



## Policy statement on protecting and respecting Human Rights of DB Engineering & Consulting GmbH

### Foreword

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

We know that corporate responsibility goes beyond economic KPIs. 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 and high environmental and social standards.

As an international company and part of DB E.C.O. Group, we are aware of our great responsibility within the supply chains. It is therefore important to us to ensure responsible and sustainable value added along our supply chain – in Germany and in all countries in which we operate. We also expect our suppliers and other business partners to treat people and the environment with respect as the basis for reliable and sustainable collaboration. For us, economic success and socially responsible action are not contradictory, but mutually dependent. This is also important to us when working with our business partners.

As a company operating in the rail infrastructure sector worldwide with around 6,000 employees from 94 nations, it is clear to us that sustainable and responsible corporate management can only be based on respect for people and the environment.

  
N. Warbanoff   A. Bertallot   S. Geisberger   Dr. U. Kopp   J. Hansmann  
Board of Managing Directors DB E&C

*Chairman/Deputy Chairman Central Works Council*

## **Policy statement on protecting and respecting Human Rights of DB Engineering & Consulting GmbH**

I.	Introduction.....	3
II.	Our commitment to sustainable and responsible corporate governance.....	4
III.	Our measures to implement our due diligence obligations.....	5
	1. Comprehensive risk management .....	5
	2. Preventive and remedial measures.....	7
	3. Complaints procedure.....	8
	4. Reporting and documentation.....	9
	5. Responsibilities.....	9
IV.	Our prioritized human rights and environmental issues .....	10
	1. Risks in our own business segment.....	10
	2. Risks in the supplier sector.....	11
V.	The expectations we place on our employees and suppliers .....	12
VI.	Continuous further development of our duty of care processes .....	13

## I. Introduction

As one of the world's leading engineering and consulting firms, we are creating the world of tomorrow - with around 6,000 employees from 94 nations. We design and implement tailor-made rail transport and mobility concepts that are equal to the challenges of our time.

In Germany, we are represented at a further 80 sites in addition to our headquarters in Berlin; worldwide, we are represented on every continent with subsidiaries, branch offices and project sites in more than 100 countries.

DB Engineering & Consulting is part of DB E.C.O. Group. The Group brings together engineering, consulting and operator services and links the expertise of the integrated rail system with digital technologies. As a driver of DB Group's Strong Rail strategy, our goal is to shift more traffic to climate-friendly rail. At the same time, as a globally active group of undertakings, we are aware of our great social and ecological responsibility. Our purpose is therefore to ensure responsible and sustainable value added along our supply chain.

With the adoption of the German Supply Chain Act (Lieferkettensorgfaltspflichtengesetz hereinafter LkSG)<sup>1</sup>, the German legislature has created a framework for this. In recognition 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.

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** used to implement our due diligence obligations under the LkSG.<sup>2</sup>

---

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

<sup>2</sup> Description 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.

- We address such **human rights and environmental issues** that are particularly relevant to our business activities, and which have been identified as priorities based in our risk analysis.
- We set out the **expectations** that we place on ourselves, our suppliers and other business partners to ensure compliance with human rights and environmental obligations.

In addition to DB Engineering & Consulting GmbH, further DB Group companies have obligations under the LkSG, including the parent company of the DB Group, DB AG. While DB 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 Engineering & Consulting GmbH differs particularly in that it describes the company's own specific risk situation. Under the terms of the LkSG, all companies that are part of DB E.C.O. Group belong to DB Engineering & Consulting GmbH's own business area and are therefore also considered.

## **II. Our commitment to sustainable and responsible corporate governance**

Our corporate activities are bound by the imperative of sustainability. Sustainability is therefore also a central component of our Group strategy. In order to achieve sustainable and responsible value creation in our own business segment and along our supply chain, we are committed to upholding and promoting internationally recognized human rights, respecting labour 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.

When carrying out our business activities, we naturally comply with applicable law, meaning that 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),
- 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 ecological responsibility, we pursue a precautionary approach to environmental protection that goes beyond compliance with applicable environmental laws and is driving forward Deutsche Bahn's Green Transformation in four environmental action fields: 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.

### **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 an appropriate and effective risk management to implement targeted measures to fulfill our due diligence obligations. We see dealing with human rights and environmental risks as an ongoing process that we are gradually embedding in our operational structures.

#### **1. Comprehensive risk management**

Our risk management is based around a systematic and targeted risk analysis in which we identify and assess 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 fields in particular - for our own business activities 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**
- Commissioning or use of private/public **security forces** without appropriate instruction and 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** covering the above-mentioned risk fields. We take a great variety of factors into account when determining an abstract risk value (gross risk). For our own business operations and direct suppliers, we allocate each risk field to a country and business industry. To create abstract risk profiles of countries and sectors, we use publicly available country and sector-specific information and indices. When determining a risk value, we also consider the severity of a possible risk violation. The gross risk calculated in this way is then checked for plausibility regarding 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 we 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. To determine actual risks (net risks) and identify risk-minimizing measures that have already been implemented, we use standardized questionnaires that our companies and suppliers answer or consider recognized sustainability assessments. In this way, we are able to identify (potential) gaps in our risk reduction measures and initiate the implementation of (further) effective risk reduction measures.

If there are actual indications, such as special events, intelligence, 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. An ad hoc risk analysis is also indicated if we anticipate a significantly changed or significantly expanded risk situation, for example due to the launch of new products or entry into new markets.

We use the insights gained from regular and ad hoc risk analyses to support strategic decisions such as market entries and exits, participation in certain projects or the implementation of appropriate preventive or remedial measures. We strive to continuously improve our risk analysis approach by constantly expanding our data basis and continuously incorporating the intelligence we gain from fulfilling due diligence obligations and through our complaints-procedure.

## **2. Preventive and remedial measures**

If we identify relevant risks, we take appropriate preventive measures. In doing so, we also pursue a risk-based approach and focus on the areas in which we have identified the highest human rights and environmental risks. The aim of the preventive measures is to avoid 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, including the further development of existing measures and the establishment of new ones.<sup>3</sup>

The following preventive measures should be emphasized in particular:

- Publication of this policy statement and anchoring it in the DB E.C.O. Group
- Definition of clear responsibilities, in particular the appointment of a 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 human rights and environmental requirements
- Amendment of the General Terms and Conditions for Procurement and the bidder's certification of eligibility to comply with the requirements of the LkSG
- Further development of our contractual provisions (e.g. on audit rights)

---

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

- Implementation of regular and ad hoc risk-based control measures
- Risk-based development of specific corrective action plans
- Risk-based professional development and awareness raising for selected employees and business partners through the regular provision of information and training on topics related to the LkSG, alongside continuous (further) development of communication and training concepts
- Dialog and involvement in industry initiatives via DB AG (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 about the individual risk fields.

In the specific implementation of preventive and remedial measures, we attach great importance to a cooperative approach with our suppliers. However, we reserve the right to impose appropriate sanctions against the respective supplier or – as a last resort – to terminate a contract or an entire business relationship, particularly in the event of serious violations.

### **3. Complaints procedure**

Another key component of our due diligence processes is the maintenance 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. The protection of whistleblowers against discrimination or punishment as a result of reports submitted is an important part of our complaints procedure. All reports are treated in strict confidence and, if requested, 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 handed over to the responsible office. Whenever an initial suspicion is confirmed, the necessary measures are taken to minimize or eliminate risks or violations. All complaints and information are handled only by 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. The effectiveness of our complaints procedure is reviewed once a year and on an ad hoc basis.

#### **4. Reporting and documentation**

In addition to our existing comprehensive reporting activities and in particular our Integrated Report, we will, from 2024 onwards, 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. We will publish the report no later than four months after the end of the fiscal year on our web page, where it will be accessible for seven years. Our procedures for complying with statutory due diligence requirements are also documented on an ongoing basis. We keep the documentation for seven years from the date of its creation.

#### **5. Responsibilities**

The safeguarding of human and environmental rights in its own business operations and throughout the global supply and value chains is of paramount importance to the management teams of the DB E.C.O. Group and DB Engineering & Consulting GmbH. For this reason, responsibility for the effective implementation of the LkSG at DB Engineering & Consulting GmbH lies at the highest management level with the Managing Directors. For their part, the Managing Directors define clear responsibilities to ensure the effective implementation and monitoring of risk management.

To monitor the implementation of the statutory due diligence obligations at DB Engineering & Consulting GmbH, the Managing Directors appoint a LkSG Officer. They are regularly informed about the work of the LkSG Officer, 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, any preventive or remedial measures taken and on information gained from the complaints

procedure. The officer also reports on whether the procedures embedded in operations and the measures taken to implement the due diligence obligations are appropriate and effective. This ensures that management always has all the relevant intelligence it needs to fulfill its responsibilities and make sound decisions.

The LkSG Officer is involved in the implementation and updating of the risk management system and monitors it in order to check compliance with human rights and environmental obligations. Other tasks include communicating the external reporting to BAFA and responding to possible official inquiries.

Within DB Engineering & Consulting GmbH, the implementation of human rights and environmental due diligence obligations throughout the business is ensured and managed by a LkSG Coordinator, who is appointed by the head of the Compliance function. The relevant functional departments, specifically Purchasing, are responsible for the practical implementation of the measures and are supported in this by other functional departments. All these departments contribute to the effective implementation of the due diligence obligations in their daily work.

In order to implement the principles of the LkSG uniformly within the DB Group, the Group Management of DB AG performs a governance function in relation to all DB subsidiaries bound by the Act. In the set-up phase, DB AG coordinates the implementation of the due diligence obligations through a Group-wide project, which is managed by the Sustainability and Environment Group Management function in partnership with the Compliance, HR Strategy, Legal Affairs and Central Procurement Group Management functions.

#### **IV. Our prioritized human rights and environmental topics**

We recognize that our business activities in our own business area and throughout 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 fields covered by the LkSG. Particularly in countries outside Germany, there are higher abstract risks at country-specific level.

##### **1. Risks in our own business segment**

Based on the subsequent specific risk analysis in our own business area, we were able to determine that the probability of occurrence of the abstract risks identified in Germany and our foreign branch offices is consistently low. Due to the preventive measures that have been in

place for years, the high abstract risks of individual foreign companies assigned to DB E&C's own business area were also not confirmed.

Relevant risks were identified and the following risk fields prioritized for a unit that is still being set up:

- **Violation of the prohibition of unequal treatment in employment (*Section 2 (2) no. 7 LkSG*)**
- ***Disregard for occupational health and safety and work-related health hazards (Section 2 (2) No. 5 LkSG)***
- ***Disregard for freedom to form coalitions, freedom of association and the right to collective bargaining (Section 2 (2) no. 6 LkSG)***

Measures are taken with regard to the risks that have been identified and prioritized in our own business area. These include the implementation of optimized processes, the expansion of internal training and awareness-raising measures and the holding of workshops with relevant decision-makers, for example.

We will announce changes in priority risks based on future or ad hoc risk analyses in the next update of the policy statement.

## **2. Risks in the supply chain**

After conducting the annual risk analysis, we identified low, medium, and high risks in our direct supply chain. We have identified the following 2 areas as having the highest risk after conducting the annual risk analysis. Our Code of Conduct for Business Partners already contains specifications on these areas that can be checked through risk-based queries or, if necessary, audits of suppliers.

- **Violation of the prohibition of unequal treatment in employment (*Section 2 (2) no. 7*)**
- ***Destruction of the natural basis of life through environmental pollution (Section 2 (2) no. 9)***

Measures are also taken regarding the risks that have been identified and prioritized in the supply chain. These include the optimization of processes, expansion of internal training and awareness-raising measures and risk-based implementation of workshops with relevant decision-makers in the supply chain.

We will announce changes in priority risks based on future or ad hoc risk analyses in the next update of the policy statement.

## **V. The expectations we place on our employees and suppliers**

In light of the priority risks identified in Section IV and in affirmation of the commitment to sustainable and responsible corporate governance set out in Section II, we have the following expectations:

We want to conduct our business activities in an ethical and legally impeccable 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 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 ("Corporate Principles on Ethics"), in which we set out our binding standards and expectations for our day-to-day conduct. All Managing Directors, managers and employees worldwide are committed to the principles set out in our internal Code of Conduct. As role models, managers in particular are expected to set a good example.

In implementing our legal obligations under the LkSG, we expect our managers and 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 require the same social and environmental standards from our suppliers. We also expect them to conduct their business with integrity, implement appropriate processes to respect human and environmental rights and take suitable measures to make our expectations known in their supply chain.

We set out our specific requirements and principles for working with our suppliers 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 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 provide information on request about how our principles are complied with. The same applies to business partners at the same level. 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 will endeavor to find appropriate solutions together.

#### **VI. Continuous further development of our duty of care 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 promptly if we identify changed or expanded risks, for example.

Further information is available on our web page at <https://db-eco.com/en/corporate-social-responsibility/>

Last modified in November 2023