

To
UN Global Compact Office
United Nations, DC2-612
New York City, NY 10017
USA

28 March 2013

Dear Sir or Madam,

Society is being confronted with an increasingly diverse range of global challenges. When it comes to developing solutions, companies have particular obligations. To make a contribution, DB has decided to fully integrate sustainable action as a core element of its corporate strategy and organization. The basis for this is our sustainable DB2020 strategy passed by the entire management board in early 2012. The goal of this integrated overall approach is to systematically harmonize economic, social, and environmental activities and to live up to our social responsibility to an even greater degree.

Since our last Communication on Progress, we have been able to make headway in key areas. With the help of a comprehensive target system applicable for all business segments, we are making progress toward a sustainable company both transparent and measurable. To this end, we have defined numerous measures and took the initial steps in 2012, some of which I will expand upon below:

One of DB's key endeavors is to offer its customers the highest level of quality. We have thus continued our major investments in rolling stock and infrastructure. Currently we are investing €250 million to modernize our Intercity fleet and have launched important infrastructure projects in Germany. The acquisition of ambulance transport specialist Ambuline means a further expansion to the range of services in the field of ambulance services and social transport services in Great Britain. Thanks to new cross-border direct connections, our customers in passenger and freight traffic now have access to an even larger range of services within the environmentally friendly European rail transport system. And with our new logistics centers in Singapore, China, India, and Mexico, we have been able to continue to expand that offer for our customers on a global scale as well.

In 2012, we issued a Group-wide employee survey for the first time. Nearly all 300,000 DB employees around the world were given the opportunity to say how

satisfied or dissatisfied they are with their situation at DB. We will be using the results to further develop our corporate culture. Moving forward, an employee survey will be conducted every two years. We have also continued to live up to our responsibility as one of the largest employers in Germany by concluding a demographic-based employment agreement, which, for example, will more closely align working hours and qualifications with our employees' life and career phases. There is also the intention to employ our trainees permanently. DB has also expanded its diversity management and has established it as a designated area with the chairman of human resources.

In 2012, there was also further progress with regard to making our transport and logistics solutions even more environmentally friendly. We have added new, environmentally friendly rolling stock to our fleet by ordering around 100 hybrid and biogas buses for our British transport and commissioning new hybrid switching locomotives. By concluding new contracts for our electricity supply from hydroelectric power plants and other renewable sources, we were able to increase the share of renewable energy in our energy mix for operating the electrically driven fleet in Germany by two additional percentage points to a total share of 24 percent. As a next step, we will be transporting all of our regular customers – and thus 75 percent of our passengers – in long-distance passenger transport completely CO₂-free without any additional charges as of April 2013. And with our EcoTransIT World online tool, we offer our logistics customers a comprehensive option for monitoring their CO₂ emissions.

Our targets within DB2020 will also play a key role in our variable salary payment in the future. In addition to economic performance, customer and employee satisfaction as well as environmental progress will have a significant impact on variable remuneration for all executives in the 2013 financial year.

Last but not least, we have continued to advance the organizational integration of sustainability in the Group. After I was appointed chief sustainability officer in 2012, an overarching competence center was established in which key sustainability issues are regularly addressed within the company.

We have further invested in the dialog with our stakeholders within the framework of the first DB Sustainability Day in December 2012. A charter for the responsible action between DB and its stakeholders was also established. DB was also able to further increase the transparency of its sustainability efforts with its declaration to conform to the German Sustainability Code. We will also continue to report about dimensions of sustainability with respect to the key reporting standards. As a next step, we want to publish our sustainability report in mid-2013 based on the principles of the Global Reporting Initiative (GRI). Our goal is to combine the separate reports – the business report and the sustainability report – into one “integrated report” in the intermediate term.

As a company that operates at the heart of society, we have a particular responsibility. We thus established a non-profit corporation, Deutsche Bahn Stiftung gGmbH, in January 2013. We would like to focus a large proportion of our social commitment

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there in the future. To do so, Deutsche Bahn Stiftung will be gradually provided with up to 0.5 percent of DB's operating profit.

To also put more emphasis on sustainability in the supplier chain, the DB management board has also decided to introduce a DB code of conduct for business partners. This code entered into force in early 2013 and is intended to hold our suppliers to ethical and legal standards.

We are convinced that our activities in 2012 represent another important step along our journey - and we will continue to make similar efforts as we move into the future.

With kind regards,



II. REPORT ON DB ACTIONS AND OUTCOMES

	Principle	Actions	Outcomes	Further information
Human rights	Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights.	General Commitment DB's Code of Conduct is a policy that underlines the respect of internationally proclaimed human rights (including social security and protection, free choice of employment, just and favorable conditions of work and protection against unemployment, health and well-being, right to education, full development of human personality, etc.). DB states in its Corporate Principles Ethics "...that the company is convinced that social responsibility is a key factor for the long-term success of its company and consequently an indispensable element of its value-driven corporate management. All corporate activities are therefore bound by our obligation to be a good corporate citizen. Growth and job stability are important factors for the success of the DB Group. We respect commonly accepted human rights."	DB's Code of Conduct contains binding standards and expectations regarding the day-to-day actions of all employees of the DB Group. These principles are binding upon all board members, managing directors, executives and employees worldwide. DB has been taking part in the United Nations Global Compact since 2009.	Sources: Homepage Deutsche Bahn AG www.deutschebahn.com/en Corporate Principles Ethics - Code of Conduct www.deutschebahn.com/en/group/compliance/standards.html Sustainability in the DB Group www.deutschebahn.com/en/sustainability/ 2012 Annual Report http://www1.deutschebahn.com/ecm2-db-en/ir/
		Management Systems The majority of the company's employees are located in countries ensuring standards regarding health and safety by law. DB Group has implemented a comprehensive occupational health and safety management system. The strategic goal in occupational health and safety is the prevention of work accidents and maintaining the good level achieved so far in preventing accidents and occupational illnesses, as well as in occupational health and safety management.	The corporate guideline on "Health & Safety Management" has been in existence since 2001 (updated in 2008 as OHSAS 18001). In 2011, a total of 120,000 (2010: 110,000) examinations were performed by company physicians. The accident rate for 2010 was 38, and sank to 35.6 in 2011 (number of accidents at work resulting in absences lasting longer than three days per 1,000 employees). There were three fatal accidents at work in 2010 and two in 2011 (not including DB Schenker Logistics).	

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Principle	Actions	Outcomes	Further information
	<p>Today the Health and Safety Management System based on OHSAS 18001:2007 has been developed further at DB AG. Risk controlling is a key element in DB AG Health & Safety Standard Operating Procedure and regular risk assessments are mandatory in order to minimize work-related risks. DB AG is currently defining the requirements and preconditions of a global IT system that will enable the company to globally collect additional relevant data. Central global monitoring of rates of injury, occupational diseases and total number of work-related fatalities will be introduced. A global HR management team will be established as well.</p> <p>DB advises and trains many international rail operators (e.g. in Russia, China, Spain, South Africa) on topics related to safety culture and occupational safety and health.</p> <p>Activities Right to Education</p> <p>DB is not just one of Germany's largest employers, it is also one of the country's largest vocational training companies. Vocational training and dual work/study programs form the basis for securing of junior staff through which more than 90 % of our specialists are recruited.</p>	<p>The absenteeism rate due to illness remained unchanged in 2012 at 4.9 % (Germany without DB Schenker Logistics).</p> <p>Every year more than 500 employees who can no longer perform their job for health reasons receive special training and access to new career opportunities within DB through the Group's internal job market.</p> <p>In 2012, some 3,800 (2011: 3,600) young people began vocational training at DB and an additional approximately 300 (2011: 280) began a dual work/study program there. DB has a current total of more than 11,000 trainees and students (2011: 10,000) combining a degree course with work placement. In 2012, about 94 % received a job offer from DB after finishing their vocational training.</p> <p>In 2012, DB reorganized its Talent Acquisition activities to increase the employer attractiveness and to professionalize recruiting for its vacancies. As part of that, DB started a new</p>	<p>Career Website DB: www.deutschebahn.com/karriere</p>

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Principle	Actions	Outcomes	Further information
		recruiting campaign “A job like no other” and developed a new career website.	
	DB has implemented a clear policy on continued employability and strategic skill management and offers comprehensive training measures.	A total of 240,000 participants (2011: 148,000) took part in the approximately 23,000 (2011: 16,000) seminars conducted by DB Training.	
	DB creates attractive and fair employment conditions including lifelong learning initiatives with training opportunities for all age groups executed by two in-house educational institutions (DB Training and DB Akademie). To qualify its employees in its market of growing importance China, DB Schenker opened its own educational institution in Beijing in October 2012.	In addition, 44 % of the round about 7,000 executives took part in DB Akademie programs and 8 % in dialog events in 2012 focusing on topics such as strategy, leadership principles and discussion of values.	
	In addition, DB is actively involved in the training of children and young people in schools during their education. The company also works closely together with selected universities and universities of applied sciences.	DB has 350 school cooperation partners in Germany who provide professional orientation, information about working environments and job prospects. As part of the "Chance Plus Program", in 2012 DB offered on ten sites nationwide 315 places for young people (2011: 400), who do not yet meet the entry requirements for a traineeship for future employment. The career education program gives those young people the opportunity to get themselves ready to embark on their careers.	
	DB has been actively promoting children’s reading skills for over 16 years now.	A total of 40,000 participants, of which 800 were DB employees, took part in the nationwide Reading Day in 2012. This meant a quadruplication of the former record of 12,000 readers in 2011.	Reading Day (German): www.vorlesetag.de/startseite
	Protection against unemployment Employees in Germany covered by the Collec-	A total of 16,599 re-assignments took place within the DB internal job market between	

Principle	Actions	Outcomes	Further information
	<p>tive Agreement on Safeguarding Jobs receive extensive job protection as part of the employment alliance between DB and social partners. These employees cannot be laid off for operational reasons.</p> <p>Participation / Involvement</p> <p>In 2010, DB established a program to further develop its corporate culture and initiate a long-term cultural development process. Employees and executives outlined issues that were important to them and ideas for change in an open dialog in the context of conferences on the future.</p> <p>In autumn 2012, DB conducted its first company-wide employee survey. In this survey all 300.000 employees had the opportunity to communicate their satisfaction or discontent with DB and their working life. Surveying the employee satisfaction provides the basis for concrete changes and improvement measures.</p> <p>Professional idea management gives all employees the opportunity to propose suggestions for improvement for a wide variety of areas in day-to-day business life. The best ideas are honored with awards.</p>	<p>2005 and 2011, and 1,293 re-assignments in 2012.</p> <p>In 2012, to continue the cultural development process and to further involve business units and regions into the process, 14 regional conferences and an international conference in Barcelona were held on the future of DB.</p> <p>61.4 % of the workforce participated in the first survey in 2012. The results showed a restrained positive prevailing mood. In about 7,800 follow-up-workshops the results will be worked up systematically.</p> <p>Within the scope of the idea management program, a total of 11,418 suggestions were submitted by the employees in 2012 (2011: 12,198); of which more than 6,100 (2011: 5,160) were implemented to provide DB with total benefits worth € 20.6 million (2011: € 17.7 million).</p>	
Principle 2: Businesses should make sure they are not	<p>General Commitment</p> <p>See DB's Code of Conduct detailed in Principle 1.</p> <p>Within the Code of Conduct, DB states that it encourages its business partners to implement</p>		<p>Sources:</p> <p>Corporate Principles Ethics - Code of Conduct</p> <p>www.deutschebahn.com/en/group/compliance/standards.html</p>

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	Principle	Actions	Outcomes	Further information
	complicit in human rights abuses.	<p>similar ethical principles based on internationally accepted values. "We expect our business partners to conduct their business in a manner consistent with the principles detailed in this document". Further, DB's Management Board has adopted the DB Code of Conduct for Business Partners in 2012. It implements ethical principals in the supply chain and is currently being rolled out.</p> <p>Activities The local DB Schenker Logistics management in every country is responsible for ensuring compliance regarding child labor and compulsory labor.</p> <p>There is a neutral partner (ombudswoman) for all employees who believe they have experienced discrimination or have not been accorded appropriate treatment under the Collective Job Security Agreement (BeSiTV - from 1 April 2013 superseded by the provisions of DemografieTV).</p> <p>In conflict management, mediation is used to facilitate constructive handling of internal conflicts.</p>	<p>A total of 358 conflict cases were reported to the ombudswoman in 2012.</p> <p>A Group works council agreement on the use of mediation has been in effect since 2011. A pool with 80 internal mediators has been formed.</p>	<p>www.deutschebahn.com/businesspartners</p>
Labor	Principle 3: Businesses should uphold the freedom of association and the ef-	<p>General Commitment See DB's Code of Conduct detailed in Principle 1. Within the Code of Conduct, DB states: "The DB Group acknowledges the right of freedom of assembly and the formation of interest groups. We stand up for the protection of these rights in all our business units world-</p>	<p>All employees of DB Group in Europe - which means more than 90 % of the DB workforce worldwide (in FTE) - are covered by collective bargaining agreements. For the rest of the employees (3 % in North America, 5 % in Asia and 1 % in other non-European countries), the</p>	<p>Sources: Sectoral social dialogue - Railways: ec.europa.eu/social/main.jsp?catId=480&langId=en&intPagelId=59</p>

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Principle	Actions	Outcomes	Further information
Principle 3: Effective recognition of the right to collective bargaining.	wide and also expect our business partners to do so. Our cooperation and dealings with one another are defined by mutual respect and appreciation. We behave cooperatively and ensure a positive working environment.”	DB Group organizes the wage settlement processes pursuant to the existing national labor laws in each country of operation.	
	<p>Activities</p> <p>High priority is accorded to involvement of employees in the decision-making processes in the company. Since its establishment, the DB Group has maintained a social partnership with employee representatives and unions. The DB management works together with the works councils in a spirit of partnership and trust. In this way, agreements on wages are negotiated and signed on a regular basis.</p> <p>DB is an active partner in the social dialog with the unions on EU level.</p> <p>Job security questions are addressed and important answers to demographic changes developed together with the unions. In 2012, a bargaining agreement laying down innovative guidelines for demographically prepared HR policy for the coming years was approved with the Railway and Transport Union (EVG). Negotiations with the Train Driver’s Union (GDL) are still in process</p>	<p>Nearly 380 collective agreements were signed in Germany between 2007 and 2011.</p> <p>DB founded a European Works Council in 2005. The European Works Council currently consists of 47 members from 23 countries including Norway and Switzerland.</p> <p>The demographic contract will be come into force on 1 April 2013. It lays down more individual and flexible conditions for all phases of work life. It includes e.g. measures for lifelong learning, age-appropriate work, job offers for the whole junior staff after finishing their vocational training successfully and gap times for executives.</p>	
Principle 4: Businesses should uphold the elimination of all forms	<p>General Commitment</p> <p>See DB’s Code of Conduct detailed in Principle 1</p> <p>Within the Code of Conduct, DB states: “The DB Group rejects child labor and any form of forced labor.”</p>		DB Group Compliance www.deutschebahn.com/en/group/compliance

Principle	Actions	Outcomes	Further information
Principle of forced and compulsory labor.	Activities Compliance with the basic principles is reviewed within the scope of the compliance risk analysis. Among other things, questions on the issue of human rights, and in countries with a particular risk situation, specifically on forced labor are addressed here. The compliance risk analysis is an integral component for identification and minimization of risks in the Group.	An IT-supported tool for compliance risk analysis that enables structured inquiry on business unit level was introduced in 2011.	
Principle 5: Businesses should uphold the effective abolition of child labor.	General Commitment See DB's Code of Conduct detailed in Principle 1. Within the Code of Conduct, DB states: "The DB Group rejects child labor and any form of forced labor." Activities Compliance with the basic principles is reviewed within the scope of the compliance risk analysis. Among other things, questions on the issue of human rights, and in countries with a particular risk situation, specifically on child labor are addressed here. The compliance risk analysis is an integral component for identification and minimization of risks in the Group.	An IT-supported tool for compliance risk analysis that enables structured inquiry on business unit level was introduced in 2011.	DB Group Compliance www.deutschebahn.com/en/group/compliance
Principle 6: Businesses should uphold the elimination of discrimination in respect of	General Commitment See DB's Code of Conduct detailed in Principle 1. Within the Code of Conduct, DB states: "The employees of the DB Group reflect the diversity of society, languages, cultures and lifestyles. We respect and promote this diversity, as it is the guarantee of our closeness to society, to our customers, and our openness to new	In 2012, the DB workforce worldwide (in FTE) was structured as follows: Germany: 64.7 %, rest of Europe: 27 %; Asia / Pacific: 4.9 %; North America: 2.6 %; rest of world: 0.8 %. On 1 December 2012 the organizational unit Diversity Management was instituted. Its main	Sources. Charter of Diversity: http://www.vielfalt-als-chance.de/

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Principle	Actions	Outcomes	Further information
employment and occupation.	ideas. We do not tolerate any discrimination against individuals, in particular due to their descent, religion, sexual orientation, nationality, origin, political or trade union activities or owing to their age, gender or any disability.”	tasks are the development of a diversity strategy as part of the established strategy process and the development of concrete company-wide und business-unit specific diversity goals.	Homepage on sustainability: www.deutschebahn.com/en/sustainability/encourage_young_people.html
	DB has implemented policies on equal opportunities and non-discrimination: e.g. the Corporate Employer Works Council Agreement “Partnership in the Workplace” and “For Equality and Loyal Cooperation – against Xenophobia and Anti-Democratic Tendencies”.		
	DB signed the “Charter of Diversity” (Charta der Vielfalt) in 2008 and is founding member of the association “Charta der Vielfalt e. V.”		
	People with disabilities receive professional support from DB Group in order to retain the employees at the company and to facilitate their career (Konzernbetriebsvereinbarung). In addition, DB has established an action plan to implement the UN Convention on the Rights of Persons with Disabilities. DB cultivates close partnership with organizations such as the National Paralympic Committee Germany (Deutscher Behindertensportverband).	The share of severely disabled employees was 5.9 % in 2011 and rose to 6.1 % in 2012 (2010: 5.8 %) (average value in Germany).	
	Activities DB has initiated programs enabling employees to organize their working days individually based on their private duties (e.g.: part-time work, gradual retirement, telework, work from home, comprehensive health management, reduction of working time).	The share of part-time employees (excluding partially retired employees) was 7.1 % in 2011 and 7.4 % in 2012 (Germany without DB Schenker Logistics).	

Principle	Actions	Outcomes	Further information
	DB has set itself the goal of increasing the share of women employees to 25 % and of women in management positions to 20 % by 2015 and has implemented appropriate programs (e.g. the mentoring programs “Karriere mit Kindern” (Career with Children) and “Potentialträgerinnen” (female high potentials)). In addition, we are involved in the European project “Women in Rail”. The project aims to increase the proportion of women in the European railways. We also participate in the research project “Unternehmenskultur verändern – Karrierebrüche vermeiden” (Corporate Cultures change - career breaks to avoid) of the Fraunhofer-Gesellschaft.	<p>The share of women employees was 21.9 % in 2011 and 22.1 % in 2012 (Germany).</p> <p>DB earned the Total E-Quality Award for the fifth time in 2010. Companies that successfully work to achieve equal opportunities for women receive this award.</p>	
	DB is committed to non-harassment and runs a special program on this subject. As part of this program, trainees in their first and second training years become involved in activities to combat xenophobia and to promote more tolerance in society.	Within the scope of the project “Deutsche Bahn Trainees against Hatred and Violence,” a total of 700 participants took part in 90 projects in 2012 (2011: 400 participants in 50 projects).	Bahn Trainees against Hatred and Violence (German): www.deutschebahn.com/de/nachhaltigkeit/soziales/azubis_gegen_hass_und_gewalt/
	DB is actively involved in the project Off-Road Kids (e.g. covers project costs for the DB Kids Camp, social workers can travel free of charge with the “Railway Card 100” by any train at any time, DB’s CEO Rüdiger Grube has taken over patronage of the foundation).	Between 1994 and 2012, DB helped approx. 2,700 children through the Off-Road Kids project.	Off Road Kids Initiative www.offroadkids.de/
Environment	<p>Principle 7: Businesses should support a precautionary</p> <p>General Commitment</p> <p>Satisfying the growing demand for mobility while simultaneously protecting the environment and nature is a central concern at DB:</p>		Ecology: www.deutschebahn.com/en/sustainability/ecology

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Principle	Actions	Outcomes	Further information
approach to environmental challenges.	See DB's Code of Conduct detailed in Principle 1. Within the Code of Conduct, DB states: "Protection of the corporate assets and achieving a sustainable increase in the value of the company are the objectives of our corporate work."		
	DB's Environment Policy: "Our business activities around the world are bound by the principle of sustainability. Environmental protection is a corporate and social value that we seek to preserve and promote."	DB's Environmental Policy has been a Group directive with worldwide scope since 2010.	
	Activities DB actively promotes environmentally friendly and safety transport internationally as well. Together with the International Union of Railways (UIC), DB developed the "UIC Declaration on Sustainable Mobility and Transport."	In 2010, DB signed the UIC Declaration on Sustainable Mobility & Transport.	UIC: www.uic.org/download.php/publication/525E.pdf
	CEO Dr. Rüdiger Grube has joined forces with other German entrepreneurs to support the German Federal government's climate protection efforts with the "2° - German entrepreneurs for climate protection" alliance. Because climate protection requires global action, a system must be in place to hold all countries accountable, pursuant to the initiative.	In 2009, DB signed the "2° - German entrepreneurs for climate protection".	2° - German entrepreneurs for climate protection: www.stiftung2grad.de/?option=com_content&task=view&id=6&Itemid=5&lang=en
	Once a year, the DB CEO and Chairman of the Management Board together with the chairpersons of the major environmental organizations, discuss current transport and the environmental issues.	DB has arranged an annual "summit" with environmental groups since 2000.	

Principle	Actions	Outcomes	Further information
	Environmental Management Environmental management is organizationally and functionally anchored in the DB Environment Center. The DB Environment Center reports directly to the Management Board and is the central contact for all inquiries related to ecology. The DB Group has established a Group-wide environmental management system which conforms to ISO requirements. All business units with relevant environmental impact are to ensure their own appropriate environmental management system within the scope of the Group-wide environmental management system. For the DB Group, environmental management is the systematic basis for the strict implementation of our environmental strategy and for matching achievable objectives and activities globally. The specific strategies, approaches and measures for an innovative, pro-active approach to environmental protection are based on our own data and also take into account global mega-trends, stakeholder demands and requirements, as well as the needs of customers.	<p>In 2010, 86 % of DB's major subsidiaries had an environmental management system and 59 % were certified under ISO 14001.</p> <p>In 2011, 88 % of DB's major subsidiaries had an environmental management system and 68 % were certified under ISO 14001.</p>	
Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility	General Commitment DB has long been taking a proactive approach to environmental responsibility and has also set challenging targets for the future to ensure its environmental compatibility and future viability. The main focus is on climate protection, noise reduction, resource efficiency (part. waste reduction), air pollution and nature conservation.		

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Principle ity.	Actions	Outcomes	Further information
	Activities Climate Protection <p>Compared to cars and airplanes, the railway is the most environment-friendly modes of transport. But even good things can be improved even further. By 2020, DB wants to further reduce its specific carbon emissions by 20% as compared to 2006, across the entire company – referring to its transportation activities by rail, road, in the air and on the water. All business units make a defined contribution to reaching the Group goal. The contribution is quantitatively anchored in the target system for the business units.</p> <p>The CO₂ emissions in the stationary area (plants, terminals, offices, etc.) compose approx. 6 % of overall emissions. Here, too, DB is pursuing a set reduction goal: stationary energy consumption is to be reduced by 1.5 % annually.</p> <p>First and foremost, Deutsche Bahn will tap its full potential to create ecologically efficient transportation and travel chains and increasingly shift to energy-efficient modes of transportation. The important key for DB's own contribution to reach our climate targets is to increase energy efficiency by:</p> <ul style="list-style-type: none"> - Using modern and energy-efficient vehicles, a higher proportion of electrically-powered trains and increasing vehicle capacity utilization. 	<p>By 2012, DB had reduced its specific CO₂ emissions by 45 % in rail transport as compared to 1990.</p> <p>Furthermore, DB reduced its global mode-wide specific CO₂ emissions by roughly 11.9 % between 2006 and 2012.</p> <p>In absolute terms, stationary primary energy consumption in Germany was reduced 20.4 % between 2006 and 2011. In 2012, DB started the construction of the first climate-neutral train station in Kerpen-Horrem in North Rhine-Westphalia, Germany. Another green train station is being constructed in Lutherstadt-Wittenberg in Saxony-Anhalt, Germany.</p> <p>By 2016, DB will invest more than 12 billion euros in renewal and modernization of its rolling stock. Therefore, future trains will consume up to 30 % less energy per passenger than previous models thanks to their improved aerodynamics and less in weight.</p> <p>A total of 2,000 DB locomotives and multiple units convert braking energy into electricity, saving DB enough energy to power a city with 200,000 households.</p>	<p>Climate Protection: www.deutschebahn.com/en/sustainability/ecology/Climate_protection/</p> <p>SusStation: www1.deutschebahn.com/ecm2-susstation/start</p> <p>Saving energy: www.deutschebahn.com/en/sustainability/ecology/Climate_protection/energy_efficiency.html</p>

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Principle	Actions	Outcomes	Further information
	<ul style="list-style-type: none"> - Continuing training in energy-efficient driving for train, truck and bus drivers: all train and truck drivers at DB receive training in energy-saving driving techniques. DB Schenker Logistics has instituted nationwide training for its own truck drivers and subcontractors' truck drivers as part of the "Green Road" project. - Pooling shipments and land transport through hub systems. - Close cooperation and monitoring of subcontractors in the field of land transport, air and ocean freight. - Energy saving in stationary areas (manufacturing plants, terminals logistics centers). 	<p>Reducing CO₂ in road freight transport is one of DB Schenker's major goals. To this end, DB Schenker has trained all of its own drivers as well as drivers of European subcontractors - about 30,000 truck drivers in all in the end of 2012 - in environmentally friendly driving techniques, cutting fuel consumption by up to 10 %.</p>	
	<p>Green Products & Ecological Footprint</p> <p>In order to also help our customers avoid and reduce CO₂ emissions, DB offers CO₂-free, CO₂-reduced or CO₂-neutral products for nearly all of its transport products.</p> <p>For its CO₂-free products, DB calculates the absolute energy consumption per train trip or rail freight transport and fully compensates for it with power from renewable energy sources. Emissions are thus not even created. Business customers receive a certificate from TÜV SÜD attesting to the CO₂ emissions avoided in this manner.</p> <p>In areas where CO₂-free products are not possible - in particular the non-rail area - DB offer CO₂-neutral or CO₂-reduced products.</p>	<p>With the temporary sales promotion of the test discount card „BahnCard 25 Eco" DB offered in 2012 also its private customers the possibility of CO₂-neutral traveling for the first time. About 17.000 green BahnCard were sold during the short promotion period. Starting in April 2013, the five million BahnCard customers as same as all registered bahn.corporate business travelers will be traveling with 100 % renewable energies without extra charge in all ICE, IC and Eurocity trains in Germany. This will represent at least 75 % of all long-distance train rides in Germany and means a triplication of the share of renewable energies in long-distance rail.</p> <p>Besides, DB offers its "Eco Plus" product family in rail freight transport and its „Umwelt-Plus" product family in passenger traffic.</p>	<p>CO₂-free products: www.deutschebahn.com/en/sustainability/ecology/Climate_protection/co2_free_products.html</p>

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Principle	Actions	Outcomes	Further information
		<p>Moreover, all business trips of DB employees, the entire S-Bahn traffic in Hamburg as well as the local traffic in Saarland is fully provided with renewable energies.</p> <p>The amount of renewable energies for CO₂-free products- in 2012 283 GWh -is purchased additionally and not part of the companywide goal of 35 % renewable energies in the traction current mix.</p>	
	<p>In addition, DB offers private and business customers various ways of easily learning more about the environmental impact of the mode of transportation chosen. The UmweltMobilCheck (Environmental Mobility Check) integrated into DB's electronic travel information compiles an environmental comparison for individual journeys door-to-door by rail, road and air. It has been possible to examine journeys within Germany or across Europe from an environmental point of view since April 2009. Customers have an overview of how their company's CO₂ footprint has improved and can use the documentation for their own reports.</p> <p>The online-tool »EcoTransIT World« enables customers to optimize their global logistics chains using fact-based calculation of the environmental effects of transport as CO₂-emissions and pollutants. Now customers can decide for themselves which transport chain is the most profitable and ecological.</p>	<p>DB also creates an annual ecological footprint of business travel for over 1,000 corporate passenger transportation customers.</p> <p>The tool EcoTransIT World is freely available on the internet to all logistics customers.</p>	<p>Environmental Mobility Check: http://www.deutschebahn.com/en/sustainability/ecology/environmental_comparison/mobilecheck.html</p> <p>EcoTransIT World www.deutschebahn.com/en/sustainability/ecology/environmental_comparison/ecotransit.html www.ecotransit.org</p>

Principle	Actions	Outcomes	Further information
	Noise Reduction Even if fewer people feel disturbed by train noise than by the noise levels caused by cars, trucks or airplanes, noise protection is still an important matter at DB. By 2020, the company aims to cut the noise produced by rail transport in half. In 2012, DB started the project “noise management” with the aim to coordinate and bundle all company-wide noise reduction activities and thereby to realize the ambitious noise reduction goals. As part of the reorganization, a noise representative was appointed for the first time with the task to develop implementation strategies for all business departments based on the existing measures. In addition, further noise barriers will be erected along sections of track with particular noise problems, while nearby homes are being equipped with noise-protection windows.	<p>Between 1999 and 2012, DB built around 442 kilometers of noise barriers and installed sound-proof windows in 48,300 homes. Noise barriers were installed along some 55 kilometers of track and sound insulation measures were installed in 2,000 homes in 2012 alone. All in all, the noise remediation program covers around 3,700 kilometers of track, of which 1,200 kilometers have already been remediated. The erection of further 55 km noise barriers and renovation of 2,500 homes are planned for 2013.</p> <p>One of the most effective measures for noise remediation is installing composite brake blocks in freight trains, preventing noise at its source. Until 2020, all freight cars of DB Schenker Rail will be equipped with whisper brakes that create just half the noise level generated by a freight train. Since 2001 all new freight cars purchased by DB are equipped with composite brake blocks. In 2012, 150 of total 1,250 existing freight trains have been retrofitted with composite brake blocks primarily in the Rhine corridor as part of the Federal Government’s noise abatement program For the years 2014 and 2015 DB Schenker Rail plans to retrofit about 10,000 more cars, provided that the Europe-wide expected approval and availability of the LL- composite brake blocks will be given next year. Already 7,600 (6,890 until end of 2011) freight wagons were in use until the end of 2012.</p>	<p>Noise reduction: www.deutschebahn.com/en/sustainability/ecology/noise_reduction/</p> <p>www.deutschebahn.com/en/sustainability/ecology/noise_reduction/whisper_brakes.html</p>

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Principle	Actions	Outcomes	Further information
	<p>Waste reduction</p> <p>DB wants to reduce its waste. On the one hand, we want to reduce the amount of waste wherever possible based on commercial and environmental considerations or ideally avoid it altogether. However, such an approach reaches its limits wherever business activities make waste unavoidable. In this case, DB conserves natural resources in terms of sustainable waste management by recycling materials as fully as possible and by according priority to recycling of unavoidable waste and returning it to circulation as secondary raw materials.</p>	<p>In 2011, the waste utilization quota in Germany accounted for 98.3 %. The high utilization quota is attributable in large part to optimized disposal routes for construction waste from DB construction activities.</p>	
	<p>Reducing air pollution</p> <p>Reducing air pollution from fine dust and diesel soot particulates is another environmental issue at Deutsche Bahn. Emissions from diesel vehicles have been drastically reduced in recent years. DB aims to improve these values even further.</p>	<p>Around 100 of the diesel locomotives are now powered by low-pollution engines. Between 1990 and 2011, DB managed to cut its nitrogen oxide emissions (NOx) by 71 % and its direct and indirect emissions of fine dust and particulate matter by a total of 89 %.</p>	<p>Air pollution control: www.deutschebahn.com/en/sustainability/ecology/reducing_pollution.html</p>
	<p>Nature Conservation</p> <p>Protecting nature and the environment is highly valued in Germany. In many cases, nature and rail travel exist side by side – ideally they coexist – without any problems. When conflicts do occur, DB looks for ecologically and economically responsible solutions.</p>	<p>DB has developed its own geo-information system containing all important information about the conservation areas. The system provided a detailed overview of ecologically sensitive areas for maintenance and planning.</p>	<p>Nature conservation: http://www.deutschebahn.com/en/sustainability/ecology/nature_conservation/</p>
	<p>When DB builds new lines or maintains and upgrades existing ones, it takes nature conservation into account from the planning process onward. If interventions in the ecosystem cannot</p>	<p>In 2012, DB finished the construction of a bridge over the valley of Saale-Elster, Germany. The bridge is constructed with environmentally friendly materials, aligns with the</p>	

Principle	Actions	Outcomes	Further information
	<p>be avoided completely, DB creates corresponding compensation areas, thus ensuring that natural habitats for rare species are not lost, for example.</p> <p>Deutsche Bahn and the three major environmental organizations BUND, NABU and VCD have joined forces to enable customers to experience nature through the Destination Nature program. Destination Nature invites travel enthusiasts to discover the most beautiful protected areas in Germany, Switzerland and Austria.</p> <p>DB AG supports the non-profit association Bergwaldprojekt e.V.: Bergwaldprojekt e.V. has been committed to protecting, preserving and maintaining forests, especially alpine forests, since 1987.</p>	<p>natural flooding process and consumes a minimal amount of land. The remaining intervention in nature is compensated with grassland and wood planting and renaturation of streaming water on an area of 1,000 hectares.</p> <p>Destination Nature provides CO₂-free travel to and from your destination through Ameropa. In 2013, Destination Nature started its 21st cooperation with a protected area in the Black Forest.</p> <p>Beginning of 2012 the 100,000th tree was planted through the Bergwaldprojekt e.V. This was possible thanks to donations from DB and its bahn.bonus.customers.</p>	<p>Bergwaldprojekt: http://www.deutschebahn.com/en/sustainability/ecology/partner__kooperationen/bergwaldprojekt.html</p>
Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies.	<p>General Commitment</p> <p>Traditionally, the use and further development of environmentally friendly technologies, in particular in the area of infrastructure and vehicles, is of key importance to DB as a large consumer of materials and resources. In 2009, DB therefore bundled its technology and environmental expertise in its own Technology Board Division, to which the DB Environment Center also belongs.</p> <p>Activities</p> <p>Expanding renewable energy sources DB's vision for rail transport is to be entirely CO₂-free</p>		<p>Wind Power: www.deutschebahn.com/en/sustainability/ecology/Climate_protection/renewable_energies/wind_power.html</p>

Principle	Actions	Outcomes	Further information
	<p>in 2050. In the interim, it aims to increase the percentage of renewable energy in the traction current mix to at least 35 percent by 2020. It is well on its way to reaching this goal.</p> <p>Wind power is one energy source of the future. DB began feeding wind energy directly into its traction current network in 2009.</p> <p>DB is supporting the pilot project to test the world's first hybrid power plant. Excess wind energy is transformed into hydrogen here and saved in this format.</p> <p>Eco Rail Innovation (ERI) The collaborative "Eco Rail Innovation" project is focused on sustainable mobility solutions. DB and well-known industrial enterprises, research institutions and organizations have signed a</p>	<p>In 2012, the percentage of renewable energy in the traction current mix was increased by 2.2 percentage points to a total of 24.0 %. In 2012, DB signed another contract on the supply of 900 million kilowatt-hours of renewable energy each year beginning in 2014. Fourteen German hydropower plants will supply renewable energy that DB will use in part to expand its CO₂-free products in the future. Additionally, another contract on the supply of 600 million kilowatt-hours of hydropower was signed in 2012. Beginning in 2015, the electricity will be supplied by E.ON's hydropower plants at Main, Donau, Lech, Isar and Inn.</p> <p>Currently, DB trains are powered by green electricity generated by a total of 48 wind turbines (2012: 33 wind turbines).</p> <p>The world's first hydrogen hybrid power plant was launched in 2011 with involvement of DB. The power plant generates 16 gigawatt-hours of green electricity a year, which is equivalent to the energy consumed each year by 4,000 families.</p> <p>In 2012, further cooperation partners were won for ERI. The project encompassing now 17 partners work on the goal to make the</p>	<p>Hybrid power plant: www.enertrag.com/en/project-development/hybrid-power-plant.html www.deutschebahn.com/en/sustainability/ecology/Climate_protection/Hybridkraftwerk.html</p> <p>Eco Rail Innovation www.ecorailinnovation.com/</p>

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	<p>cooperation agreement to develop the technical innovations necessary for those solutions, test them in practice and prepare them for the market. Together, the partners plan to use ERI as a platform to help equip the rail sector for the future, both economically and environmentally. The project partners' overarching goal is to make zero emissions a reality for vehicles and installations. Their focus will be on promoting low-emission, energy-efficient components and drive systems – such as energy-storage devices for rail vehicles. The rail sector plans to use ERI to contribute to sustainable mobility, strengthening its role as a technological and scientific leader.</p> <p>Carsharing and Electromobility</p> <p>DB regards intermodal linking of modes of transport as an important key to climate-friendly mobility. In the future, our customers can travel door-to-door CO₂-free through usage of the electric-powered vehicles and bicycles in our carsharing offer. DB is consistently pursuing the “electrification” of its carsharing fleet (“Flinkster”).</p> <p>DB is involved in various projects, among other things within the scope of the “Electromobility Model Regions” program from the German Federal Ministry of Transport, Building and Urban Affairs (BMVBS). The goal of research activities with the partner companies from the energy industry, automotive supplier industry, solar industry and IT service sector is to increase the appeal of e-vehicles and tap new customer</p>	<p>vision of zero emissions reality in 2050. Moreover, in May 2012 ERI founded an endowed professorship for “Energy Efficient Systems in Rail Technology” at the university of applied science Brandenburg.</p> <p>Some 200 electric cars can be booked under the name “e-Flinkster” in Berlin, Hamburg, Stuttgart and Frankfurt.</p> <p>Moreover, in cooperation with Citroen the first totally electric carsharing-program with 100 % renewable energy called “Multicity” is tested since September 2012 in Berlin.</p> <p>To expand its intermodal offers with electric vehicles, in the pilot project in Berlin “BahnCard 25 plus” customers can use all transport modes of local and main-line traffic as same as Flinkster and Call a Bike with just one card.</p> <p>After successfully finishing the first phase of the project, the follow-up project “BeMobility</p>	<p>e-Flinkster: www.flinkster.de/</p> <p>Multicity: www.multicity-carsharing.de/</p> <p>BeMobility:</p>

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	groups by integrating these vehicles into public transport systems. DB has been heading the project BeMobility in Berlin since 2009 and has lead-management of the project.	2.0" has started in 2012. It receives funding of the German Federal Ministry of Transport, Building and Urban Affairs for two more years.	www.bemobility.de/site/bemobility/de/start.html
	<p>Converting Braking Energy DB's new electric traction units have used trains' kinetic energy when braking to generate electricity, similarly to hybrid automobiles, since the late 1980s.</p> <p>Energy-efficient infrastructure DB's goal is to use innovative solutions to reduce consumption of stationary energy. That is the reason why DB is investing in energy efficiency at its stationary facilities as well.</p>	<p>In 2011, approximately 930 gigawatt-hours (GWh) of electricity, or nearly 9 % of all traction current consumed, was fed back into the traction current network using this method. 65 % of all electric locomotives at DB Schenker Rail were able to recover energy in 2010.</p> <p>In 2012, the German Sustainable Building Council (DGNB) certified a 10,000 qm big logistic center in Augsburg Prologis Parc. The logistic center owns an efficient heating system and water-saving armatures. Moreover, low-polluting materials and Forest Stewardship Council (FSC)-certified wood were used in the new construction.</p> <p>In Grosbeeren, DB Schenker opened a new logistic hub. The hub is equipped with a combination of geothermal energy generation mechanisms and innovative climate technology. Thereby the energy consumption for heating and air conditioning can be reduced to one quarter of the usual consumption.</p> <p>In Japan, DB Schenker signed a contract for a 10 years usage of an environmentally friendly hub in the metropolitan area of Tokyo. The building will be built on a 9,000 qm area and be equipped with a photovoltaic power plant</p>	

	Principle	Actions	Outcomes	Further information
			as well as with a system to reuse rain water.	
Anti-Corruption	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	General Commitment See DB's Code of Conduct detailed in Principle 1: Within the Code of Conduct, DB states: "The DB Group will not condone corruption and unfair business practices by employees or third parties commissioned by us. We do not offer or accept any inducements, privileges or benefits which could influence a person's ability to make objective and fair business decisions." Thus, DB is fully committed to conducting all aspects of its business in accordance with ethically and legally irreproachable standards. This commitment includes compliance with applicable national and foreign anti-corruption legislation. The DB Group has had a member of its Management Board responsible solely for compliance, privacy, legal affairs and corporate security since mid-2009. The Chief Compliance Officer reports directly to this member of the Management Board.	DB Group is a corporate member of Transparency International and signed a commitment to follow highest ethical standards in all aspects of its business activities in 2011. In 2012, 49 compliance risk analyses were carried out within DB Group. As of 1 January 2012, DB Group Compliance comprised the following organizational units: <ul style="list-style-type: none"> - Compliance Policies and Principles - Compliance Risk Analysis - Compliance Processes - Compliance Management Client Teams - Compliance Helpdesk Hotline and Whistleblowing Management 	The DB Group anticorruption program: www.deutschebahn.com/en/group/compliance/ www.deutschebahn.com/businesspartners
		Compliance Management System The DB Group has a long history of fighting corruption. A compliance management system has been established and it is continuously being further developed. Furthermore, a Compliance Committee has been established consisting of the heads of Corporate Internal Audit, Corporate Security and Corporate HR and which is headed by the Chief Compliance Officer. This Committee monitors investigations on	In 2012, DB carried out a project with a special focus on compliance risks within the infrastructure business field of DB Group. This "Infrastructure Initiative" aimed inter alia to protect large infrastructure investments financed also by public funds. The program included specific risk assessments and analyses as well as a communication campaign (specific brochures, posters and a compliance	

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	<p>compliance matters, in particular corruption and fraud, and advises on case management issues and potential sanctions. A compliance reporting system was implemented within DB Group in 2011.</p> <p>Activities:</p> <ol style="list-style-type: none"> 1. Establishment of the decentralized compliance organization in addition to DB Group Compliance as an interface between Group and business units to implement compliance in daily business. 2. Development and roll-out of customized E-learning on anti-corruption and business integrity for managers and employees. 3. Implementation of an IT-based third-party due diligence process for managing corruption risks associated with third parties. Rollout at DBI commenced in September 2012 and expected to be finalized by April 2013 in all regions DBI conducts its business 4. Implementation of a paper-based third-party due diligence process for managing corruption risks associated with third parties. After development of model process by DB Group Compliance customization of process for DB Schenker Rail. Roll out at DB Logistics is expected to commence in Q2 2013. Implementation at other businesses or subsidiaries of DB is to be determined on a risk-based approach. 5. Adoption of the DB Code of Conduct for Business Partners, which has a strong emphasis on anti-corruption. 	<p>clip) and an infrastructure summit attended by representatives of public authorities, the scientific society, relevant organizations and the business partners.</p> <p>In 2012, compliance trainings were conducted for around 6,100 managers and employees in about 300 classroom training seminars on a national and international level. The Compliance Helpdesk answered approximately 1,100 inquiries in 2012.</p>	

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	<p>6. Implementation of a structured process for anti-corruption due diligence in mergers and acquisitions</p> <p>7. Development of a standardized compliance post-merger integration plan (which is adapted to the specific needs of acquired companies) in order to implement DB's compliance management in a structured process</p> <p>The DB Group whistleblowing system has been reshaped to be more efficient, especially with the new online tool "BKMS" providing for an anonymous web based access as additional way of contact. BKMS will be available globally in seven languages as of April 2013</p>		