



Social Minimum Standards





01 Purpose of Social Minimum Standards

DB Schenker's Social Minimum Standards derive from our purpose statement "We advance businesses and lives by shaping the way our world connects". They specify and operationalize the general social statements as per Deutsche Bahn AG's Code of Conduct and DB Schenker's visions and values.¹ Our values shape and define how we operate, how we collaborate and partner with our stakeholders, and how we behave in our daily work. They help us unite, around a common vision that embodies our core ideology and our six values.

Our SMS comply with the International Labor Organization (ILO) Core Conventions, United Nations Global Compact, Universal Declaration on Human Rights and German Sustainability Code.

The SMS contribute to reaching the UN Sustainable Development Goals.

These principles are binding upon all board members, managing directors, executives and employees worldwide. All DB Schenker entities are encouraged to go beyond legal compliance and enter a process of continuous improvement.

DB Schenker encourages and expects its customers, suppliers and all other business partners to follow our SMS as well.

In situations where national and international laws do not provide for adequate social or labor safeguards, DB Schenker adheres to these social standards as a minimum.

In exceptional cases (which are to be approved by the owner of this guideline) where this approach would lead to conflict with national laws or interests, DB Schenker will, as feasible and appropriate, review the nature of its relationships and activities within that jurisdiction.

¹Vision and Values: <http://www.schenker.com/visionandvalues>



(1) Human Rights

DB Schenker is committed to providing a working environment where all employees working within its facilities are treated with respect, dignity, and are safe from abuse, harassment or bullying of any kind (e.g., physical, verbal, mental, sexual).

Humane treatment

(2) Non-discrimination

DB Schenker is committed to providing equal opportunities for our employees and does not accept any form of discrimination, (e.g., based on race, color, age, gender, sexual orientation, ethnicity, nationality, linguistic ability, actual or perceived physical or mental disability, pregnancy, approved and legally protected leaves of absence, religion, political affiliation and opinion, union and / or works council membership, national, ethnic or social origin, marital status, gender or gender identity, health status, or any other protected characteristic in hiring and employment practices such as remuneration, promotions, rewards, access to training, termination, retirement and exit practices.²

**Based on ILO
Conventions 100
and 111**

DB Schenker does not allow any behavior that is threatening, abusive, exploitative, or sexually coercive, including but not limited to gestures, language, and physical contact, in the workplace and, where applicable, in residences and other facilities provided by company for use by personnel. Employees or potential employees are not subject to medical and pregnancy tests that are not required, and test results are not allowed to be used in a discriminatory way. Medical records are stored and maintained confidentially.

²"Political affiliation and opinion" as well as "marital status" formally do not apply to our US organization as and where those groups are non-protected classes in the US. Nevertheless, also in the US we are striving for an environment free of discrimination towards all groups and classes.

DB Schenker works towards creating awareness within staff on non-discrimination policies and practices.

According to our Code of Conduct, DB Schenker shall not contribute to discriminatory practices through the relationships connected to our activities. If we become aware of issues with our business partners, we encourage and assist those other parties in their responsibility to prevent discrimination. If this is not successful, we will reconsider our relations with such organizations.

02 Avoidance of Child and Forced Labor

(1) Avoidance of Child Labor & Definition of Young Workers

Child labor is not to be used at any point of the value chain.

Thus, the minimum age for employees³ is defined at not less than the age of completion of compulsory schooling and, in any case, not less than sixteen (16) years.

A “young worker” is over the age of a child and under the age of eighteen (18). DB Schenker may employ young workers, but where they are subject to compulsory education laws, they may work only outside of school hours. Under no circumstances shall any young worker’s school time combined with work and transportation time exceed in total ten (10) hours per day, and young workers should not work more than eight (8) hours per day.

DB Schenker authorizes employment of young workers only on condition that the health, safety and morals of the young persons concerned are fully protected and that they have received adequate specific instruction or vocational training in the relevant branch of activity. The minimum age for hazardous work, as a consequence of its nature or circumstances under which it is carried out, is eighteen (18) years.

**Based on ILO
Conventions 138
and 182**

³Workforce under apprenticeship contract maybe employed at the age of 15 or above only under specific vocational training and educational contract (e.g., Ausbildung in Germany). This is only valid for such work that is carried out in accordance with conditions prescribed by the competent authority, and is an integral part of a course of education or training.

(2) Avoidance of Bonded & Forced Labor

All forms of slavery (including modern slavery) or forced labor are prohibited. DB Schenker does not use any involuntary or forced labor, whether in the form of prison labor⁴, indentured labor, slave or bonded labor or otherwise. Employees are not required to give financial deposits to DB Schenker as a condition of employment.

DB Schenker does not withhold any part of employee's salary, benefits, pensions, property, or documents in order to force its employees to continue working for DB Schenker. DB Schenker shall not be engaged in or support trafficking of human beings.

Workers are not required to deposit passports, identity papers, work permits, travel documents or any other personal legal documents at their place of work as a condition of employment.

**Based on ILO
Conventions 29 and
105**

03 Working Time, Overtime and Time Off

(1) Working Time

DB Schenker ensures that work weeks do not exceed the maximum working hours as defined by local labor laws or applicable collective agreements, and that employees can perform assigned tasks efficiently within this time. Employees are allowed to leave their workplace when their shifts end.

A regular work week is not more than forty-eight (48) hours per week (without overtime) and sixty (60) hours per week including overtime.

A regular working day must not exceed twelve (12) working hours (including overtime).

If the national law is stricter, the company must always abide by the national law.

⁴According to "UN Standard Minimum Rules for the Treatment of Prisoners".

(2) Overtime

Overtime work must be voluntary. However, it may be required in order to meet short term business demands. This has to be negotiated as part of collective agreements and / or the employees have to be informed in advance according to the applicable national law.

DB Schenker provides its employees with appropriate time off for meals and breaks.

Furthermore, we respect family responsibilities of employees providing reasonable working hours, parental leave and, where possible, childcare and other facilities that can help employees achieve a proper work-life balance.

(3) Time Off

Workers must have at least 10 hours consecutive rest in 24 hours unless other guidelines⁵ govern this topic.

Our employees regularly should have at least one day off in seven (7) consecutive days (weekly rest) and paid annual leave. Vacation and holidays (e.g., public holidays) as well as leaves of absence (e.g., medical or parental) shall comply with local laws and / or applicable collective agreements.

(4) Time and Attendance Recording

Specific legal or collective rules may apply to various types of work (such as shift work, offshore work, long-distance transport, cargo work, seasonal work etc.) where unfixed working hours may be permitted.

A transparent, accurate and reliable system to record working hours, overtime and leave is in place.

⁵e.g., Tariff Agreements, Bargaining Agreements

04 Compensation and Benefits

(1) Principle of Fair Compensation and Benefits

DB Schenker provides transparent and reliable records of wages and benefits to its employees. Wages are paid at least monthly via pay stub or similar documentation, which is understandable to our employees.

Payroll and attendance records relating to the documented payment of wages and working hours for each employee are maintained. Payroll records are kept for at least twenty-four (24) months or for any longer period required by applicable law and include - where applicable - regular working hours, overtime working hours, wages derived from piece rate, production bonuses, allowances, applicable deductions and net wages.

Wages are rendered in full compliance with all applicable laws, in a manner convenient to employees. They are paid directly to our employees, subject only to any restriction or deduction authorized by the employee, or permitted by laws, regulations or collective agreements.

(2) Minimum Wages

DB Schenker provides its employees with fair compensation regarding wages / salaries to:

- Meet legal minimum wage (where applicable)
- Guarantee the local socio-cultural minimum standard of living

(3) Overtime Compensation

Compensation and benefits are provided in a timely manner with equal opportunity and without any discrimination. Statutory payments (e.g., social insurances, pensions as and where required by law) are paid for all employees.

It must be ensured that each employee is paid at least the minimum wages.

Any potential overtime hours shall be compensated according to applicable law, and in absence of same, by leave time or salary if not already included in the base salary.

05 Freedom of Association and the Right to Collective Bargaining

(1) Freedom of Association and the Right to Collective Bargaining

Our employees have the right to establish and join, or elect not to join, organizations of their own choice, to bargain collectively and to raise concerns to the management. They have the opportunity to elect their representatives according to the local and international practices, without fear of intimidation or reprisal.

In situations where this is restricted by law, DB Schenker ensures that effective parallel means are not restricted by the Company (e.g., works councils or worker committees) to guarantee communication between employees and management, which is respected and acted upon.

Open communication and direct engagement between employees and management are the most effective ways to resolve workplace issues. In order to facilitate negotiations, the use of conciliation and mediation that is voluntary or pre-established by law may be accepted. Arbitration is only legitimate if requested by both parties or required by law.

As provided by applicable laws, DB Schenker provides duly elected employee representatives with access to authorized decision makers, to workplaces and to the employees they represent. As provided by applicable laws, it shall also give access to facilities necessary to perform this role.

Based on ILO Conventions 87 and 98

06 Employee Lifecycle

(1) Employees Performance Management

DB Schenker:

- has a system to manage employee performance in place;
- ensures that individual objectives are derived from company strategy and policies and;
- ensures that performance is evaluated fairly and objectively, against defined criteria and on a periodic basis. To identify ways to improve performance, the criteria and evaluation method is communicated to our employees in an understandable way.

(2) Trainings

DB Schenker continues to enhance employability by supporting comprehensive training measures and development programs. This includes methods of evaluation and monitoring requirements, effectiveness and progress of training programs.

(3) Hirings, Transfer and Exit of Employees

It is ensured that the following is provided and explained to all employees:

- the terms and conditions of service
- the voluntary nature of employment
- the freedom to leave (including appropriate procedures)
- any penalties that may be associated with the departure or cessation of work

DB Schenker maintains and discloses, in full and in writing, the terms and conditions of employment prior to hiring, which are communicated in a language familiar to prospective employees.

DB Schenker does not require fees or other obligations as a precondition of employment. DB Schenker pays for employees' recruitment fees if applicable. In case of temporary labor, all commissions and other fees to the recruitment agency are paid by DB Schenker. New employees are provided with basic induction training including employee rights and responsibilities, and terms of employment.

DB Schenker does background checks and conducts sanction list screenings of employees where legally permissible. Employees are free to leave the company according to any agreed notice period.

07 Whistleblowing Hotline & Grievance Handling Procedure

(1) Grievance Procedures

Grievance procedures are in place for employees to seek remediation for their employment issues. These procedures define how issues and complaints are raised, objectively investigated, documented, evaluated, concluded and communicated back to the original person who raised the issues.

Employees are protected from any sort of retaliation, and confidentiality has to be kept to the extent possible. If necessary, the employee shall have support during the process (e.g., through a duly elected employee representative or appropriate translator).

(2) Reporting of Incidents (Whistleblowing)

DB Schenker has defined and implemented effective processes for employees to report concerns on e.g., cases of unethical conduct, violation of policies or legal obligations to the extent allowed by local labor and privacy laws, and collective agreements. Where legally allowed, reports can be made anonymously (if desired).

DB Schenker's Management acts, when appropriate, upon this feedback and handles it confidentially and anonymously to the extent possible. It is ensured that there are no adverse consequences for the employee as a result of giving feedback in good faith.

08 Compliance Regarding HR Aspects

(1) Disciplinary Practices

All relevant disciplinary rules are documented and communicated to all employees and do not unreasonably restrict employees' freedom of movement, including during breaks, use of toilets, access to water, and to seek / access medical attention.

Disciplinary rules and procedures are exerted in an appropriate manner and in accordance with the above-mentioned Deutsche Bahn Code of Conduct. Disciplinary procedures like physical punishment, mental or physical coercion and verbal abuse are strictly prohibited. Deductions in compensation related to damage of company products or equipment is not allowed unless it is demonstrated that the employee is clearly responsible and same are permitted by applicable law. Deductions related to productivity and output are not allowed. Deductions must be limited so that the net amount of wage from the total income of the employee is sufficient to ensure a basic needs income and at least the minimum wage required under applicable law.

Employees have a right to personally respond or internally appeal against disciplinary decisions.

(2) Monitoring of Social Minimum Standards' Compliance

DB Schenker conducts annual surveys to verify all its entities' compliance with the Social Minimum Standards. For countries being exposed to the highest risks, local HR Management confirm annually to Global Human Resources functions of DB Schenker that there is no child labor, forced, bonded or prisoned labor, and concerns regarding discrimination or violation against freedom of association rights. Furthermore, adherence of these standards is part of internal audits, provided by DB Audit.

09 Other Considerations

In addition to the above-mentioned content DB Schenker provides guidance and internal framework for ensuring ethical conduct and for acting as a fair and reliable partner such as:

[Compliance Webpage](#)

Code of Conduct

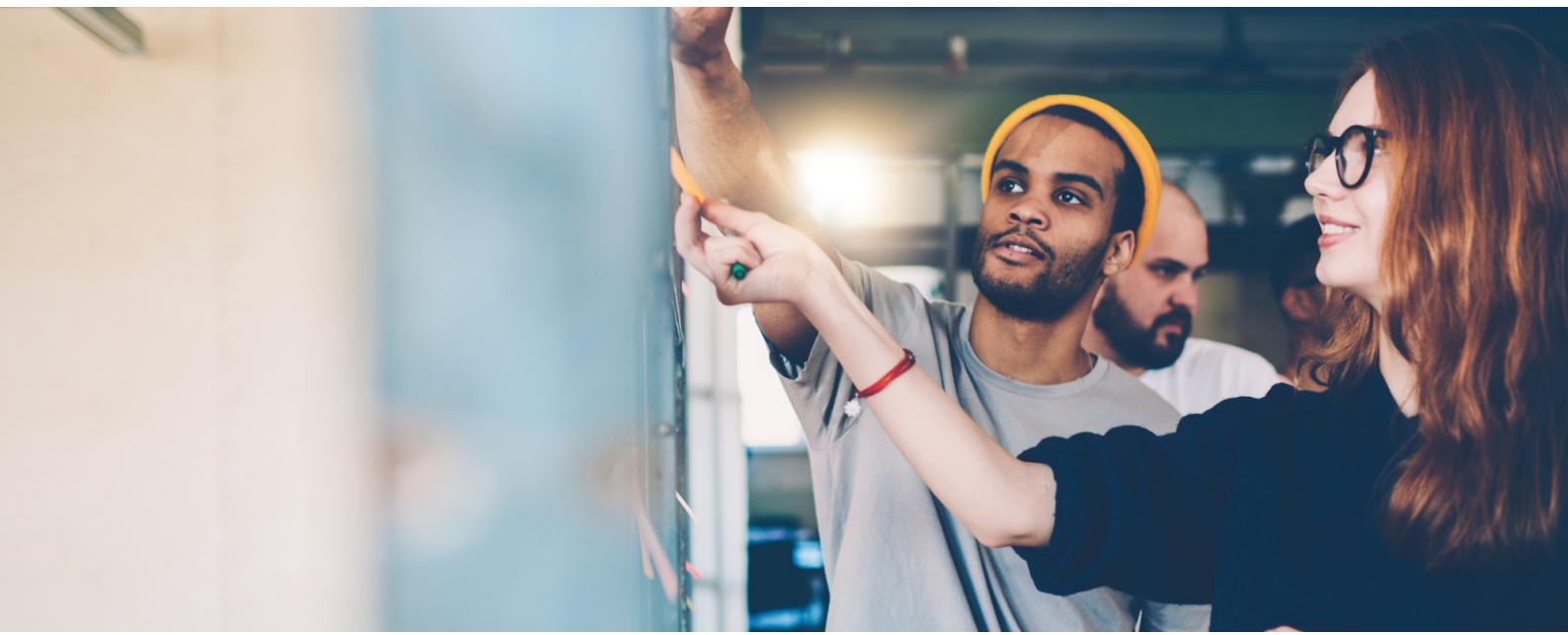
[Sustainability Webpage](#)

Environment

DB Schenker is committed to operate an environmentally sustainable business approach. To ensure this, fundamental principles are set out in our DB Schenker Environmental Policy and the corresponding Standard Operating Procedures.

DB Schenker is a health and safety conscious company that is committed to operating in a manner which will ensure that high health and safety standards are maintained globally and for all modes of transport.

Health, Safety and Security



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