

December 2014

Dear Sir or Madam,

The diverse range of global challenges we are facing requires us to develop new answers. Businesses have the ability to foster necessary sustainable solutions and DB has broadened the scope of its strategic approach to do its part. With our sustainable DB2020 strategy, we are continuing to pursue our goal of bringing economic, social and environmental dimensions into harmony. By 2020, we intend to be a profitable market leader offering first-class mobility and logistics solutions, become a top employer and set standards as an eco-pioneer. In 2013, we were able to make progress towards reaching important goals in our key areas.

One of the most important goals DB is pursuing is to offer a high level of quality in travel and transportation. With **over 2 billion travelers** on our trains in Germany in 2013, we reached a new passenger record, exceeding the previous record by 42 million passengers. Another highlight in 2013 was DB Schenker's firm establishment of **the train connection from China to Europe**, which runs once per week. The "China Train" transports our customers' valuable freight quickly and economically.

DB has also made measurable progress towards achieving its goal of becoming a top employer. Having motivated and satisfied employees is a key factor for our success. As a result of our **Group-wide employee survey**, more than 10,500 workshops and improvement activities have been implemented by employees and managers. To continue the dialogue in the future, the survey will be carried out every two years. The second employee survey was held in the fall of 2014. Additionally, **DB hired some 11,500 new employees** in 2013, and took on more than 3,800 trainees and dual degree students in Germany alone, making us one of the leading companies in Germany in terms of new hires.

Climate change and dwindling natural resources are two of the main challenges that will be facing us in the future. DB is aware of its special role as one of the largest mobility and logistic service providers worldwide, as well as of its responsibility in connection with this role. By offering efficient, innovative and integrated mobility and logistics solutions, we were able to reach further milestones on our way to becoming an eco-pioneer. With roughly **35 percent of its electricity coming from renewable sources**, DB reached its target of increasing the percentage of renewables it uses ahead of schedule. Three-quarters of all long-distance trips

are now operated using 100 percent renewable energy. As a result, we have nearly reached our target of reducing our global specific CO<sub>2</sub> emissions by 20 percent by 2020 compared to 2006 levels. The use of modern vehicles and more renewable energies in the grid has led to a **reduction of 18.7 percent in CO<sub>2</sub> emissions**. We took a further step towards a leading green position with the completion of **Europe's first carbon neutral station** located near Cologne. In this first project as part of the Green Station program, different technologies allow operation of the building to be carbon neutral: a solar power system produces the required electricity, warm water is generated by solar thermal energy and a geothermic system is used for heating and cooling.

In addition to our commitment to diversity and to providing equal opportunities for all people regardless of age, gender, ethnicity, religion or sexual orientation, we also have a social commitment. The **Deutsche Bahn Stiftung gGmbH**, a non-profit corporation founded in early 2013, supports projects in several areas, including education, culture and integration, social work and humanitarian aid. The foundation has supported non-profit projects, including several social work projects, and has made donations to various local initiatives.

With our **second and third DB Sustainability Day**, held in 2013 and 2014, we further invested in promoting an ongoing dialogue with our stakeholders. We are particularly proud that we were able to make our sustainability efforts more transparent. **oekom research AG ranked DB number one** in the category "Transport & Logistics/Rail". And **CDP puts DB among the top performers internationally**, awarding DB's climate reporting 99 out of a possible 100 points with regard to transparency. DB's climate protection achievements were given an "A", the top grade.

In January 2013, the **DB Code of Conduct for Business Partners** came into effect. It sets out our values and norms and obligates our business partners to comply with ethical and legal standards. Another important project that was part of our compliance work in 2013 was the development of a **Compliance Risk Atlas**. It gives an overview of the compliance risks associated with business activities in Germany and abroad and provides information on corruption, white-collar crime and human rights, serving as a decision-making guide for all business units.

The progress we made in 2013 shows that we are on track with our sustainable DB2020 strategy and that it will allow us to develop further sustainable business solutions going forward.

With kind regards,

