudes form the basis for our actions: responsibility for good cooperation, commitment to our society, strengthening diversity and our historical responsibility. In this way, we want to contribute to leaving a planet worth living on for future generations.

III. Our measures to implement our due diligence obligations

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 set up an appropriate and effective risk management system to implement targeted measures to fulfill our due diligence obligations. We see dealing with human rights and environmental risks as a process that we are gradually anchoring in our operational structures and continuously improving.

1. Risk Analysis

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

- Violation of the ban on child **labor**
- Violation of the ban on **forced labor** and all forms of **slavery**
- Disregard for **occupational health and safety** and **work-related health hazards**
- Disregard **for freedom of coalition, freedom of association** and the **right to collective action**
- Violation of the prohibition of **unequal treatment in** employment
- Violation of the prohibition of withholding a **fair wage**

- Destruction of the natural basis of life through **environmental** pollution
- Unlawful violation of land **rights**
- Violation of the prohibition on hiring or using 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 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** within the meaning of the Basel Convention

Our annual risk analysis has a two-stage structure and begins with an **abstract risk analysis** regarding the aforementioned risk areas. We use the risk data of an external, specialized provider to continuously identify country- and industry-specific risks in our own business area and at direct suppliers. Country and industry risks are assessed using many indicators (based on the risk database of the Federal Office of Economics and Export Control) as well as publicly available reports and media sources. The results of the abstract risk analysis are then validated, allowing us to make an initial assessment of the existing risk profiles in our own business area and at our direct suppliers.

Particularly when our abstract risk analysis reveals increased risks, we then subject our own business area and our direct suppliers to a more detailed investigation. The aim of this so-called **concrete risk analysis** is to identify the actual risk dispositions for violations of human and environmental rights. We use a risk-based approach to determine which companies and suppliers are examined in depth.

We use risk-based questionnaires to identify actual risks or existing risk-mitigating measures and consider sustainability assessments of companies and suppliers in line with the potentially increased risk disposition. Once the specific risk analysis has been completed, the risk findings on the probability of occurrence of a breach are prioritized based on the appropriateness criteria of the severity of the risks, the existing capacity to influence and the contribution to causation. On this basis, we initiate appropriate risk-based preventive measures.

If there are actual indications of possible risks or violations of human rights or environmental obligations in our own business area or our supply chain due to special events or current reports, for example, we also carry out **ad hoc risk analyses**. An event-driven risk analysis is also indicated if we have to expect a significantly changed or significantly expanded risk situation in the supply chain, for example due to the introduction of new products or entry into new markets.

We use the knowledge gained from regular and event-related risk analyses to support strategic decisions such as market entries and exits, participation in certain projects or the implementation of suitable preventive and remedial measures.

2. Preventive and remedial measures

If we identify relevant risks, we take appropriate preventive measures. We also pursue a risk-based approach and initially focus on the areas in which we have identified the highest human rights and environmental risks. The aim of the preventive measures is to prevent any violation of a human rights or environmental obligation by minimizing the risks caused by our business activities or to which we contribute.

We take a wide range of measures aimed at reducing the risks to people and the environment. This includes both the further development of existing measures and the establishment of new ones.⁴

The preventive measures taken and planned by us and the Group management deserve special mention:

- Publication of this policy statement
- Definition of clear responsibilities, in particular the appointment of an LkSG officer to monitor our risk management
- Implementation and further development of our codes of conduct ([DB internal CoC](#) and [CoC for business partners](#)), particularly in light of the requirements of the LkSG
- Risk-based consideration of human rights and environmental requirements in our procurement strategies and purchasing practices
- Raising awareness among purchasing units of the need for 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 contractual assurance of human rights and environmental requirements
- Adaptation of the general terms and conditions for procurement and the bidder's self-declaration to the requirements of the LkSG
- Implementation of risk-based control measures in the form of awareness-raising discussions with business partners and business units

⁴ An overview of measures already in place within the DB Group can be found in the [Integrated Report](#).

- Risk-based development of specific action plans with suppliers and business units when risks or breaches are identified
- Establishment and further development of a comprehensive catalog of preventive and remedial measures to support the selection and implementation of typical measures per risk area
- Further development of our contractual clauses (e.g. on audit rights)
- Conducting social audits of business partners selected on a risk basis
- Risk-based training and sensitization of employees and business partners through regular information on LkSG-relevant topics and continuous (further) development of information concepts
- Exchange and involvement in industry initiatives (e.g. econsense, Railsponsible)
- Designing and carrying out effectiveness tests of preventive and remedial measures.

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

If we identify a violation of a human rights or environmental obligation or if it is imminent, we take appropriate remedial action without delay. These are aimed at preventing or ending violations or minimizing the extent of the violation. We also use and expand our catalog of possible preventive and remedial measures for this purpose.

In the concrete implementation of preventive and remedial measures, we value a cooperative approach with our business partners. However, we reserve the right to impose appropriate sanctions against the respective business partner or - as a last resort - to terminate a contract or an entire business relationship, particularly in the event of serious violations.

3. Complaint procedure

Another key component of our due diligence processes is the provision of an appropriate and effective complaint 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 postal contact option, the "Business Keeper Monitoring System" (BKMS) [electronic whistleblowing system](#) is available as a complaints channel, which we have expanded in line with the requirements of the LkSG. The system can be used in 22 languages. The protection of whistleblowers against discrimination or punishment based on reports

submitted is an important part of our complaint procedure. All reports are treated in strict confidence and - if desired - anonymously.

We review all reports received in connection with the LkSG to determine whether the reported facts indicate a human rights or environmental risk or a violation of human rights or environmental obligations. If this is the case, the report is passed on to the responsible body. If an initial suspicion is confirmed, the necessary measures are taken to minimize or eliminate risks or violations. All reports are processed by selected and specially trained employees. By implementing our complaint procedure, we can learn about previously unknown risks or breaches of duty. Alongside risk analysis, the complaint procedure therefore plays a key role in enabling us to continuously improve and develop our risk management.

We review the effectiveness of our complaint procedure once a year and on an ad hoc basis. For this purpose, a systematic analysis of the complaint procedure is carried out, in which samples of different, anonymized cases are examined in detail and evaluated regarding their effectiveness. In addition, the LkSG officer monitors the complaint procedure.

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

4. Reporting and documentation

In addition to our existing comprehensive reporting activities, in particular integrated reporting, we report annually to the Federal Office of Economics and Export Control (BAFA) on the fulfillment of our human rights and environmental due diligence obligations in the previous financial year. In doing so, we ensure that the reporting and publication obligations are fulfilled in full and on time. The report is available on our website for a period of at least seven years following its publication. Our procedures for fulfilling the statutory due diligence obligations are also documented on an ongoing basis. We also retain the documentation for seven years from the time it is created.

As part of the internal control system (ICS), three controls relating to the LkSG were introduced for the first time in 2024 and form part of the annual reporting. The controls deal with the LkSG's relevance/applicability to the company, the information provided to the Executive Board (policy statement) and external reporting to the BAFA.

5. Responsibilities

Safeguarding human and environmental rights in our own business area and along the global supply and value chains is of paramount importance to our Management Board. For this reason, responsibility for the effective implementation of the LkSG at DB Cargo AG lies at the

highest management level with the Management Board of DB Cargo AG. For its part, it defines clear responsibilities to ensure the effective implementation and monitoring of risk management.

The Management Board appoints an LkSG Officer to monitor the implementation of the statutory due diligence obligations at DB Cargo AG. Then LkSG Officer is involved in the implementation and updating of the risk management system and carries out risk-based control measures to check compliance with human rights and environmental obligations.

The DB Cargo Management Board is informed about the work of the LkSG Officer on a regular basis, at least once a year, as well as on an ad hoc basis. In particular, the LkSG Officer provides information on the main results of the risk analysis, on preventive and corrective measures taken and on reports from the complaint procedure. He/she also reports on whether the procedures anchored in the operating process and the measures taken to implement the due diligence obligations are appropriate and effective. This ensures that the Management Board always has all the relevant information it needs to fulfill its responsibilities and make informed decisions.

The implementation of the due diligence obligations is coordinated and managed across the DB Group by the Group Management function Sustainability and Environment and in cooperation with the Group Management functions Compliance, HR Strategy, Legal and Central Procurement.

Within DB Cargo AG, the operational implementation of human rights and environmental due diligence obligations is ensured and managed by a LkSG Coordinator, who is appointed by the DB Cargo AG Management Board. The relevant specialist departments, in particular Purchasing, are responsible for the practical implementation of the due diligence processes and are supported in this by other specialist departments. All these departments contribute to the effective implementation of the due diligence obligations in their daily work.

To implement the LkSG uniformly in principle, the Group Management of the DB Group performs a governance function vis-à-vis all obligated DB subsidiaries.

IV. Our priority human rights and environmental topics

We are aware that our business activities in our own business area and along our global supply and value chains can potentially have a lasting impact on human rights and the environment.

Our abstract risk analysis carried out in 2024 and supported by an external provider initially identified abstract risks in all risk areas covered by the LkSG. The subsequent concrete risk

analysis enabled us to determine that the probability of these risks occurring in our own business area is predominantly low. This is partly due to the fact that numerous appropriate and effective preventive measures are already in place. The risk for suppliers in 2024 is also higher overall than in our own business division.

In order to (further) reduce our overall risks and take preventative action, we are implementing measures in relation to all LkSG risk areas. Our focus is particularly on the risks prioritized on the basis of our risk analysis.

1. Risks in own business area

We prioritize the following risk areas for our **own business area**:

- **Destruction of the natural basis of life through environmental pollution** (Section 2 (2) No. 9 LkSG)
- **Prohibited import/export of hazardous waste within the meaning of the Basel Convention** (Section 2 (3) no. 6-8 LkSG)

The prioritization of these risk areas is based on the geographical location of our foreign subsidiaries (e.g. in Eastern and Southern Europe) and the sector assigned to them (transport and logistics) and therefore an increased risk. To date, we are not aware of any significant breaches in these areas.

2. Risks in the supplier sector

After conducting the annual risk analysis, we identified an increased risk in our direct supply chain in the area of **prohibition of unequal treatment in employment** (Section 2 (2) No. 7 LkSG).

Our external Code of Conduct already contains guidelines on this topic, which are discussed through risk-based queries (e.g. via EcoVadis ratings) and discussions with suppliers.

Regarding the identified and priority risks, we conduct awareness-raising workshops and discussions with the relevant decision-makers both in our own business and in the supplier sector. We then take further measures based on these workshops, such as adapting our procurement practices.

We will publish changes in priority risks based on future or event-driven risk analyses in the next update of the policy statement.

V. Our expectations of our employees and business partners

When it comes to compliance with our human rights and environmental due diligence obligations, we have high expectations of ourselves and our business partners. Aware of the priority risks identified in section IV. and reaffirming the commitment to sustainable and responsible corporate governance set out in section II, we have the following expectations:

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

Our commitment to respecting human rights and the environment is already reflected in our internal Code of Conduct ([Group Ethical Principles](#)), in which we set out our standards and expectations for our daily conduct in a binding manner. All board members, managing directors, managers and employees worldwide are committed to the principles set out in our internal code of conduct. Managers have a special role model function in this regard.

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 to conduct their business with integrity, implement appropriate processes to respect human and environmental rights and take appropriate measures to communicate our expectations in 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 undertake to comply with our Code of Conduct or equivalent requirements.

We work closely with our suppliers and business partners to ensure that they adhere to the same high standards as we do and communicate these standards along their supply chain. We encourage transparency and the sharing of information to ensure that they understand and meet our expectations. We expect them to act honestly, responsibly, transparently, and fairly. Part of our expectation is that our suppliers and business partners provide information on request about how our principles are adhered to. 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 proactively inform us and strive to find suitable solutions together.

VI. Continuous further development of our due diligence processes

We are aware that the implementation of human rights and environmental due diligence obligations is an ongoing process. We therefore review this policy statement annually and on an ad hoc basis and will update it immediately if, for example, we identify changed or expanded risks.

Further information can be found on the website at [deutschebahn.com/en/social-responsibility/human-rights](https://www.deutschebahn.com/en/social-responsibility/human-rights).

Status: December 2024