Deutsche Bahn
2021 Integrated Report

ABOUT THIS REPORT

We have added a few helpful features to make this report simpler to read:

We have used the following symbol to refer to further information in a certain section within the report: xxx.

With “This is green.”, we showcase the diversity of our green projects in our “This is green.” Internet portal.

This Integrated Report was produced in accordance with the international standards of the Global Reporting Initiative (GRI) in the “Core” reporting option. The symbol shows the chapters and sub-chapters in which the relevant content is located.

In this Integrated Report, we publish content recommended by the Task Force on Climate-related Financial Disclosures (TCFD) at various points. The symbol shows the chapters and sub-chapters in which relevant content is located.

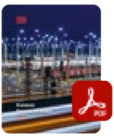
The download icon indicates that the corresponding content can be downloaded online as an Excel file.

Further information can be found on our link page at db.de/links-ir21 or on the specified Web site.

ONLINE REPORT

An online version and a PDF version of this Integrated Report are available online: db.de/ib-e.

ONLINE SUPPLEMENTS

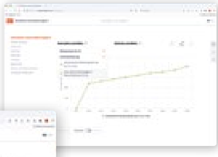


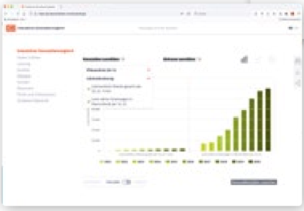
DEUTSCHE BAHN UNIVERSE

Find out more about our mobility, infrastructure and logistics services. The “Deutsche Bahn Universe” brochure is available online or as a PDF version: db.de/universe.

INTERACTIVE KEY FIGURES

You can find our interactive key figure comparison at: db.de/keyfigures.





CONTENTS

AT A GLANCE

To the interactive key figure comparison

SELECTED KEY FIGURES	2021	2020	Change absolute	Change %	2019
KEY FINANCIAL FIGURES (€ MILLION)					
Revenues	47,075	39,901	+7,174	+18.0	44,430
Profit / loss before taxes on income	-788	-5,484	+4,696	-85.6	681
Net profit / loss for the year	-911	-5,707	+4,796	-84.0	680
EBITDA adjusted	2,287	1,002	+1,285	+128	5,436
EBIT adjusted	-1,552	-2,903	+1,351	-46.5	1,837
Equity as of Dec 31	10,621	7,270	+3,351	+46.1	14,927
Net financial debt as of Dec 31	29,107	29,345	-238	-0.8	24,175
Total assets as of Dec 31	71,843	65,435	+6,408	+9.8	65,828
Capital employed as of Dec 31	43,020	41,764	+1,256	+3.0	42,999
Return on capital employed (ROCE) (%)	-3.6	-7.0	+3.4	–	4.3
Debt coverage (%)	4.3	0.8	+3.5	–	15.3
Gross capital expenditures	15,387	14,402	+985	+6.8	13,093
Net capital expenditures	6,342	5,886	+456	+7.7	5,646
Cash flow from operating activities	3,900	1,420	+2,480	+175	3,278
KEY PERFORMANCE FIGURES					
Passengers (million)	2,931	2,866	+65	+2.3	4,874
RAIL PASSENGER TRANSPORT					
Punctuality DB passenger transport (rail) in Germany (%)	93.8	95.2	-1.4	–	93.9
Punctuality DB Long-Distance (%)	75.2	81.8	-6.6	–	75.9
Passengers (million)	1,413	1,499	-86	-5.7	2,603
thereof in Germany	1,203	1,297	-94	-7.2	2,123
thereof DB Long-Distance	81.9	81.3	+0.6	+0.7	150.7
Volume sold (million pkm)	50,831	51,933	-1,102	-2.1	98,402
Volume produced (million train-path km)	680.3	677.8	+2.5	+0.4	767.3
RAIL FREIGHT TRANSPORT					
Freight carried (million t)	226.5	213.1	+13.4	+6.3	232.0
Volume sold (million tkm)	84,850	78,670	+6,180	+7.9	85,005
TRACK INFRASTRUCTURE					
Punctuality (rail) in Germany [1] (%)	92.9	94.5	-1.6	–	93.1
Punctuality DB Group (rail) in Germany (%)	93.7	95.1	-1.4	–	93.7
Train kilometers on track infrastructure (million train-path km)	1,109	1,066	+43	+4.0	1,090
thereof non-Group railways	414.3	385.5	+28.8	+7.5	368.3
Share of non-Group railways (%)	37.4	36.2	+1.2	–	33.8
Station stops (million)	158.8	155.4	+3.4	+2.2	156.4
thereof non-Group railways	46.1	44.2	+1.9	+4.3	40.2
BUS TRANSPORT					
Passengers (million)	1,518	1,367	+151	+11.0	2,271
Volume sold [2] (million pkm)	4,523	4,207	+316	+7.5	6,462
Volume produced (million bus km)	1,432	1,388	+44	+3.2	1,554
FREIGHT FORWARDING AND LOGISTICS					
Land transport shipments (million)	110.7	108.2	+2.5	+2.3	107.1
Air freight volume (export) (thousand t)	1,438	1,094	+344	+31.4	1,186
Ocean freight volume (export) (thousand TEU)	2,003	2,052	-49	-2.4	2,294
Warehouse space contract logistics (million m²)	8.4	8.8	-0.4	-4.5	8.4
ADDITIONAL KEY FIGURES					
Order book in passenger transport as of Dec 31 (€ billion)	93.6	84.7	+8.9	+10.5	87.9
Length of line operated (rail network) as of Dec 31 (km)	33,401	33,399	+2	–	33,423
Passenger stations as of Dec 31	5,693	5,691	+2	–	5,679
Rating Moody's / S&P Global Ratings	Aa1 / AA-	Aa1 / AA-	–	–	Aa1 / AA
Employees as of Dec 31 (FTE)	323,716	322,768	+948	+0.3	323,944
Share of women as of Dec 31 (%)	24.4	24.3	+0.1	–	24.3
Employee satisfaction (SI)	–	3.9	–	–	–
Specific greenhouse gas emissions compared to 2006 [3] (%)	-36.1	-34.4	-1.7	–	-34.8
Share of renewable energies in the DB traction current mix [4] (%)	62.4	61.4	+1.0	–	60.1
Track kilometers noise remediated in total as of Dec 31 (km)	2,110	2,039	+71	+3.5	1,844

[1] Non-Group and DB Group train operating companies.
[2] Excluding DB Arriva.
[3] 2021 excluding DB Arriva.
[4] In Germany.

OUR CONTRIBUTION TO CLIMATE PROTECTION

The Federal Government's climate protection targets

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In order to meet the national and European climate protection targets, the Federal Government and the German Parliament passed a comprehensive climate protection package in 2021. It has set legally binding climate protection targets and annually decreasing emissions levels for the energy, industry, buildings, transport, agriculture and waste management sectors.

Binding measures

- Fulfilment of national and European climate protection targets
- CO_2 reduction targets for all economic and socially relevant areas
- Annual performance review and the obligation to perform comprehensive post-control
- Implementation of a completely climate-neutral Federal Administration by 2030

Federal Government CO_2 reduction targets

In 2019, the Federal Government designated the decarbonization of industry, green hydrogen, energy-efficient building renovation, sustainable forestry and agriculture, and climate-friendly mobility as funding targets with its Climate Action Program 2030 and a supplementary immediate action program. The new Federal Government has confirmed the targets and announced an immediate action program for 2022 to step up its climate protection efforts. The goal is to achieve climate neutrality for Germany by 2045.

–65 %

by 2030

By 2030, Germany aims to reduce its greenhouse gas emissions by 65 % compared to 1990.

–88 %

by 2040

A reduction target of at least 88 % compared to 1990 has been set for 2040.

–100 %

by 2045

By the year 2045 Germany is to achieve greenhouse gas neutrality.

Share of greenhouse gas emissions in Germany in 1990 by sector

Total: 1,249 million t of CO_2e

2019 (before Covid-19)

- – 35 % (2020: – 41 %) greenhouse gas emissions compared to 1990
- 0 % (2020: – 11 %) greenhouse gas emissions in the transport sector compared to 1990

Our contribution to climate protection

Germany and Europe's climate protection targets can only be achieved if there is a shift in mobility towards a strong rail. For this reason, we have brought our own climate protection target forward by ten years: we aim to be climate-neutral by 2040. Compared with other modes of transport in Germany, only rail has made a consistently positive contribution to climate protection since 1990. Over the past 30 years, we have made a significant contribution to climate protection by reducing CO_2 emissions by about 70 %. On the path to climate neutrality, we have set ourselves ambitious milestones.

2025: 100 % eco-power in all depots, office buildings and stations in Germany

2030 (80 %): Reduce specific CO_2e emissions by 50 % compared to 2006 and achieve 80 % renewable energies in the traction current mix

2038 (100 %): 100 % renewable energies in the entire traction current mix

2040: Climate-neutral company

Our key measures

Expansion of the share of renewable energies to 100 % eco-power by 2038

Further electrification of our infrastructure

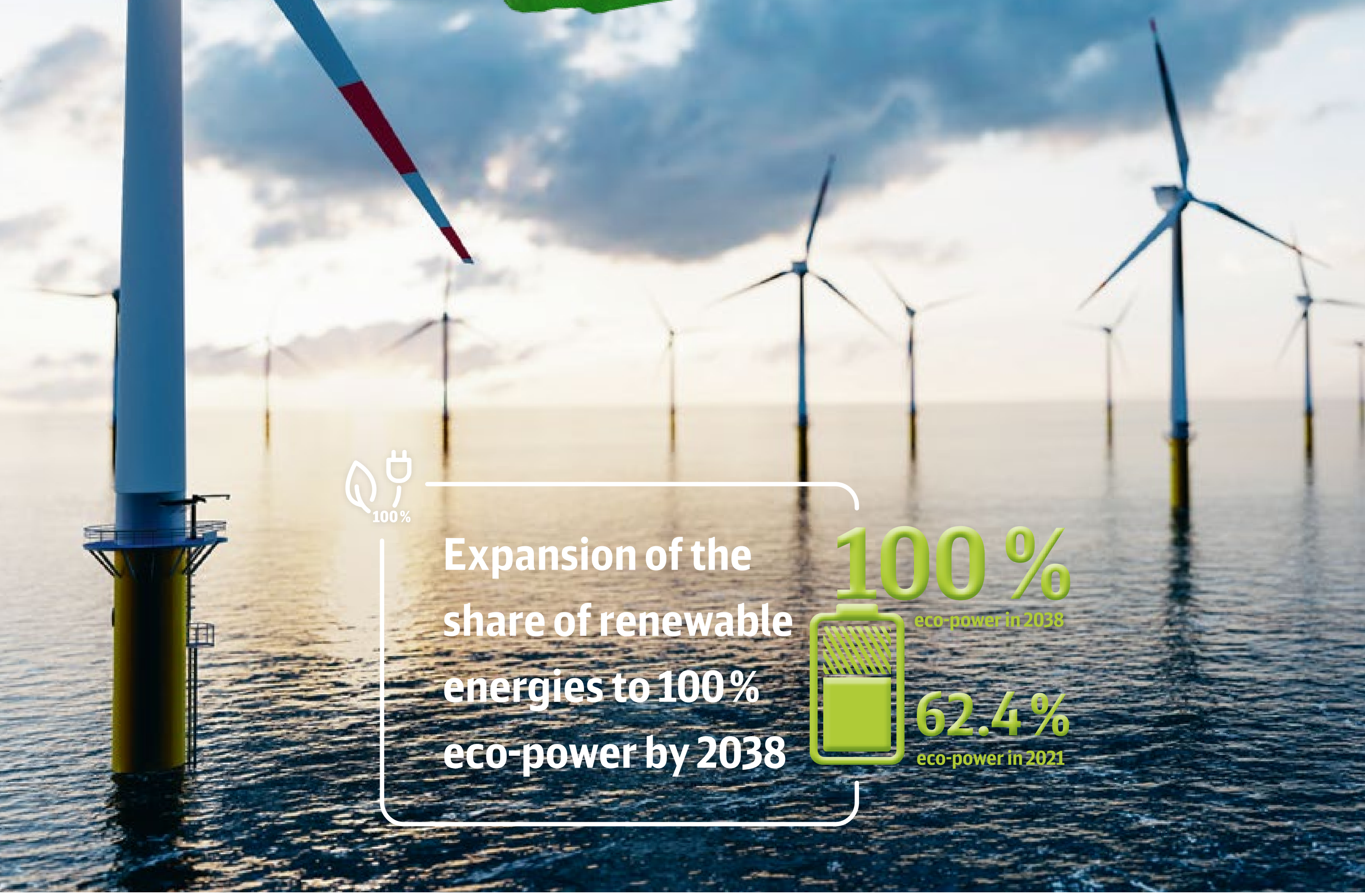
Phasing out of fossil fuels and introduction of alternative drives

Expansion of climate-neutral freight and logistics services

From 2022: start of the heat transition, for example by developing concepts for climate-neutral heat supply for our top 50 locations and gradually replacing oil-fired heating systems.

With a tailwind from Helgoland: the traction current mix is becoming even greener

DB Group is consistently transforming its electricity mix in a sustainable way with even more wind power. With the 15-year agreement to purchase energy supplied by the Amrumbank-West offshore wind farm off Helgoland, about 190 GWh of additional power will be purchased each year from 2025. This quantity alone corresponds to the electricity needs for almost six days of electric rail operations throughout Germany. With the conclusion of this agreement, DB Group currently accounts for about one-third of the German market for eco-power contracts not subsidized by the Renewable Energy Sources Act (Erneuerbare-Energien-Gesetz; EEG), known as PPA contracts. The agreement will also save up to 153,000 t of CO_2 each year in comparison to electricity supplied by coal power.



Further electrification of our infrastructure

Electrification of the Southern Railway completed

About 90 % of DB Group's passenger and freight transport services are already provided electrically. A key step on the path to climate neutrality is the electrification of further lines. For example, the trains on one of the oldest railway lines in Baden-Württemberg are now running continuously on electricity. After four years of construction, electrification of the Southern Railway along the Ulm—Friedrichshafen—Lindau section was completed in December 2021.

Alternative fuels for greater sustainability

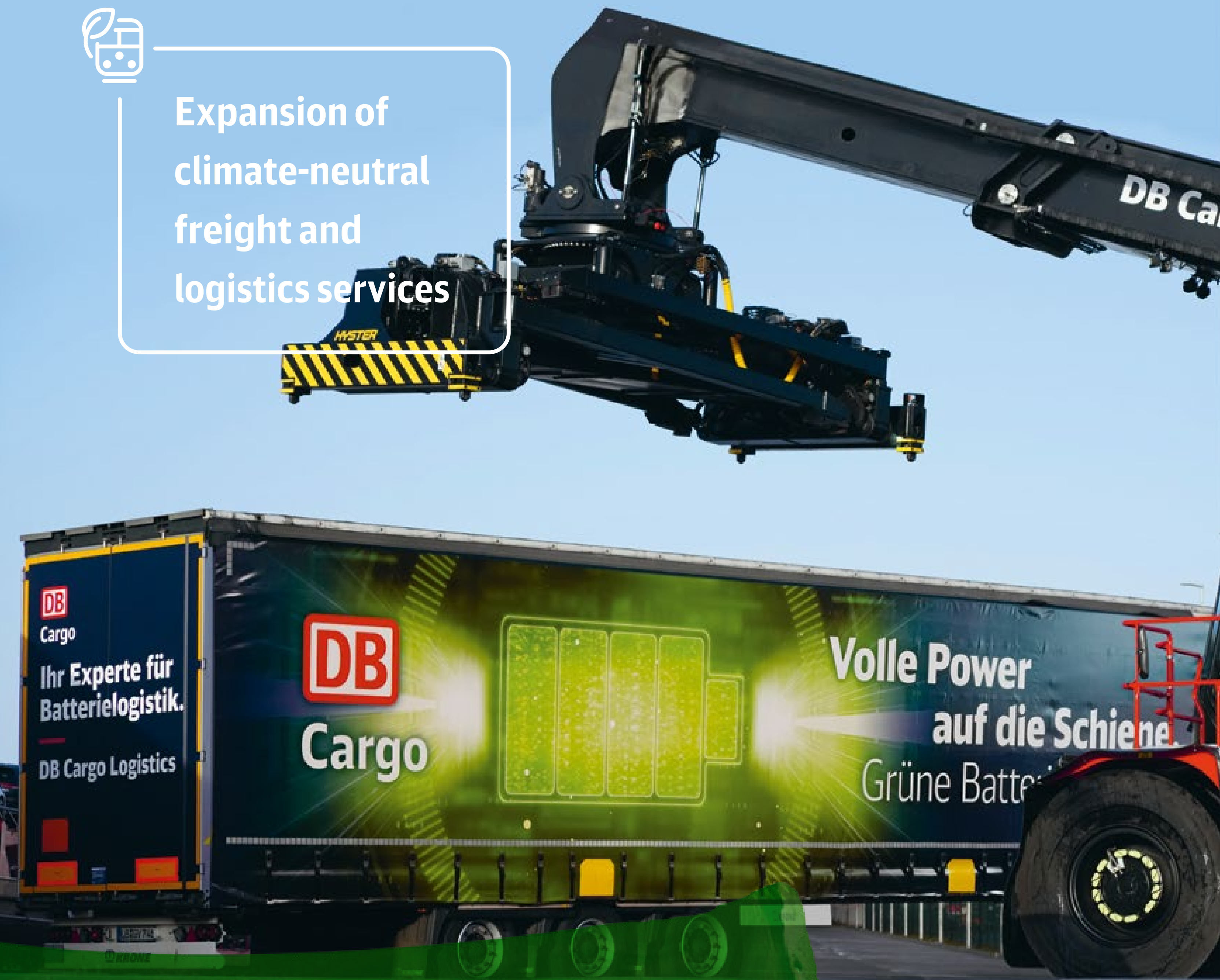
DB Group operates two advanced TrainLabs to test the latest rail transport technologies. These currently run on renewable fuel without requiring any adjustments to the vehicle or fuel infrastructure. The fuel, known as HVO (hydrogenated vegetable oil) consists of 100 % converted biological residues and waste materials, such as used cooking oil. Modern chemical processes put the waste products into the tank: they are filtered, cleaned and processed into a high-quality synthetic fuel.

Phasing out of fossil fuels and introduction of new drives

Innovative hybrid shunting locomotive

DB Cargo's locomotive fleet is becoming more modern and efficient. Gradually, all existing diesel locomotives will be replaced by modern, climate-friendly machines with alternative drives. In addition to the 146 dual-power track locomotives ordered from Siemens and the up to 100 Toshiba hybrid locomotives, a framework agreement was concluded in December 2021 for up to 250 locomotives from Vossloh Locomotives GmbH. 50 vehicles of these have been ordered for 2024. The new shunting locomotives are plug-in hybrid models and have ample engine power with state-of-the-art emissions control. The drive systems have a modular design and can be exchanged when the technology develops. The Federal Government is participating in the initial order with funding of up to € 15 million.

Expansion of climate-neutral freight and logistics services



Climate-neutral transport solutions

The state-of-the-art Automotive Logistics Center was officially opened in February 2022. The Center for Battery Logistics is the hub of the climate-neutral logistics concept for the battery systems of the new Mercedes EQ model. Starting in 2022, DB Cargo will transport the systems using climate-neutral solutions over about 650 km to the assembly line at the Mercedes-Benz factory. The logistics hub enables DB Cargo to shunt trains right up to the production hall and unload them there.

Expansion of the electric fleet

DB Schenker and Volta Trucks have agreed on a partnership, and DB Schenker has pre-ordered about 1,500 full-electric Volta Zero commercial vehicles – the biggest order for large emissions-free trucks in Europe to date. As part of the partnership, DB Schenker will use the first prototypes of Volta Zero trucks in real distribution conditions in 2022. The findings from these tests will be incorporated into the serial production of the vehicles. The full-electric 16 ton Volta Zero will be used, among other things, in the Ruhrgebiet region and at other DB Schenker European terminals to transport goods from distribution centers to inner cities and urban areas.

Innovations increase the attractiveness of the green rails

For DB Group, building a bridge between tradition and innovation is a key factor for success. Technological innovation and the digitalization of processes and customer-oriented services will determine what happens in the next few years. A substantial contribution to climate protection in Germany and Europe is made by shifting the mode of transport to climate-friendly rail.

Our targets

Doubling passenger numbers in long-distance transport to

▷ 260 million

(compared to 2015)

Increase in passenger numbers in local transport by

▷ 1 billion

(compared to 2015)

Increase in volume sold in rail freight transport by

▷ 70 %

(compared to 2015)

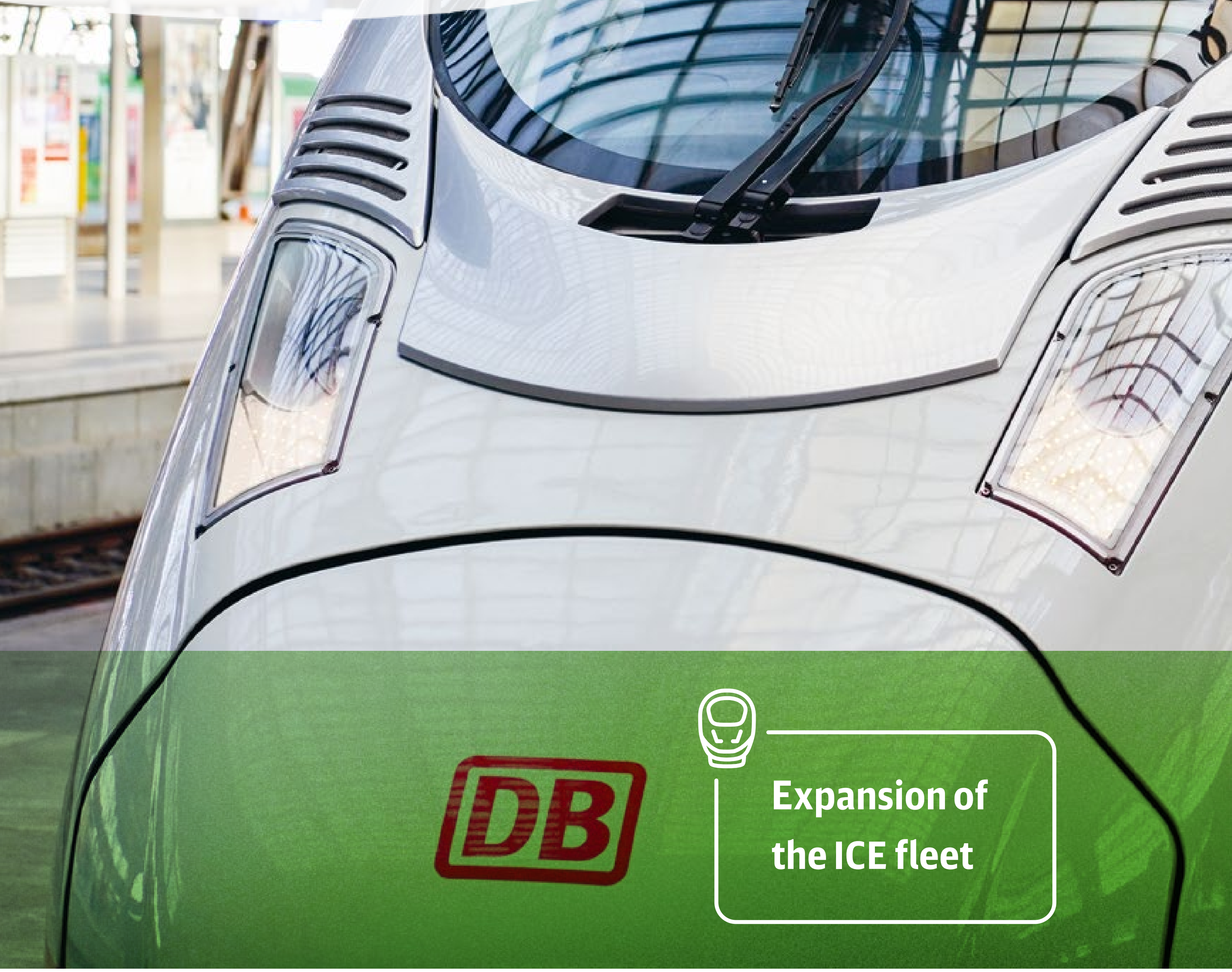
Increasing the capacity of the rail network by more than

▷ 30 %

(compared to 2015)

New high-speed trains

With the ICE 3neo, our ICE fleet will grow to a total of about 450 trains by the end of the decade. The 73 new trains will increase the daily number of seats available to DB Long-Distance passengers by a further 32,000. With this increase in fleet, we will have the capacity to run the schedule envisaged for Germany in sync by 2030. The first ICE 3neo will be in use by the end of 2022 .



Shaping the regional transport of the future

IdeasTrainCity: the S-Bahn (metro) of the future

The situation in public transport, and thus passengers' needs, varies depending on the time of day. In order to master the balancing act between capacity and a comfort, the IdeasTrainCity (IdeenzugCity) concept was developed and demonstrates innovative solutions that can be used to increase the quality and capacity of climate-friendly rail transport in local transport.

Increased productivity in rail freight transport

Digital automatic coupling will strengthen single wagon transport in the future

In European rail freight transport, the coupling process for freight cars is almost exclusively still carried out manually – this is both difficult and time-consuming. Digital automatic coupling (DAC) automatically connects two freight cars to each other. It establishes a mechanical connection between the cars without the employees having to shunt them manually. There is now a technical agreement across Europe for the DAC standard – but the financing for this task of the century has yet to be determined. DB Cargo alone couples about 54,000 cars and trains each day in Germany. By 2030, this is to be changed to digital coupling. In total, about 400,000 coupling processes are completed each day in European rail freight transport.

First highly automated S-Bahn (metro) in passenger service

Demand for local public transport, especially in metropolitan areas, is set to rise sharply. In order to create the necessary capacity for rising demand, S-Bahn (metro) operations must be digitalized. DB Group and Siemens unveiled the first four modified trains at the ITS World Congress in October 2021. On a 23-km-long line equipped for this purpose, one of the trains on the S21 line ran in highly automated passenger operations. The four modified trains will commence regular operations in 2022, with another 64 vehicles being fitted with "ATO over ETCS" in future.

Automation of rail transport

With record capital expenditures, we create the basis for growth

More train-paths and more trains: we are massively expanding our capacity to achieve sustainable growth and high quality.

In the next five years, we will invest:

€ 12 billion
in passenger transport

€ 65 billion
in infrastructure

€ 3 billion
in freight transport

Our challenges in the coming years

The rail infrastructure has already reached its load limit at key hubs.

The growth in rail transport forecast for the next few years will temporarily exacerbate the situation. We intend to use extensive measures to avoid any impairment of service quality.

In order to create the necessary capacity for further growth, together with the Federal Government we are investing at a record level this decade. The expansion of our fleet is also a top priority.

Construction activity in the network is therefore likely to remain at a very high level, presenting major challenges to infrastructure, the construction industry and transport companies.

In order to increase transport density and reliability, the shift to digital rail operations and digitalization of infrastructure and vehicles is essential.

The DB team is the driving force behind the shift in the mode of transport

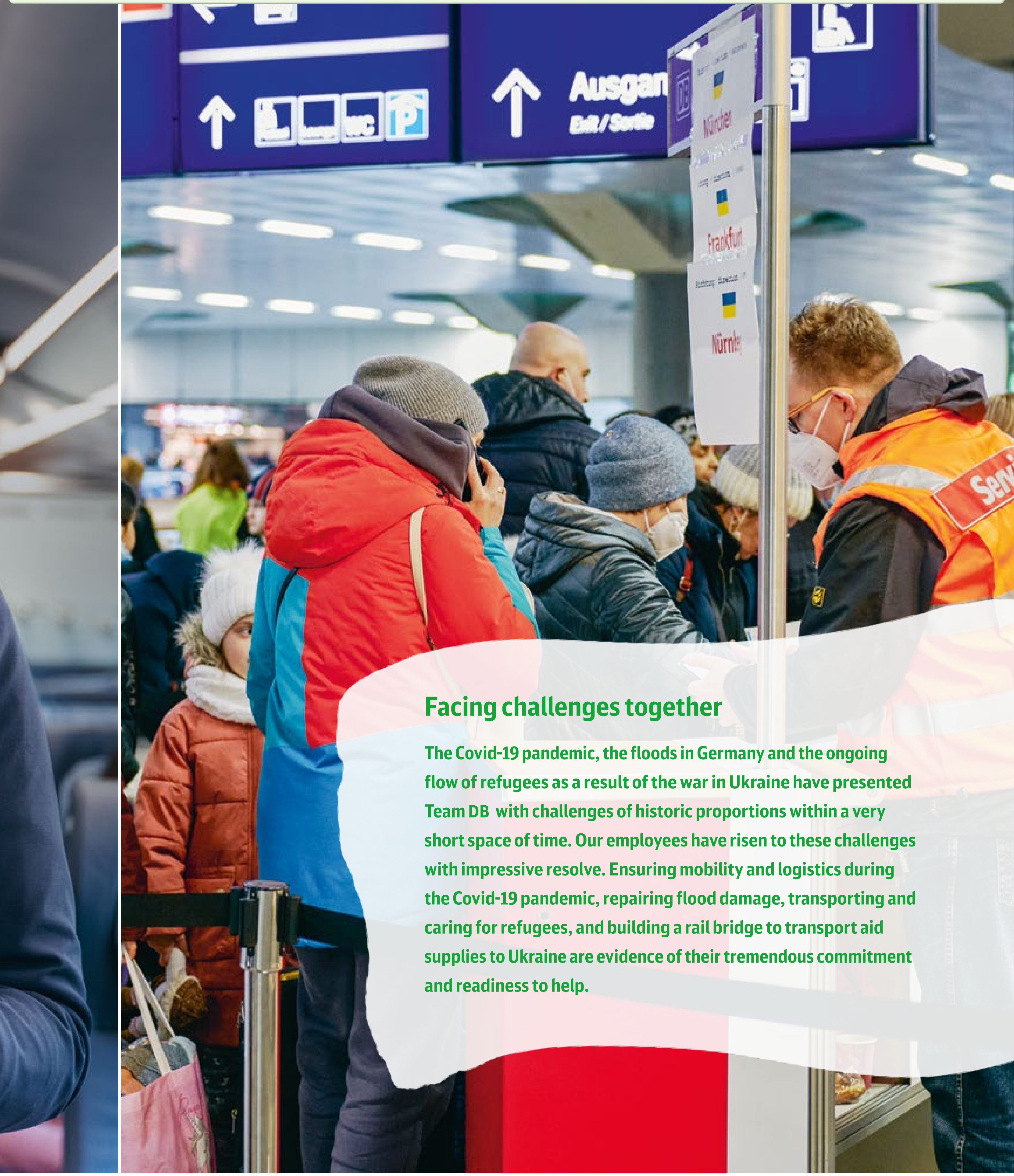
The recruitment of new employees and the improvement of working conditions are a fundamental part of our Strong Rail strategy, and a key prerequisite for the growth of rail transport.

Future-proof working environment

We are working intensively on improving our working environments and drawing on experiences from the Covid-19 pandemic. Mobile working is firmly integrated into everyday working life.

Diversity as a strength

We are as colorful as society. More than 330,000 people from more than 100 different nationalities currently work together at DB Group. Diversity is anchored as an overarching interdisciplinary theme in the Strong Rail strategy and is taken into account in all decisions.



Facing challenges together

The Covid-19 pandemic, the floods in Germany and the ongoing flow of refugees as a result of the war in Ukraine have presented Team DB with challenges of historic proportions within a very short space of time. Our employees have risen to these challenges with impressive resolve. Ensuring mobility and logistics during the Covid-19 pandemic, repairing flood damage, transporting and caring for refugees, and building a rail bridge to transport aid supplies to Ukraine are evidence of their tremendous commitment and readiness to help.

STRONG RAIL

German and European climate protection targets can only be achieved by a shift in the mode of transport towards rail. Achieving this ambitious target requires a joint effort from us, the entire industry and politicians. By implementing our Strong Rail strategy, we are realizing central transport and climate policy projects of the Federal Government in order to meet our social responsibility and responsibility towards future generations.

TO OUR STAKEHOLDERS

DR. RICHARD LUTZ
CEO and Chairman of the Management Board
of Deutsche Bahn AG

GRI 102-14

CHAIRMAN'S LETTER

Dear readers,

The Covid-19 pandemic has been receiving far less public attention in recent weeks, but the optimism we were all hoping for has not materialized. Europe is facing a situation that most people would have considered impossible. The impending political and economic consequences of the war in Ukraine are impossible to assess at the current time.

At Deutsche Bahn, we stand for a peaceful, free and democratic Europe. We bring people together and take goods to their destination. Supporting refugees, transporting aid and alleviating suffering are therefore, as ever, a self-evident part of what we do. I would like to take this opportunity to offer my heartfelt thanks to all those who have offered their help and continue to do so.

With the Covid-19 pandemic, natural events such as the flood catastrophe and long-lasting strikes, we faced more adversity in 2021 than we had hoped. Despite the pandemic, however, we welcomed more passengers to our long-distance trains in 2021 than in 2020, despite the fact that in the first months of the previous year there were no Covid-19 restrictions and record numbers of passengers.

People who want to protect the climate while remaining mobile take the train.

Demand at our rail freight transport business unit also increased, despite many adversities. DB Cargo transported more goods and recorded a higher volume sold in 2021. In December, we were significantly above the previous two years, and for 2021 as a whole we were at the same level as in 2019. Our logistics subsidiary, DB Schenker, has had another good year with record revenues and profits creating stability for DB Group.

In 2021, DB Regional was a consistently reliable player in the German regional transport market. As some competitors withdrew from the market, DB Regional remained reliable. In early 2022, for example, DB Regional managed to acquire parts of the Abellio transport providers in North Rhine-Westphalia in an organizational tour de force.

So we feel an ongoing confidence in DB Group, the railways, our logistics services and Strong Rail.

It is undeniable, however, that conditions in 2021 were once again challenging. Although our results have improved significantly compared to 2020, our net position is still a loss. We have nonetheless continued to invest, modernize and provide qualifications at a record level in 2021. We intend to continue on this path and return to profitable growth from 2022.

Rail is crucial to ensuring a wide variety of green mobility and logistics options in Europe. People who want to protect the climate while remaining mobile take the train. People who need to be on the move during difficult times can rely on rail. Over the last two years, the railway has shown itself to be crisis-proof. The same is true of our strategy: before the Covid-19 pandemic, Strong Rail was the right strategy for people, the economy and the climate. It has stood the test of the pandemic, and will continue to guide us beyond it.

In 2022 we are investing
13.6
billion euros in stations and the rail network.

Significantly increasing our capacity on the rail network will be crucial. That is why we are investing together with the Federal Government as never before. Having invested about 12.8 billion euros in stations and the rail network in 2021, our investments for 2022 will amount to more than 13.6 billion euros. We are also working on our fleet: at the end of 2022, our customers will be able to experience the first ICE 3neo series trains between North Rhine-Westphalia and Munich. We have recently ordered another 43 trains in this series from Siemens. Our ICE fleet will grow to about 360 trains by the end of 2022, compared to about 270 five years ago.

Our ICE fleet will grow to about
360
trains by the end of 2022.

We took an important climate protection step in 2021: we have brought our target for climate neutrality forward to 2040. Our commitment to greater climate protection is attracting interest: for the fifth time in a row, we have featured on the “A-List 2021 – Climate Change” published by the globally oriented charitable organization CDP. The report at hand has been drawn up for the first time in accordance with the recommendations of the Task Force on Climate-related Financial Disclosure (TCFD). Deutsche Bahn also expressly upholds the principles of the UN Global Compact.

In 2021 we were once again able to prove ourselves to be a reliable provider of sustainable mobility for people and goods, even under difficult conditions. We are an anchor of stability and will continue to be in the future.

Sincerely,

Dr. Richard Lutz
CEO and Chairman of the Management Board
of Deutsche Bahn AG

THE MANAGEMENT BOARD OF DEUTSCHE BAHN AG

DR. RICHARD LUTZ CEO and Chairman of the Management Board

DR. LEVIN HOLLE Finance and Logistics

BERTHOLD HUBER Passenger Transport

DR. SIGRID NIKUTTA Freight Transport

DR. DANIELA GERD TOM MARKOTTEN Digitalization and Technology

RONALD POFALLA Infrastructure

MARTIN SEILER Human Resources and Legal Affairs

The CVs of the Board members can be found online.

MICHAEL ODENWALD Chairman of the Supervisory Board of Deutsche Bahn AG

GRI 102-18

REPORT OF THE SUPERVISORY BOARD

In the year under review, the Supervisory Board of Deutsche Bahn AG (DB AG) observed the entirety of the responsibilities within its remit in accordance with the law, the company's articles of association and its by-laws. The Supervisory Board extensively advised and supervised the Management Board in the management of the company and business operations. The Management Board reported regularly, without delay and in detail to the Supervisory Board regarding corporate planning and the business, strategic and financial development of DB AG and its subsidiaries. All significant business events were discussed by the Supervisory Board and the responsible committees based on reports of the Management Board. Significant deviations in actual business development were explained by the Management Board and reviewed by the Supervisory Board. The Chairman of the Supervisory Board maintained close contact at all times with the Chairman of the Management Board, who regularly reported on the latest business developments at DB AG, upcoming business decisions and risk management.

Meetings of the Supervisory Board

The Supervisory Board was involved in all decisions of fundamental significance for DB AG. In the year under review, the Supervisory Board held four ordinary meetings and one extraordinary meeting, as well as one strategy meeting. The 2020 annual financial statements were also presented in detail to the Supervisory Board at an information event in preparation for the resolution at the financial statements meeting. In two further information events, the Supervisory Board discussed the methodical revision of the Short Term Incentive (STI) for the Management Board as a blueprint for a revision of the profit share throughout the Integrated Rail System. In the year under review, all members of the Supervisory Board attended at least half of the meetings in full. In the 2021 financial year, the Supervisory Board adopted six resolutions by written procedure. Meetings of the Executive Committee, the Personnel Committee and the Audit and Compliance Committee were held in preparation for the scheduled meetings of the Supervisory Board of DB AG. In the reporting period, the main focus of the deliberations in the full meetings remained the significant impact of the Covid-19 pandemic on the development of DB Group. In this context, issues relating to developments in revenues, profit and employment in the individual business units and developments in significant capital expenditure and investment projects were also discussed. During the reporting period, the Supervisory Board regularly discussed the progress and the cost development of the major Stuttgart 21/Wendlingen—Ulm project in its scheduled meetings, on each occasion joined by the Chairman of the Advisory Board of DB Projekt Stuttgart—Ulm GmbH. In the annual strategy discussion, the Board discussed the concepts submitted by the Management Board for a “green rail group” for Europe and for further European growth initiatives particularly at DB Long-Distance and DB Cargo and in infrastructure.

The Supervisory Board also consulted on individual material issues, such as the procurement of additional ICE trains through a second high-speed transport (Hochgeschwindigkeitsverkehr; HGV) 2.0 batch order or the foundation of companies following the award of a tender for S-Bahn Berlin, and adopted the necessary resolutions. In the reporting period, the Supervisory Board also approved the reappointment of three Members of the Management Board and the appointment of a new member of the Management Board of DB AG.

Its main topic in the reporting period was the severe consequences of the Covid-19 pandemic for DB Group, which continued to have a significant impact on the economic situation of the Group in 2021. The Management Board discussed the economic situation of the Group, the impact on revenue and profit development in the business units and the corporate planning as well as the planned measures to compensate for the economic impact together with the Supervisory Board. In December, the Supervisory Board discussed the medium-term planning for DB Group from 2022 to 2026 and initially approved DB Group’s budget for the 2022 financial year and DB Group’s project and capital expenditure plan for the medium-term period. The Group’s medium and long-term planning was noted.

Meetings of the Supervisory Board committees

The Supervisory Board of DB AG has established four permanent committees to enable it to conduct its work efficiently. The Supervisory Board’s Executive Committee met five times in the year under review and was in regular contact with the Management Board regarding all major business policy issues. In its meetings, it focused in particular on preparing the focal topics for each of the Supervisory Board meetings. In the year under review, the Audit and Compliance Committee held six meetings, and in preparation for the discussions in the full sessions of the Supervisory Board, focused particularly on the effects of the Covid-19 pandemic on the economic situation of DB Group and its individual business units using the current monthly or half-year figures respectively. In line with its agenda, the committee discussed the progress and, in particular, the cost development of the major Stuttgart 21 project on the basis of the quarterly reports of the Management Board, each of which was reviewed by the auditors and an engineering firm. The cost development was also considered in an extraordinary meeting. In its December meeting, the committee also discussed in detail the risk report, the budget and capital expenditure plan presented and DB Group's medium and long-term planning. The committee also continued to address updates in corporate governance and the internal control system necessitated by the German Accounting Law Modernization Act (Bilanzrechtsmodernisierungsgesetz; BilMoG). The Audit and Compliance Committee also received regular information on compliance issues and the findings of audits by the intra-Group auditors. In addition, the committee discussed the hiring of the auditor for the financial statements and the progress of the auditing process for the reporting period. The committee was also informed of individual issues of economic significance, including the current status of the implementation of the recommendations of the Federal Government's revised 2020 Public Corporate Governance Code (PCGK) by the Corporate Governance Officer of DB Group. The Chairman of the Audit and Compliance Committee was in regular contact with the Management Board and the external auditor, and reported regularly and in detail on the committee's work to the full Supervisory Board.

In the year under review, the Personnel Committee held a total of nine – two regular and seven extraordinary – meetings or telephone conferences to prepare Management Board-related matters for discussion by the Supervisory Board, discussed questions regarding compensation for the members of the Management Board, and prepared the corresponding resolutions for the Supervisory Board.

The Mediation Committee established in accordance with section 27 (3) of the Co-Determination Act (Mitbestimmungsgesetz; MitbestG) did not have occasion to meet in the year under review.

Corporate governance

During the year under review, the Management Board and Supervisory Board of DB AG again considered the further development of corporate governance. In a Cabinet decision on July 1, 2009, the Federal Government adopted the PCGK and revised it in its resolution of September 16, 2020. The PCGK sets out the essential provisions of applicable law governing the management and monitoring of non-listed companies in which the Federal Republic of Germany holds a majority stake, while outlining the internationally and nationally acknowledged principles of good and responsible corporate governance. The Supervisory Board of DB AG dealt with the application of the PCGK within DB Group and adopted the necessary resolutions. The implementation of the requirements resulting from the amendment to the PCGK was examined. At the time of reporting, the about 100 recommendations have been largely implemented. The Supervisory Board will continue to address this matter in the 2022 financial year and discuss the progress of its implementation with the Management Board.

GRI 102-56

Annual financial statements

The annual financial statements and management report of DB AG, as prepared by the Management Board, and the consolidated financial statements and Group management report for the period ending on December 31, 2021 were audited and awarded an unqualified audit opinion by PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft (PwC), the auditor appointed by resolution of the Annual General Meeting. The auditors' report was reviewed by the Audit and Compliance Committee in its meeting held on March 25, 2022, and was discussed in full at the Supervisory Board's financial statements meeting held on March 30, 2022, in the presence of the auditors who signed the audit reports. The auditors reported on the salient audit findings and were available to answer questions. The Supervisory Board concurred with the audit findings. The Supervisory Board reviewed the annual financial statements and management report of DB AG, the consolidated financial statements and Group management report for the year under review, and the proposal for the disposition of profit, noting no objections. The DB AG annual financial statements for the 2021 financial year were approved and thereby adopted. The auditor additionally reviewed the report on relationships with affiliated companies prepared by the Management Board. The auditors issued an unqualified audit opinion and reported on their audit findings. The Supervisory Board also reviewed this report, raising no objections concerning the Management Board's concluding declaration contained in the report or the result of the audit conducted by PwC.

Changes in the composition of the Supervisory Board and the Management Board

In the reporting period, the following changes were made to the Management Board and Supervisory Board of DB AG:

With effect from May 31, 2021, the appointment of Prof. Dr. Sabina Jeschke as a member of the Management Board of DB AG was terminated by mutual agreement. The Supervisory Board appointed Dr. Daniela Gerd tom Markotten as her successor as Member of the Management Board responsible for Digitalization and Technology in its regular meeting on June 15, 2021, with effect from September 15, 2021.

Dr. Tamara Zieschang resigned her mandate on the Supervisory Board with effect from September 16, 2021. Mr. Enak Ferlemann (Member of the German Parliament; former Parliamentary State Secretary) was appointed as her successor on the Supervisory Board of DB AG with effect from October 11, 2021.

The Supervisory Board thanks the departing members of the Supervisory Board and the Management Board for their committed and constructive support to the company.

The Supervisory Board would also like to thank the Management Board, the employees and the works council representatives of DB AG and affiliated companies for their achievements in the year under review.

Berlin, March 2022

For the Supervisory Board

Michael Odenwald
Chairman of the Supervisory Board
of Deutsche Bahn AG

OPEN STAKEHOLDER DIALOG

Clear guidelines for stakeholder dialog

GRI 102-16 102-42 102-43

We believe in partnership-based dialog and trusting engagement with all relevant stakeholders and engage in open discussion of their expectations and our positions.

DIALOG ON THE GREEN TRANSFORMATION

We exchange views with our stakeholders, both bilaterally and through committees and discussion formats, on the Green Transformation of DB Group. We arrange our own multi-stakeholder formats, such as the Environmental Forum. We also carry out structured environmental monitoring and analysis. We use these to systematically identify relevant issues and determine their significance for the Green Transformation 66ff. of DB Group. We also answer questions from stakeholders on matters of sustainability.

Environmental Forum

In recent years, the DB Group Environmental Forum has become established as the central platform for sustainable mobility. Decision makers in politics, industry, civil society and science meet once a year in Berlin to discuss current challenges, expectations and developments in sustainable mobility. The 2021 Environmental Forum was held on October 7 for invited guests at St. Elisabeth Church in Berlin. Representatives of the Management Board of DB Group as well as from politics, industry, science and civil society took to the podium.

Summit meeting with environmental associations

On April 20 and October 20, 2021, the Chief Executive Officer of DB AG, Dr. Richard Lutz, met with the following environmental associations: the Federation for the Environment and Nature Conservation Germany (Bund für Umwelt und Naturschutz Deutschland; BUND), the German Nature Conservation Association (Deutscher Naturschutzring; DNR), German Environmental Action (Deutsche Umwelthilfe; DUH), Greenpeace, the German Nature and Biodiversity Conservation Union (Naturschutzbund Deutschland; NABU), the German Transport and Environmental Association (Verkehrsclub Deutschland; VCD) and the World Wide Fund For Nature (WWF). The topics discussed included current issues facing DB Group, environmental protection and sustainable mobility.

Advisory Board for a Quieter Middle Rhine Valley

Another meeting of the Advisory Board for a quieter Middle Rhine Valley was held on October 21, 2021. Together with the Federal Ministry for Digital and Transport (Bundesministerium für Digitales und Verkehr; BMDV), we reported on the local progress made with the implementation of noise reduction measures. Other items on the agenda at the Advisory Board meeting included the shared 2030/2050 noise reduction target 72f. of the Federal Government and DB Group, the successful refitting of freight cars and whisper brakes and the implementation of the Rail Noise Protection Act. The Advisory Board for a quieter Middle Rhine Valley is composed of citizens' action groups, regional members of the German Parliament, representatives of the BMDV and the responsible state ministries from Hesse and Rhineland-Palatinate, as well as DB Group. It meets annually at various locations in the Middle Rhine Valley.

DIALOG WITH POLICYMAKERS AND THE PUBLIC

GRI 102-12 102-13

DB Group plays an important role in advancing the railway system in Germany and Europe. We are therefore sought after as a dialog partner in public discussions, and actively engage in dialog with the entire sector. We discuss our own transport policy positions at the national and international level and seek to use facts and figures to contribute to the decision-making process. Our work in and with associations plays an important role in this. DB Group is a deeply rooted member of several associations. The following memberships are particularly relevant for political discourse (in alphabetical order) based on German designation:

- Pro-Rail Alliance (Allianz pro Schiene; ApS)
- Mobility and Transport Services Association (Arbeitgeber- und Wirtschaftsverband der Mobilitäts- und Verkehrsdienstleister; AGV MOVE)
- Comité international des transports ferroviaires (CIT)
- Community of European Railway and Infrastructure Companies (CER)
- German Transport Forum (Deutsches Verkehrsforum; DVF)
- Union Internationale des Chemins de Fer (UIC)
- Association of German Transport Companies (Verband Deutscher Verkehrsunternehmen; VDV)

The principles of the stakeholder charter also apply to dialog with policymakers. In addition, we have set strict internal standards for participation in political processes, which are summarized as "Group Principles Ethics – Code of Conduct" and which are binding Group-wide. In addition, the Lobby Register Act came into force in Germany on January 1, 2022, and its provisions are observed by DB Group.

GRI 102-40 102-44

OVERVIEW OF STAKEHOLDER DIALOG

STAKEHOLDERS	2021 topics	The most important dialog and communication formats
Passengers (private and business)	– Stimuli and incentives after travel restrictions – Punctuality and connection reliability – Improvements to schedules, cycles and services – Contribution to sustainability – Improvement and digitalization of ticket offers – New service offerings – Improvement of passenger and construction site information – Vehicle modernization / IdeasTrain	– Passenger Advisory Board – Online dialog platforms / social networks – Customer dialog (over-the-phone) / customer inquiries – Virtual and / or hybrid dialog formats and product conferences – Digital road shows / product presentations
Business customers (freight transport)	– Maintaining operations during the pandemic – New strategic orientation (Strong Cargo) – Green logistics – Initiative for further development of production – Punctuality and reliability – Digitalization / digital automatic coupling – Innovative freight cars – m² freight cars – “We are goods” campaign	– Direct exchange with customers (including trade fairs and congresses as well as digital formats) – Own dialog and customer events – Customer workshops – Annual customer satisfaction survey – Monthly satisfaction check – Social networks – link2rail digital customer platform (e-services for customers)
Policymakers / regulators	– Pandemic management – Contribution to sustainability / Green Transformation – Infrastructure development and financing – Digitalization – Germany in sync (Deutschland-Takt) – Intermodal competition – Financing public transport – Regulatory frameworks	– Parliamentary evenings – Association activities – Participation in discussion rounds and expert presentations – Participation by the Federal Government in dialog formats – Own events (for example competition symposium)
Employees	– Covid-19 crisis management and vaccination campaign – Strikes, Collective Agreement Uniformity Act and collective bargaining – Contribution to sustainability / Green Transformation – New forms of cooperation and mobile work – Women in management – Digitalization	– Employee strategic building blocks within the framework of Strong Rail – Global employee survey and follow-up process with collaborative workshops – “Mobile working of tomorrow” project – Events and networks on the topic of new work and diversity – Internal digital information and exchange platform and internal virtual learning platform – “My Performance Management” as an instrument for feedback and performance review
Investors	– Dividend policy / capital measures / Covid-19 support measures – Indebtedness / profitability – Development of factor costs / collective bargaining – Competitive situation / regulatory environment – Contribution to sustainability / Green Transformation	– Virtual road shows – Virtual one-on-ones – Email contacts – Investor relations Web site
Suppliers	– Quality / qualification – Innovation / digitalization – Antitrust law – Ombudsmen – Supplier management – Cooperation in mutual trust – Meeting deadlines – Reviews of business partners – Sustainability in the supply chain – Shortage of skilled labor	– Railway Forum – Direct supplier development meetings – Innovation workshops – Discussions and expert presentations – Compliance dialog with business partners – Railsponsible industry network – Dialogs on competition – Innovation partnerships – Largely digital dialogs regarding supplier sustainability assessments – Mainly virtual supplier days in the product areas – Railway Construction Initiative for the Future (Zukunftsinitiative Bahnbau; ZIB)
Associations / specialist public	– Contribution to sustainability / Green Transformation – Infrastructure development and financing – Acceleration of planning and construction processes – Innovations	– 2021 Environmental Forum – Annual conference of the Association of German Transport Companies (VDV) – Top-level discussions and expert exchanges – Membership of relevant bodies such as the German CEO Alliance for Climate and Economy (Stiftung KlimaWirtschaft) and econsense – Member of the Administrative Board of the German Compliance Institute (Deutsches Institut für Compliance; DICO) – Corporate member of Transparency International Germany – Stakeholder events and product presentations – Development of digital communication channels (RegioSignals)
Media	– Increasing employer attractiveness – Upgrade of digital services – Expansion and digitalization of infrastructure – Expansion of fleet or procurement of trains – Green transformation	– Press Web site – Press and photo events, including digital and hybrid formats – Background discussions, in some cases also digitally – Interviews, in some cases also digitally – Social networks

The topics and dialog formats are not presented in any order of priority.

PASSENGER ADVISORY BOARD

The DB Passenger Advisory Board provides important impetus for improvements to products and services in workshops, surveys and discussions. Twice a year, the committee, which consists of 30 private customers, comes together with DB Board members and DB managers for ordinary meetings. In addition, it advises on and supports numerous projects relevant to customers. In 2021, the involvement of the DB Passenger Advisory Board was once again predominantly digital – the DB Passenger Advisory Board was involved in various DB Long-Distance, DB Regional, DB Sales and DB Station&Service projects, bringing customers' direct perspective into the discussions.

GRI 102-13

MEMBERSHIPS IN SUSTAINABILITY NETWORKS

- We underline our commitment to the United Nations Global Compact (UNGC) through the annual presentation of our progress towards the ten principles of the UNGC (Communication on Progress). In addition, we are committed to the German Global Compact Network (Deutsches Global Compact Netzwerk; DGCN), the forum for German multi-stakeholders to implement and promote the principles of the UNGC 271, as well as the SDGs 45.
- We are signatories of the German Sustainability Code (Deutscher Nachhaltigkeitskodex), through which we provide our stakeholders with transparent information about our sustainability performance.
- We are a member of econsense, the Sustainable Development Forum for the German economy.
- We are represented on The Conference Board, a global, independent economic association.
- As a member, we support the German CEO Alliance for Climate and Economy (Stiftung KlimaWirtschaft) in its aim of developing cross-sector solutions for the transition to a climate-neutral economy.
- We are a founding member of the Railsponsible industry initiative. This initiative aims to create transparency regarding social, environmental and socioeconomic effects along the entire supply chain and to support suppliers in improving their sustainability practices.
- As a member of Transparency International, we are committed to fighting corruption.

SOCIAL RESPONSIBILITY

Activities of Deutsche Bahn Foundation

GRI 102-16

Deutsche Bahn Foundation (Deutsche Bahn Stiftung gGmbH) was founded in 2013 to combine our charitable commitment and the DB Museum under one roof. The Foundation seeks to cocreate an equitable society and improve social cohesion. Deutsche Bahn Foundation supports charitable projects.

Like other sectors, the charitable sector has faced challenges in 2021 as a result of the Covid-19 pandemic. Projects have had to be adapted and events postponed or cancelled. There has been a rise in the development and expansion of digital projects.

CHARITABLE PROJECTS IN GERMANY	2021	2020	2019
Deutsche Bahn Foundation	33 [1]	26	25

[1] Preliminary figure.

EXPENSES FOR CHARITABLE PROJECTS IN GERMANY / € thousand	2021	2020	2019
Deutsche Bahn Foundation	2,797 [1]	2,569	2,687

[1] Preliminary figure.

In response to donation requests, Deutsche Bahn Foundation has also made donations of funds from its general response budget.

DONATIONS IN GERMANY / € thousand	2021	2020	2019
Deutsche Bahn Foundation	155 [1]	123	136

[1] Preliminary figure.

The expenses for DB Museum amounted to € 6.4 million in 2021 (previous year: € 5.9 million).

COVID-19 EMERGENCY SUPPORT

The measures to contain the Covid-19 pandemic have had effects on the education and mental health of children and young people, particularly those with socially disadvantaged living conditions. For this reason, Deutsche Bahn Foundation has initiated the emergency support program "Mind the gap – making up for learning lags and strengthening mental health." Through this program, it supports four projects that are aimed at making up for the enormous learning lags while taking into account the mental impacts of the pandemic on young people, strengthening mental health and motivation and countering the loss of social skills. In addition, Deutsche Bahn Foundation increased its support to projects to counteract the polarization of society, hate and violence.

EDUCATION AND INTEGRATION

Deutsche Bahn Foundation, together with the Reading Foundation (Stiftung Lesen), is heavily involved in reading and language support. This joint commitment is expressed in the reading aloud study and the nationwide reading aloud day. In addition, 300 medical institutions across Germany, such as children's hospitals and hospices, were endowed with new reading aloud boxes, and the digital reading offer at www.einfachvorlesen.de was enhanced with reading / learning materials for home schooling.

For the third year, Deutsche Bahn Foundation worked with the Open Knowledge Foundation to strengthen digital skills for children and adolescents in structurally weak regions. Local workshops known as "Jugend hackt" (youth hacking) labs have been opened at 15 locations nationwide with the support of Deutsche Bahn Foundation in order to help improve equality in education. There are plans to set up more labs.

PROFESSIONAL INTEGRATION

In the project "Appointed heroes – learning through engagement for career opportunities" (Berufene Helden – Lernen durch Engagement für Chancen im Beruf), students organize their own project and gain specific training expertise and skills in the process. Working with the Learning through Engagement Foundation (Stiftung Lernen durch Engagement) and through the development of an online training format, the nationwide consolidation and deployment of the project continued.

Together with the intercultural umbrella association of 60 migrant organizations, this year Deutsche Bahn Foundation is again supporting women with refugee and migrant backgrounds with their professional integration.

STRENGTHENING VOLUNTEERING

Employees who are involved in non-profit organizations in their free time can apply for a grant. These grants have enabled 193 projects to be funded and implemented. Deutsche Bahn Foundation, as one of the three main sponsors of the German Engagement Prize, supported the Top Prize for Civic Engagement in Germany.

SUPPORT FOR PEOPLE IN NEED

Deutsche Bahn Foundation works closely with the German Association of Railway Station Missions (Verein Bahnhofsmission Deutschland) and the roughly 100 railway station missions. This partnership has enabled a series of projects to be developed.

Under the mission statement "Learning for Life," Deutsche Bahn Foundation is funding low-threshold, participative educational opportunities for regular visitors to the missions.

The "Motivators at the Station" project developed at the Berlin central station is being rolled out nationwide as a qualification program for employees of various railway station missions. The objective is to provide qualified advice to people under mental strain.

The video interpretation project established at major stations helps foreign-language-speaking passengers obtain answers to queries by making it possible to consult video interpreters in more than 60 languages via tablet.

Deutsche Bahn Foundation also supported a walk-in clinic near the Berlin central station, where people without health insurance could receive medical assistance at any time of the year free of charge. During Covid-19, the clinic expanded its service offering with a quarantine station, vaccination campaigns and tests in emergency shelters.

Through Deutsche Bahn Foundation's "wish fulfiller" (Wünscherfüller:in) project, thousands of employees give gifts to people in need in the lead-up to Christmas. At DB sites, there were wish fulfiller Christmas trees with more than 3,000 wishes for children, women and men in need from charitable organizations.

Foundation book

The book "Johnny, Flora and the Quiet Heroes" was published in 2021 and presents the charitable commitment of Deutsche Bahn Foundation. It addresses serious subjects such as depression, youth homelessness or humanitarian aid in a child-friendly way in order to raise children's awareness of socially relevant issues.

HELP FOR HOMELESS CHILDREN

The Covid-19 pandemic, social distancing regulations and living in close quarters led to an increase in conflicts, domestic violence and mental problems. Together with the nationwide Off Road Kids Foundation and using the online platform sofahopper.de, young people at risk of homelessness can access qualified contact and advice points all over Germany. This enables young people to discuss problems with street advisors and get help anonymously.

PROMOTING MENTAL HEALTH

Deutsche Bahn Foundation is involved in working to destigmatize depression as a mental illness in society and enables those affected to receive assistance. Together with the German Depression Aid Foundation (Stiftung Deutsche Depressionshilfe), it supports the German Federation against Depression (Deutsches Bündnis gegen Depression) in over 80 cities and regions. In 2021, the annual German Depression Barometer study by Stiftung Deutsche Depressionshilfe examined the main theme "Depression in the world of work."

Through Deutsche Bahn Foundation's annual tender on the subject of "Strengthening the mental health of children and young people in the Covid-19 crisis," 14 more charitable organizations carrying out projects for children and young people were funded.

The prevention and early identification initiative "Masters of tomorrow – mentally healthy through education" by the foundation "Achtung!Kinderseele" is supported by Deutsche Bahn Foundation in its nationwide expansion. It aims to raise awareness of mental illness among trainees.

HUMANITARIAN AID

In cooperation with the Development Helps Association (Bündnis Entwicklung Hilft), Deutsche Bahn Foundation supports people in acute humanitarian emergencies.

- Deutsche Bahn Foundation provided disaster relief after a powerful earthquake in Haiti. The funded project included supplying water to 15,000 people, distributing 860 hygiene kits and providing hygiene education to prevent cholera and transmissible diseases.
- In the Indian Nai Disha aid project, preventive and educational work for truck drivers is being done with the support of DB Schenker employees to avoid the spread of tuberculosis and other infectious diseases.
- The Covid-19 pandemic has worsened the situation for street children worldwide. Deutsche Bahn Foundation has supported two homeless children's projects in Zimbabwe together with Terre des hommes and in India together with MISEREOR.

DB MUSEUM

Deutsche Bahn Foundation operates the DB Museum in Nuremberg and its branches in Koblenz and Halle (Saale), which are supported by volunteer employees in cooperation with the BSW&EWH Foundation Family (Stiftungsfamilie BSW&EWH).

The DB Museum was once again hit hard by the pandemic restrictions in 2021: as the duration of the closure was significantly longer than in the previous year, its visitor numbers declined more than 20%. However, the museum was able to compensate for this decline with success in other areas: for the first time, significant funds were successfully raised for investments at all the sites. New online services were developed, such as streamed live tours, speeches and workshops, and became a fixed element of the program. After the reopening of the sites in June/July 2021, new open air programs welcomed over 30,000 guests within just a few weeks. The first research exhibition in many years, "Design&Bahn," was opened on September 30, 2021, and received a very positive response from the public and press.

GROUP MANAGEMENT REPORT

OVERVIEW

Impact of the Covid-19 pandemic

In 2021 passenger transport continued to be heavily impacted by the effects of the Covid-19 pandemic.

- At the beginning of the year, due to official measures, recommendations to minimize social contact, restrictions on trade and services, and a general reluctance regarding mobility, the number of passengers was below the respective months of the previous year, which had not yet been influenced by the effects of the Covid-19 pandemic.
- As the vaccine campaign continued, demand recovered markedly from March 2021.
- Demand has not yet returned to pre-Covid-19 levels.

Demand for rail freight transport increased sharply, driven by global economic development, almost returning to its pre-Covid-19 level.

DB Group will continue to be affected by the Covid-19 pandemic in 2022. However, we are sticking to the growth targets for rail and our own growth targets within our Strong Rail strategy. For this reason, we consistently continued our expansion of capacity, primarily in infrastructure, in 2021.

Covid-19-related compensation measures

Deutsche Bahn AG (DB AG) and the Federal Republic of Germany (Federal Government) have agreed to jointly bear the effects of the Covid-19 crisis on Deutsche Bahn Group (DB Group). We plan to compensate for half of the impact on the Integrated Rail System by implementing countermeasures.

In 2021, the Federal Government implemented various measures to partially compensate for Covid-19-related losses:

- Extensive support for train-path prices (retroactively from March 2020) in long-distance and freight transport (DB share: about € 2.1 billion).
- Compensation for the canceled dividend payment by DB AG for the 2020 financial year (€ 650 million). As the dividend payment is planned in accordance with the Performance and Financing Agreement (Leistungs- und Finanzierungsvereinbarung; LuFV) to finance replacement capital expenditures in infrastructure, it was replaced in full by Federal funds (additional investment grants) in 2021.
- Compensation for losses incurred by DB Long-Distance over the course of the first shutdown in spring 2020 (€ 550 million).

Further support measures are still in consultation with the European Commission and the Federal Government.

In 2021, DB Regional also received funds from the industry solution for regional transport 46 in Germany (about € 0.5 billion).

DB Arriva also received Covid-19 support 139 in various countries.

Important events

FLOODS

With extremely high levels of rain over multiple days, Storm Bernd led to severe floods in mid-July 2021, particularly in North Rhine-Westphalia and Rhineland-Palatinate, causing catastrophic damage to the affected regions. This also includes serious damage to our infrastructure. Tracks, switches, signal technology, bridges, stations, interlockings and vehicles were badly damaged. A total of about 600 km of track as well as more than 50 bridges and dozens of stations and stops were affected. A collective financing agreement on damage rectification has been concluded with the Federal Government. About 80 % of the significant flood damages were able to be remedied in 2021. Further reconstruction of damaged lines and facilities continues.

CONCLUSION OF THE COLLECTIVE BARGAINING PROCESS

The agreement with the Railway and Transport Workers Union (Eisenbahn- und Verkehrsgewerkschaft; EVG) at the beginning of October 2021 concluded the collective bargaining agreement 2020/2021 79 in DB Group, during the course of which strikes were waged by the German Train Drivers' Union (Gewerkschaft Deutscher Lokomotivführer; GDL) (strikes were called on a total of 16 days in 2021). Less than 1% of employees took part in the strikes.

IMPLEMENTATION OF THE CLIMATE ACTION PROGRAM

Following the conclusion of discussions with the European Commission regarding the planned measures to promote rail transport as part of the Climate Action Program 2030 47 – adopted by the Federal Government in autumn 2019 – the Federal Government implemented the first equity measure from the Climate Action Program 2030 at DB AG, amounting to € 2.125 billion, for the years 2020 and 2021. The funds were passed on directly to DB Netz AG (€ 1.125 billion) and DB Station&Service AG (€ 1 billion).

DB GROUP

Organizational structure

GRI 102-1 102-2 102-3 102-4 102-5 102-6 102-7 102-18

DB Group is a leading provider in the mobility and logistics sector, and primarily consists of the Integrated Rail System and the two major international subsidiaries DB Schenker and DB Arriva. The Integrated Rail System includes our passenger transport activities in Germany, our rail freight transport activities, the operating service units, and the rail infrastructure companies. DB Group, with its head office in Berlin, employs about 340,000 people. Our business operations are focused on rail transport in Germany.

Our primary concern is the shift from road traffic to climate-friendly rail. To this end, we rely on integrated operation of transport and rail infrastructure, the economically and environmentally intelligent linkage of all modes of transport, as well as cooperation in German and European networks. At about 33,000 km, our rail network in Germany is Europe's longest. We are also one of the largest energy suppliers in Germany.

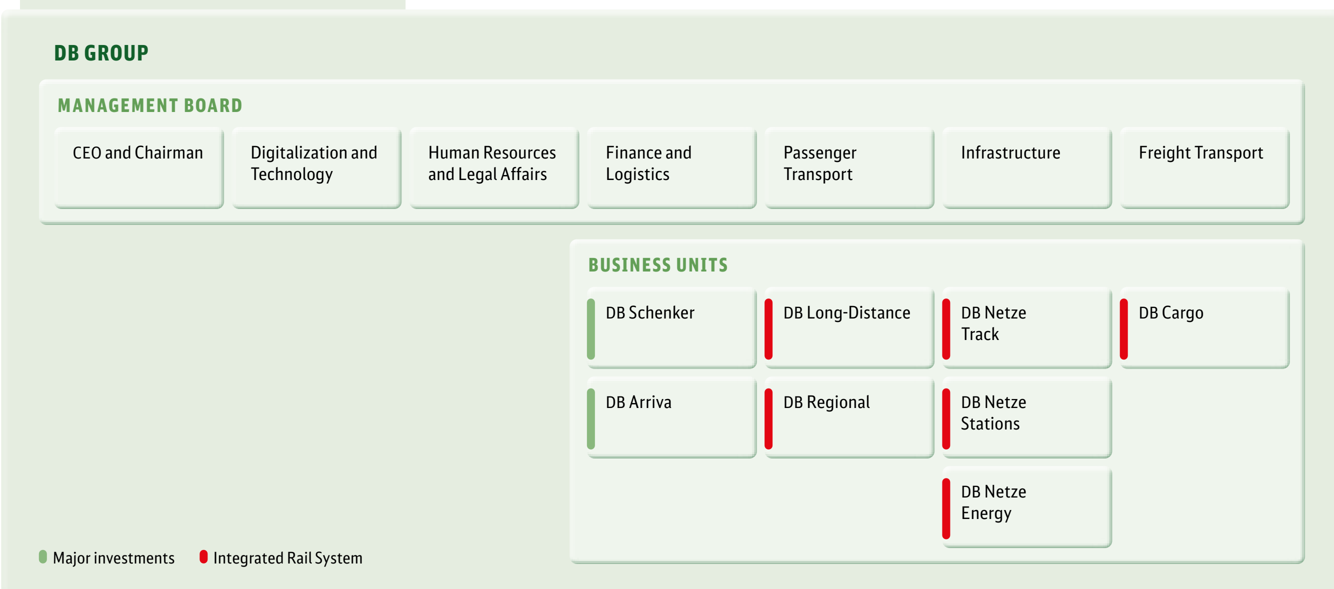
Our national and international services give us leading market positions in our relevant markets.

DB AG is the parent company of DB Group. It has been a stock corporation under German law since it was founded in 1994 and accordingly has a dual management and control structure comprising a Management Board and a Supervisory Board. The sole owner is the Federal Government of Germany. The changes in the composition of the Supervisory Board and the Management Board 31 are presented in the Supervisory Board report.

In DB Group, DB AG runs all business units as an operating management holding company and supports the business units through various central group functions (including legal, corporate development, corporate accounting, taxes and insurance as well as finances, and treasury) as well as administrative service units 171f. In addition, operational service units 171f., as legally independent DB AG subsidiaries, primarily provide service for internal customers. These include DB Systel GmbH, DB Sicherheit GmbH, DB Services GmbH and DB Kommunikationstechnik GmbH.

DB Group train operating companies are legally independent companies with separate balance sheets and statements of income, and thus fulfill all unbundling requirements under European and national law. There is also a functional unbundling, which guarantees the independence of decisions by DB Netz AG in relation to infrastructure access and fees. The coalition agreement of the new Federal Government 46 provides for a merger of DB Netz AG and DB Station&Service

DB GROUP ORGANIZATION CHART



MARKET POSITIONS

PASSENGER TRANSPORT

NO. 2 IN EUROPEAN LONG-DISTANCE RAIL PASSENGER TRANSPORT [1)] / based on revenues

1. Société Nationale des Chemins de fer Français (SNCF)
2. **DB Group**
3. Swiss Federal Railways (SBB)
4. Ferrovie dello Stato (FS)
5. Austrian Federal Railways (ÖBB)

NO. 1 IN EUROPEAN REGIONAL RAIL PASSENGER TRANSPORT [1)] / based on revenues

1. **DB Group**
2. SNCF
3. Nederlandse Spoorwegen (NS)
4. First Group
5. FS

NO. 3 IN EUROPEAN PUBLIC ROAD PASSENGER TRANSPORT [1)] / based on revenues

1. SNCF
2. Régie autonome des transports Parisiens (RATP)
3. **DB Group**
4. Transdev
5. National Express

FREIGHT TRANSPORT AND LOGISTICS

NO. 1 IN EUROPEAN RAIL FREIGHT TRANSPORT / based on tkm

1. **DB Cargo**
2. Rail Logistics Europe [2)]
3. Rail Cargo Group
4. PKP Cargo
5. Mercitalia Rail

NO. 1 IN EUROPEAN LAND TRANSPORT / based on revenues

1. **DB Schenker**
2. Dachser
3. DHL
4. DSV
5. Kuehne + Nagel

NO. 4 IN WORLDWIDE AIR FREIGHT / based on t

1. DHL
2. Kuehne + Nagel
3. DSV
4. **DB Schenker**
5. UPS

NO. 5 IN WORLDWIDE OCEAN FREIGHT / based on TEU

1. Kuehne + Nagel
2. Sinotrans
3. DHL
4. DSV
5. **DB Schenker**

NO. 5 IN WORLDWIDE CONTRACT LOGISTICS / based on revenues

1. DHL
2. XPO Logistics
3. Kuehne + Nagel
4. CEVA Logistics
5. **DB Schenker**

1) Excluding Russia.
2) Formerly Fret SNCF.
Data for competitors based on annual reports, analysts' research and our own calculations.
Market positions relate to the calendar year 2020.

AG within DB Group. Reliability and stability form the basis of a high-quality infrastructure. The essential cornerstones for profitable business are sustainable financing of the existing infrastructure and its necessary expansion. The Performance and Financing Agreement (Leistungs- und Finanzierungsvereinbarung; LuFV) makes a significant contribution to ensuring the maintenance of the existing network.

With its Strong Rail strategy, DB Group focuses on the business operations of the Integrated Rail System.

Given the importance of Strong Rail for Europe, Europe will continue to be the main sphere of activity for DB Group in the future. Major international investments are measured by their contribution to the Strong Rail strategy:

- Strategically relevant subsidiaries such as DB Schenker will therefore continue to be held as financial investments. Joint operational initiatives focus on achieving synergies within the network.
- DB Arriva only accounts for a small amount of operational and strategic added value in Strong Rail. DB Arriva serves local markets in other European countries. Synergies with the Integrated Rail System on the customer, production or product side are currently non-existent or insignificant. The intention to sell remains unchanged.

Business model

GRI 102-2 102-6

DB Group offers attractive, customer-focused and environmentally friendly mobility, transport and logistics solutions and networks from a single source. We utilize the possibilities of digital technologies to improve our operational and administrative processes, to continuously develop services for customers, to integrate new services, and to simplify the customer interface. The Integrated Rail System is at the heart of our business activities. In addition, we are gradually expanding our business portfolio in the area of mobility and logistics in order to meet our customers' needs more effectively and respond to new market demands.

- Our passenger transport activities have a broad base. In addition to bus and rail transport, this also includes intelligent links with other modes of transport such as cars and bicycles, but also with new forms of mobility that complement the core business and enable door-to-door mobility. We offer long-distance rail passenger transport within Germany and into neighboring countries. DB Arriva has a Europe-wide presence in regional and local transport, enabling participation in the increasing market potential in opening bus and rail transport markets.
- Our business activities in the freight transport and logistics market were moved to an international platform very early on. DB Cargo and DB Schenker operate predominantly in the business-to-business segment. We offer our customers industry-specific solutions in European rail freight transport and global land transport, in global air and ocean freight, and in global contract logistics. Covering all relevant modes of transport allows us to offer complex combined logistics services and to make use of synergies in our networks for the benefit of our customers.

As an operator of networks and provider of services in passenger transport, freight transport and logistics, as well as track infrastructure, our economic success is influenced by the general economic environment and the specific development of the various relevant markets:

- Other than pandemic developments, demand for passenger transport is driven first and foremost by the growth of major cities, the size of the population, the number of people in employment, and real disposable incomes. Competitiveness relative to car transport is heavily influenced by the trend in fuel prices.

DB GROUP BUSINESS MODEL

INPUTS

Employees	Vehicles	Networks and infrastructure	Electricity and fuel	Additional production factors

BUSINESS ACTIVITIES

Customer segments
- Private customers
- Business customers
- Contracting organizations

Value proposition
- DB Group offers attractive, customer-focused and environmentally friendly mobility, transport and logistics solutions from a single source.

Customer access and retention
- Direct customer access
- Digital offers
- Customer loyalty programs

Key activities
- Transport services across all modes of transport
- Customer care
- Fleet management
- Operating and optimizing regional and global networks
- Managing interfaces
- Providing additional core business services

OUTPUTS [1]

Passenger numbers / quantities / volumes

Volume sold

Volume produced

OUTCOMES [2]

EBIT 87 ff.

Employee satisfaction 78 f.

Greenhouse gas emissions 68

Customer satisfaction 60

Noise 72 f.

Punctuality 60 ff.

Share of renewable energies in the DB traction current mix 67 f.

Waste 71 f.

[1] Key products and services.
[2] Internal and external results and outcomes from business activities and outputs along the entire value-added chain.

- Our freight transport and logistics operations depend largely on economic developments. Due to our global networks, we monitor the development not only of global gross domestic product (GDP) and world trade, but also of economic growth in the regions, countries, and trade relations in which we have a high market share or in which high growth rates in the exchange of goods can be expected. Customary early-warning indicators of the business climate and of the expectations of purchasing managers are an integral part of our monitoring system.

The market environment of DB Cargo is heavily influenced by industrial production. Furthermore, the cross-border movement of goods within Europe is growing in importance.

The development of the economic and early-warning indicators, as presented above, influences how we manage our market activities and resources. Opportunities and risks can therefore be recognized early on, and, as a result, short-term controlling activities and long-term positioning focused accordingly. At the same time, we work systematically on optimizing our operating value drivers.

Operating transport networks often necessitates a high level of capital commitment, long investment cycles and distinct fixed cost structures. In this respect, achieving optimal capacity utilization of the networks and systematically developing, integrating and cost-effectively operating these networks with the efficient use of resources are important to DB Group's economic development. Ensuring and improving service quality for our customers is at the center of our activities. By expanding what we offer our customers, particularly digital services and customer loyalty programs, and integrating new forms of mobility and intelligently linking with other modes of transport, we intend to gain additional customers in order to realize increasing volumes and economies of scale.

We generally use operating performance data to measure capacity utilization in our networks and our market shares. In order to determine a relative return, we calculate ratios comparing performance data with the generated revenues (specific revenues).

With our national and international subsidiaries, DB Group operates in almost all segments of the transport market. Our comprehensive service portfolio enables us to offer our customers services combined from a single source.

In DB Regional and DB Arriva, the order book in the form of long-term transport contracts entered into with the contracting organizations of Germany's Federal states and franchisers in other European countries constitutes a key performance metric for business development. There are also long-term contractual relationships with customers in DB Schenker's contract logistics line of business.

There are five key success factors in the development of DB Group, which are a central component of our business model.

- **Corporate social responsibility:** As a state-owned provider of mobility and logistics solutions, DB Group has a major responsibility for the future of our country. As the backbone of the green and networked mobility of the future, rail plays a key role for our country: it helps to achieve climate protection targets, promotes integration and quality of life, and makes areas more attractive for business, as well as empowering Europe's people and economy. In short, society as a whole benefits from strong rail transport. We consistently focus our business operations on achieving Strong Rail and prioritize our activities along the value-added chain accordingly.
- **Entrepreneurial approach to business:** In the course of the German rail reform, DB Group has established itself as a commercial enterprise. Noteworthy achievements in this context are the establishment of a modern and efficient organization and a value-based corporate management approach.
- **Integrated Group:** As a system integrator in Germany, we are optimizing the Integrated Rail System as a whole. In doing so, we are fulfilling our important role as a technological pioneer. The integrated Group structure enables us to achieve positive synergies and align our infrastructure to support efficiency, market orientation and profitability. The digitalization of rail can only be successfully developed and implemented in the Integrated Rail System. Our customers also benefit from the integrated Group. Thanks to the economically, environmentally and technologically intelligent links between different modes of transport, we offer our customers door-to-door mobility and logistics solutions from a single source.

- **Europe as the field of action:** As the geographical and economic heart of Europe, Germany has a special responsibility for the future of the continent. Given the importance of a strong rail system for Europe, Europe will continue as our main field of action in the future. In order to take into account customers' needs for cross-border solutions, we continue to position ourselves at the European level with our passenger transport activities. Due to the European and worldwide orientation of our freight transport and logistics activities, we offer our customers the access they need to global networks.
- **Digitalization:** We use the technologies and methods of digitalization to offer customers an attractive range of products. This means, on the one hand, that we are incorporating new transport offers into our product portfolio, such as on-demand mobility, and establishing new platforms for our customer interfaces. On the other hand, we support our internal processes with technologies such as artificial intelligence, so that we can continue to offer customers fair prices with efficient processes.

TCFD GRI

Sustainability management

102-16 102-42

The great importance that sustainability, the environment and climate-related topics have at DB Group is reflected not only in our anchoring in the Strong Rail strategy 52ff., but also in our sustainability organization. The Chief Sustainability Officer (CSO) is responsible for the issues of sustainability and the environment – and therefore also for climate-related opportunities and risks. The role is exercised by the Chairman of the Management Board of DB AG. Overarching coordination is the responsibility of the Sustainability and Environment organizational unit with its five specialist departments in the division of the Chairman of the Management Board. The Sustainability and Environment unit designs DB Group's Green Transformation 66ff. and ensures its implementation. In particular, it is responsible for defining the integrated sustainability and environmental strategy, the associated Group-wide targets and key figures, and for planning, managing and implementing Group-wide transformation projects. The respective specialist departments in the unit are responsible for the content of specific sustainability issues. The development of further environment monitoring tools, our involvement in sustainability networks 34 and our participation in national and international committees ensure that trends and drivers, as well as opportunities and risks 155ff. in the field of sustainability and the environment, including climate protection 67ff. and climate resilience management 69f., are monitored and are strategically and professionally addressed for DB Group. This ensures Group-wide access to expertise on sustainability and environmental and climate issues.

Sustainability and the environment are a top priority of the Strong Rail strategy. The Supervisory Board and the Group Management Board receive quarterly updates on the status of the Environment and 100% green electricity building block for the Green Transformation and thus about sustainability, environmental and climate issues. Progress in greenhouse gas reduction 68f. and noise reduction 72f. is reviewed at regular performance review meetings held during the year, which are attended by the Group Management Board and the executives of the business units. The achievement of greenhouse gas emissions targets is included in the calculation of the variable compensation for members of the Management Board 181 and other executives as well as certain employee groups 266.

The management of Sustainability and Environment at DB Group is the highest position responsible for sustainability and climate-related issues under DB Group's Management Board and reports directly to the Chairman of the Management Board. The unit advises and supports the Management Board of DB Group in the strategic management and implementation of the Green Transformation. Regular meetings ensure close communication about sustainability, environmental and climate issues at Management Board level. Specific tasks include the preparation of recommendations for action for DB Group, its business units and service units. In addition, among other things, the division is responsible for planning and monitoring the achievements of the respective targets, for example in relation to our climate protection and noise reduction targets. The business units are responsible for implementing the targets, strategies and measures.

FUNDAMENTALS

GRI

Sustainability reporting

102-46
102-47
102-49

SELECTION OF SUSTAINABILITY TOPICS

GRI 102-43 102-44 Through our Strong Rail strategy 52ff., we have set the schedule for DB Group for the coming years. It forms the superordinate framework for our reporting.

We are also reliant on the support and acceptance of our stakeholders 33 in order to successfully implement the Strong Rail strategy. In 2019, as part of the comprehensive materiality analysis (2019 Integrated Report 51), we therefore asked them for an assessment of 16 important areas of action for sustainability. These 16 areas of action reflect the focus points of our strategy and supplement them with other topics that our stakeholders deem relevant. In 2021, we verified whether our set of material topics remain the same for our stakeholders and so surveyed representatives of our stakeholder groups as part of a validation process. The executives of DB Group's Sustainability unit were also informed of the survey results. The results show that our set of relevant sustainability topics continues to apply. Our sustainability topics are made up of:

- the material topics under the Global Reporting Initiative (GRI),
- an internal materiality assessment (additional topics), and
- our comprehensive transparency aspiration towards our stakeholders (topics from the transparency aspiration).

GRI 102-47

DB SUSTAINABILITY TOPICS

ADDITIONAL TOPICS
- Social responsibility 34f.
- Sustainable supply chains 261

MATERIAL TOPICS ACCORDING TO THE GRI
- Solutions for modern and digital mobility, logistics and service 62ff.
- Capacity expansion of the infrastructure and vehicle fleets 54ff.
- Customer benefit and product quality 60ff.
- Sustainable resource use 71f.
- Climate protection 67ff.
- Economic performance capability 91ff.

TOPICS FROM THE TRANSPARENCY ASPIRATION
- Corporate management and compliance 254ff.
- Customer safety 258f.
- Data protection and IT security 256ff.
- Noise reduction in rail transport 72f.
- Nature conservation 70
- Attractive employer and responsible leadership of employees 75ff.

TCFD RECOMMENDATIONS

In 2021, we expanded our reporting for the first time by including the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD). The initiative, launched by the Financial Stability Board (FSB) following the adoption of the Paris Climate Agreement, has drafted a cross-industry, international framework for the disclosure of climate-related risks and opportunities. Its purpose is to increase awareness of the financial impacts of climate change 69f. in order to guide investments in sustainable solutions and business models. The TCFD promotes the disclosure by businesses of information on climate-related opportunities and risks 162f. It requires companies to account for how they are structured in the areas of governance, strategy, risk management through the use of metrics and targets in order to take advantage of significant climate-related opportunities and to reduce climate-related risks. In doing so, companies are required to take into account not only how their business activities affect climate change, but also how climate change is affecting companies. A content summary can be found in the TCFD index 272.

The TCFD recommendations for substantiated finance-related climate reporting were published in June 2017. By including the TCFD recommendations in our reporting for the first time, we are continuing to provide transparent reporting on climate protection and in addition provide our stakeholders with a better understanding to what extent our business is affected by climate change and the implications we derive from this.

We have also decided to become a TCFD supporter. For us, this is a clear commitment to transparent climate reporting as part of our climate-protection efforts and climate-resilience management.

SUSTAINABLE DEVELOPMENT GOALS

GRI 102-12 102-16

We are committed to meet the objectives of the 2030 Agenda and Sustainable Development Goals (SDGs) of the United Nations. We have identified five focus SDGs that most closely match our strategic focus points and material topics:

- SDG 8: Decent work and economic growth
- SDG 9: Industry, innovation and infrastructure
- SDG 11: Sustainable cities and communities
- SDG 12: Responsible consumption and production
- SDG 13: Climate action

The set of material topics in 2021 has been validated and the resulting five focus SDGs continue to apply.

NON-FINANCIAL STATEMENT

DB Group has opted for the voluntary submission of a non-financial statement (NFS). As part of our integrated report approach, we provide comprehensive reports on all material sustainability issues.

Three areas of action were identified in the materiality analysis as material within the meaning of the CSR Directive Implementation Act (CSR-Richtlinie-Umsetzungsgesetz; CSR-RUG); these also remained material in 2021:

- Capacity expansion of the infrastructure and vehicle fleet 54 ff.
- Climate protection 67 ff.
- Economic performance capability 91 ff.

COMPONENTS OF THE NFR	DB topics
Business model	Business model 41 ff.
Environmental matters	Climate protection 67 ff.
Social matters	Capacity expansion of the infrastructure and vehicle fleet 54 ff., 103, 108, 119 ff., 129
Other matters (economic performance capability)	Business development 83 ff.
VOLUNTARY ADDITIONAL INFORMATION	
Environmental matters	Nature conservation 70, Air quality control 26, Water consumption 262
Employee matters	Work of the future 79 ff., Employment conditions 79 ff., Group security 258 f., Transformation 264 f.
Respect for human rights	Human rights 255 f.
Combating corruption and bribery	Compliance 254 f.

The contents of the NFS can be found in the relevant chapters of the Group management report and in the Notes on sustainability, and were prepared in accordance with the international standards of the GRI in the core option and taking into account the reporting requirements of the United Nations Global Compact (UNGC). In addition, we provide additional voluntary disclosures on further matters.

Risk management

In connection with the requirements of the CSR-RUG, we were not able to identify any material risks associated with our business activities, business relationships, products or services that are likely to have serious negative effects on the most important non-financial aspects (environmental, social, employee matters, respect for human rights and the fight against corruption and bribery). We are working intensively on the effects listed in this Integrated Report.

Our risk management 155 ff. also takes into account the effects on the non-financial aspects and issues.

ESG RATINGS

The feedback of ESG (environmental, social and governance) rating agencies is very important to us as a benchmark and an indicator of our stakeholders' main concerns.

ESG RATINGS	2021	2020	2019	Last update	Scale
CDP (climate rating)	A	A	A	Dec 2021	A to F
EcoVadis	61	61	59	Oct 2020	The best 1% (75-100) The best 5% (67-74) The best 25% (56-66) The best 50% (47-55)
ISS ESG	C+	B-	B-	Dec 2021	A+/4.00 to D-/1.00
MSCI [1]	A	A	A	Dec 2021	Leader (AA-AAA) Average (BB-A) Laggard (CCC-B)
Sustainalytics [2]	19.7	19.5	25.7	Aug 2021	Risk assessment: negligible (0-10) low (10-20) medium (20-30) high (30-40) severe (40-100)
V.E	52	46	44	Sep 2021	advanced (60-100) robust (50-59) limited (30-49) weak (0-29)

In alphabetical order.
[1] In February 2022, MSCI raised DB Group's ESG rating to "AA."
[2] In February 2022, Sustainalytics adjusted the ESG risk of DB Group to 24.4 (medium risk).

- Our ISS ESG corporate rating worsened slightly. This was in part due to our performance in the eco-efficiency category resulting from decreased capacity utilization caused by the Covid-19 pandemic.
- Our V.E rating improved in 2021, placing us above the average for the industry.

More information on our ESG ratings are available on our investor relations Web site.

Development of business environment

NATIONAL ENVIRONMENT

DB Group

COALITION AGREEMENT OF THE NEW FEDERAL GOVERNMENT

In their coalition agreement of November 24, 2021, the Social Democratic Party of Germany (Sozialdemokratische Partei Deutschland; SPD), Alliance 90/the Greens (Bündnis 90/Die Grünen) and the Free Democratic Party (Freie Demokratische Partei; FDP) declared their commitment to an efficient rail system and to the integrated DB Group:

- By 2030, the new Federal Government aims to increase the market share of rail freight transport to 25% and to double the rail passenger transport volume sold.
- Rail is to receive significantly more capital expenditures than roads.
- Within DB Group, the infrastructure units DB Netz AG and DB Station&Service AG are to be “merged into a new infrastructure division focused on public welfare.”
- The financing opportunities of the infrastructure area of DB Group are to be strengthened and improved.
- Other key projects for the sector include the rapid implementation of the Master Plan for Rail Transport and of Germany in sync, a “rapid capacity expansion” program, the consolidation and strengthening of the station programs, the digitalization of vehicles and lines, the accelerated introduction of digital automatic coupling, the strengthening of single wagon transport and combined transport, an increase in regionalization funds and an expansion and modernization package for local public transport.
- To speed up implementation, the coalition wants to set up a rail acceleration commission.

ECONOMIC STIMULUS PACKAGE OF THE FEDERAL GOVERNMENT

In June 2020, the Federal Government agreed on comprehensive measures in relation to the topic of “Tackling the Covid-19 Impact, Securing Prosperity, Strengthening Readiness for the Future.” These included a number of general relief measures for the German economy, while simultaneously providing industry-specific stimuli in 2020 and 2021. Progress was made in this area in 2021, particularly with regard to the compensation measures for DB Group related to Covid-19:

- In the 2020 supplementary budget, the strengthening of DB AG’s equity by € 5 billion for the partial compensation of losses was intended.
- This sum was carried over to 2021 in the 2021 Federal budget because the coordination with the European Commission (EU Commission) with respect to state aid law had not yet been completed in 2020.
- Based on the progress made in the negotiations with the EU Commission, the 2021 supplementary budget adopted by the German Parliament in April 2021 reduced the funds that had been intended for the equity increase by just under € 3.1 billion and reallocated that amount:
  - The Federal funds intended for the maintenance of tracks of the Federal railways were increased by € 650 million to compensate for the omission of DB AG’s dividend payment for the 2020 financial year.
  - The expenditure to subsidize train-path prices in rail freight transport was increased by € 600 million, and a further € 27 million was allocated to a commitment appropriation for 2022 to pay for services provided in December 2021. To subsidize train-path prices in long-distance rail passenger transport, about € 1.8 billion was also included in the Federal budget, plus a commitment appropriation for 2022 totaling € 279 million to pay for services provided in December 2021 and to continue subsidizing train-path prices in long-distance rail passenger transport until May 2022.

The coordination regarding state aid law with the EU Commission on subsidizing train-path prices in long-distance rail passenger transport and rail freight transport was adopted in 2021 with retroactive effect from March 2020, as was the compensation for losses in long-distance rail passenger transport for the first shutdown in spring 2020. The corresponding measures were implemented in 2021. The coordination regarding state aid law on compensation for losses in rail freight transport was also completed. The coordination with the EU Commission regarding additional compensation for losses is still ongoing.

The Act on Accompanying Measures for the Implementation of the Economic Stimulus and Crisis Management Package (Gesetz über begleitende Maßnahmen zur Umsetzung des Konjunktur- und Krisenbewältigungspakets) provided for an additional one-time increase of € 2.5 billion in regionalization funds in 2020, with which the Federal Government contributed half of the industry solution for local public transport. For 2021, the Federal Government has also promised to contribute € 1 billion (half of the total amount) to the continuation of the industry solution, provided that the Federal states contribute the same amount as in 2020. The industry solution for local public transport is also set to continue in 2022.

Further information on the economic stimulus package of the Federal Government 62 (2020 Integrated Report).

TCFD

IMPLEMENTATION OF THE CLIMATE ACTION PROGRAM 2030

On the basis of the Federal Government's Climate Action Program 2030, additional Federal funds totaling € 11 billion will be made available by 2030 to strengthen the rail system. At the end of January 2020, the Federal Ministry of Finance (Bundesministerium für Finanzen; BMF) and the Federal Ministry for Digital and Transport (Bundesministerium für Digitales und Verkehr; BMDV), and DB AG, DB Netz AG, DB Station&Service AG and DB Energie GmbH, agreed on the inflow and use of the funds in a joint letter of intent. The funds will be used exclusively for infrastructure; half will be paid as equity and half as grants to DB Netz AG and DB Station&Service AG. In terms of content, the funds will be used in the categories of a robust network, digital rail, attractive railway stations and economically self-reliant infrastructure measures. Following the completion of coordination with the EU Commission, the equity increases set out in the 2021 Federal budget for 2020 and 2021, totaling € 2.125 billion, were implemented in November 2021. For 2022 to 2024, further equity measures of € 1.125 billion per year are scheduled as part of the Climate Action Program 2030 and will also be used entirely for infrastructure.

TCFD

AMENDMENT TO THE GERMAN FEDERAL CLIMATE CHANGE ACT AND IMMEDIATE CLIMATE-PROTECTION ACTION PROGRAM

On April 28, 2021, the Federal Constitutional Court published a resolution on the Climate Change Act confirming the legitimacy of the admissibility of the fixing of targets for reducing greenhouse gas and emissions limits. At the same time, it calls for the targets to be made more ambitious and the requirements for the period after 2030 to be made more specific. In compliance with this requirement, the legislator has passed an amendment to the law. The targets for national greenhouse gas reduction for 2030 will be increased from –55 % to –65 %. At –88 % a specific target for 2040 was set for the first time. Germany's target year for climate neutrality is being brought forward from 2050 to 2045. For the transport sector, the annual maximum amount of greenhouse gas emissions will be reduced from its previous level of 95 million to 85 million tons of CO_2 equivalents in 2030. Emissions in the transport sector must therefore fall by at least 48 % (previously: 42 %).

In addition to amending the Climate Change Act, the Federal Government also adopted an immediate action program in June 2021 amounting to € 8 billion by 2025. The main focus is on 2022 and 2023. For the rail system, a total of € 200 million has been earmarked for additional digitalization projects. These funds are subject to the final approval of the 2022 Federal budget, which is expected to take place at the end of the second quarter of 2022.

NATIONAL PLATFORM FOR THE FUTURE OF MOBILITY

GRI 102-13

In the Federal Government's National Platform for the Future of Mobility (NPM), DB Group is represented in the steering committee, as well as in the working groups for climate protection in transport and digitalization for the mobility sector. In June 2021, the working group for climate protection in transport presented a report on how the measures already taken under the Climate Protection Program 2030 can be further accelerated and expanded in order to meet the requirements for climate protection in transport. Measures to strengthen and further electrify the rail system and public transport will play a leading role. In the framework of other working groups, in-depth elaborations were prepared on electromobility and digitalization in transport, for example. In this context, DB Group is part of the RealLab Hamburg project which investigates the challenges and needs of intermodal and autonomous mobility. In October 2021, the NPM submitted a report of its results for 2018 to 2021. The work of the NPM has therefore ended for the time being.

MASTER PLAN FOR RAIL TRANSPORT AND GERMANY IN SYNC

GRI 102-13

As a result of the work of the Rail Future Alliance, the BMDV published the Master Plan for Rail Transport in June 2020, which is broadly supported by the industry. The implementation of the plan as a whole and of key elements such as Germany in sync is being handled by bodies that continue to operate under the direction of the Federal Government with the involvement of DB Group.

The Federal Government's annual rail summits will publicly discuss the current status and remaining challenges. On May 17, 2021, the third rail summit focusing on European transport took place. Several EU member states signed a letter of intent to create TransEuropExpress (TEE) 2.0 for cross-border, high-speed and night rail traffic. This is expected to become part of a networked and synchronized European schedule.

On August 18, 2021, the BMDV announced its positive economic assessment of a range of measures for Germany in sync. Some 180 measures have become urgent priorities in the rail requirement plan. This is linked to a basic ability to finance the measures under the requirement plan. The assessment is based on the target schedule 2030+ drafted by independent Federal Government experts, the final report for which was submitted in September 2021.

RAILWAY REGULATION LAW

The amendment to the Railway Regulation Act (Eisenbahnregulierungsgesetz; ERegG) which entered into force on June 18, 2021, adapted the national legal framework to developments in EU law and provides the basis for new models for capacity allocation and schedule preparation, including for Germany in sync. These models will be developed further in a national legislative decree on the conducting of pilot projects.

Infrastructure

RAILWAY LAW REFORM ACT

The Railway Law Reform Act (Eisenbahnrechtsbereinigungsgesetz; EbRbG) entered into force on July 1, 2021. 1. In addition to more editorial adjustments in various laws, the EbRbG fundamentally reorganized the laws relating to sidings in the General Railway Act (Allgemeinen Eisenbahngesetz; AEG), and creation of new regulations on vegetation control, particularly with regard to threats to safe railway operations originating from third-party land.

TELECOMMUNICATIONS SIGNAL SUPPLY THROUGHOUT RAIL ROUTES

The focus in 2021 was on implementing the supply requirements from the 5G auction in 2019. These requirements include a better supply throughout rail routes. As per the auction conditions, the railways are asked to cooperate. To meet this obligation to cooperate, DB Group has initiated the Rail Connectivity Master Plan. In exchange with the mobile phone companies, central cooperation requirements were disclosed in the project and agreements were reached on the request for cooperation services. DB broadband GmbH is also contributing to the collaboration, with its extensive offer of fiber-optic capacity along the rail routes. The amendment to the Telecommunications Act (Telekommunikationsgesetz), which was passed with the approval of the Upper House of Parliament (Bundesrat) on May 7, 2021, which largely complies with the previous regulations, contains regulations on the shared use of rail infrastructure. A new addition is the objective of frequency regulation to ensure uninterrupted connectivity along transport routes by 2026, if possible. The competencies of the Federal Network Agency (Bundesnetzagentur; BNetzA) to enforce the supply requirements were also expanded.

We have reached an agreement with Deutsche Telekom on an overachievement of the 2019 supply requirements. It was agreed that Deutsche Telekom would expand its mobile network on DB rail routes as quickly as possible, close existing gaps and significantly increase the performance of the network. By 2026 at the latest, there are to be no more supply gaps along the long-distance and regional rail routes. Together, both companies are investing a three-digit million euro amount.

Freight transport

MASTER PLAN FOR RAIL FREIGHT TRANSPORT

The implementation of the Master Plan for Rail Freight Transport will continue as per the procedure thus far in order to supplement the work of the Rail Future Alliance. Important issues from the Master Plan for Rail Freight Transport are also included in the Master Plan for Rail Transport. The Future Rail Freight Transport program of the Federal Government provides the basis for pro rata funding of projects in the areas of digitalization, automation and vehicle technology. Following the initial funding of the program in the 2020 Federal budget in the amount of € 30 million, the program will continue with the same financial backing in 2021. As a further measure to strengthen rail freight transport, facility price support has been assigned in the Federal budget since 2020; the amount granted in 2021 was € 80 million. The funding guidelines for sidings were evaluated and published with new funding options in March 2021; € 34 million was allocated to it in 2021. The evaluation of the combined transport funding guidelines is currently taking place; the new directive is expected to be published in 2022.

IMPLEMENTATION OF THE NATIONAL RAIL NOISE PROTECTION ACT

Since the schedule change in 2020/2021, the Rail Noise Protection Act has generally prohibited the use of noisy freight cars on the German rail network. DB Netz AG has updated the rail network terms and conditions of use to implement the law. In a formal notice to the Federal Government, the EU Commission expressed its opinion that the Rail Noise Protection Act contradicts EU law and it considers the act to be in breach of interoperability requirements. The process has not yet been completed.

EUROPEAN ENVIRONMENT

DB Group

RELAUNCH OF THE CONNECTING EUROPE FACILITY

The new Connecting Europe Facility (CEF) Regulation (EU) 2021/1153 entered into force on July 15, 2021. The € 33.7 billion facility for the period from 2021 to 2027 is the EU's most important rail funding program. The transport sector has been allocated € 25.8 billion, of which € 11.2 billion may be requested from non-cohesion countries such as Germany. This can be used to fund infrastructure projects in order to expand cross-border connections, increase capacity and performance on existing lines and rail hubs, connect freight terminals to the TEN-T network and electrify lines. It is also used to support projects related to smart and sustainable mobility such as the European Rail Traffic Management System (ERTMS), innovations in capacity or traffic management, or the reduction of noise from rail freight transport. In addition, a further € 1.7 billion is reserved for all 27 member states to be used on projects relating to civil and military mobility ("dual use"). The first call to apply for CEF funding was published on September 16, 2021. On the DB side, a total portfolio of 19 measures totaling about € 3.1 billion is planned for application.Taking into account the different rates of funding (ranging between 30% and 50%), this means a potential funding amount of up to about € 1.2 billion.

GERMAN EXPANSION AND RESILIENCE PLAN

To tackle the Covid-19 pandemic, the European institutions have, in addition to the multi-year financial framework, also agreed on a fixed-term crisis management instrument totaling € 750 billion (NextGenerationEU). As part of NextGenerationEU, an expansion and resilience facility has been set up to provide member states with financial support between 2021 and 2026 totaling € 312.5 billion for reforms and investments. To do this, member states must submit development plans with projects to the European Commission for assessment. Projects were selected for the German expansion and resilience plan (Aufbau- und Resilienzplan; DARP) on the condition that the funds available to Germany of about € 25.6 billion would be used for projects in the economic stimulus and future readiness package. Grants have been allocated for the rail system for capital expenditures in digital signaling technology (€ 500 million) and for promotion of alternative drives in rail transport (€ 227 million). The EU Council gave the DARP its final approval on July 13, 2021. On August 26, 2021, € 2.3 billion of preliminary financing was paid out to Germany.

THE EUROPEAN FIT FOR 55 PACKAGE

On July 14, 2021, the EU Commission presented a comprehensive package of legislation as part of its Green Deal. The proposed regulations are intended to achieve a 55% reduction in net greenhouse gas emissions compared to 1990 across the EU by 2030. This Fit for 55 package particularly concerns energy and transport policy. It includes, among others, proposals for a new EU emissions trading system for road traffic and buildings, stricter rules on CO_2 emissions for new approved cars and light commercial vehicles (with the result that all new vehicles approved from 2035 will need to be emissions-free), and a marginal CO_2 tax. Furthermore, free carbon trading certificates and the kerosene tax exemption for air traffic are to be gradually abolished. The proposals primarily provide opportunities for climate-friendly rail transport. They are an important step toward uniform CO_2 emissions pricing in the transport sector and a standardized internalization of external costs. The next stage for the legislative package is consultation in the Council and European Parliament. The whole Fit for 55 package is not expected to be finalized before 2023.

TRADE AND COOPERATION AGREEMENT

The trade and cooperation agreement between the United Kingdom and the EU entered into force with final effect on May 1, 2021.The agreement does not provide for customs duties or quotas for the trade in goods between the EU and the United Kingdom, and instead contains far-reaching regulations to guarantee fair competition. With regard to transport, the agreement provides for permanent networking in the areas of air, road and maritime transport, although market access is not at the same level as the domestic market. Rail traffic through the Channel Tunnel is secured until March 31, 2022 in line with an extension of the EU's contingency measures which had already been approved. During that time, France and the United Kingdom are to conclude a cross-border agreement in order to secure tunnel traffic in the long term.

Infrastructure

REVISION OF THE REGULATION ON EU GUIDELINES FOR THE EXPANSION OF THE TRANS-EUROPEAN TRANSPORT NETWORK

On December 14, 2021, the EU Commission submitted a proposal to revise the Trans-European Transport Network (TEN-T) guidelines. The objective, as part of the European Green Deal, is to set the course for faster completion of the multimodal TEN-T core network by 2030 in particular, and the TEN-T comprehensive network by 2050. The initiative intends to achieve this by creating a multimodal, EU-wide TEN-T network with high-quality standards. The focus is on setting up nine European transport corridors which will include TEN-T core network corridors, rail freight transport corridors and passenger transport connections. At the same time, the initiative proposes a third TEN-T level: the "extended TEN-T core network," involving the implementation of two new technical infrastructure parameters by 2040. In view of the announced efficiency gains in links with the European rail freight transport corridors, the draft's proposals include adjustments for more efficient governance. Following consultation by the Parliament and Council, the dossier is expected to be completed in the first half of 2023. The revision of the TEN-T guidelines is also relevant to Germany: almost one-third of the DB network is part of the TEN-T core network.

Freight transport

REVISION OF THE REGULATION CONCERNING THE CREATION OF A EUROPEAN RAIL NETWORK FOR COMPETITIVE FREIGHT TRANSPORT

The regulation to create a European rail network for competitive freight transport, adopted in 2010, was the first instrument to improve the operation of the most important international railway routes for freight transport both within the EU and with third countries. Nine European rail freight corridors (RFC) were created to achieve this. Central sales structures, products and committee structures were also established to manage the corridors. A further two RFC were added in 2017 and 2018. Six of the now 11 European RFC run through Germany. The corridors are being developed further in order to implement the European Green Deal and the EU Commission's Sustainable and Smart Mobility Strategy. An initiative with proposals for operating the rail freight transport corridors is planned for late 2022. The focus is in part on increasing efficiency by means of a standardized international approach to optimized capacity utilization and allocation as part of digitalized processes. Cross-border operational processes are to be harmonized across Europe. The mandatory application of scheduling standards, supported by an integrated IT system to map international train routes, is paramount.

Passenger transport

AGREEMENT ON THE REVISION OF THE EUROPEAN PASSENGER RIGHTS REGULATION

The revised European Passenger Rights Regulation entered into force on June 6, 2021 and will be applicable from June 7, 2023. The new version provides that the currently applicable delay compensation levels remain unchanged (25% of the fare after one hour delay, 50% after two hours). In future, in the event of exceptional circumstances (such as extreme weather conditions, special circumstances like the Covid-19 pandemic, or for other force majeure reasons), a train operating company will be able to release itself from the obligation to pay compensation for delays.The strict obligation to provide assistance to passengers with disabilities and passengers with limited mobility is generally restricted to staffed stations. Four years after the effective date of the regulation, train operating companies s will also have to provide a mandatory number of bicycle stands when procuring new or substantially modernizing trains.

Legal topics

PROCEDURE REGARDING ADDITIONAL FINANCING CONTRIBUTIONS FOR STUTTGART 21

At the end of 2016, in order to avoid risks under the statute of limitations, we initiated proceedings in the Stuttgart Administrative Court against the project partners seeking additional financing contributions on the basis of what is known as the negotiation clause. We submitted our surrejoinder in June 2021, to which the defendants responded in a timely fashion in early 2022.

CIVIL PROCEEDINGS ON INFRASTRUCTURE UTILIZATION FEES

A large number of disputes relating to train-path and station fees are still pending with the civil courts. This concerns the question of whether, and according to which standards, the civil courts may subject the regulated fees to a further civil court assessment. According to a judgment by the German Federal Supreme Court (Bundesgerichtshof; BGH) in 2011, rail infrastructure usage fees could be reviewed by civil courts for their equitableness using Section 315 of the German Civil Code on the basis of the legal situation before the entry into force of the ERegG, even if they were effective under regulatory law. The European Court of Justice (ECJ) ruled in 2017 that a review of the equitableness of infrastructure charges by civil courts in accordance with Section 315 German Civil Code (Bürgerliches Gesetzbuch; BGB) is incompatible with European railway law. However, the BGH continued to stipulate an antitrust law review by the civil courts. On February 8, 2022, the BGH issued final rulings requiring DB Netz AG to repay regional factor fees. At the same time, the question of whether civil courts may conduct antitrust-law reviews of regulated rail infrastructure charges in the absence of a final decision by the regulatory body is still pending before the ECJ. A decision by the ECJ is likely to be made in 2022.

Antitrust topics

CLAIMS FOR COMPENSATION FOR DAMAGES AGAINST AIRLINES

DB Group is pursuing compensation claims for damages against the airlines that were part of the air freight cartel, which, according to the findings of various competition authorities around the world, agreed on kerosene and security surcharges, among other things, from 1999 to at least 2006 at the expense of freight forwarders such as DB Schenker. US actions filed by DB Schenker have now ended in out-of-court settlements. Furthermore, DB Barnsdale AG, which is pooling DB Group's claims for compensation with those of non-Group parties, has so far concluded out-of-court settlements relating to proceedings pending in Germany with nine airlines in proceedings before the District Court of Cologne. Settlement negotiations are to be conducted with the remaining airlines in the case in order to settle these proceedings.

CLAIM FOR DAMAGES AGAINST TRUCK MANUFACTURERS

In December 2017, DB Competition Claims GmbH filed an action against DAF, Daimler, Iveco, MAN and Volvo/Renault Groups in the District Court of Munich for the "truck cartel." In addition to its own claims, DB Competition Claims GmbH is also asserting the claims of the German Armed Forces and over 40 companies. The action is seeking compensation for damages totaling about € 500 million. The claims of the German Armed Forces have since been split off into separate negotiations in order to address issues that are specific to procurements by the German Armed Forces. Otherwise, the proceedings are already in the evidence-taking stage so that the experts appointed by the court can determine the damage caused by the cartel.

ANTITRUST FINE IN RAIL FREIGHT TRANSPORT

On April 20, 2021, the EU Commission imposed a fine of about € 48 million on DB AG, DB Cargo AG and DB Cargo BTT GmbH for agreements in breach of antitrust law in cross-border rail freight transport between Germany, Austria and Belgium during the period from late 2008 to mid-2014.

The agreements disputed by the EU Commission related to transport operated jointly by the rail companies involved, namely the Austrian ÖBB Group and the Belgian SNCB (now Lineas). The DB companies affected have cooperated with the EU Commission and supported it continuously in clarifying the issue.

STRONG RAIL

Our inner ambition

TCFD

Our inner ambition is to ensure that Germany has a strong rail system. Building a strong rail system will help our country to overcome existential challenges:

- For the climate. No other motorized transport today is as climate-friendly as the rail system. In addition, no other means of transport is as electromobile – and therefore as low in greenhouse gases and pollutants – as rail, which holds the largest market share of e-mobility in Germany. No other mass transport can achieve a 100 % share of renewable energies as quickly – by 2038, we will have converted our traction current in Germany to 100 % eco-power. A strong rail system is therefore an essential prerequisite for meeting the climate protection targets of the Federal Government and the EU, because a reduction in emissions in the transport sector cannot be achieved without a massive shift in the mode of transport towards the climate-friendly rail system. Strong Rail is a crucial beacon of hope for our climate. In concrete terms, the shift in the mode of transport and other climate protection measures through Strong Rail means: annual savings of up to 10.5 million tons of CO_2 per year in the transport sector in Germany.
- For people. By 2050, almost 85 % of the population of Germany is expected to live in metropolitan areas, compared to about 75 % in the early 2020s. A consequence: the growing amount of passenger and freight transport will present our cities and metropolitan areas with even more logistical, social and ecological challenges than they currently face. The situation is different in many rural areas. Here, one of the key challenges is preserving individual mobility. In the future, a strong rail system can continue to enable vibrant, urban coexistence and the accessibility of rural regions, because it will enable real mobility and allow travel time to be used in a variety of ways, without wasting valuable hours in our days. In concrete terms, a strong rail system for people means a doubling of passenger numbers in rail passenger transport and thus five million fewer car journeys and 14,000 fewer air journeys in Germany per day. The five million car trips a day correspond to about half of all daily shopping trips made by car. In the case of air travel, every sixth domestic flight would be replaced.
- For the economy. Demand for freight transport is expected to continue to grow steadily in the coming decades. At the same time, commutes between metropolitan areas and surrounding regions as well as increasing flexibility in terms of workplaces and working hours will lead to higher demand on work-related mobility. With a strong rail system, this rising volume of traffic can be overcome, enabling environmentally friendly economic growth. A strong rail system is therefore a crucial competitive factor for Germany's future economic success. It secures Germany's position as a leading exporting nation. With it, we are competing for the most modern transport logistics, and developing decisive technological stimuli for the future. In concrete terms, Strong Rail for the economy means: growth in the modal share of rail freight transport from 18 % in the early 2020s to 25 %. This corresponds to about 13 million fewer truck journeys per year on German roads.
- For Europe. Germany has a special responsibility for the future of Europe. As well as being the most populous country, it is also the geographic and economic heart of the continent. This role means Germany must be the pioneer and set the precedent for advancing European objectives. Climate protection, jobs, economic growth, social prosperity: much depends on Germany's and Europe's transport routes remaining future-proof. Strong Rail is the necessary link between East and West, and North and South. It is not only an important instrument for cultural understanding between the individual countries, it is also a decisive factor for the joint achievement of the set goals. In concrete terms, Strong Rail for Europe means: working together to realize a European network.

Implementing Strong Rail

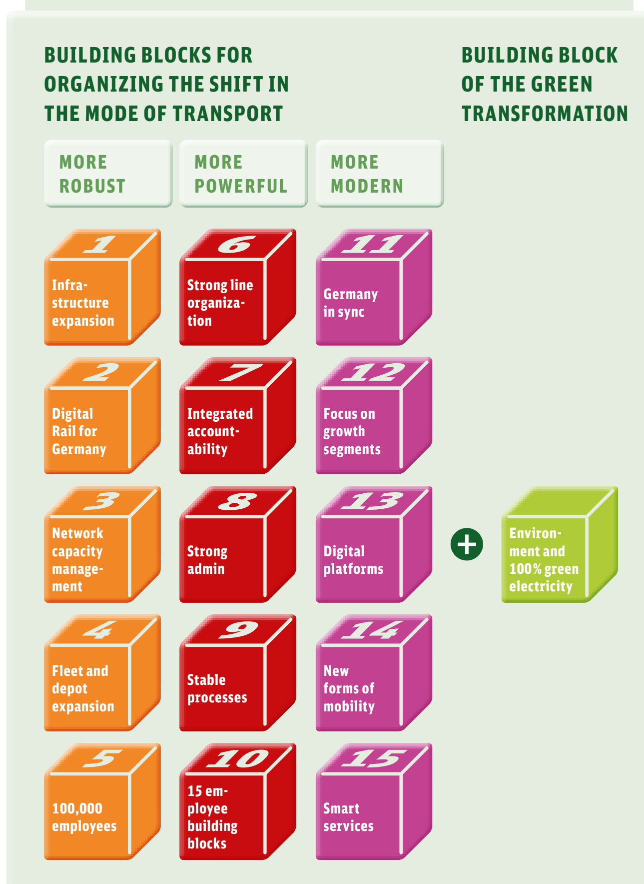
TCFD

We have set ourselves the goal of harmonizing the economic, social and environmental factors with our business goals. Sustainability is anchored in our guiding principles and an integral part of our DNA. In response to the rapidly changing environmental, social and political framework as well as internal challenges, we have formulated a new structural aspiration – our inner ambition – with the Strong Rail strategy at its heart. With the Strong Rail strategy, we expressly acknowledge our social responsibility and define our concrete contribution to achieving the Federal Government's central transport and climate policy objectives. We are also concentrating more on the core business of the railway in Germany to address the internal challenges and growing expectations of all stakeholders, from customers to politics to the citizens in Germany, with regard to the particular responsibility of DB Group. In order to live up to this responsibility, we will measure everything we do at DB Group on the value of its contribution to a strong rail system. This also includes our subsidiaries. Subsidiaries with strategic significance for Strong Rail, such as DB Schenker, will continue to be held as financial investments. Joint operational initiatives will focus on achieving synergies within the integrated network. Subsidiaries without strategic relevance for the Strong Rail will be placed under scrutiny.

With the Strong Rail strategy, we have set the course for a shift in the mode of transport and are creating additional capacity, increasing product quality and improving customer satisfaction. Our strategy is a framework with which we both continuously create the internal prerequisites for shifting traffic to the rails and ensure sustainable alignment with the Green Transformation 66ff. of DB Group. In order to create the necessary conditions for the shift in the mode of transport, we have identified three strategic areas within the Strong Rail framework:

- More robust: We are committed to the extensive expansion of performance-critical capacities. With a long-term focus on growth and technological innovations, we are creating the necessary capacities in infrastructure, vehicles and personnel. Among other things, together with the Federal Government, we are investing billions in the expansion and construction of lines and hubs, additional terminals for freight transport and the purchase of new vehicles. We achieve more capacity through the digitalization of rail operations, better capacity management and extensive and sustainable measures in recruiting and qualification. More trains, more train-paths and more employees will enable us to transport more people and goods while offering a higher quality of service.
- More powerful: In order to be able to achieve a high and sustainable performance level in the long term, we will also carry out structural changes. We are simplifying the organization and aligning it systematically with the common goal of Strong Rail. In order to be more customer-centric and respond more quickly to employees, we rely on a strong line organization and functional organization, the introduction of customer-oriented collaborative processes to improve cross-business unit cooperation, and an engaging process philosophy with common standards and methods. With simple processes and clear responsibilities, we achieve greater implementation discipline and speed.
- More modern: We will increase the pace of innovation for our customers. By expanding our activities in the area of new mobility 137f., we provide our customers with an integrated offer that almost extends the rail line right up to their doorstep and complements local public transport in a meaningful way. By using digital technologies, we will also facilitate the effortless switch between the different means of transport. The integration of new and innovative forms of mobility and the use of smart services and digital platforms create clear added value for our customers. In this way, we take into account rising customer expectations and create an attractive offer for sustainable mobility and logistics, both in cities and rural areas.

THE BUILDING BLOCKS OF THE STRONG RAIL STRATEGY



We have identified five central topics for each of the three strategic areas, which we call building blocks. The key criterion for selecting the building blocks is their importance across business units for our goal of a strong rail system in Germany and therefore also for the Federal Government's transport and climate policy goals. This has resulted in a total of 15 building blocks to help us to organize the shift in the mode of transport. They are supplemented by building blocks specific to each business unit.

However, the shift in the mode of transport to rail can only achieve its full potential if the railway also continues to strengthen and expand its climate-friendly operations and other environmentally friendly advantages. DB Group's Green Transformation is therefore a central requirement for the effectiveness of the shift in the mode of transport. To live up to the importance of this topic, we have defined another overarching building block through which we aim to ensure the effectiveness of the shift in the mode of transport. Together, these 15 + 1 building blocks form the strategic framework of our business alignment.

MOBILIZATION OF EMPLOYEES

Our employees are involved in the implementation of the strategy by means of the "15 employee building blocks." The goal is to develop additional building blocks that reflect the key concerns of employees and support the implementation of the strategy. The building blocks are developed in a six-month participation process.

Once a building block has been selected, a "construction manager," together with a team, takes over its concrete design and implementation of this building block within DB Group.

In addition to the building blocks driven forward in 2020 (2020 Integrated Report 70), there were three other employee building blocks in 2021:

- "Knowing how railways run" aims to provide system and Group knowledge for all executives and employees. A cross-business unit curriculum on basic railway knowledge has already been developed for this purpose.
- "Just ask me" was developed in various virtual formats together with a total of 315 "developers." The aim is to further increase the involvement of employees in decision-making processes in order to make better use of their practical knowledge and thus to make better decisions.
- In June 2021, the building wave Team DB started. By December 2021, solutions were sought with 450 "developers" to strengthen (cross-business unit) cooperation within DB Group.

CAPACITY EXPANSION FOR A STRONG RAIL SYSTEM

Expanding fleet and infrastructure capacity also significantly impacts quality, and above all, our punctuality.

Infrastructure expansion

In order to implement the Federal Government's policy objectives for the transport sector, network capacity must be significantly increased. Strong Rail envisages an increase in volume produced of about 350 million train-path km, and thus by more than 30 %, for passenger and freight transport combined. According to available forecasts, growth will be disproportionately realized on the existing rail network, which is already highly utilized. At the same time as expanding infrastructure, we also need to ensure a high level of network reliability and capacity, even during the expansion phase. We can only achieve a high level of performance and growth in the network in cooperation with the Federal Government. The LuFV III 237 guarantees the financing of the existing network. There are three main levers to help increase the capacity of the network and the volume produced:

- **New construction and expansion:** The realization of new construction and expansion measures 119ff. is a key factor for additional network capacity. We have the potential to create an additional 180 million train-path km, laying the groundwork for more traffic on corridors and for new service concepts. Necessary projects for this are included in the Federal Government's priority requirement plan and will be implemented successively. Additional measures supplement these projects, such as further expansion measures to enable Germany in sync or route extensions as part of the Structural Development Act (Strukturstärkungsgesetz). Small and medium-sized measures are also a key driver for robustness and growth.
- **Digital Rail for Germany (Digitale Schiene Deutschland; DSD):** With the nationwide roll-out of the European Train Control System (ETCS) in conjunction with digital interlockings and digital rail operations, we are increasing capacity by an additional 100 million train-path km – without building new tracks. DSD 64f. includes the completion of ongoing ETCS projects, the implementation of the so-called starter package and the industrialized comprehensive roll-out. In addition to capacity, the program increases the reliability, productivity and interoperability of the railways in Germany and Europe.
- **Capacity management and capacity-efficient construction:** With additional measures, we will be able to increase the volume produced by another 70 million train-path km. Improved capacity management is an important component of this. This includes coordinating capacity

increases, capacity-efficient construction, traffic optimization and disruption minimization. With LuFV III, a budget for capacity-efficient construction has been planned for the first time since 2020 in order to ensure fewer restrictions for train operating companies in the future.

Fleet and depot expansion

We are expanding our maintenance depots and investing in new trains to ensure we build a strong rail system. We are also investing in the modernization of our vehicles. We want to further increase our vehicle availability.

By the end of 2030, we will be investing just under € 2 billion in the maintenance depots of DB Long-Distance and thus in improving the punctuality and quality of ICE and Intercity trains. Larger halls, expanded workshops and warehouses, as well as new maintenance depots, will ensure faster and better train maintenance in the future.

In order to further increase vehicle availability and to create additional capacity in our depots, digitalization and automation are also being developed further. Innovative technologies are being piloted in individual depots and gradually expanded to other sites. Our focus is on optimizing maintenance for our largest fleet (ICE 4), to increase vehicle availability through shorter downtime.

In addition to our depots, we also invest in our vehicles. By the end of 2026, the long-distance transport fleet will expand to over 420 ICE trains. This will include 137 ICE 4 trains. Our first sub-fleet of the 12-part ICE 4 trains has been delivered in full. Our portfolio also comprises 19 seven-part and 21 13-part ICE 4 trains. We receive a new 13-part ICE 4 roughly every three weeks.

GRI
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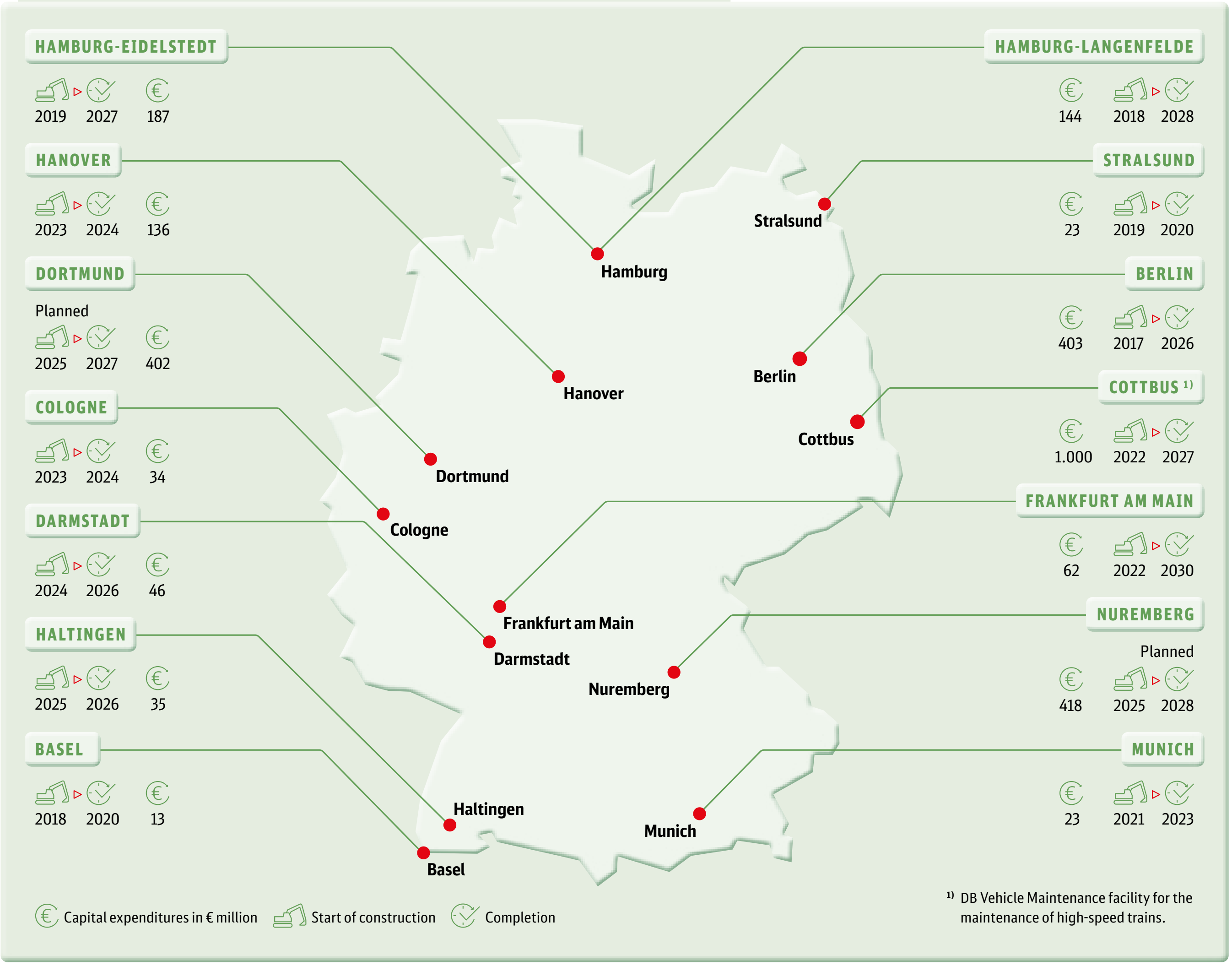
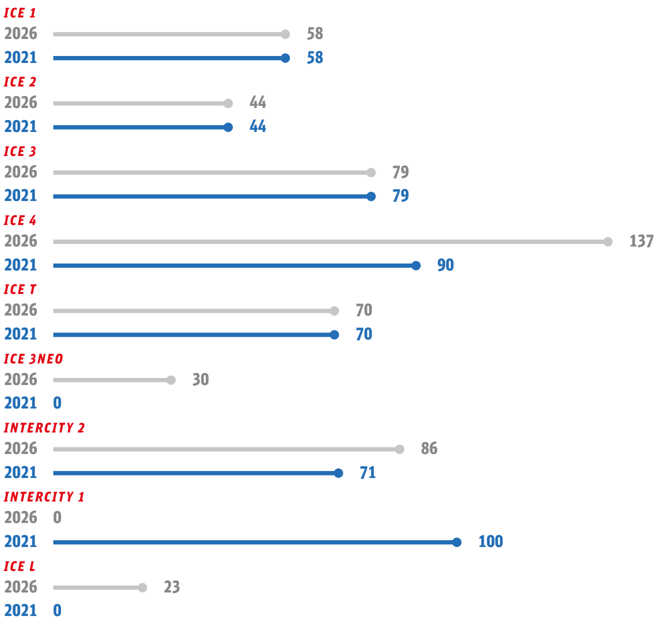
DB LONG-DISTANCE MAINTENANCE DEPOTS AND EXPANSION PLANNING



1) DB Vehicle Maintenance facility for the maintenance of high-speed trains.

DEVELOPMENT OF THE LONG-DISTANCE TRANSPORT FLEET AS OF DECEMBER 31



From 2022, the first of the 73 new high-speed ICE 3neo trains 164 will be delivered. In addition, we will receive 23 ICE L, which will gradually replace the existing Eurocity fleet, as well as other Intercity 2 trains.

In the long-term, the vehicle fleet for DB Long-Distance will be increased by about 25% to up to 600 trains. The increasing number of new vehicles will create operational scheduling leeway to enable us to better react to unforeseen disruptions in rail operations.

More than 100 trains in the ICE 1 and ICE 3 fleets are being modernized to improve technical reliability and provide more comfort on board. Several measures are being implemented for the ICE T to stabilize the technical facilities. These include, for example, improving drive components to increase availability and refitting to ETCS Baseline 3 in order to enable use on the corresponding line networks. A modernization program begins in 2022, which also includes the modernization of the ICE T interior. One element of the modernization is the replacement of seat covers and restroom facilities.

The implementation of the Strong Rail transport targets at DB Regional aims to deliver a significant increase in passenger numbers. In this context, seat capacity must be increased by up to 30% by 2030. We will meet this additional demand both through increased capacity utilization of the trains in the medium term and by increasing the capacity of the vehicle fleet.

In regional transport, too, we continue to invest in our fleet and depots. Over the next few years, vehicles on the Berlin, Hamburg, Stuttgart and Munich S-Bahn (metro) lines will be modernized extensively. In addition to improving the technical reliability and comfort of the vehicles, we are also working to increase utilization.

For transport contracts with the Berlin, Hamburg, Rhine-Main and Stuttgart S-Bahn (metro) lines, the vehicle fleet is scheduled to be expanded with contracting organizations by the end of 2024. Additional single or multi-level multiple units are being procured as part of the transport contracts awarded to service the additional train kilometers. In order to increase capacity on the existing rail network, vehicles will be equipped with ETCS. From 2023, for example, the vehicles of the Stuttgart S-Bahn (metro) will be equipped with this technology. The vehicles of the Hamburg metro (S-Bahn) will then be equipped from 2024.

Over the next few years, there will also be capital expenditures in regional transport workshop infrastructure to maintain and expand maintenance capacities. Up to 2025, these measures will focus on workshops for the S-Bahn (metro) networks in Berlin, Freiburg, Ludwigshafen, Munich and Tübingen.

Strong Rail targets

TCFD

Concrete measures are at the basis of every building block of the Strong Rail. A "construction manager" was named for the operational management of each building block, who is accountable to the Management Board for designing the measures and their operational implementation. The building blocks were incorporated in DB Group's mid-term plan. We monitor contributions to targets with key performance indicators. This measurement is ongoing, and is managed and monitored within the Strong Rail Board, a specially created body, supervised by the Management Board and the Chairs of the business units of the Integrated Rail System.

The basis are the transport policy sector targets of the Federal Government:

- doubling passenger numbers in rail passenger transport,
- increasing freight transport market share held by rail from 18% to 25%, and
- generating traction current from 100% renewable energies by 2038.

We aim to achieve the objectives of the Strong Rail strategy through a total of ten DB-specific target figures. Our primary objective is our contribution to the shift in the mode of transport. To this end, we are focusing equally on growth in rail passenger and rail freight transport.

TOP TARGETS OF THE STRONG RAIL STRATEGY

WHAT DO WE WANT TO ACHIEVE?	HOW DO WE MEASURE THIS?	WHAT ARE WE DOING TO ACHIEVE THIS?
SHIFT IN THE MODE OF TRANSPORT		
Doubling passenger numbers in long-distance transport	260 million passengers at DB Long-Distance (+100 % compared to 2015)	– Introduction of Germany in sync – more railway services for major cities and regions with reliable, faster and more frequent connections. – Shorter travel time between many major cities thanks to additional ICE Sprinter connections. – More seats thanks to the conversion of existing trains and the procurement of new trains. – Better door-to-door connections in close collaboration with our partners, by integrating new forms of mobility. – Expansion of stations.
Increase in passenger numbers in local transport	+1 billion passengers in local transport (compared to 2015), thereof 0.7 billion at DB Regional (rail) and 0.3 billion in the New Mobility	– More reliable, faster and more frequent connections. – More seats thanks to the conversion of existing trains and the procurement of new trains. – Better door-to-door connections in close collaboration with our partners, by integrating new forms of mobility. – Intuitive travel support for everyday travel needs, thanks to intermodal Mobimeo technology. – Expansion of stations.
Increase in volume sold in rail freight transport	+70 % volume sold at DB Cargo (Germany) (compared to 2015)	– Expansion of activities as rail logistics provider and operator, as well as rail logistics solutions. – Further development of single wagon transport. – Expansion of production capacities through capital expenditures in multi-system locomotives, freight cars, automation and digitalization. – Growth in top European corridors through cross-border management of traffic with coordinated schedules.
Increasing the capacity of the rail network	+>30 % train kilometers on track infrastructure (compared to 2015)	– Expansion of network capacity. This also includes measures in the 2030 Network Concept and Germany in sync. – Advancing the digitalization of the network, for example through the comprehensive rollout of ETCS, digital interlockings and digital rail operations. – Make better use of existing capacities: fewer disruptions, capacity-saving driving and construction, traffic optimization and better utilization of under-used infrastructure.
CUSTOMERS		
Increase of customer satisfaction	>80 SI at DB Long-Distance >75 SI at DB Regional >70 SI at DB Cargo	– Improving the customer experience by expanding digital and personal services and (passenger) information. – Increasing the quality of stay at stations by improving cleanliness and safety, expanding the range of services offered and integrating new forms of mobility.
Improvement of operational punctuality	>85 % at DB Long-Distance >95 % at DB Regional >77 % at DB Cargo	– Short-term alleviation of bottlenecks, among other things through upgrading heavily used infrastructure with targeted maintenance measures. – Optimization of construction site management. – Increasing vehicle availability and quality, among other things through expanding maintenance capacity. – Introduction of supporting systems, among other things implementation of intelligent forecasting systems (Big Data) for an early response to disruptions.
EMPLOYEES		
Improving employee satisfaction	3.8 SI	– Anchoring of "compass for strong collaboration" (Kompasses für ein Starkes Miteinander). – Employee participation in the building block "15 employee building blocks." – Development of modern working and employment conditions, among other things the integration of Covid-19 research findings. – Continuation of the employee survey and the introduction of a culture barometer, as well as the start of collaboration workshops.
CLIMATE		
Increasing the share of renewable energies in the DB traction current mix in Germany	100 % green electricity by 2038	– Replacement of expiring power plant contracts with renewable energies. – Expansion and digitalization of the traction current grid to feed in increasingly volatile energy sources.
PROFITABILITY		
Return above the cost of capital	ROCE ≥6.5 %	– Implementation of all the capital expenditures and expenses required to implement the Strong Rail strategy. – Countermeasures to compensate for a significant portion of the losses caused by Covid-19. – Simplification and streamlining of structures and processes and (re)alignment with customer benefits.
Ensuring financial stability	Debt coverage ≥20 %	– Improvement in the operating profit situation. – Adjustments to the Group portfolio.

PRODUCT QUALITY AND DIGITALIZATION

Rail&Fly

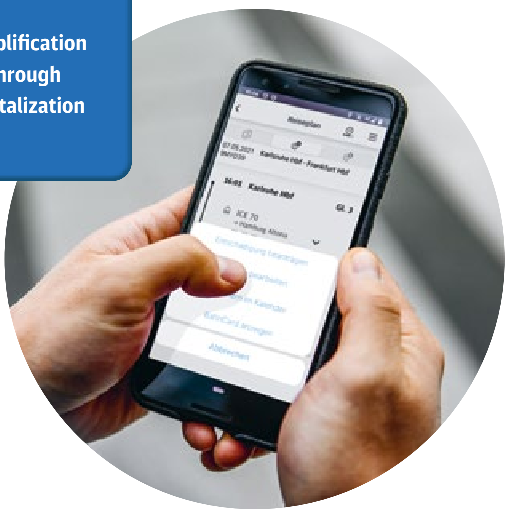
△ Lufthansa and DB Group are optimizing their joint offers for the Rail&Fly service. The Lufthansa Express Rail network is being expanded by a further five cities. Since December 2021, Sprinter trains have also been running to Frankfurt Airport. With this product offensive, we and Lufthansa are setting a new standard for the environmentally friendly networking of modes of transport. The new Sprinter connections provide an even better link between Germany's largest airport and the rail network. Travel by train is becoming faster and more comfortable.

New XXL ICE in use

△ The new XXL ICE, which has space for more than 900 passengers, is in regular use for the first time. The XXL ICE runs from Hamburg to Basel, Zurich and Chur in Switzerland via Hanover and Frankfurt am Main. The 374-meter-long trains are also operating on the Hamburg—Dortmund—Cologne—Frankfurt Airport—Stuttgart—Munich route. The ICE 4 fleet is also becoming faster. The first trains with a maximum speed of 265 km/h have been in service since August 2021. Previously, the maximum speed was 250 km/h.

▽ Since June 2021, in the event of a delay, customers have been able to claim compensation digitally via their customer account for tickets purchased online or via mobile. Most of the data is prepopulated in advance, so customers do not need to search for train numbers or submit tickets.

Simplification through digitalization



Overview of key figures (rail in Germany)

SHIFT IN THE MODE OF TRANSPORT

PASSENGERS LONG-DISTANCE TRANSPORT / million — Target: 260

2026	~200
2021	**81.9**
2020	81.3
2019	150.7
2018	147.9
2017	142.2

PASSENGERS LOCAL TRANSPORT / million — Target: 2,500

2026	> 2,100
2021	**1,121**
2020	1,215
2019	1,972
2018	1,940
2017	1,933

VOLUME SOLD RAIL FREIGHT TRANSPORT / million tkm — Target: 120,000 [1]

2026	> 70,000
2021	**60,324**
2020	56,224
2019	60,702
2018	64,169
2017	67,566

[1] +70 % compared to 2015.

TRAIN KILOMETERS ON TRACK INFRASTRUCTURE / million train-path km — Target: 1,400 [1]

2026	> 1,160
2021	**1,109**
2020	1,066
2019	1,090
2018	1,085
2017	1,073

[1] +>30 % compared to 2015.

Short/mid-term target — Long-term target

CUSTOMERS

CUSTOMER SATISFACTION DB LONG-DISTANCE / SI — Target: > 80

2026	> 81
2021	**77.8**
2020	80.2
2019	76.5
2018	77.1
2017	77.2

CUSTOMER SATISFACTION DB REGIONAL / SI — Target: > 75

2026	> 74
2021	**71.6**
2020	69.0
2019	66.1
2018	66.3
2017	68.1

CUSTOMER SATISFACTION DB CARGO / SI — Target: >70

2026	> 69
2021	**70**
2020	68
2019	61
2018	60
2017	67

Short/mid-term target — Long-term target

PUNCTUALITY

PUNCTUALITY DB LONG-DISTANCE / % — Target: >85

2026	> 82
2021	**75.2**
2020	81.8
2019	75.9
2018	74.9
2017	78.5

PUNCTUALITY DB REGIONAL / % — Target: >95

2026	> 95
2021	**94.3**
2020	95.6
2019	94.3
2018	94.0
2017	94.4

PUNCTUALITY DB CARGO (GERMANY) / % — Target: >77

2026	> 74
2021	**69.8**
2020	77.6
2019	73.8
2018	72.9
2017	73.4

Short/mid-term target — Long-term target

The customer is at the center of our actions

MANAGEMENT APPROACH AND TARGETS

GRI 103-1 103-2 103-3

For us, increasing punctuality is the most important lever for improving product quality. Internal punctuality management is based on lost units (number of delays) and will be expanded in future with additional key figures that take into account network utilization. To measure punctuality, we compare the target arrival time to the actual arrival time for every train/bus journey. A stop is considered on time if the scheduled arrival time is exceeded by less than six minutes in passenger transport or less than 16 minutes in freight transport. We use a punctuality rate to summarize the arrival of trains/buses on schedule or up to a defined maximum delay. In addition, DB Regional Bus also evaluates buses that have departed more than one minute too early as not punctual. The figures are recorded daily and are made available to executives and employees online, together with the lost units and other management key figures, allowing remedial action to be taken. In addition, punctuality data, together with the associated indicators, are prepared regularly and used by the Management Board to determine current points requiring action and where decisions are required. Punctuality is the key indicator of product quality in terms of the Strong Rail strategy 52ff., and is a determining factor in calculating the variable compensation amount for executives at DB Group.

Other important levers for increasing product quality include the use of modern vehicles, reliable and comprehensive customer and transport information, the quality and reliability of services offered, as well as reasonable travel and transport times. That is why we continually invest in our fleet and infrastructure 54ff., and optimize cooperation with our suppliers and sector partners. We also place a strong emphasis on tapping into the opportunities of digitalization. Our initiatives for increasing product quality and improving customer satisfaction are an important part of the plan to implement our strategy.

In addition to the various aspects of product quality, the continuous optimization of the price-performance ratio and product innovations, especially in digitalization 62ff., are key levers for increasing customer satisfaction. We work extremely hard on our basic service and focus on optimizing product and service quality. We offer our customers a comprehensive range of services for their information needs. Our target is to provide our products at a reasonable price-performance ratio in order to meet the expectations of our customers. The focus is on measures that increase the quality of our services and the efficiency of our processes. In order to assess the success of our measures from our customers' perspective, we use direct indicators such as revenues and the number of passengers. In addition to this, we use the results of regular customer surveys to measure our success and find potential areas for improvement.

CUSTOMER SATISFACTION

Development in the year under review

CUSTOMER SATISFACTION / SI	2021	2020	2019
DB Long-Distance	77.8	80.2	76.5
DB Regional (rail)	71.6	69.0	66.1
DB Regional (bus) [1]	75	71	73
DB Cargo	70	68	61
DB Netze Stations (passengers/visitors)	73	72	69
DB Arriva (bus and rail, United Kingdom)	77	80	78
DB Schenker	68	74	71

[1] Change in method from 2020 onwards.

Regular evaluation of customer satisfaction is hugely important to us. The surveys are conducted anonymously and by independent market research institutes. Details on development in the individual business units can be found in the chapter Business unit development 99ff.

PUNCTUALITY

Development in the year under review

PUNCTUALITY / %	2021	2020	2019
DB Group (rail) in Germany	93.7	95.1	93.7
DB rail passenger transport in Germany	93.8	95.2	93.9
DB Long-Distance	75.2	81.8	75.9
DB Regional	94.3	95.6	94.3
DB Cargo (Germany)	69.8	77.6	73.8
DB Arriva (rail: United Kingdom, Denmark, Sweden, the Netherlands, Poland and the Czech Republic) [1]	93.5	92.3	87.6
DB Regional (bus)	83.9	83.4	81.6
DB Cargo	69.5	76.9	74.0

To measure punctuality, we compare the target arrival time to the actual arrival time for every train/bus run. We summarize the arrival of trains/buses on schedule or up to a defined maximum delay using a degree of punctuality.

[1] Change in method in UK Trains line of business in 2021, previous years' figures retroactively adjusted.

In 2021, punctuality in German rail transport was below the high level of the previous year. The main reason for this was the reduction in positive effects in terms of capacity, which therefore increased punctuality, due to the low volume produced in 2020 as a result of Covid-19.

- Positive effects resulted from a further reduction in primary disruptions thanks to improved system availability.
- Major structural and external challenges, in contrast, had a strong negative impact on punctuality. Structurally, strong traffic growth, primarily in existing bottlenecks (top connection hubs and lines), together with an expansion of construction volume in these areas, placed a significant strain on capacity. To counteract this development, measures have been adopted to contribute to an increase in quality in the coming years.
- A large number of external special events also led to temporary slumps in punctuality during the course of the year: the severe cold spell in February 2021, high temperatures in June 2021, the severe floods in July 2021 38 and storms in October 2021.
- The GDL strikes 38 also had a negative effect.

Significant measures for improvement

In 2021, DB Group again implemented a large number of measures to reduce the level of disruptions in vehicles and network systems, which have a direct impact on punctuality. This reduced the number of primary disruptions. The impact of a primary disruption depends heavily on network utilization. The greater the utilization of a particular network section, the higher the probability that several trains will be affected by a disruption. Due to the increase in train-path demand and the extensive construction activities in infrastructure, the capacity utilization of the network has increased so sharply that, despite a lower level of disruption, the effects of traffic jams have increased sharply. As a result, punctuality targets were missed. Owing to this development, in addition to continued improvement of disruption levels, measures focusing on better capacity management are also being developed and implemented.

MEASURES FOR RAIL FREIGHT TRANSPORT

Significant growth in rail freight transport is indispensable for the success of Germany's transition to more sustainable mobility and transport. In 2021, measures were developed designed to have short-term and medium-term effects on quality and punctuality in rail freight transport. For example, it was decided to pilot an additional plan corridor with control elements to increase punctuality on the important Rail Freight Corridor (RFC) 1 between Rotterdam and Genoa. In addition, since the second half of 2021, there has been intensified international coordination of construction measures in order to reduce negative effects on rail freight transport. The implementation of the measures was started and has already been partially completed. The implementation and effectiveness of the measures are reviewed regularly, and countermeasures and further developments are formulated if necessary. Additional priorities for rail freight transport, both reactively (disruptions) and preventatively (impending risks), were examines (such as cross-border freight transport, train preparation in shunting yards and schedules for freight transport in construction projects), and recommendations for action were created.

EXPANSION OF FORECASTING SKILLS

We are expanding our expertise in the area of forecasting quality indicators with the aim of detecting punctuality-related developments at an early stage and taking measures. The focus is on the medium-term planning horizon. This will show to what extent the planned quality measures are sufficient to achieve our punctuality targets. The models for the punctuality forecast during the business year were continuously expanded in 2021, so that they better take into account key drivers such as weather developments, the availability of vehicles, infrastructure issues and the utilization of our products.

OPTIMIZATION OF S-BAHN (METRO) SYSTEMS

The S-Bahn (metro) systems in major cities play a key role in Germany's transition to more sustainable mobility. They will have to cope with significant growth over the next few years while also increasing the quality of service. In particular, punctuality must increase significantly over the next five years, and train cancellations must be reduced. For this purpose, the Strong S-Bahn (metro) program was launched with the aim of developing and implementing the requirements for high-performance S-Bahn (metro) systems. As part of this program, locally tested approaches, such as the prevention of track crossings on the Munich S-Bahn (metro), are being implemented as standards for the major cities. The focus of the Strong S-Bahn (metro) program is on the core resources of S-Bahn (metro) systems, in particular track infrastructure, platforms, vehicles, system technologies and, not least, our personnel. In order to improve operational quality, the core processes of rail production are to be strengthened, primarily planning and control, operating and maintenance. The experience we gained in 2020, and which contributed to an increase in punctuality, is also being incorporated into this. For example, findings from the reduced number of passengers are being used to create measures for the period following the Covid-19 pandemic, such as adjusting platform design, timetable adjustments and infrastructure improvements. These activities will help to achieve the S-Bahn (metro) punctuality targets.

WORK OF THE MANAGEMENT CENTERS

- **Construction management center:** In 2021, cascading performance dialogs were introduced, which facilitate continuous control of issues such as construction-related restrictions on infrastructure, and also enable cross-divisional and cross-level control. The increased volume of traffic in connection with impending supply and schedule bottlenecks, as well as extreme weather events, placed high demands on construction implementation in 2021. The management center for construction and construction operations technology now intervenes earlier in the overall optimization of construction activities, for example through predictive optimization of required track closures or early identification of critical constellations by analyzing track-kilometer downtime. Joint regional and central efforts have contributed to achieving the annual objectives for construction-related restrictions in scheduled long-distance rail passenger transport, despite additional infrastructure measures.
- **Punctuality management center:** Its core tasks include the analysis of punctuality discrepancies during the year, the identification and management of measures and monitoring the implementation of measures. The punctuality management center relies on an established early-warning system for punctuality-related (construction) planning and (construction) operating processes: PlanRadar and the construction risk radar. In 2021, the early-warning system was expanded to include rail freight transport. Concrete measures for a sustainable improvement in punctuality were derived and initiated. This includes the development of a four-month construction preview for the Rail Freight Corridor 1 between Rotterdam and Genoa.

Digitalization

MANAGEMENT APPROACH AND TARGETS

Focus on digitalization and technology

Our digital and technical strategy is designed to develop an ultra-smart mobility network by 2030 – connected, automated and customer-oriented. In the future, travel should essentially "plan itself" and adapt to changing circumstances in real time in the event of deviations. To this end, our digitalization processes must be understood and designed as an intelligent overall system – a long-term development, with three core tasks under the Strong Rail strategy:

- fully connected,
- self-organized development, and
- making it easier for customers to use mobility services.

In six strategic areas, digitalization and technology are the key to success for the Strong Rail strategy 52 ff.:

- Digital rail operations are making us more robust, for example by using automated timetable planning and scheduling.
- Digital maintenance is making us more efficient, for example as a result of real-time transparency and more proactive planning.
- The digital customer experience is making us more modern, for example by using more efficient travel chains and more intuitive booking options.
- The high availability of rail technology is making us more robust – by increasing the availability of infrastructure and vehicles.
- Flexible rail technology is making us more efficient, for example through the comprehensive modernization of the fleet and infrastructure.
- Green rail technology is making us more modern, for example through emissions-free and environmentally friendly rail operations.

All of these initiatives will help to steadily increase capacity, efficiency and quality. Implementing the digital and technical strategy also requires a culture that supports ideas and plans for a new working environment, and inspires enthusiasm for new technologies and new forms of working (together).

IT infrastructure is the basis for driving digitalization. The digital infrastructure concept for a Strong Rail comprises five components:

- **Connectivity:** Connectivity is the most basic requirement for data transfer and exchange, because a Strong Rail needs high-speed communication.
- **Cloud services:** Cloud services help provide dynamic, scalable and on-demand IT services, because a Strong Rail needs resilient IT resources.
- **Cybersecurity:** The area of cybersecurity will also continue to be improved, because only a secure rail system is a strong rail system. Cybersecurity means comprehensive protection of all (digital) assets, systems, data and processes.
- **Development platforms:** Our development platforms offer modular services to help speed up the development of software.
- **Data management:** The objective within data management is to provide tools and standards for the general use of all data within the Group.

By 2030, the goal is to have trained mobility systems to detect, calculate and network automatically and hence, to keep everything permanently up to date. Artificial Intelligence (AI) determines the pace of this by facilitating new ways of managing capacity, eliminating barriers and satisfying requirements before they are even identified and formulated. The vehicles are highly automated, communicate with each other, update themselves independently and report potential defects even before they occur – with new sensors, drones and robots.

DB Data Intelligence Center

Our Data Intelligence Center (DICe) is working on the implementation of Group-wide standardized data management and the innovative use of this data by AI. To this end, DICe leads the Data Council as a Group-wide body for data and AI. It creates the general framework and conditions for making data legally compliant, available and usable.

- The House of Data makes our data searchable through the DB data catalog and also usable, thanks to a modern, automated process. This is based on a standardized data governance policy with clear roles and responsibilities.
- The House of Artificial Intelligence uses available data for innovative projects in order to optimize our core competencies, with a focus on customers and employees.
- The House of 3C (Communication, Community and Change) is dedicated to communication and change management in order to anchor data and AI projects sustainably in the organization and to support employees with process integration.

ECOSYSTEMS AND PARTNERSHIPS

Digitalization and global competition are fundamentally changing market conditions. Due to much shorter innovation cycles, new markets are created faster, and there is growing pressure on established market players to innovate. We need to transform into an ecosystem-focused company so that we can tap into growth potential in this area and ensure DB Group stays competitive in the long-term. DB Group is therefore using partnerships to drive greater innovation and is systematically expanding collaboration. The first partnerships will be established in the following four areas:

- **Production Tech:** The digitalization of production processes makes it possible to increase the efficiency and effectiveness of operating processes. This means, among other things, that capacity increases and an increase in the availability of trains and cost savings can be achieved in the Integrated Rail System. We are currently placing particular focus on this ecosystem in line with the Strong Rail strategy.
- **Sustainability Tech:** Partnerships for the development of innovative, environmental and customer-oriented solutions, particularly in the areas of climate protection and greenhouse gas emissions.
- **Logistics:** Innovative, value-driven aspirations and competitive value-added chains also require integrated transport and logistics solutions with partners.
- **New Mobility:** NeMo 137 f. is committed to providing robust public transport which is climate-friendly, simple and comprehensive. Together with traditional passenger transport, the unit with its New Mobility companies offers integrated mobility from a single source for contracting organizations and municipalities.

DIGITAL TRANSFORMATION

The digital transformation is focused on the inclusion and qualification of employees through training, new working methods and agile structures. In 2021, the focus was on expanding digital skills.

- We created the DB Digital Base in Berlin, a central location for digitalization within DB Group. This provides executives and employees with free access to a wide range of events and workshops on digital topics.

- In order to achieve the goals of the Strong Rail, we want to implement digital business models for DB Group. In 2021, DB Intrapreneurs validated a product-market fit for two project teams and transferred them to DB Bahnbau as an internal foundation.
- In 2021, the Digital Transformation Academy was developed to foster employees' digital skills. More than 80 participants from seven business units were equipped with skills in agile working and agile product development.
- Since the beginning of 2018, we have been promoting our digital talent in the areas of digitalization and business model development through our digitalization trainee program, as well as building digital skills for the whole DB Group.
- Deutsche Bahn Digital Ventures is our corporate venture capital arm, which invests in innovative business models. The research fields are based on our Strong Rail strategy and our digital and technology strategy. The main focus is on the power of start-ups and technology partnerships to change the market and their ability to establish trend-setting customer and industrial solutions.
- As a start-up hub and innovation driver, DB mindbox works closely with business units and start-ups to support innovative technologies and digital applications within DB Group. Innovative solutions from start-ups are adapted to the needs of DB Group and live-tested through various start-up programs and open data initiatives. More than 190 start-ups have already participated in the support program. For about 60% of the start-ups, specific products and innovations were pursued as part of follow-up partnerships after the DB mindbox process.

NEW DIGITALIZATION PROJECTS AND CONCEPTS

Artificial intelligence in rail operations

- AI supports the dispatchers on the S-Bahn (metro) Stuttgart in controlling traffic as efficiently as possible in the event of a disruption. This helps improve punctuality and relieves the strain on busy routes. The AI tool was developed in-house and is being gradually rolled out on other S-Bahn (metro) networks.
- In maintenance, we use AI to visually identify damage to ICEs. This technology will be used in several ICE depots in the future. The project has also been expanded to include regional transport and freight trains.

Digital Rail for Germany (Digitale Schiene Deutschland; DSD)

Our target is to offer more attractive rail transport with more capacity of a higher quality, without the need for additional tracks. We will do this with the creation of a digital platform for the rail system, and by equipping the system with digital interlockings green no. 145 and the European Train Control System (ETCS). This platform will then be used to operate new technologies to enable the rail operations of the future.

After reaching a consensus on the implementation of the Digital Rail for Germany program with the Federal Railway Authority (Eisenbahn-Bundesamt; EBA) and the German Railway Industry Association (Verband der Bahnindustrie; VDB), followed by the signing of a letter of intent in September 2020, we are on the way to speeding up the rollout of Digital Rail for Germany. As a result, the network can be fully equipped with digital command and control technology by 2035. In addition to securing financing (for infrastructure and vehicle equipment), this will require, among other things, series-ready technology, optimized processes for planning, implementation and commissioning, sufficient radio capacity and the securing of personnel resources. Implementation is discussed in five regular working groups together with the Federal Government and the sector players, as part of a Digital Rail for Germany project.

As part of the 2020 launch package, the concrete planning and installation of ETCS and digital interlockings has begun in the context of the Stuttgart Digital Hub (Digitaler Knoten Stuttgart; DKS), the Cologne—Rhine/Main high-speed line and the accessibility of the Trans-European Scandinavia—Mediterranean corridor. Stuttgart will be the first region in Germany to receive the digital train control and interlocking technology. In early 2021, the BMDV published a vehicle funding directive for the corresponding refitting of the relevant vehicles in the Stuttgart Digital Hub, and made funds available in the budget.

In order to accelerate the switch to digital interlockings, the Federal Government provided additional funds for a fast-track program, amounting to € 500 million by the end of 2021. In a total of seven projects, the existing signaling and level crossing security technology will be replaced by modern and digital interlocking elements. This program will be used for developing and testing new processes and technologies together with the railway industry in order to equip the network comprehensively with digital interlockings.

Key milestones have also been reached in the digitalization of the rail system:

- As part of the "Digital S-Bahn (metro) Hamburg" pilot project, highly automated rail operations based on Automatic Train Operation (ATO) and ETCS were demonstrated at the ITS World Congress in October 2021. Four existing vehicles on the Hamburg S-Bahn (metro) network were equipped with digital technology, and 23 km of track were upgraded. In addition, the fully automated shunting process was demonstrated at the ITS World Congress at Bergedorf station in Hamburg. Training and qualifications are also being run for additional train drivers. The ATO and ETCS journeys are scheduled to start in daily passenger operations from April 2022.
- Together with our project partners Siemens Mobility, Bosch Engineering, ibeo automotive and HERE Technologies, we have equipped another S-Bahn (metro) Hamburg train with state-of-the-art sensors as part of our joint project Sensors4Rail. The 14 sensors record information about the train environment using the radar, lidar and camera systems. The sensor information can be matched with a digital map to precisely position the vehicle. In future, based on this data, trains will be able to be controlled optimally and run at shorter intervals. This should allow an increase in network capacity. At the ITS World Congress, the Sensors4Rail project was put to the test for the first time on the S 21 S-Bahn (metro) line between Bergedorf and Hamburg Dammtor stations. From 2022 to 2023, we will continue testing the technology in continuous operations. Data will be collected and scenario tests will be carried out to improve the (AI-based) functions.
- At the "Digital Rail Test Site" in the Erzgebirge region, switches and signals for the Erzgebirgsbahn are already being provided digitally in the Annaberg—Buchholz section. This is complemented by the expansion of a 5G test network along the Markersbach—Schlettau section. In 2021, the development of a research environment with eight 5G radio masts along the line was completed and commissioned. In addition, various innovative technologies relating to the new Future Railway Mobile Communication System (FRMCS)/5G standard were tested for use in operation. For example, innovative antenna technologies for the railway network of the future were tested together with Ericsson and Rohde & Schwarz. Findings from the tests serve to optimize radio network planning with regard to future digital rail applications.

New agreement on digital cooperation

Four years after the start of the digitalization cooperation program between the French state-owned railway SNCF and DB Group, further steps were agreed to push ahead with the automation of rail operations and to increase the quality, performance and attractiveness of rail transport. The cooperation program also focuses on energy management and reducing carbon emissions. The aim is to speed up the integration of new solutions and to meet the requirements of the European Green Deal 49.

WiFi@DB

We have launched a new WiFi@DB WiFi network as part our free Internet service.Over 141 stations, all DB lounges, the entire ICE fleet, and the first regional trains and buses are already connected. We are continuously expanding our WiFi infrastructure.

High-speed Internet access for digital rail transport

We are working with partners to develop innovative cables for expanding our fiber-optic network. These cables are resistant to external influences, can be installed quickly and easily and can be laid directly in the earth. This reduces the number of construction sites and avoids additional line closures. The new fiber-optic cables will first be used on the Odenwald railway.

TCFD

GREEN TRANSFORMATION

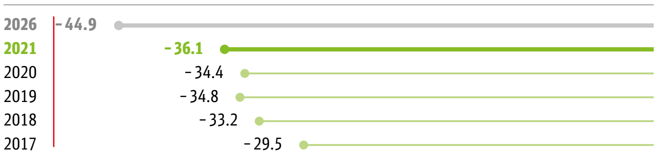
△ A study by the Potsdam Institute for Climate Impact Research (Potsdam Institut für Klimafolgenforschung; PIK), which we commissioned, showed that Germany can expect to experience significantly more heatwaves and fewer cold winters, along with more frequent extreme weather conditions such as torrential rain and hail. The study examined how climate change will affect the weather in Germany between now and 2060. We are using this scientific forecast data to underpin the strategic development of our climate-resilience management through concrete measures to better shield against the impacts of climate change, particularly in terms of rail infrastructure, vehicles, energy facilities and stations.

◁ By 2038 at the latest, we intend to source 100 % of our traction current from renewable energy sources in order to meet our target of climate neutrality by 2040. The solar power park at Gaarz near Plau am See went into operation in May 2021. DB Netze Energy now receives about 80 GWh of eco-power annually, thereby saving up to 40,000 t of CO_2 per year in comparison to gray energy from the 50 Hz markets, and up to 60,000 tons of CO_2 when compared to sourcing power from a coal-fired power plant.

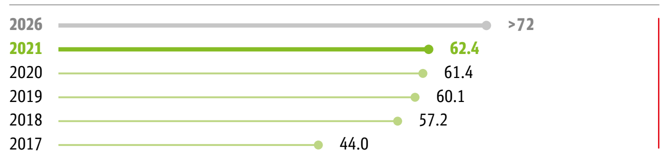
Overview of key figures

GREEN TRANSFORMATION

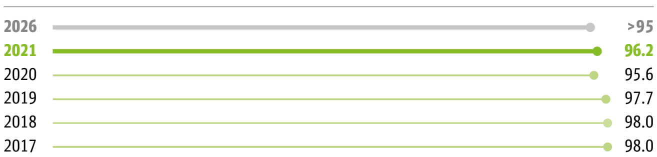
SPECIFIC GREENHOUSE GAS EMISSIONS IN COMPARISON TO 2006[1] / % Target: ≥ – 50 (2030)



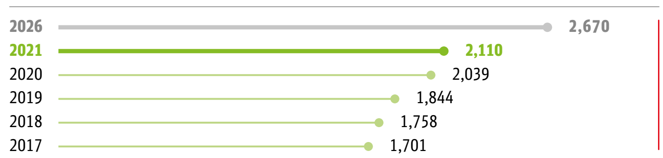
SHARE OF RENEWABLE ENERGIES IN THE DB TRACTION CURRENT MIX[2] / % Target: 100 (2038)



RECYCLING RATE[3] / %



TRACK KILOMETERS NOISE REMEDIATED IN TOTAL AS OF DEC 31 / km Target: 3,250 (2030)



[1] 2021 excluding DB Arriva.
Excluding fleet vehicles, DB Schenker stationary divisions, DB Arriva and individual divisions of DB Cargo.
[2] In Germany.
[3] Period: October 1 to September 30.
DB Cargo AG is the only part of the DB Cargo business unit included.
Short / mid-term target — Long-term target

TCFD

Green Transformation of DB Group

Achieving sustainability requires a holistic approach. We are ensuring our sustainable ecological alignment for the DB Group with the Green Transformation. That is why it is also anchored in our Strong Rail strategy 52 ff. We are continuously making all of our products, services and the way we work greener. To help advance the Green Transformation, we have defined four environmental areas of action: climate protection, nature conservation, resource conservation and noise reduction. We at DB Group also recognize our social responsibility and involve our stakeholders in our actions. We among other things actively focus on our responsibilities relating to a solid cooperative spirit, diversity along with our responsibilities in the historical realms. In particular, we focus on the people who shape us and our core business on a daily basis: our employees, customers, business partners and society.

This is green.

The environmental brand "This is green." represents DB Group's environmental strategy, the Green Transformation and more than 150 supporting measures in climate protection, nature and resource conservation, noise reduction, and social responsibility. The individual measures demonstrate how DB Group firmly anchors sustainability into its operational value chain.

TCFD

Climate protection

GRI

MANAGEMENT APPROACH AND CLIMATE PROTECTION TARGET

103-1
103-2
103-3
305-5

We are seeking to create incentives to shift traffic towards rail. Achieving a shift in the mode of transport is key to meeting Germany's climate protection targets in the transport sector. Even as the transport sector moves towards electrification, the low levels of friction generated by wheel-rail contact mean that rail travel will continue to be the most efficient form of energy use.

In 2020, the Science-Based Targets Initiative (SBTi) provided us with scientific confirmation that: our targets for reducing greenhouse gas emissions contribute to achieving the goals of the Paris Climate Agreement.

Climate-neutral DB

In order to achieve our climate protection target, we are uniting the related activities across the Group under the umbrella of "Climate-neutral DB." The project is developing greenhouse gas reduction pathways (phase-out plans), improving the transparency of planned measures and optimizing the solutions to the overarching challenges of greenhouse gas reduction. In addition to emissions from rail and road transport operations, emissions from buildings and stationary facilities are also considered. New, climate-friendly technologies are being tested and piloted across all business units. The implementation of our starter packages for diesel phase-out and heat transition are also managed by the project team.

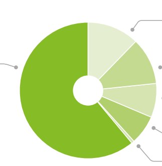
In 2021, we made our climate protection target even more ambitious, and want to become climate-neutral by 2040. This means that we intend to achieve our climate protection target ten years earlier than previously planned. Our target year is therefore five years ahead of the Federal Government's target year for the climate neutrality of Germany 47. In line with our strategic focus, the greenhouse gas emissions from DB Arriva's business operations are no longer factored into DB Group's climate protection target. Nevertheless, DB Arriva has also set itself the target of becoming climate-neutral by 2040.

In order to achieve our climate protection target, we have laid out a number of ambitious milestones: by 2030, we will have more than halved specific greenhouse gas emissions (i.e. emissions in relation to performance figures such as volume sold) worldwide compared to 2006. Within Germany, the implementation of the Strong Rail strategy and transport policy measures could help to achieve a noticeable shift in the mode of transport by 2030. This and other measures in rail transport could also save up to 10.5 million tons CO_2 in the transport sector in Germany per year.

We plan to increase the share of renewable energies in the DB traction current mix in Germany to 80% by 2030. By 2038 at the latest, we intend to have fully converted DB train operating companies in Germany to eco-power. In our buildings and stationary facilities, we have also started to switch the power supply to renewable energy sources. From 2025, all of our depots, office buildings and stations green. no. 147 in Germany will be fully eco-powered.

SHARE OF RENEWABLE ENERGIES IN THE TRACTION CURRENT MIX

DB TRACTION CURRENT MIX IN GERMANY / % — **2021** / 2020



Data are based on information and estimates available as of February of the respective year.
1) Including additionally procured electricity for all of DB Group's green services with 100% eco-power (for example Hamburg S-Bahn (metro) or DBeco plus) and taking into account a forecast based on the German Renewable Energy Sources Act (Erneuerbare-Energien-Gesetz; EEG) subsidy.

In 2021, we also increased the share of renewable energies in the traction current mix. We concluded additional electricity purchase agreements 134 for renewable energies.

The expansion of renewable energies also entails challenges. Instead of a small number of large fossil-fuel power plants with a constant supply, we need to upgrade our infrastructure to accommodate an increasingly decentralized energy supply from smaller, renewable electricity producers with a variable output. The LuFV 237 enables us to carry out necessary infrastructure measures in the traction current grid. DB Netze Energy, for example, will set up seven new converters by 2028. We also use sensors and AI so that we can continue to manage the increased complexity of the traction current grid in future with high supply reliability.

GREENHOUSE GAS INTENSITY

GRI 305-5

The share of renewable energies in the DB traction current mix in Germany is not the only measure by which we manage our progress in climate protection. We also track the development of our specific greenhouse gas emissions in comparison to 2006.

SPECIFIC CO_2e EMISSIONS IN COMPARISON TO 2006 / %	2021	2020	2019
DB Group	-36.1	-34.4	-34.8

2021 excluding DB Arriva.
Excluding fleet vehicles, DB Schenker stationary divisions, DB Arriva and individual divisions of DB Cargo.

As part of our Group climate protection target, we were able to further reduce specific greenhouse gas emissions and are therefore significantly ahead of our forecast from the 2020 Integrated Report 182. Our absolute greenhouse gas emissions 261 f. have increased again following a sharp decline resulting from Covid-19, but are still well below the level of 2019.

GRI 305-4

SPECIFIC CO_2e EMISSIONS FROM JOURNEYS AND TRANSPORTS OF DB GROUP BY MODE OF TRANSPORT	2021	2020	Change absolute	Change %	2019
Regional rail passenger transport (g/pkm)	76.5	72.6	+3.9	+5.4	48.9
in Germany	74.1	67.9	+6.2	9.1	47.6
Long-distance rail passenger transport (g/pkm)	1.4	1.5	-0.1	-6.7	0.9
Bus transport (g/pkm)	100.4	105.6	-5.2	-4.9	73.8
in Germany	117.2	123.1	-5.9	-4.8	90.9
Rail freight transport (g/tkm) [1]	17.2	17.0	+0.2	+1.2	19.2
Road freight transport (g/tkm) [2]	82.0	87.3	-5.3	-6.1	87.9
Air freight (g/tkm) [3]	657.3	669.5	-12.2	-1.8	723.7
Ocean freight (g/tkm) [3]	5.5	5.6	-0.1	-1.8	6.2

Well-to-wheel (WTW); Scope 1-3; rail transport companies are included with their own energy mix and/or European country mixes.
[1] Up to and including 2020 excluding rail freight transport from/to China by DB Cargo and DB Schenker.
[2] Up to and including 2020 excluding pre- and onward carriage from land, air and ocean freight.
[3] 2021 excluding pre- and onward carriage.

In order to further reduce our greenhouse gas emissions, we are focusing on phasing out fossil fuels. In addition to testing new battery-operated vehicles and converting existing vehicles to hydrogen drives, we are also pushing ahead with the rollout of biofuels green. no. 164. Under an overall strategy to phase out diesel, we will be investing about € 40 million in the use of alternative drives and fuels over the next five years as part of a starter package. In terms of alternative fuels, we are focusing on biofuels that are produced from biomass-based residual and waste materials and are therefore not in competition with food and feed production. In addition, it is important to us that the fuel used is free from palm oil and palm fatty acid distillates.

- From May 2022, the Sylt Shuttle will run on climate-friendly biofuel made from hydrogenated vegetable oil (HVO). Conversion work on the associated tank infrastructure is currently underway on the island of Sylt.
- The "Alternative Fuels@DB Cargo" project will continue to promote the use of alternative fuels at DB Cargo. The project includes reviewing the technical and operational feasibility of using HVO and eFuels (synthetic fuels) and the expansion of the EcoSolutions portfolio (DBeco fuel) for DB Cargo customers. The first motor bench tests took place at the beginning of August 2021. In September 2021, field trials of the shunting locomotives under real operating conditions began. The trials were expanded in December 2021 to include the diesel mainline locomotives of the 266 series.

We are also speeding up the heat transition with a new starter package. We intend to ensure our buildings are heated in an environmentally friendly manner and are investing about € 12.5 million over the next five years to achieve this. For example, from 2022 onwards, at the end of their life cycles, oil heating systems will only be replaced by environmentally friendly alternatives. In 2022, we will develop supply concepts for climate-neutral heating of our top 50 locations in Germany.

ENERGY EFFICIENCY

GRI 302-1 302-3 302-4 302-5

Increasing energy efficiency is another component of achieving our climate protection target. In the short and medium term, we are also focusing on the use of hybrid drives in our locomotives and multiple units. In addition, we are continuously investing in the research and use of alternative drives and fuels, following the principle of being open to new technologies. Our measures to increase energy efficiency include, in particular, further electrifying our track infrastructure and reducing our energy consumption.

SPECIFIC PRIMARY ENERGY CONSUMPTION BY DB GROUP JOURNEYS AND TRANSPORTS	2021	2020	Change absolute	Change %	2019
Regional rail passenger transport (MJ/pkm)	1.37	1.29	+0.08	+6.2	0.84
in Germany	1.34	1.23	+0.11	+8.9	0.83
Long-distance rail passenger transport (MJ/pkm)	0.35	0.40	-0.05	-12.5	0.23
Bus transport (MJ/pkm)	1.49	1.56	-0.07	-4.5	1.07
in Germany	1.66	1.74	-0.08	-4.6	1.29
Rail freight transport (MJ/tkm) [1]	0.30	0.29	+0.01	+3.4	0.33
Road freight transport (MJ/tkm) [2]	1.23	1.26	-0.03	-2.4	1.25
Air freight (MJ/tkm) [3]	9.29	9.06	+0.23	+2.5	9.79
Ocean freight (MJ/tkm) [3]	0.07	0.07	-	-	0.08

Well-to-wheel (WTW); Scope 1-3; rail transport companies are included with their own energy mix and/or European country mixes.
[1] Up to and including 2020 excluding rail freight transport from/to China by DB Cargo and DB Schenker.
[2] Up to and including 2020 excluding pre- and onward carriage from land, air, and ocean freight.
[3] 2021 excluding pre- and onward carriage.

Due to the slump in train utilization caused by the Covid-19 pandemic, energy efficiency in passenger transport remained below the 2019 level in 2021. Compared to 2020, however, it has improved somewhat. We expect that as utilization increases, the 2019 level will be reached again and the positive effect of the fleets' efficiency improvements will continue into the next few years. Since rail passengers in DB Long-Distance travel on 100% eco-power in Germany, DB long-distance rail passenger transport remained the most climate-friendly mode of transport in 2021. In addition, efficiency improvements were achieved in logistics.

Main levers for reducing our energy consumption are equipping our freight train locomotives with driving assistance systems green. no. 08 such as LEADER at DB Cargo 115, RESY at DB Regional 109 or the Eco app at DB Regional Bus 109. We are modernizing our electric vehicle fleets by adding new series that achieve greater energy efficiency. Our modern electric locomotives and multiple units also make a significant contribution to increasing energy efficiency by recovering brake energy green. no. 19. In 2021, the energy recovery rate increased slightly to 16.7% (previous year: 16.5%). The fleet of vehicles equipped with recovery technology is currently growing, for example through the addition of ICE 4 trains to passenger transport.

Stationary energy consumption

ABSOLUTE PRIMARY ENERGY CONSUMPTION OF DB GROUP STATIONARY FACILITIES IN GERMANY / TJ	2021	2020	Change absolute	Change %	2019
Rail network operation	5,600	6,086	-486	-8.0	6,002
Passenger stations	2,640	3,693	-1,053	-28.5	3,856
Maintenance of rolling stock (depots)	2,539	3,007	-468	-15.6	2,978
Other	4,157	4,145	+12	+0.3	2,854
Total	**14,936**	**16,931**	**-1,995**	**-11.8**	**15,690**

By using primary energy as a reference, we also take into account the upstream processes involved in providing energy, such as the extraction, treatment and transport of fuels or processes for generating electricity. Our about 5,400 stations, interlockings and operating facilities, our depots and buildings in Germany, DB Schenker's more than 2,100 locations worldwide and the DB Arriva and DB Cargo locations in other European countries account for 6.5% of DB Group's total primary energy consumption. In order to identify potential savings and measure energy consumption over the long term, energy audits were carried out at the Group companies as part of implementing the EU Energy Efficiency Directive. DB Energie GmbH, DB Fernverkehr AG, DB Station&Service AG and DB Regio AG as well as many of their subsidiaries operate a certified energy management system green. no. 78 in accordance with ISO 50001.

CLIMATE RESILIENCE

TCFD

In the Global Climate Risk Index (Klima-Risiko-Index; KRI) published annually by German Watch, Germany ranked 18th worldwide. This relates to the period from 2000 to 2019, during which Germany was much more affected by extreme weather conditions than most other countries. As an infrastructure operator, our core business – the railway in Germany – is affected more than any other major company in Germany by the impacts of climate change. This was demonstrated by our first study commissioned from the Potsdam Institute for Climate Impact Research (PIK) in 2018.

We were again confronted with several extreme weather events in 2021. In addition to Storm Tristan in February, the floods in summer 38 in North Rhine-Westphalia and Rhineland-Palatinate highlighted how heavily affected rail transport is by physical climate risks.

Analysis of climate scenarios

In 2021, we received the results of another study from the PIK, that we had commissioned. This time, the Institute examined climate changes between now and 2060 using two climate scenarios developed by the Intergovernmental Panel on Climate Change (best and worst case). The results showed significantly more heatwaves and fewer harsh winters along with increasing extreme weather conditions such as torrential rain and hail. For the first time, this study provides detailed forecasts on specific climate-related characteristics for 34 individual DB Group transport regions in Germany. These statements, which are based on climate science, form an important basis for the further strategic development of our climate-resilience management, the purpose of which is to further increase our resilience to extreme weather conditions.

Measures to adapt to climate change

In response to the expected future development of extreme weather conditions and the simultaneous expansion of rail transport in Germany, we are taking various measures to mitigate the consequences of climate change:

- Newly purchased trains at DB Long-Distance are designed to provide a stable indoor climate even in high temperatures, with the ICE 4 air-conditioning systems capable of coping with temperatures of up to 45°C, thus ensuring sufficient cooling for comfortable travel. We test the systems at least every six months. We spend tens of millions of euros per year in order to guarantee the stability of the air-conditioning systems in our long-distance trains.
- At DB Netz AG, the natural hazard management-department deals with extreme weather events and adapting to climate impacts in order to reduce the negative effects on the rail infrastructure to a minimum. Natural hazard management has identified and integrated three core tasks, namely winter management, vegetation management for storm protection, and heat prevention. Timely inspection of all 6,300 heating systems for the 49,000 switches with switch heaters and the early provision of removal and safety personnel are important components of the winter strategy. In response to Storm Tristan in February 2021, additional potential for improvement during extreme winter events was identified.
  - In order to facilitate proactive heat prevention, new air-conditioning systems will be installed to protect the heat-sensitive command and control technology, temperature sensors will be fitted at critical points, and new construction components and buildings will be designed to withstand higher temperatures. We are also actively working on the existing network and are additionally deploying new methods, materials and knowledge – such as phase-change materials or thermally optimized coatings developed in space technology research.
  - Another focus is on storm protection and vegetation management on the tracks. An average of € 150 million per year has been made available for these tasks from 2021 to 2025. Vegetation management is constantly being improved.

Nature conservation

MANAGEMENT APPROACH AND TARGETS

GRI 103-1 103-2 103-3

We consider protecting biodiversity to be an essential task and integrate it at every stage from planning and construction through to operating our facilities. In our activities, for example in the construction and expansion of the rail infrastructure, wherever an intervention cannot be avoided, adequate compensation areas are created to ensure we fulfill all of our legal obligations under nature protection law. We use wildlife detection dogs green. no. 162 to help generate the species mapping of a construction site and in order to detect sand lizards, grass snakes or other protected animal species. We also set ourselves ambitious targets on protecting biodiversity in our operations: we are planning to operate our rail transport glyphosate-free from 2023 onwards. To achieve this, we are developing the existing vegetation control measures for tracks into a sustainable vegetation management.

PROJECT TO PHASE OUT GLYPHOSATE

Safe rail operations and climate and environmental protection are our highest priorities. This is why we plan to phase out the use of glyphosate. We have reduced the use of glyphosate by more than half compared to 2018. From 2023 onwards, we plan to make our rail transport operate entirely glyphosate-free.

We have been working to develop alternative methods, products and application strategies for vegetation control for several years. We are pursuing a holistic approach and investigating active procedures for controlling existing vegetation, preventive measures to avoid vegetation in the tracks, and approaches to dramatically reduce the amount of vegetation control required. In order to optimize planning and implementation, a digital vegetation management is being developed that will help to identify necessary actions, plan processes and monitor vegetation. In addition, we are pushing forward with the technological enhancement of mechanical methods such as semi-autonomous mowers and robotics. The use of alternative herbicides is also being tested. As things currently stand, innovative procedures will not yet be available or will only be available to a limited extent by 2023.

BALIN RESEARCH PROJECT

The BALIN research project investigates the effects of station nocturnal lighting on insects in the Westhavelland Naturpark, and potential countermeasures. The effects on insect fauna are being investigated at six stations by switching to insect-friendly lighting green. no. 61. The project started in January 2021.

Resource conservation

MANAGEMENT APPROACH AND TARGETS

GRI 103-1 103-2 103-3 301-1 301-2 301-3 306-2

Circular economy principles frame our thinking about how we deploy, use and dispose of resources. Recycled materials are used and our material cycles are being optimized. Using our internal waste management system, we collect and dispose of almost every type of waste separately by individual fractions on the output side. For our other waste, in particular municipal waste, we will increase the recycling rate over the next few years by developing an improved waste management. In order to support the tasks necessary to the circular economy, we use a central IT tool called ZEDAL for hazardous and non-hazardous waste. A core principle of DB Schenker's extensive global environmental management system is that the relevant locally applicable legal regulations for waste disposal are complied with as a minimum requirement. Corresponding contractual provisions are made and monitored at a local level.

We are redesigning green. no. 87 our production resources, especially our rolling stock, thereby extending their life cycle. Through the use of innovative 3D printing processes green. no. 149, we are contributing to efficient and resource-saving component production. In particular, this means that components that in the worst case could result in train downtimes can be manufactured at the touch of a button. We have now printed over 25,000 (replacement) parts in more than 300 different applications. At our maintenance depots, we are currently testing a new 3D printing material, known as a filament, that is made of 100% recycled plastic and is intended to be used in future to print tools and other implements.

We are looking at our entire value-creation chain – from procurement and operational use through to disposal. We are currently examining our resource flows in both procurement and waste management from a circular economy perspective. As part of this, in 2021, we conducted an extensive material flow analysis to identify the quantities and recirculation potential of DB Group's main resources. We are also a member of the World Business Council for Sustainable Development (WBCSD) and apply its Circular Transition Indicators initiative, which is a framework for determining company-specific circular economy indicators.

As part of our environmental management system in accordance with DIN ISO 14001, clear rules regarding the circular economy have been laid out. For example, when materials and substances are no longer needed, we check whether they can be recycled and how they leave DB Group. For the Integrated Rail System in Germany, we are fundamentally a waste producer, which means that we manage and take active responsibility for implementing legally compliant and environmentally friendly waste disposal via third parties all the way through to final disposal. The contractual terms and management of external disposal services is carried out centrally by the Group function procurement 70. Fundamentally, specialist waste disposal companies are appointed that have the appropriate waste-related management and economic competences in accordance with section 56 (2) of the Circular Economy Act (Kreislaufwirtschaftsgesetz; KrwG).

Our target is to keep the recycling rate for our total waste steady at over 95%. Valuable resources such as metals and mineral construction materials are used in the construction and maintenance of our track infrastructure and vehicle fleet in particular, and waste is produced in the course of our business operations, such as used ballast and concrete from demolished structures. The majority of these resources are already recycled.

RECYCLING RATE

GRI 306-3 306-4 306-5

By accounting and collecting certain types of waste separately, we can recycle them and generate revenues for specific waste.

VOLUME OF WASTE ACCORDING TO TYPE OF WASTE AND DISPOSAL PROCEDURE / thousand t	**2021**	2020	2019
Construction waste	8,342	7,656	10,838
Recycling	8,069	–	–
Thermal utilization and disposal	273	–	–
Scrap	327	331	309
Recycling	327	–	–
Thermal utilization and disposal	0.1	–	–
Electronic scrap	3.8	1.8	0.9
Recycling	3.3	–	–
Thermal utilization and disposal	0.5	–	–
Municipal waste	55.3	53.6	57.6
Recycling	23.7	–	–
Thermal utilization and disposal	31.6	–	–
Paper	37.9	31.4	25.4
Recycling	37.2	–	–
Thermal utilization and disposal	0.7	–	–
Waste oil	1.7	1.8	1.7
Recycling	1.4	–	–
Thermal utilization and disposal	0.2	–	–
Other [1]	61.7	58.1	55.6
Recycling	32.5	–	–
Thermal utilization and disposal	29.2	–	–
Total waste	**8,830**	**8,134**	**11,288**
Recycling	8,495	7,771	11,025
Thermal utilization and disposal	335	–	–

Recorded for the first time in 2021 according to the new GRI Standard 306: Waste, thus only limited previous year's figures available.
Period: October 1 to September 30.
Individual values do not add up due to rounding differences.
Excluding DB Arriva. DB Cargo AG is the only part of the DB Cargo business unit included.
[1] For example paint, varnish, sludge and other maintenance-related waste.

In 2021, about 0.7 million tons more waste was generated. The main driver was the construction waste, which increased by about 9%. At 96%, the recycling rate remains at the previous year's level. By using targeted measures, such as selective decommissioning and contractual binding of sorting and recycling facilities, we kept the share of recyclable waste high and the share of waste destined for disposal or incineration at a very low level.

The new strategy for disposing of mixed municipal waste, which aims to recycle as much of the recyclable material contained therein as possible, is showing signs of success. For example, the amount of municipal waste recycled increased significantly. Municipal waste only accounts for a small share of our total waste generation, but it is the most visible fraction in our trains and stations. Since the beginning of 2019, we have been reassigning contracts for waste disposal nationwide, with contracts mainly being awarded for sorting services at pretreatment plants. Qualified waste disposal companies sort the mixed waste in state-of-the-art sorting facilities, thereby increasing the amount of reusable materials to be sent for high-grade recycling. Thanks to state-of-the-art sorting methods, at least 85% of recyclable material contained in all the waste delivered to the facilities can now be clearly separated for recycling.

USE OF MATERIALS IN TRACK INFRASTRUCTURE	2021	2020	2019
Ballast (thousand t)	3,638	3,186	2,782
Share of recycling (%)	10.7	16.2	13.3
Machine ballast processing (million t)	1.3	1.5	1.4
thereof directly recycled	0.7	0.7	0.7
Concrete ties (thousand)	2,590	2,400	2,143
Share of recycling (%)	10.4	10.0	5.7

Period: October 1 to September 30.

We have established a material cycle for the ballast and concrete ties used in the maintenance of the track network.

- In 2021, about 2.8 million tons of worn-out ballast from the track network was removed and processed into recycled ballast green. no. 51 in certified disposal facilities for us to use or as grit or crushed sand for road construction. As part of our maintenance measures, some of the ballast was processed in machines on-site by track-bound ballast cleaning machines or mobile processing plants and immediately reused. This significantly reduces the amount of new ballast required and the associated transport-related greenhouse gas emissions.
- In 2021, about 1.8 million concrete ties that could no longer be used were removed. The concrete ties green. no. 73 are, where feasible, reused in the track network. Concrete ties that are not suitable for reuse in the track network are recycled by certified disposal companies and used for other applications, such as road or path construction.

VOLUME OF HAZARDOUS AND NON-HAZARDOUS WASTE / thousand t	2021
Hazardous waste	477
Share of recycling (%)	67.9
Share of thermal utilization and disposal (%)	32.1
Non-hazardous waste	8,352
Share of recycling (%)	97.8
Share of thermal utilization and disposal (%)	2.2
Total waste	**8,830**

First recorded in 2021 according to the new GRI Standard 306: Waste, hence no previous year's figures available.
Period: October 1 to September 30.
Individual values may not add up due to rounding differences.
Excluding DB Arriva. DB Cargo AG is the only part of the DB Cargo business unit included.

Of the waste generated in 2021, about 95% was classified as non-hazardous. This includes, for example, municipal waste and the majority of construction waste. The remainder, about 5%, includes waste that presents a risk to health or the environment – for example waste oil or contaminated waste wood. Special procedures ensure that this waste is disposed of safely. Here, too, we consider the conservation of resources and look at opportunities for recycling or thermal utilization of waste.

Noise reduction

MANAGEMENT APPROACH AND NOISE REDUCTION TARGET

GRI 103-1 103-2 103-3

Further reducing the impacts of rail transport noise on local residents is an essential prerequisite for the further shift in the mode of transport towards rail. We are therefore continuing to work on implementing our 2030/2050 noise reduction target:

- In continuing the Federal Government's noise remediation program, we will reduce rail transport noise on a total of 3,250 km of existing lines by 2030. By 2020, we had already completed about 2,000 km, and over the next ten years, about 1,250 km of existing line will also be added. This means that the impact of the noise pollution caused by rail transport on about 800,000 people, i.e. half of the residents living near lines affected by rail transport noise, will be remedied by 2030.
- By 2050, we will have completely remedied the noise pollution caused by rail transport on the total of about 6,500 km of existing lines. This means that we will have remedied the noise pollution for all of the about 1.6 million people affected.

A prerequisite for achieving these targets is the adequate provision of funds by the Federal Government in the noise reduction item of the Federal budget. We are improving public acceptance of the shift in the mode of transport towards rail 52 through our two-pillar noise reduction strategy, which focuses firstly on on-site measures (infrastructure) and secondly on at-source measures (vehicles).

- Since 2001, DB Cargo has been procuring new freight cars that are exclusively fitted with quiet brake shoes green. no. 05, and completed the conversion of the existing German freight cars to quiet brakes in 2020.
- By 2025, our electric track locomotives on DB Cargo freight trains in Germany will also be running with quiet brake systems.
- DB Cargo will retire the 232/233 series diesel locomotives by 2030. After that, only class77 series locomotives with block brakes will be in use.
- DB Long-Distance will replace all diesel-powered shunting locomotives with particularly quiet and climate-friendly hybrid shunting locomotives green. no. 44 by 2025.

Together with the German Center for Rail Traffic Research (Deutsches Zentrum für Schienenverkehrsforschung; DZSF) and our industry partners, we aim to continue advancing research and development in noise reduction measures for track infrastructure and vehicles so that we can implement more effective noise reduction measures.

NOISE REMEDIATION AND PREVENTION

NOISE REMEDIATION AND PREVENTION IN GERMANY	2021	2020	2019
NOISE REMEDIATION (EXISTING NETWORK)			
Noise barriers completed (km)	44.2	75.1	53.4
Homes with passive measures	1,820	1,485	1,628
Track kilometers noise-remediated in total as of Dec 31 (km)	2,110	2,039	1,844
Noise remediation areas relieved by noise prevention (km)	52.1	49.9	49.9
NOISE PREVENTION (NEW CONSTRUCTION AND EXPANSION/UPGRADE PROJECTS)			
Noise barriers completed (km)	41.2	18.4	59.7
Homes with passive measures	590	1,173	2,261

Since 1999, we have reduced noise pollution for residents living near rail lines through the voluntary noise remediation program for existing Federal rail lines. We are renovating particularly heavily affected lines by means of fixed noise reduction measures green. no. 25, such as noise barriers, soundproof windows or noise-proof ventilators in residential buildings. Progress on implementing these measures on affected lines was slightly above our forecast from the 2020 Integrated Report 182.

Federal budget utilization

In 2021, about € 150 million of Federal budget funds were spent on active and passive noise remediation measures as part of the noise reduction program, with additional noise barriers being installed and additional apartments being fitted with passive measures. In addition, Federal Government funding is being used to finance other special issues in noise reduction, such as the implementation of the measures featured in the feasibility study in the Middle Rhine Valley 32.

Reduction of trigger values

In 2020, the BMDV announced that the trigger values for noise remediation on existing Federal rail tracks would be reduced by a further 3 dB(A) to 54 dB(A). The corresponding reduction was set out in the 2021 Federal budget. The BMDV announced the publication of the new funding guidelines and the overall noise remediation program for 2022.

INNOVATIVE FREIGHT CARS

As part of the "innovative freight cars" research project initiated by the BMDV, DB Cargo and the railway freight car lessor VTG tested technologies for a quieter, more energy-efficient, smart freight car. The BMDV provided funds amounting to € 21.5 million. The project was completed in April 2019. Various innovative components were combined and installed. For instance, the effects of noise skirts, innovative brake systems, and wheel dampers were tested on selected freight car types. The results from testing and practical trials show that the innovative freight cars green. no. 54 use between 2 % and 3 % less energy. These results have also been incorporated into DB Cargo's fleet strategy and have resulted, among other things, in the procurement of an innovative automobile transport car. There were very promising results in noise reduction, particularly where wheel-mounted noise absorbers and ring elements were concerned. However, it was also determined that the relevant products are still not sufficiently mature to make them suitable for use in real operations. For this reason, DB Cargo, together with the manufacturer – separately from the research project – has further developed the product and has now started the corresponding field testing.

INNOVATIVE NOISE REDUCTION PROJECT I-LENA

In order to expand the portfolio for noise reduction measures green. no. 54 on infrastructure, the BMDV and DB Netz AG launched the initiative "Innovative and application-oriented noise reduction testing" (Initiative Lärmschutz-Erprobung neu und anwendungsorientiert; I-LENA) in April 2016, which was completed in 2020. The project gave manufacturers of noise reduction technologies the opportunity to have their innovations tested under real operating conditions on test lines in order to examine the acoustic effectiveness of their solutions. In 2021, the last reports on the acoustic measurements were completed. Given the project's positive experience with an established measurement concept and suitable test sections, we welcome the activities currently being planned by the German Center for Rail Transport Research (Deutsches Zentrum für Schienenverkehrsforschung; DZSF) as part of LärmLab 21.

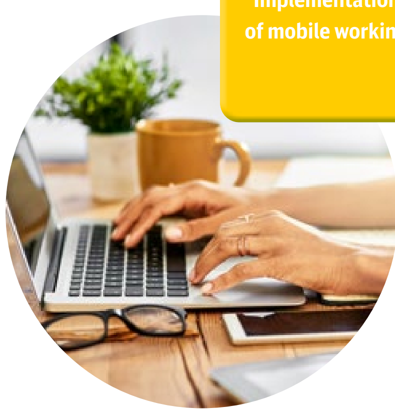
EMPLOYEES

Conclusion of collective bargaining process 2020/2021

△ With the agreement with the Railway and Transport Workers Union (Eisenbahn- und Verkehrsgewerkschaft; EVG) and the German Train Drivers' Union (Gewerkschaft Deutscher Lokomotivführer; GDL), collective wage agreements were concluded, expressing appreciation for employees and, at the same time, securing the future of the Integrated Rail System.

Personnel campaign and young talent record

△ In line with our Strong Rail strategy, we continued our major recruitment campaign in Germany in 2021. Thanks to our innovative recruiting approach, despite a tense labor market, about 23,000 employees completed their first working day in 2021, thereof about 4,500 were vocational trainees and dual students.



Implementation of mobile working

◁ Good work can happen almost anywhere – with this conviction we are consistently improving our working conditions. Mobile work is a natural part of our day-to-day working world. After creating the requisite conceptual guidelines, mobile work is now set to become anchored in the business. We are also beginning the gradual implementation of desk sharing and activity-oriented office concepts at all German office locations.

Overview of key figures

EMPLOYEES

EMPLOYEE SATISFACTION / SI — Target: 3.8

2026	3.8
2021	–
2020	3.9
2019	–
2018	3.7
2017	–

Short/mid-term target — Long-term target

EXTERNAL NEW HIRES IN GERMANY (EXCLUDING YOUNG PROFESSIONALS) / NP

2021	18,450
2020	21,700
2019	22,758
2018	20,815
2017	16,064

Management approach and targets

GRI 103-1 103-2 103-3

With the Strong Rail Strategy 52 ff., we intend to create the conditions for a sustainable change in the mobility sector. Only by pooling our expertise, sharing new ideas and having motivated employees can we overcome the challenges of tomorrow. Our Human Resources (HR) strategy provides us with an important framework for this and is an integral part of the Strong Rail system.

We are sticking to our strategic goal of recruiting, qualifying, integrating and retaining for long-term employment "100,000 employees." This approach is still the appropriate response to the challenges faced by DB Group – demographic change, a shortage of skilled employees and digital transformation.

We focus our actions on four strategic areas, which are derived from our HR strategy:

- forward-looking personnel planning,
- innovative recruiting,
- a holistic approach to management, qualification and transformation,
- actively designing the work of the future, and diversity.

These targets are a core component of the "100,000 employees" goal from the Strong Rail strategy, and are also interconnected with the 15 employee building blocks 54.

Making DB Group fit for the future means proactively managing human resources. It is the responsibility of our personnel planning systems to have employees at the right time in the right place and to identify potential capacity bottlenecks at an early stage. This is something we are developing further and anchoring in DB Group.

In order to inspire potential employees for our diverse job profiles and entry opportunities in the competitive labor market, we are further improving our employment conditions, which we advertise to the target groups with our innovative recruitment approaches. This enables us to meet our existing personnel needs despite the tense labor market.

The professional qualifications of our employees are an important success factor. We use our onboarding processes to prepare new employees for their role, ensuring they are orientated and can act with confidence. We promote the expansion of knowledge and knowledge transfer through our modern qualification architecture, which we systematically develop and which set up on a modern, digital foundation.

A culture of appreciative, results-oriented cooperation is critical to success in our dynamic market environment and with the complex challenges facing us. As a cultural element, the "compass for strong teamwork" gives managers and employees direction and promotes the assumption of responsibility, cooperation and knowledge transfer.

Findings on employee satisfaction and cultural development in the sense of the "compass for strong teamwork" are gained through the Group-wide employee survey (MAB) and the Culture Barometer for the Integrated Rail System in Germany. In 2021, we ran "cooperation workshops" to identify changes and improvement measures Group-wide, across all teams.

Diversity and open-mindedness are immutable values in our corporate culture. We want to be an exemplary employer who values the different perspectives, values and experiences of its diverse workforce and uses them for innovation and customer orientation. For this purpose, we have an active diversity management. Appropriate measures and activities are implemented under the framework of the Group initiative "Uniquely different" ("Einziganders") and promoted within DB Group.

Our work on tackling important topics of the future today means that we will continue to be an attractive employer in the future. We are concerned with the impact of digital change, the implications of the Covid-19 pandemic and key HR trends. The Group initiative "People. Make. The Future." serves as a framework for this, with its future labs, dialogs and partnerships.

Personnel planning

In order to ensure that DB Group is robustly positioned, we need effective and efficient personnel planning and management throughout the entire HR value chain, from differentiated planning to recruitment, qualification and functional training, right through to considering actual performance effectiveness. As a key part of holistic resource management, we work to close capacity and skills gaps and optimize the efficiency of our workforce.

We have implemented the 18-month rolling forecast for key operational functions as part of regular reporting in the context of high-performing personnel management.

Strategic Workforce Planning (SWP) is an instrument for analyzing our longer-term personnel policy challenges. This gives us a uniform and systematic view of strategically relevant activities over the next decade.

We are currently working on further developing our SWP. The aim is to create a robust and future-proof SWP. The Strong Rail strategy is an important building block for future SWP and provides an analytical basis for our HR strategy. We create synergies between a wide range of forward-looking further development projects.

Recruiting

EMPLOYER ATTRACTIVENESS

In 2021, we continued our major recruitment campaign. Due to the Covid-19 pandemic, job interviews and events predominantly took place online (virtually).

The Covid-19 pandemic has forced companies to partially restructure and reduce their personnel. We offer affected people prospects, and fill positions using both direct hiring and lateral entry. As part of our recruiting strategy, a process standard and procedure was established and an end-to-end approach was enabled in business partnerships, covering the entire process from identifying potential candidates to hiring. DB Group cooperated with a total of 56 companies in 2021, including eight from the aviation industry. Since the end of 2020, about 1,250 applications have been received from the cooperating air carriers, which led to about 200 hiring commitments. Most of the hires were on-board train attendants, followed by lateral entries (such as drivers, traffic controllers or car inspectors). Positions were also filled in the vehicle maintenance division (for example electronics technicians, mechatronics technicians).

We have once again carried out numerous image and recruitment campaigns. The ongoing employer branding campaign "Welcome, you are one of us." was further developed. The image campaign for students "No stress. Do something. At DB." won a trendence Award in the category "Best Employer Brand Campaign for Students," the German Prize for Online Communication in the "Employer Branding Campaign" category and the HR Excellence Award in the "Employer Branding" category. In addition, our "Jobs for Germany" image campaign for skilled employees received the Bronze award in the "Employer Branding & Recruiting" category at the Effie Germany Awards.

We further developed our women's recruitment strategy to improve our visibility as a leading employer for women and achieve the target of 30% women in leadership by 2024. One of the 30 measures is to celebrate World Women's Day in the form of a DB World Women's Month. With over 200 digital campaigns and events, 474 recruitments of female candidates were made in March 2021. In addition, two Guinness World Records™ titles on equal opportunities were created, in which more than 6,200 people participated. The world women's month was awarded by trendence as the best digital recruiting campaign/event, and also received an HR Excellence Award in the "Recruiting campaign" category.

We have improved our employer rankings:

- In the trendence Expert Barometer, we improved by 15 places to 7th place.
- For academic professionals, we moved up the rankings to 9th place on the trendence Professional Barometer.
- In the trendence Student Barometer, we were able to improve our ranking to 15th place.

NEW HIRES

In 2021, in spite of the Covid-19 pandemic, about 23,000 new employees (including vocational trainees and dual-degree students) in Germany completed their first working day at DB Group (previous year: about 26,300). These new hires include about 3,600 maintenance technicians, more than 2,000 mainline locomotive drivers and about 1,600 signal station employees.

EXTERNAL NEW HIRES IN GERMANY (EXCLUDING YOUNG PROFESSIONALS) / NP 2021

In 2021, we had 18,450 external new hires, excluding young professionals (previous year: 21,700). This is an important contribution to the implementation of our central strategic HR objective and to the robustness of DB Group.

Management, qualification and transformation

QUALIFICATION AND TRAINING

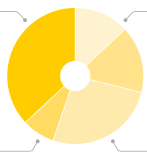
We are one of the largest companies providing education and training in Germany, and offer training in 50 apprenticeship professions. Even in uncertain times, we provide young people with secure career prospects, and typically offer a permanent contract to vocational trainees and dual-degree students after successfully passing the final examination. The Covid-19 pandemic does not change this, because committed young professionals continue to be needed for a Strong Rail system and a successful transition to more sustainable mobility and transport. In light of this need, the number of trainees and dual-degree students increased by over 10% from 2019 to 2021.

YOUNG PROFESSIONALS IN GERMANY AS OF DEC 31 / NP	2021	2020	2019
Vocational trainees [1]	11,668	11,356	10,676
Dual-degree students [1]	1,316	1,237	1,081
Graduate trainees [2]	128	151	146
Interns [2]	667	683	664
"Chance plus" participants [3]	184	211	195
Total [3]	**13,963**	**13,638**	**12,762**

[1] Includes all class years of vocational training (usually three class years for both vocational trainees and dual-degree students).
[2] Companies with about 98% of domestic employees.
[3] Previous years' figures adjusted.

We are continuously increasing our capacity so that we can qualify additional personnel professionally and quickly.

EXTERNAL NEW HIRES, VOCATIONAL TRAINEES AND DUAL-DEGREE STUDENTS IN GERMANY / NP 2021



Figures correspond to respective career objective.

In 2021, about 4,500 vocational trainees and dual-degree students started their apprenticeships or studies at DB Group (previous year: about 4,600). In 2021, we received about 103,000 applications for training places in the Integrated Rail System (previous year: about 94,000). This shows that we are an attractive employer, especially among young people, in times of discussions about climate change, sustainability and environmental protection. As before, most vocational trainees started their career as railway employees in operational services, or as electronics engineers.

We are involved in the reorganization of the most important apprenticeships in rail transport with social partners. For example, in 2021, the focus was on the restructuring of the apprenticeship for railway employees in operational services. From August 2022, it is expected that new railway employees in operational services will be trained with the new content.

All young professionals in the first year of teaching/study received a mobile end device in 2021. The provision of mobile end devices was a key factor for the successful continuation of the young talent programs during the Covid-19 pandemic.

Further information can be found in the section Securing young talent 264.

EMPLOYEE LOYALTY AND DEVELOPMENT

New approaches and efficient processes for employee retention and development are crucial to the assumption of greater responsibility, cooperation and performance at DB Group. We support employees in several key areas:

- **Perform:** "My Performance Management" focuses on honest dialog about performance with the objective of continuously encouraging better performance. Based on the experience in the area of executives, the instruments "My performance" and "My incentive feedback" were introduced in 2021 for more than 200,000 employees. This was the first time that all employees had the opportunity, among other things, to collect feedback about their work from colleagues and business partners and to provide their executives with feedback. With the introduction of a mandatory contribution to performance in the "Women in leadership" dimension for all executives from the level of the leading executive, "My performance" is also an important tool for achieving our target of 30% women in leadership by 2024 (Second Act on Equal Participation of Men and Women in Management Positions; (Gesetz für die gleichberechtigte Teilhabe von Frauen und Männern an Führungspositionen; FüPoG II)).
- **Learning:** In 2021, we expanded the Group-wide offer of DB Academy and DB Training. DB Learning World has further established itself as a central learning platform. In addition to business unit-specific content, more than 230,000 registered users can access over 500 learning units on strategy, digitalization, lean management/DB excellence, and environment and sustainability. DB Learning World enables employees to learn autonomously and independently, and to develop further. The newly integrated "Employees for employees" unit offers employees the opportunity to prepare and present their own knowledge and make it available to everyone.
- **Developing and appointing:** The purpose of strategic succession planning is to identify succession risks at an early stage, plan succession scenarios and speed up appointments. The aim is to increase the quality and diversity of appointments and to orientate employees towards Group-wide professional development. In 2021, succession planning related to over 1,000 management roles. With our three career pathways – leadership, expert and project careers – we are committed to the future and offer attractive alternatives to traditional management careers. The DB "specialists" career path is currently

being implemented and will be introduced to DB Group in all business units by the end of 2022. In addition, in 2021, we realigned our talent management with DB Careers Lab (DB Karriere Lab) in order to better reward initiative and individuality and make talent more visible across all career paths.
- **Onboarding and transfers:** Once an appointment decision has been made, a structured onboarding management helps the starter prepare for their new role and ensure that they feel comfortable on arrival in the new department or company. With our onboarding platform, we provide relevant information about how to get started. Structured and integrated knowledge transfer processes help new recruits to familiarize themselves with their tasks, processes and the Integrated Rail System. Personal support from executives and colleagues plays an important role in social integration. Our Group-wide mentoring program and intergenerational management promotes integration and mutual learning for experienced and new employees. In addition to the entry of new employees, a reentry management supports colleagues in ensuring the successful reentry into work after temporary absences. In doing so, we promote women in leadership and/or women with leadership ambitions, and make an important contribution to achieving the target of 30% women in leadership by 2024.

Employees are responsible for all of these areas and are supported by their executives. The "compass for strong teamwork" is a common benchmark for these topics. It is intended to lay the path for changes in leadership, cooperation and culture within DB Group under the framework of the Strong Rail strategy. The compass is based on the five most important principles that everyone in DB Group can use in their day-to-day roles to make Strong Rail a success. The compass principles have been systematically anchored in diagnostics, entry management, performance assessment, career development and qualifications. For example, the "compass for strong teamwork" was integrated into all executive training courses and the initial selection process for executives was aligned accordingly.

Further information is available in the section Personnel development 263f.

15 EMPLOYEE BUILDING BLOCKS

In 2021, additional employee building blocks 54 were identified and expanded upon. Within this framework, the most important concerns of employees are prioritized and implemented with Management Board support.

EMPLOYEE SATISFACTION AND CORPORATE CULTURE

EMPLOYEE SATISFACTION	2021	2020	2019
Employee satisfaction [1] (SI)	–	3.9	–
Compass index [2] (%)	49	–	–

[1] The employee satisfaction survey is conducted every two years on a scale of 1 to 5 (with 5 being the highest value).
[2] In the interim years of the employee survey, the compass index is determined for the Integrated Rail System in Germany, on a scale of 0% to 100%, as part of the culture barometer sample survey.

Group-wide employee satisfaction is determined every two years as part of the employee survey. Since 2021, the compass index for the Integrated Rail System in Germany has been calculated in the interim years as part of the culture barometer sample survey. From 2021, the compass index will replace the key figure "Follow-up workshop implementation rate."

We conduct the Group-wide employee survey every two years in accordance with the new motto "Participate – be involved." It was most recently conducted in 2020. The employee survey has established itself as an instrument in DB Group and provides concrete indications of improvement at all levels. In addition to transparently sharing the results with all employees, working with the results in the subsequent process is an essential part of our handling of employee survey results. At the beginning of 2021, all executives across the Group had access to their aggregated employee survey results and shared them with their employees. The cross-team "collaboration workshops" then started as a central element of the employee survey follow-up process. Despite difficult conditions caused by the Covid-19 pandemic, more than 3,000 "collaboration workshops" were held in 2021.

In September 2021, in addition to the employee survey, the culture barometer was conducted for the first time – a sample survey in the Integrated Rail System in Germany. It measures the Group culture in the sense of the "compass for strong teamwork" and covers employee satisfaction and the success of the Strong Rail strategy in view of a strong DB team. A total of 16,500 employees were randomly selected and invited to participate. In line with the motto "One for many – your voice for the culture barometer," they were able to provide feedback on the topics of cooperation, satisfaction, Team DB and the Strong Rail System on behalf of themselves and their colleagues.

The representative results of the culture barometer enable a reassessment of our situation in the interim years of the employee survey, with a focus on the corporate culture. The culture barometer focuses on the compass index.

The results still reflect the support for a Strong Rail System, and employee satisfaction fell only slightly. Overall, however, Team DB experienced a setback in contrast to the results of the 2020 employee survey and the optimism there. The compass index, which we first collected with the 2020 employee survey, measures how cooperation and corporate culture have developed. After the results of the 2020 employee survey, where the index was 57%, in 2021 it fell to 49%. The results of the culture barometer were used as an opportunity, particularly at strategic levels, to analyze in more detail the reasons behind the low scores given to certain topics. The results are designed to provide a guide for further action in DB Group with regard to a strong Team DB.

Work of the future

In order to strengthen our ability to innovate and prepare ourselves for the future, we intend to actively shape the work of the future in DB Group. Here, it is important to us to involve all employees, especially those who contribute to success in operating activities and in direct customer contact.

EMPLOYMENT CONDITIONS

We are continuing to improve employment conditions within the framework of the Strong Rail strategy, based on current and future social developments, as well as employees' and applicants' expectations of a modern employer. Issues such as flexibility, participation and individualization are highly important.

GRI 102-43 Collective bargaining process 2020/2021 completed

In May 2020, DB Group signed the Alliance for Our Railway 93 (2020 Integrated Report) together with the Federal Transport Minister, the EVG, the Group Works Council and the German Mobility and Transport Services Association (Arbeitgeber- und Wirtschaftsverband der Mobilitäts- und Verkehrsdienstleister e. V.; AGV MOVE). Against this backdrop, we reached an agreement with the EVG on a comprehensive collective bargaining package in September 2020. In addition to regulations for moderate wage increases in 2022 and a period up to February 2023, the overall package includes numerous agreements on relevant topics for the future. After further negotiations, we reached an agreement with the EVG in October 2021 on additional obligations arising from collective bargaining agreements that supplement the agreements on the Alliance for Our Railway:

- In 2021, employees will receive € 600 and a further € 500 in March 2022 as a Covid-19 bonus. Solutions have been found in the areas of extra pay, education, housing and mobility. For example, additional funds have been made available for employee mobility.
- The regulations apply in DB Group operations in which the EVG organizes the majority of employees in accordance with the German Collective Bargaining Agreement Act (Tarifeinheitsgesetz, TEG).
- The collective wage agreements concluded by DB Group and EVG in September 2020 will continue to apply those operations. In addition to an increase in remuneration of 1.5% as of January 1, 2022, these also include extended protection against dismissal for employees. The agreements have a total term of 24 months to February 2023.

After several rounds of negotiations, we reached a wage agreement with the GDL in September 2021:

- Remuneration will increase by 1.5% as of December 1, 2021, and by a further 1.8% on March 1, 2023. A total term of 32 months was agreed between March 2021 and October 2023.
- As of December 1, 2021, employees will receive a Covid-19 bonus of € 600, € 400 or € 300 depending on the pay category. A second Covid-19 bonus of € 400 was agreed for March 1, 2022.
- DB Group and GDL have concluded collective bargaining agreements for train staff and for the first time also for employees in the workshops and administration of the six train operating companies DB Fernverkehr AG, DB Cargo AG, DB Regio AG, DB RegioNetz Verkehrs GmbH, S-Bahn Berlin GmbH and S-Bahn Hamburg GmbH.
- DB Group and GDL agree that the TEG is the basis for the application of collective bargaining agreements within DB Group. Accordingly, in companies where different collective labor agreements overlap in their scope, the collective labor agreement of the trade union that organizes the most members in an employment relationship in the relevant company (majority collective bargaining agreement) shall apply.

The conclusions take into account the interests of passengers, employees and DB Group in equal measure. They include, among other things, a wage agreement that takes the damaging effects of the Covid-19 pandemic into account and acknowledges the commitment of our employees, especially during the pandemic.

Flexible design of working hours

We acknowledge social changes and the wishes of employees when organizing working hours. Our efforts to continuously improve flexibility in working hours help to increase our attractiveness as an employer and are therefore of great importance for employee loyalty and recruitment. In this context we offer, for example, the elective working hours model. Employees can decide whether to reduce their working hours by one or two hours per week, take six or 12 additional vacation days per year or receive an increased salary. In 2021, about two-thirds of the employees covered collective bargaining agreements opted for a model with additional vacation within the scope of the regulation.

There are also several options for our employees when using overtime. In addition to the classic options of leave or remuneration, employees covered by collective bargaining agreements can add time credit from overtime, as well as vacation days and remuneration, to an individual long-term account and take paid leave at a later date. At the end of 2021, more than 60,000 employees were using a credit account.

With employer-financed contributions to the DEVK pension fund, DB Group offers an attractive retirement pension to supplement the statutory pension.

Employees covered by collective bargaining agreements are also able to convert time credits from overtime or additional vacation for rotating shift work, shift work and night work, into the company pension plan (CPPs) in full or in part, allowing them to save for their retirement. Both models (contribution to a long-term account and conversion to the CPP) are additionally supported by DB Group.

In the companies with shift and rotating shift work, we are strengthening the participation of employees in the planning and individualization of working hours within the framework of operational working hours projects. As part of a standardized project approach and a project template agreed with the collective bargaining parties and business units, employees are actively involved in the search for suitable, feasible, customer-oriented and sustainable solutions – always in line with employees' wishes and operational and economic requirements. In 2021, for example, solutions for individual shift planning for on-board staff were introduced at DB Long-Distance with the apps "My time" and "My exchange." They make it possible to align shift plans as closely as possible to employees' individual wishes.

Further information can be found in the section Social and fringe benefits 265 f.

Mobility services and supported living space

With our digital housing exchange, we are making it easier for our employees to access affordable housing. At the same time, we have intensified our cooperation with housing companies and updated contractual terms. In 2020, we concluded cooperation agreements with six housing companies that provide our employees with access to a pool of about 600,000 apartments. When selecting cooperation partners, we pay attention to the average rent levels as well as the location of the apartments. In addition, we analyze the needs of our employees in order to be able to plan specific housing projects in the future and implement them if necessary.

We aim to offer our employees a varied, green, flexible and simple mobility portfolio that consists primarily of DB's own and digitally manageable services. DB company bikes and fare reductions, especially in DB Long-Distance Transport, are the foundations we have laid for employees in this regard. Employees not subject to collective wage agreements and executive employees can also use our bike-sharing service Call a Bike and our Flinkster car-sharing service, with special conditions, and choose BahnCard 100 instead of a company car. We also provide our employees with access to favorable offers for the monthly transport association job ticket for their commute to work. To this end, we are concluding successive cooperation agreements with transport associations.

Modern health management

We were able to guarantee important mobility services throughout the Covid-19 pandemic. Our crisis management team in the area of occupational health management in particular has played an important role in this regard. With its activities and protective measures, our occupational health management follows the German National Pandemic Plan, the occupational health and safety regulations of the Federal Ministry of Labor and Social Affairs (Bundesministerium für Arbeit und Soziales; BMAS), and the precautionary recommendations of the Robert Koch Institute. The objectives of the crisis management team include minimizing the risk of infection at the workplace, maintaining operational processes, maintaining operational infrastructure and ensuring basic supply. The health management team is in constant communication with the health authorities of the Federal Government and the Federal states, the German Federal Ministry of the Interior and Community (Bundesministerium des Innern und für Heimat; BMI) and the BMDV. Health management offers employees and executives assistance, information and support services in order to cope with the Covid-19 pandemic together. The digitalization of health services also makes a contribution to the design of modern employment conditions in this context. In addition, we are focusing particularly on the side effects of the Covid-19 pandemic, such as "long- or post-Covid," and also how to deal with mental stress during the pandemic. To address this and for ergonomic advice, offers were developed with the help of the social partnership with the BSW & EWH Foundation Family (Stiftungsfamilie BSW & EWH), the Association of German Railway Sports Associations (Verband Deutscher Eisenbahner-Sportvereine; VDES), BAHN-BKK and Knappschaft-Bahn-See (KBS Social insurance for railway employees and seafarers).

Further information can be found in the section Occupational safety and health management 266 f.

DB internal vaccine offer

We offer our employees vaccines to support the Covid-19 vaccination campaign in Germany. To this end, we have set up our own vaccine centers at ten central locations (Hamburg, Hanover, Berlin, Leipzig, Frankfurt am Main, Cologne, Duisburg, Karlsruhe, Nuremberg and Munich) and operate these independently with the support of the company medical service providers PIMA and ASAM prevent. DB's in-house vaccine centers were initially open from June 2021 until the end of August 2021. As we had sufficient resources of vaccines and medical staff available, the vaccine offer was also expanded to include family members of DB employees and employees of the social partners. A total of about 32,000 vaccines were administered.

DB's in-house vaccine centers opened again on December 6, 2021. In addition to basic immunization, it is also possible to receive a booster vaccine. The service was again aimed at employees, but was expanded to include family members and employees of social partners as early as mid-December 2021.

Mobile working

We are consistently taking further steps towards establishing new and flexible forms of collaboration. In summer 2021, the fundamental decision was made to anchor mobile working into our everyday work for employees and executives with office activities. In addition, desk sharing and an activity-oriented office concept are being gradually introduced at all office locations throughout Germany.

We are building on the positive experiences of intensive digital collaboration due to the Covid-19 pandemic, the diverse and many years of experience in designing more modern office structures, and the needs of employees for flexible working conditions.

THE WORK OF THE FUTURE, AND DIVERSITY

Part of the Group initiative "People. Make. The Future." involves systematic discussion of innovations and visions of the work of the future with the goal of addressing important strategic issues in good time, exchanging knowledge and testing new ideas. To this end, we regularly develop an overview of the relevant HR future trends with the HR trend map, which we discuss at various levels in DB Group in order to derive measures, projects and initiatives.

In 2021, we organized our innovative digital conference "Week of new work." An interactive program was organized with over 70 virtual program topics from all over DB Group, with the motto "By employees, for employees." It offered the opportunity to exchange ideas across the Group on topics such as new forms of collaboration, modern leadership, agile working and independent organization, as well as future job profiles.

Two H-FutureLabs work under the umbrella of the initiative "People. Make. The Future." and their experts make it their task to find new answers to important questions concerning the future.

- H-FutureLab 1 ("Future prospects for professions in the rail industry") is developing a method of identifying future changes in DB professions and initiating timely measures to track and train employees. In 2021, numerous professional profiles were reviewed and recommendations made.
- In H-FutureLab 2 ("New forms of collaboration"), experts demonstrate how agile working and self-organization can create more scope for action and decision-making. More than 7,000 employees work in agile organizational units or are in transformation. In 2021, this expertise was incorporated into a management guide and a Group-wide commitment to new forms of collaboration in the administrative and operating division.

The Group-wide Diversity Week – under the banner "#UniquelyDifferent ways of thinking, feeling, working and living." – revolved around the topic of diverse perspectives. The aim of the digital event was to show and discuss diversity within DB Group, and to network. Various Group-specific products, such as the diversity podcast "May I do that?" ("Darf ich das?") shared specific opportunities for promoting diversity in everyday working life.

30% women in leadership

In October 2021, the FüPoG II was used as an opportunity to adopt a new management practice with corresponding targets to increase the proportion of women in leadership. The proportion of women in management-level roles in companies subject to FüPoG II is expected to increase to a total of 30% at the Supervisory Board, Management Board and first and second management levels by the end of 2024. The proportion of women in management positions in the companies concerned is 25.4% across all levels based on the organizational structure valid as of December 31, 2021. External recruitment of all target groups, attractive working conditions and internal measures to ensure employee retention and development are also intended to increase the proportion of women in the overall workforce.

SMART HR TRANSFORMATION PROJECT

We are pursuing the replacement of our current HR management system with a cloud-based solution, Smart HR, in which employees can use HR products any time and anywhere. We are currently in the design phase. The implementation will run until 2024 and will take place in two waves. The first go-live should take place in mid-2023.

GRI 102-7

Employee numbers and structure

EMPLOYEES AS OF DEC 31 / FTE	2021	2020	Change absolute	Change %	2019
DB Long-Distance	18,790	18,794	-4	-	17,289
DB Regional	37,220	37,159	+61	+0.2	36,374
DB Cargo	30,057	30,052	+5	-	29,525
DB Netze Track	51,290	50,330	+960	+1.9	48,787
DB Netze Stations	6,811	6,525	+286	+4.4	6,216
DB Netze Energy	1,900	1,861	+39	+2.1	1,772
Other	58,345	57,878	+467	+0.8	55,497
Integrated Rail System	**204,413**	**202,599**	**+1,814**	**+0.9**	**195,460**
DB Arriva	43,189	46,008	-2,819	-6.1	52,331
DB Schenker	76,114	74,161	+1,953	2.6	76,153
DB Group	**323,716**	**322,768**	**+948**	**+0.3**	**323,944**
± Changes in the scope of consolidation	-605	-	-605	-	-
DB Group – comparable	**323,111**	**322,768**	**+343**	**+0.1**	**323,944**

To guarantee better comparability, the number of employees is converted into full-time employees (FTE). Figures for part-time employees are measured in accordance with their share of the regular annual working time.

As of December 31, 2021, the number of employees was at the same level as at the end of the previous year. Declines at DB Arriva, mainly due to the Covid-19-related decline in demand for UK Bus, were fully offset by an increase at DB Schenker, mainly as a result of the positive business development and a slightly higher number of employees in the Integrated Rail System. Measures to increase capacity and quality at DB Netze Track and DB Netze Stations was the main factor here. In the Other area, the number of employees also increased due, among other things, to expanded digitalization and quality measures, additional hygiene and safety requirements as a result of the Covid-19 pandemic, and the increase in in-house production.

EMPLOYEES BY REGIONS AS OF DEC 31 / FTE	2021	2020	Change absolute	Change %	2019
Germany	209,763	207,996	+1,767	+0.8	202,328
Europe (excluding Germany)	84,260	85,699	-1,439	-1.7	92,106
Asia/Pacific	16,985	16,764	+221	+1.3	16,890
North America	9,256	9,027	+229	2.5	9,285
Rest of world	3,452	3,282	+170	+5.2	3,335
DB Group	**323,716**	**322,768**	**+948**	**+0.3**	**323,944**

EMPLOYEE LOYALTY / years	2021	2020	2019
Average length of service	16	17	17
Average age	45	45	45

Germany (companies with about 98% of domestic employees).

SHARE OF WOMEN AS OF DEC 31 / %	2021	2020	2019
DB Group	24.4	24.3	24.3
in Germany	23.4	23.3	23.3

Further information can be found in the section Number of employees and employee structure 267.

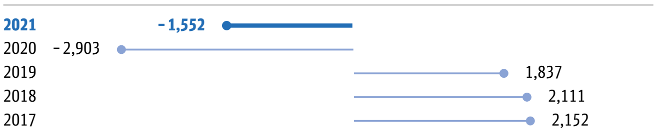
BUSINESS DEVELOPMENT

Overview of key figures

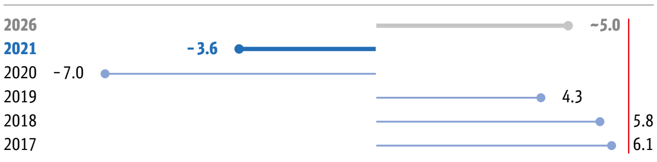
ECONOMIC

REVENUES ADJUSTED / € billion

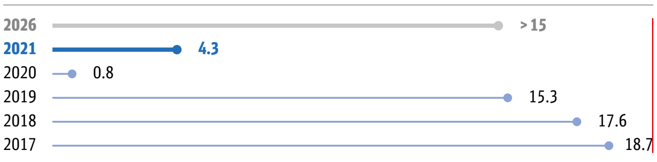
EBIT ADJUSTED / € million



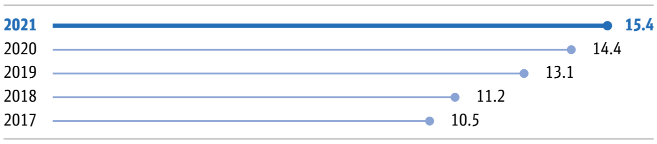
ROCE [1] / % Target: ≥6.5



DEBT COVERAGE / % Target: ≥20



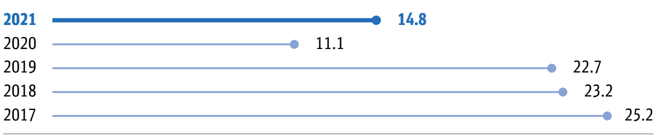
GROSS CAPITAL EXPENDITURES [1] / € billion



NET CAPITAL EXPENDITURES [1] / € billion

NET FINANCIAL DEBT [1] **AS OF DEC 31** / € billion

EQUITY RATIO AS OF DEC 31 [1] / %



[1] Beginning in 2019, limited comparability to previous year figures due to the IFRS 16 effect (2019 Integrated Report 101).

Short/mid-term target — Long-term target

OVERVIEW

	Total revenues					External revenues				
			Change					Change		
REVENUES ADJUSTED / € million	**2021**	2020	absolute	%	2019	**2021**	2020	absolute	%	2019
DB Long-Distance	2,911	2,879	+32	+1.1	4,985	2,792	2,753	+39	+1.4	4,824
DB Regional	8,043	7,662	+381	+5.0	8,945	7,929	7,553	+376	+5.0	8,830
DB Cargo	4,487	4,119	+368	+8.9	4,449	4,195	3,854	+341	+8.8	4,188
DB Netze Track	5,984	5,660	+324	+5.7	5,652	1,975	1,808	+167	+9.2	1,687
DB Netze Stations	1,285	1,258	+27	+2.1	1,339	520	525	-5	-1.0	590
DB Netze Energy	3,366	2,724	+642	+23.6	2,812	1,808	1,297	+511	+39.4	1,308
Other	5,685	5,375	+310	+5.8	5,192	593	523	+70	+13.4	581
Consolidation Integrated Rail System	-11,741	-11,166	-575	+5.1	-11,154	–	–	–	–	–
Integrated Rail System	**20,020**	**18,511**	**+1,509**	**+8.2**	**22,220**	**19,812**	**18,313**	**+1,499**	**+8.2**	**22,008**
DB Arriva	4,069	3,990	+79	+2.0	5,410	4,067	3,988	+79	+2.0	5,405
DB Schenker	23,443	17,671	+5,772	+32.7	17,091	23,371	17,601	+5,770	+32.8	17,018
Consolidation other	-282	-270	-12	+4.4	-290	–	–	–	–	–
DB Group	**47,250**	**39,902**	**+7,348**	**+18.4**	**44,431**	**47,250**	**39,902**	**+7,348**	**+18.4**	**44,431**

	EBITDA adjusted					EBIT adjusted				
			Change					Change		
OPERATING PROFIT FIGURES / € million	**2021**	2020	absolute	%	2019	**2021**	2020	absolute	%	2019
DB Long-Distance	-1,434	-1,337	-97	+7.3	789	-1,790	-1,681	-109	+6.5	485
DB Regional	218	184	+34	+18.5	1,056	-417	-451	+34	-7.5	408
DB Cargo	-100	-321	+221	-68.8	13	-481	-728	+247	-33.9	-308
DB Netze Track	1,010	1,086	-76	-7.0	1,443	334	409	-75	-18.3	807
DB Netze Stations	160	171	-11	-6.4	349	1	24	-23	-95.8	210
DB Netze Energy	254	91	+163	–	128	169	5	+164	–	43
Other/consolidation Integrated Rail System	-25	-220	+195	-88.6	-162	-545	-753	+208	-27.6	-622
Integrated Rail System	**83**	**-346**	**+429**	**–**	**3,616**	**-2,729**	**-3,175**	**+446**	**-14.0**	**1,023**
DB Arriva	359	51	+308	–	752	-73	-431	+358	-83.1	289
DB Schenker	1,845	1,307	+538	+41.2	1,082	1,248	711	+537	+75.5	538
Consolidation other	-0	-10	+10	-100	-14	2	-8	+10	–	-13
DB Group	**2,287**	**1,002**	**+1,285**	**+128**	**5,436**	**-1,552**	**-2,903**	**+1,351**	**-46.5**	**1,837**
Margin (%)	4.8	2.5	–	–	12.2	-3.3	-7.3	–	–	4.1

	Gross capital expenditures					Net capital expenditures				
			Change					Change		
CAPITAL EXPENDITURES / € million	**2021**	2020	absolute	%	2019	**2021**	2020	absolute	%	2019
DB Long-Distance	1,507	1,290	+217	+16.8	1,241	1,507	1,250	+257	+20.6	1,241
DB Regional	480	434	+46	+10.6	560	455	418	+37	+8.9	548
DB Cargo	525	452	+73	+16.2	570	497	438	+59	+13.5	523
DB Netze Track	9,349	8,480	+869	+10.2	7,441	1,738	1,363	+375	+27.5	1,055
DB Netze Stations	1,380	1,338	+42	+3.1	1,096	297	253	+44	+17.4	262
DB Netze Energy	340	273	+67	+24.5	193	66	51	+15	+29.4	61
Other/consolidation Integrated Rail System	695	861	-166	-19.3	612	689	861	-172	-20.0	611
Integrated Rail System	**14,276**	**13,128**	**+1,148**	**+8.7**	**11,713**	**5,249**	**4,634**	**+615**	**+13.3**	**4,301**
DB Arriva	267	457	-190	-41.6	718	249	435	-186	-42.8	683
DB Schenker	844	817	+27	+3.3	662	844	817	+27	+3.3	662
Consolidation other	–	–	–	–	–	–	–	–	–	–
DB Group	**15,387**	**14,402**	**+985**	**+6.8**	**13,093**	**6,342**	**5,886**	**+456**	**+7.7**	**5,646**
thereof investment grants	9,045	8,516	+529	+6.2	7,447	–	–	–	–	–

Business environment

ECONOMIC FRAMEWORK

DEVELOPMENT OF IMPORTANT MACROECONOMIC INDICATORS COMPARED TO THE PREVIOUS YEAR / %	2021	2020	2019
GLOBAL TRADE (IN REAL TERMS)			
Trade in goods	+11.7	-5.6	+0.5
GDP			
World	+5.8	-3.5	+2.6
USA	+5.7	-3.4	+2.3
China	+8.1	+2.2	+6.0
Japan	+1.6	-4.5	-0.2
Europe	+5.7	-5.8	+1.7
Eurozone	+5.2	-6.5	+1.6
Germany	+2.8	-4.9	+1.1

The data for 2019 to 2021, adjusted for price and calendar effects, are based on information and estimates available as of February 2022.
Source: Oxford Economics

The global economy recorded strong growth in 2021. From a global point of view, the Covid-19-related slump has already been more than compensated for, meaning that economic performance is only slightly below the growth trajectory it was on before the Covid-19 pandemic. However, the recovery has varied in strength between regions and has in some cases been delayed. This has reinforced asymmetries that existed even before the Covid-19 pandemic. For example, China and other Far East economies, which had already been growing strongly before the Covid-19 pandemic, were less severely impaired, or began to recover more rapidly. The same applies to other emerging markets around the world, whereas developing countries were generally hit harder by the pandemic and began to recover later. Among industrialized countries, countries such as the USA recovered very quickly from the slump.

By comparison, European economies were hit relatively hard by the Covid-19 pandemic. The major industrialized countries of Western Europe in particular experienced very severe slumps. Although it began at the end of 2020, the recovery was not as strong as expected. In Germany, the Federal Government implemented greater measures to stimulate the economy than in many other countries, which softened both the recession in 2020 and the subsequent recovery in 2021. Germany also benefited from the renewed increase in global demand for consumer and capital goods.

While Covid-19-related restrictions affected industrial production to a comparatively limited extent, some service sectors, in particular tourism, were very severely restricted. This also had a strong impact in 2021 as passengers avoided booking journeys due to the pandemic restrictions and the pervading uncertainties.

Trade recovered very quickly in comparison to total global economic output, managing to significantly exceed the pre-pandemic level in 2021. As a result, some transport capacities became scarce, leading to significant increases in freight rates. There was also strong demand for many raw materials and other intermediate goods, pushing up prices. This also applied to the price of oil. In some intermediate goods such as semiconductors, the shortages were so severe that growth in other sectors, such as automobile production, was restricted. Rising inflation is restricting the ability of the European Central Bank (ECB) to further stimulate the European economy through an expansionary monetary policy.

ENERGY MARKETS

The central hedging policy of DB Group aims to reduce energy price fluctuations. Our activities are therefore not exposed to the full impact of changes in market prices, at least not in the short term.

Brent oil

BRENT CRUDE / USD/bbl	2021	2020	Change absolute	Change %
Average price	71.0	43.2	+27.8	+64.4
Highest price	86.7	71.8	–	–
Lowest price	50.5	16.0	–	–
Year-end price	77.8	51.8	+26.0	+50.2

Source: Thomson Reuters

The price of oil increased significantly in 2021 due to the rapid recovery of the global economy and the growing demand this entailed, all whilst production volumes were limited. This development was somewhat weakened for the Eurozone by exchange rate effects.

Apart from the increase in the price of oil, fuel prices in Germany were pushed up by the introduction of the CO_2 tax and the reversal of the temporary reduction in value-added tax at the beginning of 2021. In 2021, fuel prices were about 22% higher than in the previous year.

Rising fuel prices usually strengthen the competitiveness of the railways in comparison to cars. However, given the Covid-19-related restrictions that continued to apply in 2021 and the associated preference for more individual means of transport (due to the smaller amount of contact involved), the development of fuel prices in 2021 was of minor importance for passengers choosing their mode of transport.

Electricity and emissions certificates

	2021	2020	Change absolute	Change %
BASE LOAD POWER (FOLLOWING YEAR) (€/MWH)				
Average price	89.0	40.5	+48.5	+120
Highest price	325.2	50.0	–	–
Lowest price	48.7	33.9	–	–
Year-end price	120.5	50.0	+70.5	+141
EMISSIONS CERTIFICATES (€/t CO_2)				
Average price	53.7	24.8	+28.9	+117
Highest price	90.8	33.5	–	–
Lowest price	31.3	14.3	–	–
Year-end price	80.7	32.7	+48.0	+147

Source: Thomson Reuters

Prices on the futures market for electricity rose very sharply in 2021. The most important price drivers were the prices for emissions allowances (European allowances as part of the European Emissions Trading System) and the price increase for natural gas. Our hedging activities in DB Group's operating business curbed this development.

Income situation

- *Economic development still under pressure due to the effects of the Covid-19 pandemic on passenger transport.*
- *Continuing very positive development of DB Schenker.*
- *Revenues above pre-Covid-19 level, operating profit figures improve significantly compared to 2020.*

COMPARABILITY WITH THE PREVIOUS YEAR

GRI 102-48 2021 again saw the income, financial and net assets situation of DB Group significantly impacted by measures to contain the Covid-19 pandemic. Pandemic-related restrictions at the beginning of 2021 resulted in a sharp drop in passenger numbers in comparison with the corresponding months of the previous year, which had not yet been affected by the Covid-19 pandemic. A significant recovery in demand for passenger transport began in March 2021, resulting among other things from the progress made in the vaccination campaign.

Changes in the scope of consolidation 194f. did not significantly affect income and expense development in 2021.

REVENUES

REVENUES / € million	2021	2020	Change absolute	Change %	2019
Revenues	47,075	39,901	+7,174	+18.0	44,430
± Special items	175	1	+174	–	1
Revenues adjusted	**47,250**	**39,902**	**+7,348**	**+18.4**	**44,431**
thereof Integrated Rail System	20,020	18,511	+1,509	+8.2	22,220
± Changes in the scope of consolidation	-39	-6	-33	–	–
± Exchange rate changes	-36	–	-36	–	–
Revenues comparable	**47,175**	**39,896**	**+7,279**	**+18.2**	**44,431**
thereof Integrated Rail System	19,988	18,505	+1,483	+8.0	22,220

Revenues increased mainly as a result of the development of freight rates at DB Schenker. With the exception of DB Netze Stations (renting business declined due to the Covid-19 pandemic), the business units in the Integrated Rail System 99ff. also recorded increasing revenues. The main drivers were the recovery in demand at DB Cargo, market-related price effects at DB Netze Energy and higher concession fees at DB Regional. Covid-19-related passenger declines in the first quarter of 2021 and the wage dispute with the GDL 38 curbed this development. However, the fact that the first quarter of 2020 was still largely unaffected by Covid-19 should also be taken into account when comparing.

Revenues at DB Arriva increased slightly, mainly as a result of recovery effects, greater government support measures and exchange rate effects. The cessation of the Rail North (ARN) Franchise (2020 Integrated Report 157) in 2020 curbed this development.

The special items remained irrelevant to the revenue development and in 2021 resulted mainly from revenue discounts in connection with court proceedings in the infrastructure 51. Changes in the scope of consolidation 194f. and exchange rate changes also had no material impact:

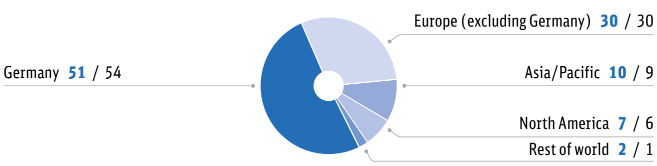
- The effects from changes to the scope of consolidation related to the Other area (€ +21 million), DB Schenker (€ +12 million) and DB Netze Track (€ +6 million) in 2021, and to DB Long-Distance (€ –4 million) and DB Netze Stations (€ –2 million) in 2020.
- The effects of exchange rate changes applied primarily to DB Arriva (€ +82 million), DB Cargo (€ +6 million) and DB Schenker (€ –51 million).

Revenue structure

EXTERNAL REVENUE STRUCTURE ADJUSTED / %	2021	2020	2019
DB Long-Distance	5.9	6.9	10.9
DB Regional	16.8	18.9	19.9
DB Cargo	8.9	9.7	9.4
DB Netze Track	4.2	4.5	3.8
DB Netze Stations	1.1	1.3	1.3
DB Netze Energy	3.8	3.3	2.9
Other	1.2	1.3	1.3
Integrated Rail System	**41.9**	**45.9**	**49.5**
DB Arriva	8.6	10.0	12.2
DB Schenker	49.5	44.1	38.3
DB Group	**100**	**100**	**100**

As a result of the very strong increase in revenues, the revenue structure has shifted noticeably in favor of DB Schenker. Its share increased to just under half of consolidated revenues.

EXTERNAL REVENUES ADJUSTED BY REGIONS / % **2021** / 2020



EXTERNAL REVENUES ADJUSTED BY REGIONS / € million	2021	2020	Change absolute	Change %	2019
Germany	24,055	21,568	+2,487	+11.5	25,165
Europe (excluding Germany)	14,278	12,031	+2,247	+18.7	13,653
Asia/Pacific	4,957	3,519	+1,438	+40.9	3,121
North America	3,180	2,236	+944	+42.2	1,924
Rest of world	780	548	+232	+42.3	568
DB Group	**47,250**	**39,902**	**+7,348**	**+18.4**	**44,431**

Overall, regional revenue development was positive:
— In Germany, in addition to the development in the Integrated Rail System, significant revenue growth at DB Schenker also had an impact.
— The positive revenue development in the other regions was driven by the development of DB Schenker.

INCOME DEVELOPMENT

GRI 201-1

The economic development of DB Group continued to be shaped by the impact of the Covid-19 pandemic on passenger transport and the strong development of our transport and logistics activities. Operating profit figures again recorded a noticeable improvement. In passenger and rail freight transport, however, the situation remained under pressure:
— In the Integrated Rail System, revenue growth exceeded additional expenses from higher personnel expenses (capacity expansion and wage increases) and cost of materials (including higher energy expenses due to volume- and tariff-related increases), owing mainly to the recovery of demand in passenger and rail freight transport as well as the effects of countermeasures. The wage dispute with the GDL 38 and the consequences of the floods 38 also curbed this development.
— The operating profit development at DB Schenker was once again very strong, driven primarily by the development in air and ocean freight.
— DB Arriva also recorded a significant recovery in its operating profit figures.

Additional information is available in the section Development of business units 99ff.

Transition to the adjusted statement of income

— Special issues are eliminated in the adjusted statement of income. The transition to the adjusted statement is a two-step process: firstly, standard reclassifications are carried out, then the figures are adjusted for individual special items.
— The reclassifications essentially relate to two issues.
  — The first issue is the reclassification of net interest income components not related to net financial debt and pension provisions: predominantly the compounding and discounting effects of non-current provisions (excluding pension obligations) and non-current liabilities (excluding financial debt). The non-operational character of these components can also be seen in the fact that their influence on net interest income very much depends on the interest rates as of the balance sheet date.
  — The second significant reclassification relates to the amortization of intangible assets capitalized in the course of purchase price allocation (PPA) of acquisitions conducted during the assessment of long-term customer contracts. Existing transport contracts are an essential component of the purchase price valuation, in passenger transport in particular. In order to safeguard the operating assessment and to prevent

TRANSITION TO THE ADJUSTED STATEMENT OF INCOME / € million	2021	Reclassi-fications	Adjust-ment for special items	2021 adjusted	2020 adjusted	Change absolute	Change thereof scope of consolida-tion effects	Change thereof due to exchange rate effects	Change %	2019 adjusted
Revenues	47,075	–	175	47,250	39,902	+7,348	+33	+36	+18.4	44,431
Inventory changes and other internally produced and capitalized assets	3,884	–	–	3,884	3,564	+320	+7	+0	+9.0	3,166
Other operating income	5,901	–	-2,179	3,722	3,391	+331	-4	+9	+9.8	3,008
Cost of materials	-28,419	–	20	-28,399	-22,683	-5,716	-5	+13	+25.2	-22,259
Personnel expenses	-19,219	–	93	-19,126	-18,167	-959	-33	-36	+5.3	-18,011
Other operating expenses	-5,716	–	672	-5,044	-5,005	-39	+2	-19	+0.8	-4,899
EBITDA	3,506	–	-1,219	2,287	1,002	+1,285	+0	+3	+128	5,436
Depreciation	-3,804	39	-74	-3,839	-3,905	+66	-6	-6	-1.7	-3,599
Operating profit/loss (EBIT) | EBIT adjusted	-298	39	-1,293	-1,552	-2,903	+1,351	-6	-3	-46.5	1,837
Net interest income | Operating interest balance	-528	22	42	-464	-541	+77	+0	-1	-14.2	-620
Operating income after interest	**-826**	**61**	**-1,251**	**-2,016**	**-3,444**	**+1,428**	**-6**	**-4**	**-41.5**	**1,217**
Result from investments accounted for using the equity method | Net investment income	-10	2	–	-8	-20	+12	–	+0	-60.0	-9
Other financial result	48	-24	–	24	-165	+189	-0	-2	–	-72
PPA amortization customer contracts	–	-39	–	-39	-55	+16	–	+0	-29.1	-62
Extraordinary result	–	–	1,251	1,251	-1,800	+3,051	–	+2	–	-393
Profit/loss before taxes on income	**-788**	**–**	**–**	**-788**	**-5,484**	**+4,696**	**-6**	**-4**	**-85.6**	**681**
Taxes on income	-123	–	–	-123	-223	+100	+0	+2	-44.8	-1
Actual taxes on income	-302	–	–	-302	-180	-122	–	–	+67.8	-137
Deferred tax expense (-)/income (+)	179	–	–	179	-43	+222	–	–	–	136
Net profit/loss for the year	**-911**	**–**	**–**	**-911**	**-5,707**	**+4,796**	**-6**	**-2**	**-84.0**	**680**
DB AG shareholders	-946	–	–	-946	-5,710	+4,764	–	–	-83.4	662
Hybrid capital investors	26	–	–	26	26	–	–	–	–	5
Other shareholders (non-controlling interests)	9	–	–	9	-23	+32	–	–	–	13
Earnings per share (€ per share)										
Undiluted	-2.20	–	–	-2.20	-13.28	+11.08	–	–	-83.4	1.54
Diluted	-2.20	–	–	-2.20	-13.28	+11.08	–	–	-83.4	1.54

these contracts from being treated differently from other contracts, these amortization components are eliminated from the operating profit. The amount reclassified resulted mostly from acquisitions in the DB Arriva business unit.

- Adjustments for special items involve issues which are extraordinary based on the reasons for them and/or the amounts involved, and which would effect a material change on operating development over time. Book profits and losses from transactions with subsidiaries/financial assets are adjusted regardless of their amounts. Individual items are adjusted if they are extraordinary in character, can be accounted for and assessed precisely, and are significant in volume.

Development in the year under review

Overall, income development was very positive:

- The significant increase in revenues 86f. was primarily driven by the development of DB Schenker. Overall, a growth in revenues was again recorded in the Integrated Rail System.
- Other operating income also increased. This was mainly due to changes in provisions (including for impending losses), increased subsidies, including at DB Netze Stations from the economic stimulus package 46 and DB Cargo primarily for facility price support 48, and increased scrap revenues at DB Netze Track. In contrast, the Covid-19-related support services received from the industry solution for regional transport 46 at DB Regional decreased somewhat.

Expenses also increased significantly, due in particular to the business development at DB Schenker and higher personnel expenses in the Integrated Rail System, though overall this increase was disproportionately small compared to income:

- Cost of materials increased noticeably, primarily driven by an increase in purchased transport services and higher freight rates at DB Schenker. In the Integrated Rail System, the main factors were a price- and volume-related increase in expenses for energy, maintenance and winter services, and a volume-related increase in purchased transport services at DB Cargo. At DB Arriva, higher expenses for energy, among other things, were almost completely offset by cost-reducing effects from the cessation of the Rail North franchise (ARN franchise).

— Personnel expenses also increased. In addition to wage effects, the higher number of employees also impacted the Integrated Rail System. There were additional effects at DB Schenker from the positive development of business operations. At DB Arriva, expense-reducing effects from the cessation of the ARN franchise were more than compensated by negative exchange rate effects, among other things.
— Other operating expenses were close to the previous year's level. Higher expenses for purchased services resulting from volume development at DB Schenker and expenses related to flood damage at DB Netze Track were almost completely offset by, among other things, the effects of the cessation of the ARN franchise at DB Arriva. Lower additions to provisions for impending losses at DB Regional and DB Arriva also had a cost-reducing effect.
— Depreciation fell slightly. At DB Arriva, the cessation of the ARN franchise had an expense-reducing effect. In the Integrated Rail System, higher depreciation resulting from capital expenditures was more than offset by the countereffects of vehicles reaching the end of their useful life, among other things.

Adjusted EBIT and adjusted EBITDA improved noticeably as a result.

— The development of interest rates supported the positive development of the operating interest balance.

Operating income after interest also improved, but remained negative.

— Net investment income remained at a very low level, and the change was mainly driven by lower losses at GHT Mobility GmbH.
— The increase in the other financial result was mainly due to the net positive sum from hedging transactions and the increase in value of other investments from fair value assessment.
— Extraordinary result improved significantly, driven by the implementation of Covid-19-related train-path price support 46, particularly at DB Long-Distance, and had a strong overall positive effect. This was curbed by the effects from the adjustment of provisions (in particular for ecological burdens 226ff. and in connection with civil proceedings on infrastructure fees 51). In 2020, significant extraordinary charges, particularly for impairments at DB Arriva were recorded.

EXTRAORDINARY RESULT / € million	2021	thereof affecting EBIT	2020	thereof affecting EBIT
DB Long-Distance	1,826	1,826	1	1
DB Regional	2	2	-4	-4
DB Cargo	237	237	-13	-13
DB Netze Track	-243	-201	-142	-141
DB Netze Stations	–	–	3	3
DB Netze Energy	-19	-19	-72	-72
Other/consolidation Integrated Rail System	-639	-639	-193	-193
Integrated Rail System	**1,164**	**1,206**	**-420**	**-419**
DB Arriva	1	1	-1,380	-1,380
DB Schenker	75	75	0	0
Consolidation other	11	11	0	0
DB Group	**1,251**	**1,293**	**-1,800**	**-1,799**
thereof reimbursements for train-path prices	2,098	2,098	–	–
thereof additions to provisions for environmental burdens	-515	-515	–	–
thereof impairment of goodwill	–	–	-1,411	-1,411

Despite the growth, profit before taxes on income remained negative, but again increased significantly. The income tax position improved:

— Actual income taxes rose due to higher results for some foreign Group companies.
— The significant increase in deferred tax income (previous year: deferred tax expense), which more than compensated for this, resulted primarily from changes to estimates with regard to the future use of loss carry-forwards.

The net loss for the year (loss after income taxes) also recovered noticeably, but remained negative.

DEVIATIONS FROM THE FORECAST

OUTLOOK FOR THE 2021 FINANCIAL YEAR	2020	2021 (Mar 2021 forecast)	2021 (Jul 2021 forecast)	2021
Revenues adjusted (€ billion)	39.9	>41	>42	47.3
EBIT adjusted (€ billion)	-2.9	~2	~2	-1.6
ROCE (%)	-7.0	↗	↗	-3.6
Debt coverage (%)	0.8	↗	↗	4.3

↗ above previous year's figure
→ at previous year's level
↘ below previous year's figure

Overall, the development of the income situation was somewhat better than we had forecast in the Integrated Interim Report January–June 2021. The business development of DB Schenker in particular was even better than expected, as a result, among other things, of the development of the market environment. As a result, revenues and operating profit rose more strongly than assumed.

Financial position

- *A total of ten bond transactions (total volume about € 4.9 billion).*
- *Credit rating assessments from S&P and Moody's remain unchanged.*

INTEREST RATE ENVIRONMENT

YIELD ON TEN-YEAR GERMAN FEDERAL BONDS / %	2021	2020	Change (percentage points)
Average yield	- 0.31	- 0.48	+ 0.17
Highest yield	- 0.06	- 0.14	+ 0.08
Lowest yield	- 0.62	- 0.91	+ 0.29
Year-end yield	- 0.18	- 0.58	+ 0.40

Source: Thomson Reuters

Yields in the Eurozone were no longer at the historical lows they had reached in 2020, but still remained very low. High inflation rates in the second half of 2021 raised the interest rate somewhat. However, the bond purchasing programs of central banks significantly curbed the impact of this.

FINANCIAL MANAGEMENT SYSTEM

FINANCIAL INSTRUMENTS AS OF DEC 31 / € billion	Volume 2021	thereof utilized	Volume 2020	thereof utilized
European debt issuance program	35.0	26.4	30.0	23.3
Australian debt issuance program (AUD 5 billion)	3.2	0.9	3.1	0.9
Multi-currency commercial paper program	3.0	-	3.0	-
Guaranteed credit facilities	2.6	0.5	5.0	2.9

In addition to aiming for a sustained rise in enterprise value, DB Group's financial management focuses on maintaining a capital structure that will ensure excellent credit ratings.

DB AG contains DB Group's Treasury center. Before obtaining funds from external sources, we first conduct intra-Group financing transactions. When borrowing external funds, DB AG takes out short-term loans in its own name, whereas long-term capital is generally obtained through the Group's financing company, Deutsche Bahn Finance GmbH (DB Finance).

The funds are passed on to the Group companies as short-term credit lines, which can be utilized as part of cash pooling on internal current accounts and/or through fixed short-term credit, or in the form of long-term loans at risk-adjusted conditions. Further advantages of this concept arise from the consolidation of our know-how, realized synergy effects and minimized refinancing costs.

- DB Group has access to a European debt issuance program (EDIP) for long-term debt financing, the volume of which increased in 2021. Ten senior bonds were issued under the EDIP in 2021 (total volume: € 4.9 billion) and five senior bonds were redeemed (total volume € 1.8 billion). As of December 31, 2021, the utilization rate decreased slightly to about 75 % (as of December 31, 2020: about 78 %) as a result of the program volume increasing.
- An Australian debt issuance program (Kangaroo Program) is also available, but was not used for new issues in 2021. As no senior bonds were due for redemption, the utilization rate as of December 31, 2021 remained unchanged at about 28 %.
- In the area of short-term debt financing, we still have a multi-currency commercial paper program available to us. As of December 31, 2021, the program was not in use (utilization rate as of December 31, 2020: – %).
- As of December 31, 2021, we also had guaranteed credit facilities with a residual term of up to two years (unchanged at € 2.0 billion). In the previous year, we had agreed short-term credit lines for the interim financing of the measures planned by the Federal Government to partially offset losses associated with the Covid-19 pandemic, of which € 0.5 billion was still pending as of December 31, 2021 (as of December 31, 2020: € 2.9 billion). As of December 31, 2021, we continued to have an additional guaranteed unutilized credit facility (€ 0.1 billion).
- In addition, as of December 31, 2021, we were able to rely on credit lines of € 2.5 billion for the operating business (as of December 31, 2020: € 2.6 billion). These credit lines are made available to our subsidiaries around the world and include provisions for financing working capital as well as sureties for payment.

CREDIT RATINGS

CREDIT RATINGS DB AG	First issued	Last publication	Ratings Short-term	Long-term	Outlook
S&P Global Ratings	May 16, 2000	Jun 11, 2020	A-1+	AA-	Negative
Moody's	May 16, 2000	Oct 19, 2021	P-1	Aa1	Negative

The creditworthiness of DB Group is constantly monitored and assessed by the rating agencies S&P Global Ratings (S&P) and Moody's. Credit ratings provide an independent, up-to-date assessment of a company's creditworthiness. Due to the ownership structure of DB AG, the approaches of the rating agencies take into account not only the quantitative and qualitative analysis of DB Group, but also an assessment of the relationship with our owner, the Federal Government, and the potential support possibilities for DB AG by the Federal Government. This means that the ratings given to the Federal Government are also significant for the ratings given to DB AG.

In 2021, S&P and Moody's left their ratings and rating outlook unchanged.

Additional information on the subject of ratings and the rating agencies' full analyses of DB AG are available on our Investor Relations website.

BONDS ISSUES

ISIN	Issuer	Currency	Volume (million)	Volume (€ million)	Coupon (%)	Maturity	Term (years)
CH0581947808	DB Finance	CHF	400	370	0.100	Jan 2036	15.0
XS2295280411	DB Finance	GBP	300	339	0.375	Dec 2026	5.8
XS2299091186	DB Finance	SEK	5,000	494	0.478	Feb 2026	5.0
XS2331271242	DB Finance	EUR	1,000	1,000	0.625	Apr 2036	15.0
CH0522158887	DB Finance	CHF	325	296	0.200	May 2033	12.0
XS2343565698	DB Finance	AUD	260	168	3.100	May 2041	20.0
XS2357951164	DB Finance	EUR	1,000	1,000	1.125	May 2051	29.9
XS2362566932[1]	DB Finance	NOK	2,000	196	2.215	Jul 2036	15.0
XS2391406530	DB Finance	EUR	750	750	0.350	Sep 2031	10.0
CH1137122797	DB Finance	CHF	300	279	0.250	Oct 2031	10.0

[1] Private placement.

We issued ten new senior bonds through DB Finance in 2021 (total volume of about € 4.9 billion). The funds were raised to refinance liabilities falling due and for ongoing general Group financing. All revenues from senior bonds not issued in euros were converted into euros. In 2021, demand for our bonds came primarily from institutional investors in Europe and Asia.

Key economic performance indicators

GRI 103-1 103-2 103-3

→ *ROCE and debt coverage improved, but continued to be negatively impacted by the effects of Covid-19.*

VALUE MANAGEMENT TARGETS / %	DB Group	Passenger transport	Freight transport and logistics	Infrastructure	Integrated Rail System
ROCE	≥ 6.5	≥ 9.0	≥ 11.0	5.5	≥ 6.0
Debt coverage	≥ 20	≥ 50	≥ 50	≥ 20	≥ 20

At DB Group, profitability is a material requirement for financing capital expenditures in our core business, further developing our businesses and seizing opportunities for future growth. Entrepreneurial management is crucial for improving profitability.

In the context of our value management, we intend to manage DB Group's enterprise value over the long term such that we can finance capital expenditure in our core business. DB Group's financial leadership and management – and therefore also monitoring the success of our economic targets – is carried out via a value management system based on key performance indicators. The results are an important factor for our strategic approach, our capital expenditure decisions and employee and management remuneration.

Profitability as an overarching target in value management aims to ensure a long-term reasonable rate of return over several economic cycles. On the basis of market values, we calculate the annual cost of capital 92 ff. as a weighted average from risk-adequate market returns on equity and debt capital. The actual yield, the return on capital employed (ROCE) is calculated as the ratio of operating profit before interest and taxes (EBIT adjusted) to capital employed. The ROCE target is set higher than the cost of capital. The long-term objective is to achieve an ROCE whose multi-year average reaches the target value, ensuring that the cost of capital is covered. This ROCE target corresponds to the minimum required rate of return (MRR). The different business characteristics result in different target values for our activities in passenger transport, in logistics and in rail freight transport as well as in infrastructure. The cost of capital and thus the expected returns from the infrastructure business units are lower than in passenger transport, logistics and rail freight transport owing to our projection of continuing lower profit volatility. The derived target value of the Integrated Rail System is based on the value-weighted return expectations for the allocated business units. The operating business is always controlled before taxes and, accordingly, the reporting of key figures is based mainly on pre-tax figures.

Financial stability is an essential component for sustainable economic activity. For DB Group as an asset-intensive company, it is essential that we have access to the capital market at all times under favorable conditions. A major objective is therefore to achieve adequate key debt ratios. Our key figure for managing indebtedness is debt coverage 94. The target value is derived from key credit rating figures and annual benchmarking with companies with a strong creditworthiness.

ROCE

ROCE	2021	2020	Change absolute	Change %	2019
EBIT adjusted (€ million)	-1,552	-2,903	+1,351	-46.5	1,837
/ Capital employed as of Dec 31 (€ million)	43,020	41,764	+1,256	+3.0	42,999
ROCE (%)	**-3.6**	**-7.0**	**+3.4**	**-**	**4.3**

ROCE increased noticeably again as a result of the improvement in adjusted EBIT. Capital employed also increased as of December 31, 2021, though less markedly.

YIELD SPREAD / %	2022	2021	2020	2019	2018
ROCE	-	-3.6	-7.0	4.3	5.8
⊖ Cost of capital (pre-tax WACC [1])	6.2	6.2	5.9	6.4	7.0
Spread (percentage points)	**-**	**-9.8**	**-12.9**	**-2.1**	**-1.2**

[1] Each value taken at the beginning of the year.

In 2021, the negative spread between ROCE and the cost of capital decreased again. This shortfall is mainly due to pandemic-related effects.

CAPITAL EMPLOYED

CAPITAL EMPLOYED AS OF DEC 31 / € million	2021	2020	Change absolute	Change %	2019
BASED ON ASSETS					
Property, plant and equipment	50,100	47,704	+2,396	+5.0	46,591
⊕ Intangible assets/goodwill	2,387	2,290	+97	+4.2	3,894
⊕ Inventories	2,155	1,937	+218	+11.3	1,520
⊕ Trade receivables	6,476	4,849	+1,627	+33.6	4,871
⊕ Receivables and other assets	3,799	3,345	+454	+13.6	2,792
⊖ Receivables from plan assets [1]	-101	-	-101	-	-
⊖ Financial receivables and earmarked bank deposits (not including receivables from finance leases)	-541	-625	+84	-13.4	-404
⊕ Income tax receivables	63	55	+8	+14.5	60
⊕ Assets held for sale	0	0	-	-	0
⊖ Trade liabilities	-8,097	-6,312	-1,785	+28.3	-5,789
⊖ Miscellaneous and other liabilities	-4,224	-4,042	-182	+4.5	-3,770
⊖ Income tax liabilities	-252	-191	-61	+31.9	-190
⊖ Other provisions	-7,496	-6,041	-1,455	+24.1	-5,098
⊖ Deferred income	-1,249	-1,205	-44	+3.7	-1,478
Capital employed	**43,020**	**41,764**	**+1,256**	**+3.0**	**42,999**

[1] Change in definition from 2021: Receivables from plan assets are no longer allocated to capital employed.

Capital employed equates to the assets deemed necessary for business and subject to the cost of capital, as derived from the balance sheet. The growth in capital employed resulted mainly from a capital expenditure-related increase in property, plant and equipment in the Integrated Rail System. In contrast, higher other provisions 226ff. had a compensating effect.

COST OF CAPITAL

The cost of capital is updated annually to take account of changes in market parameters. We take the long-term focus of the controlling concept into consideration and balance out short-term fluctuations.

In 2021, the pre-tax cost of capital for DB Group remained the same. After taxes, the cost of capital remained at 4.3%.

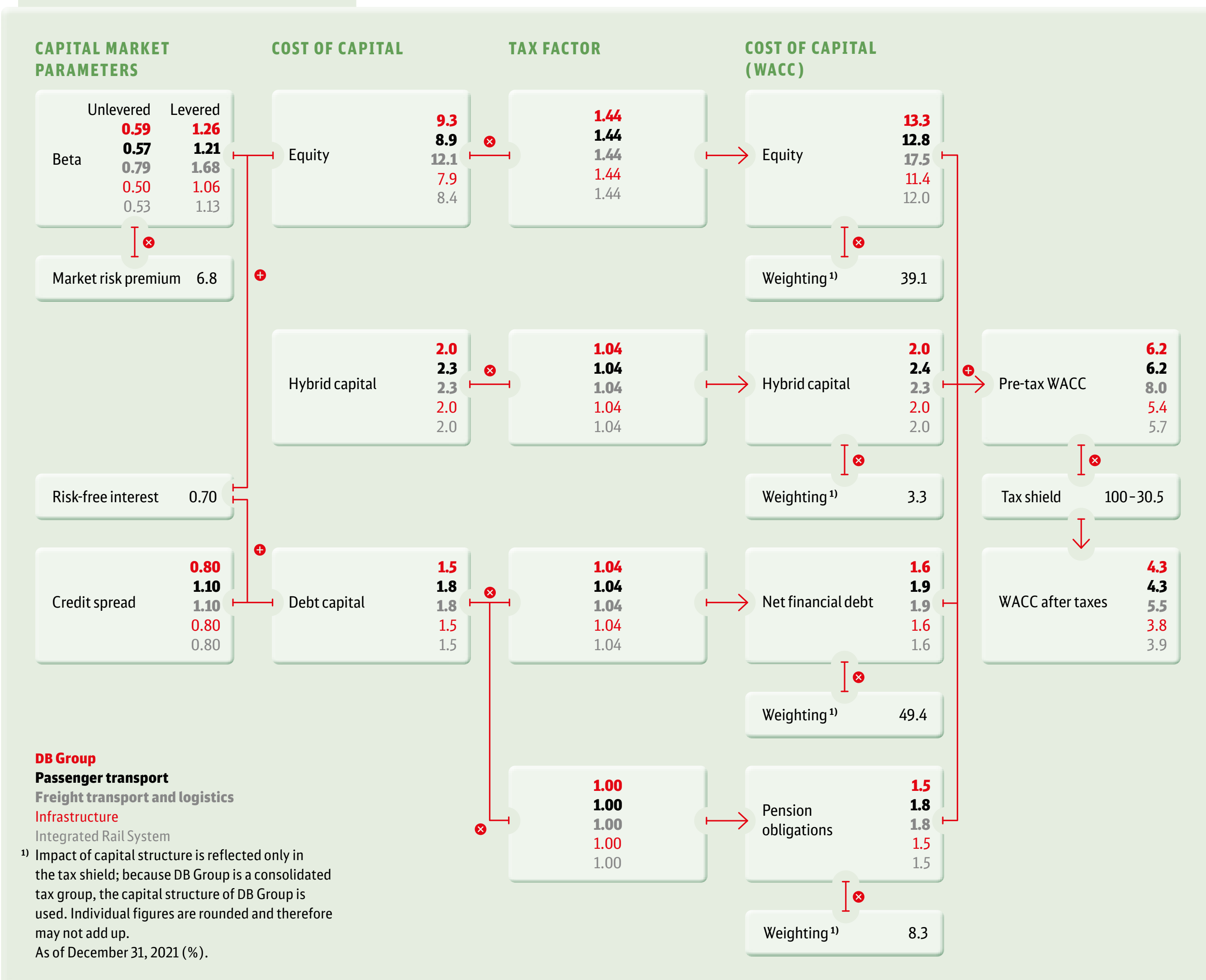
We calculate DB Group's cost of capital as a weighted average interest rate of equity, hybrid capital, net financial debt and pension obligations. Determined annually, this reflects current capital market parameters, the prevailing tax framework and the value share of methods used to finance capital employed.

When determining the company-independent capital market parameters, market risk premium and risk-free interest rate, short-term fluctuations in debt and equity market returns are smoothed out in line with the long-term focus of our value management concept. The parameters are determined on the basis of the yields on long-term German Federal bonds as well as the long-term average returns of the German DAX equity index. The parameters used are also validated on the basis of up-to-date recommendations of recognized valuation experts. The company-dependent capital market parameters, beta and credit spread, measure the risk of our debt and equity financing in comparison with alternative forms of investment. Beta reflects the risk of equity capital relative to the risks of the equity markets. The determination is based on comparable international companies at business unit level. The credit spread corresponds to DB Group's current issue costs relative to Federal Government bonds with an imputed term of 12 years. The credit spread for transport and logistics is determined in line with market conditions, using the current capital market data of companies with comparable creditworthiness.

Tax factors are calculated using a taxation rate of 30.5%. The tax factor for net financial debt reflects the trade tax applied to fixed debt interest to be credited. The taxes remaining after this are fully allocated to cost of equity. The weighting of forms of financing is based on market values. Net financial debt and pension obligations are valued at their carrying amounts. Equity weighting is based on recognized business valuation methods.

The weighting of forms of financing for passenger transport, rail freight transport, logistics, infrastructure and the Integrated Rail System corresponds to that of DB Group, as the tax shield resulting from the tax-deductible status of debt interest arises, in general, from the fact that DB Group is a consolidated tax group.

DETERMINING COST OF CAPITAL



DB Group
Passenger transport
Freight transport and logistics
Infrastructure
Integrated Rail System

1) Impact of capital structure is reflected only in the tax shield; because DB Group is a consolidated tax group, the capital structure of DB Group is used. Individual figures are rounded and therefore may not add up.
As of December 31, 2021 (%).

DEBT COVERAGE

DEBT COVERAGE / € million	2021	2020	Change absolute	Change %	2019
EBITDA adjusted	2,287	1,002	+1,285	+128	5,436
+ Operating interest balance	-464	-541	+77	-14.2	-620
+ Original tax expenses	-302	-180	-122	+67.8	-137
Operating cash flow after taxes	**1,521**	**281**	**+1,240**	**-**	**4,679**
Net financial debt as of Dec 31	29,107	29,345	-238	-0.8	24,175
+ Pension obligations as of Dec 31	5,031	6,517	-1,486	-22.8	5,354
+ Hybrid capital[1] as of Dec 31	1,001	1,001	-	-	999
/ **Net debt as of Dec 31**	**35,139**	**36,863**	**-1,724**	**-4.7**	**30,528**
Debt coverage (%)	**4.3**	**0.8**	**+3.5**	**-**	**15.3**

[1] As assessed by the credit rating agencies, half of the hybrid capital shown on the balance sheet is taken into account in the calculation of the adjusted net debt.

Debt coverage increased as of December 31, 2021, but remained at a very low level:

- The operating cash flow after taxes increased, mainly as a result of improved operating profit.
- Net debt fell, due in part to lower pension liabilities. The slight decline in net financial debt 94f. also had supporting effect.

Asset situation

⟶ *Net financial debt declined slightly.*

⟶ *Infrastructure and vehicle capital expenditures in Germany drove an increase in capital expenditures.*

⟶ *The equity ratio improved due to Covid-19 support measures.*

STATEMENT OF CASH FLOWS

SUMMARY STATEMENT OF CASH FLOWS / € million	2021	2020	Change absolute	Change %	2019
Cash flow from operating activities	3,900	1,420	+2,480	+175	3,278
Cash flow from investing activities	-5,116	-4,649	-467	+10.0	-3,853
Cash flow from financing activities	2,309	2,706	-397	-14.7	993
Net change in cash and cash equivalents	1,180	-582	+1,762	-	449
Cash and cash equivalents as of Dec 31	4,591	3,411	+1,180	+34.6	3,993

- The significant increase in cash flow from operating activities was mainly due to the improved profit development 87ff. This was countered by working capital effects resulting in particular from business development at DB Schenker.
- Cash outflow from investing activities increased further, due primarily to higher net capital expenditures 95ff. In addition, higher payments for investments in financial assets, primarily for the leasing of rolling stock from contracting organizations as part of service concession agreements, had an effect.
- Cash inflow from financing activities decreased:
  - The higher redemption of financial loans led to a net outflow of cash (€ –2,015 million; previous year: net inflow of cash amounting to € 1,286 million). The redemption of interim financing for the Covid-19 support measures of the Federal Government 46 issued in 2020 had a notable effect. In addition, the decline in net inflow of cash from senior bonds 91 (€ –221 million) and the increase in cash outflows for lease redemptions (€ –194 million) reduced the inflow.
  - This was offset by the equity measures of the Federal Government 46f. (€ +2,675 million) as part of the Climate Action Program and to partially offset losses resulting from Covid-19, as well as the cessation of the dividend payments to the Federal Government (€ +650 million).
- On balance, as of December 31, 2021, cash and cash equivalents had increased significantly.

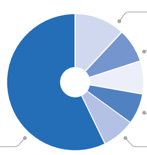
NET FINANCIAL DEBT

NET FINANCIAL DEBT AS OF DEC 31 / € million	2021	2020	Change absolute	Change %	2019
Senior bonds	27,403	24,021	+3,382	+14.1	20,966
Leasing liabilities	5,059	4,931	+128	+2.6	5,015
Commercial paper	-	-	-	-	890
Interest-free loans	446	580	-134	-23.1	707
Other financial debt	1,578	3,792	-2,214	-58.4	1,115
Financial debt	**34,486**	**33,324**	**+1,162**	**+3.5**	**28,693**
− Cash and cash equivalents and receivables from financing	-5,132	-4,036	-1,096	+27.2	-4,397
± Effects from currency hedges	-247	57	-304	-	-121
Net financial debt	**29,107**	**29,345**	**-238**	**-0.8**	**24,175**

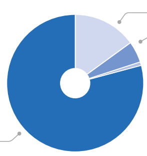
Net financial debt fell slightly as of December 31, 2021. The profit development at DB Schenker, the cessation of the dividend payment to the Federal Government and the Federal Government's measures to partially offset losses resulting from Covid-19 46 were largely offset by a funding need, mainly in the Integrated Rail System, resulting primarily from the continued Covid-19-related strain on profit development 87ff., coupled with a simultaneously high funding need for capital expenditures.

- Financial debt increased:
  - The euro value of the outstanding senior bonds 91 was significantly higher due to the new issues. Exchange rate effects did not play a key role here as a result of closed hedging transactions.
  - Leasing liabilities increased slightly. The conclusion of new leasing contracts and the extension of existing leasing contracts exceeded redemptions.
  - Interest-free loans fell as a result of redemption.
  - Other financial debt fell sharply, primarily as a result of the redemption of interim financing for the Covid-19 support measures of the Federal Government 46 in the previous year.
- The foreign currency senior bonds are almost entirely hedged by corresponding derivatives against exchange rate fluctuations, so that exchange rate effects are mainly compensated through the offsetting position of the hedging transaction.
- Net financial debt fell slightly, as the increase in financial debt was lower than the significant increase in cash and cash equivalents.

MATURITY OF FINANCIAL DEBT AS OF DEC 31 / % 2021 / 2020



COMPOSITION OF FINANCIAL DEBT AS OF DEC 31 / % 2021 / 2020



The maturity structure and the composition of financial debt has changed:

- Current financial debt (up to one year) fell significantly as a result of the almost complete redemption of the interim financing for the measures planned by the Federal Government to partially offset losses resulting from Covid-19. In contrast, the share of financial debt with a maturity of one to five years increased.
- The composition of the financial debt has shifted significantly toward senior bonds. The share of bank debts in particular was down as a result of redemptions. The share of interest-free loans also declined further.

CAPITAL EXPENDITURES

GRI 203-1

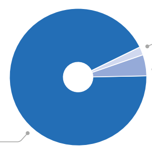
CAPITAL EXPENDITURES / € million	2021	2020	Change absolute	Change %	2019
Gross capital expenditures	15,387	14,402	+985	+6.8	13,093
thereof Integrated Rail System	14,276	13,128	+1,148	+8.7	11,713
− Investment grants	9,045	8,516	+529	+6.2	7,447
thereof Integrated Rail System	9,027	8,494	+533	+6.3	7,412
Net capital expenditures	**6,342**	**5,886**	**+456**	**+7.7**	**5,646**
thereof Integrated Rail System	5,249	4,634	+615	+13.3	4,301

The increase in gross capital expenditures was driven by the Integrated Rail System and resulted mainly from higher capital expenditure in the infrastructure and vehicle fleet. The decline in capital expenditure activities at DB Arriva (mainly completed vehicle projects for new transport contracts and the cessation of the ARN franchise) partially countered this impact.

Investment grants, which are almost exclusively allocated to the Integrated Rail System, also increased significantly. They accounted for about 59% of the gross capital expenditures.

Net capital expenditures were also significantly higher. The effects on the Integrated Rail System included the increase in capital expenditures in the existing network at DB Netze Track and in vehicles, particularly at DB Long-Distance.

GROSS CAPITAL EXPENDITURES BY DIVISION / % 2021 / 2020



The focus of our capital expenditure activities continues to center on the Integrated Rail System for measures to improve performance and efficiency in the track infrastructure sector as well as measures to develop our vehicle fleet.

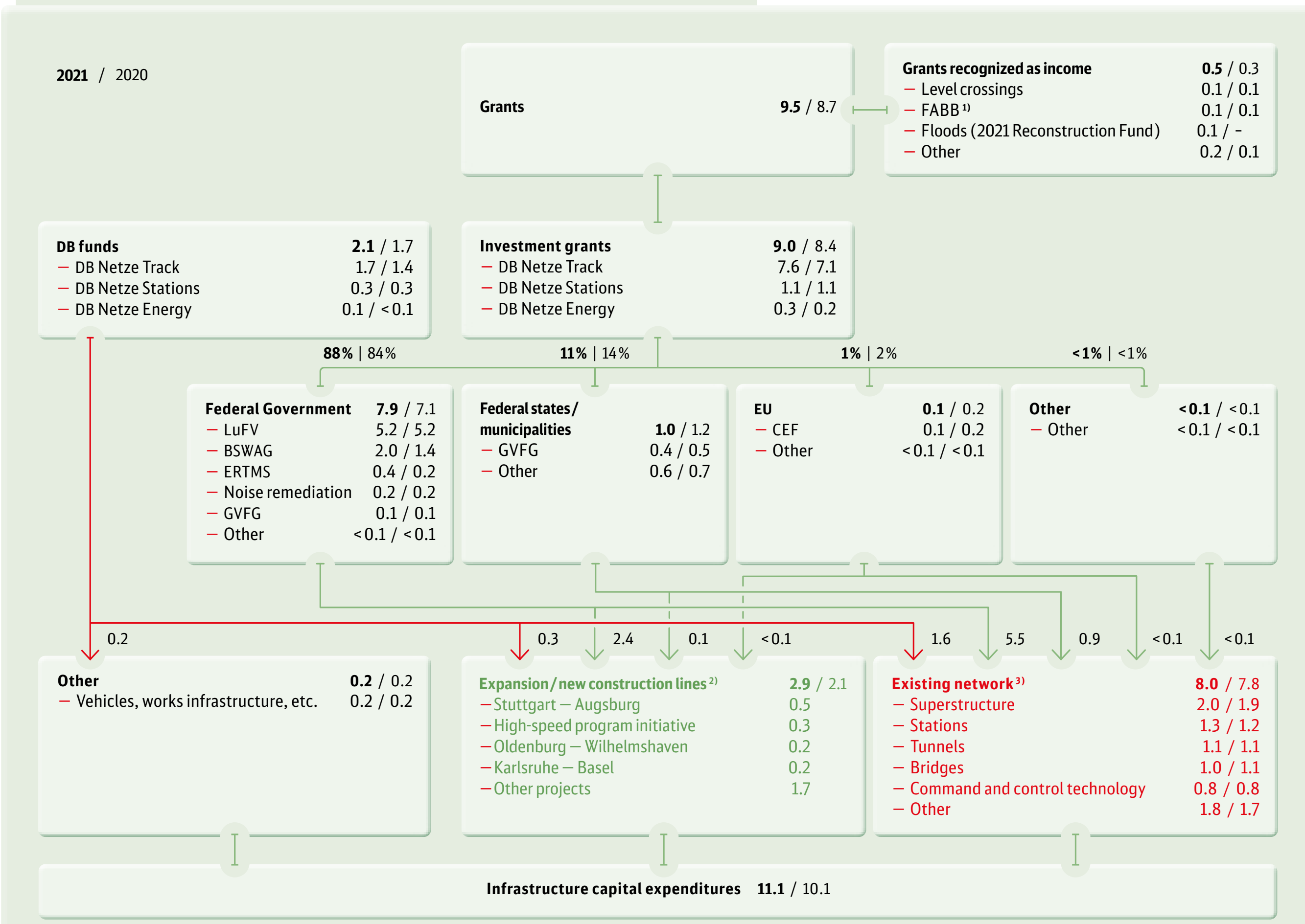
Regional capital expenditure priorities

GROSS CAPITAL EXPENDITURES BY REGIONS / € million	2021	2020	Change absolute	Change %	2019
Germany	14,363	13,282	+ 1,081	+ 8.1	11,826
Europe (excluding Germany)	833	1,012	- 179	- 17.7	1,186
Asia/Pacific	258	182	+ 76	+ 41.8	133
North America	40	38	+ 2	+ 5.3	37
Rest of world	13	8	+ 5	+ 62.5	13
Consolidation	- 120	- 120	-	-	-102
DB Group	**15,387**	**14,402**	**+ 985**	**+ 6.8**	**13,093**

NET CAPITAL EXPENDITURES BY REGIONS / € million	2021	2020	Change absolute	Change %	2019
Germany	5,338	4,788	+ 550	+ 11.5	4,414
Europe (excluding Germany)	813	990	- 177	- 17.9	1,151
Asia/Pacific	258	182	+ 76	+ 41.8	133
North America	40	38	+ 2	+ 5.3	37
Rest of world	13	8	+ 5	+ 62.5	13
Consolidation	- 120	- 120	-	-	-102
DB Group	**6,342**	**5,886**	**+ 456**	**+ 7.7**	**5,646**

In the regional breakdown of gross capital expenditures, the focus remained on Germany. The increase is due primarily to infrastructure measures and vehicle purchases.

INFRASTRUCTURE GRANTS AND CAPITAL EXPENDITURES (€ BILLION)

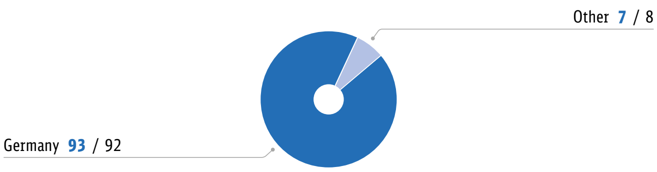


Individual figures are rounded and therefore may not add up.
1) Funding Initiative to Increase the Attractiveness and Accessibility of Stations (Förderinitiative zur Attraktivitätssteigerung und Barrierefreiheit von Bahnhöfen; FABB).
2) Includes projects under the requirement plan.
3) New and expansion projects may also include replacement capital expenditures within the framework of existing network measures.

Capital expenditures have decreased in Europe (excluding Germany). This was mainly due to lower capital expenditures at DB Arriva, particularly in the Czech Republic and Denmark.

In the Asia/Pacific region, DB Schenker invested more heavily in logistics facilities in China (including Hong Kong) and Japan.

GROSS CAPITAL EXPENDITURES BY REGIONS / % — **2021** / 2020



Investment grants

The most important funding sources for capital expenditures on infrastructure are grants, mostly from the Federal Government and from Federal states and local authorities. Of the investment grants received by DB Group in 2021, the vast majority related to infrastructure.

- The main bases for these grants are the LuFV 237 and the Federal Rail Infrastructure Extension Act (Bundesschienenwegeausbaugesetz; BSWAG).
- Additional investment grants are received in accordance with the Municipal Transport Financing Act (Gemeindeverkehrsfinanzierungsgesetz; GVFG),
- the Federal Government's noise remediation program 72f., and
- to equip the infrastructure with the European Rail Traffic Management System (ERTMS).
- Funds are also available from the 2021 Reconstruction Fund to remedy flood-related infrastructure damage.
- The European Union allocates grants (Connecting Europe Facility; CEF) for infrastructure capital expenditures on Trans-European Networks (TEN).

In addition to investment grants, DB Group also receives (significantly lower) grants recognized as income, also mainly in respect of infrastructure.

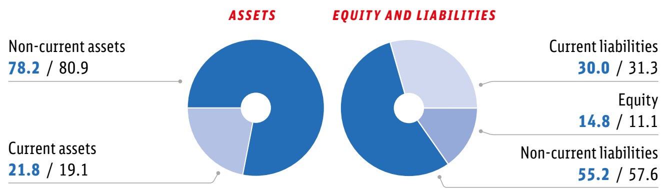
On the balance sheet, investment grants are directly deducted from the purchase and manufacturing costs 205f. of the assets to which they relate. All grants are reported in such a way that the competent Federal agencies can conduct comprehensive checks to ensure that they are spent in accordance with their purpose and the law.

A description of the various forms of grants is available online.

BALANCE SHEET

BALANCE SHEET AS OF DEC 31 / € million	2021	2020	Change absolute	Change %	2019
Total assets	71,843	65,435	+6,408	+9.8	65,828
ASSETS					
Non-current assets	56,149	52,964	+3,185	+6.0	53,213
Current assets	15,694	12,471	+3,223	+25.8	12,615
EQUITY AND LIABILITIES					
Equity	10,621	7,270	+3,351	+46.1	14,927
Non-current liabilities	39,631	37,686	+1,945	+5.2	32,820
Current liabilities	21,591	20,479	+1,112	+5.4	18,081

BALANCE SHEET STRUCTURE AS OF DEC 31 / % — **2021** / 2020



In 2021, there were no material changes to the International Financial Reporting Standards (IFRS) regulations for DB Group's consolidation and accounting principles that would result in any changes to the consolidated financial statements.

Total assets were significantly above the level at the end of the previous year:

- Non-current assets increased significantly, driven primarily by higher property, plant and equipment (€ +2,396 million). This was due to a persistently high level of net capital expenditures, particularly in the Integrated Rail System. The increase in receivables and other assets (€ +301 million) also had a supporting effect, due in part to the increase in receivables from transport concessions per IFRIC 12 at DB Regional, as well as derivative financial instruments in connection with hedging transactions for foreign currencies and energy (€ +205 million).
- Current assets increased somewhat more sharply. In particular, higher trade receivables (€ +1,627 million) mainly resulting from the positive business development at DB Schenker, as well as an increase in cash and cash equivalents (€ +1,180 million) and inventories (€ +218 million), mainly at DB Regional, were critical here.

On the assets side, this resulted in a slight structural shift in favor of current assets.

On the equity and liabilities side, equity increased significantly as a result of the Federal Government's equity measures in connection with the Climate Action Program 47 (€ +2,125 million) and the partial offsetting of losses resulting from Covid-19 46 (€ +550 million). The increase from the changes recorded in the reserves in connection with the revaluation of pensions (€ +1,431 million) also increased equity. The net loss for the year (€ –946 million) had a counterbalancing effect.

The more significant increase in equity in comparison to total assets led to an improvement in the equity ratio.

- Non-current liabilities also increased. In essence, this development was characterized by:
  - higher non-current financial debt 94f. (€ +3,252 million) and
  - an increase in other long-term reserves (€ +587 million) primarily associated with the revaluation of remedial action obligations (ecological burdens) 228.
  - This was counteracted by a decline in pension obligations (€ –1,486 million), mainly as a result of an increased interest rate following the revaluation, and
  - lower other liabilities (€ –393 million).
- Current liabilities also increased. In essence, this development was characterized by:
  - higher trade liabilities (€ +1,785 million) mainly at DB Schenker as a result of the positive business development,
  - increased other provisions (€ +868 million), mainly due to allocations for revenue discounts at DB Regional, a possible repayment of infrastructure fees, and
  - the increase in other liabilities (€ +575 million), due in part to the redemption of defined benefit pension obligations at DB Schenker in Sweden and an increase in customs liabilities at DB Schenker.
  - In contrast, current financial debt fell significantly (€ –2,090 million). The main driver was the decline in bank loans due in the short term (€ –1,585 million) and bonds (€ –234 million) as well as the redemption of the last outstanding EUROFIMA loan (€ –200 million).

In terms of the structure of the equity and liabilities side, the increase in equity resulted in a shift that reduced the share of non-current and current liabilities.

OFF-BALANCE-SHEET FINANCING INSTRUMENTS AND NON-RECOGNIZED ASSETS

In addition to the assets shown in the consolidated balance sheet, DB Group also uses off-balance-sheet financial instruments and assets that are not recognized in the balance sheet.

To a small extent, we lease assets of low value or on a short-term basis for which no right of use or leasing liability must be taken into account under IFRS 16.

We also sell smaller volumes of trade receivables, in which case the main opportunities and risks are split between DB Group and the purchasing bank. Under such factoring agreements, as of December 31, 2021, receivables amounting to € 260 million (as of December 31, 2020: € 224 million) had been completely derecognized, and € 443 million (as of December 31, 2020: € 388 million) partially derecognized.

With regard to the company pension scheme for employees, the obligations under each retirement scheme are, to some extent, covered and netted by plan assets which are eligible for netting out. As of December 31, 2021, total obligations amounted to € 11,530 million (as of December 31, 2020: € 12,518 million) and the fair value of plan assets was € 5,575 million (as of December 31, 2020: € 4,854 million). The balancing process leads to a reduction in total assets. The net obligation recognized as of December 31, 2021 on the balance sheet was € 5,031 million (as of December 31, 2020: € 6,517 million).

Additional information is available in the section Basic principles and methods 192ff.

DEVIATIONS FROM THE FORECAST

OUTLOOK FOR 2021 FINANCIAL YEAR / € billion	2020	2021 (Mar 2021 forecast)	2021 (Jul 2021 forecast)	2021
Gross capital expenditures	14.4	>15	>15	15.4
Net capital expenditures	5.9	>6	>6	6.3
Maturities	2.3	2.2	2.2	2.2
Bond issues (senior)	5.4	>5	>5	4.9
Net financial debt as of Dec 31	29.3	<30	~31	29.1

The development of capital expenditures and maturities was in line with our expectations.

Indebtedness developed better than expected as a result of better operating profit development and due to reporting date effects. Bond issues were also slightly below our expectations.

DEVELOPMENT OF BUSINESS UNITS

Business units in the Integrated Rail System

DEVELOPMENT IN THE RELEVANT MARKETS

German passenger transport market

In passenger transport, our objective is to maintain our strong market position in the rail and bus transport market in Germany in the long term and to take advantage of market opportunities in Europe.

PASSENGER TRANSPORT MARKET IN GERMANY / % based on volume sold	Growth rate		Market share	
	2021	2020	2021	2020
Motorized private transport	+5.0	-9.0	89.4	89.0
Rail passenger transport	+1.4	-44.7	5.8	6.0
DB Group	-2.7	-44.6	4.7	5.0
Non-Group railways	+23.1	-45.1	1.1	1.0
Public road passenger transport	-0.8	-37.6	4.5	4.7
DB Group	+8.8	-35.7	0.5	0.4
Air transport (domestic)	-20.3	-73.9	0.2	0.3
Overall market	**+4.4**	**-14.8**	**-**	**-**

Figures are based on information and estimates available as of February 2022.

In 2021, the Covid-19 pandemic had again a serious impact on the German passenger transport market: ongoing contact and travel restrictions in the first half of 2021 led to a reduction in demand for transport compared to the first half of 2020. The trend finally reversed later in 2021, leading to growth for the entire passenger transport market on an annual basis. However, volume sold remained significantly lower than pre-Covid-19 levels. During the two years of the Covid-19 pandemic, people tended to prefer individual rather than public modes of transport. Mobility providers therefore reduced their services or suspended them altogether. The extent to which this happened differed across individual market segments.

- Motorized individual transport increased markedly in 2021 after a sharp decline in the previous year. While volume sold on long-distance routes fell in 2020, pre-Covid-19 levels were significantly exceeded during the summer months of 2021. During the course of 2021, motorized individual transport continued to benefit from the preference for individual modes of transport to protect against infection. The trend towards vacation within Germany also had a positive effect.
- Domestic German air transport remained on a subdued recovery path. Even in August, which was a strong month for travel, it only reached about 30% of its pre-Covid-19 levels. Supply and demand recovered extremely slowly, keeping the market share at a very low level.
- Rail passenger transport declined by up to 90% in some weeks of 2021 due to a lack of demand for commuter, private and business travel. The floods and the wage dispute with the German Train Drivers' Union (Gewerkschaft Deutscher Lokomotivführer; GDL) also had a negative impact on volume sold. The market share held by rail passenger transport declined slightly.
  - Regional rail passenger transport recorded noticeable losses due to a lack of private and commuter travel.
  - Long-distance rail passenger transport was also characterized by the lack of demand for private and business journeys in 2021 due to the Covid-19 pandemic. The trend in 2021 was supported by gains in air and bus long-distance transport and the expansion of available rail offers. FlixTrain suspended its service for several months until May 2021.
- Public road passenger transport continued to suffer from the lack of private and commuter journeys and from school closures, which resulted in the loss of many school journeys.
  - With the support of the contracting organizations, however, a reliable basic service was provided at all times.
  - Long-distance bus services came to a standstill for several months in 2021. FlixBus, BlaBlaBus and Pinkbus resumed a limited service, and Roadjet started as a new supplier with luxury buses.
  - The market share of public road passenger transport fell slightly.

German freight transport market

FREIGHT TRANSPORT MARKET IN GERMANY / % based on volume sold	Growth rate		Market share	
	2021	2020	2021	2020
Rail freight transport	+8.3	-7.3	18.5	17.9
DB Group	+8.1	-7.1	8.0	7.7
Non-Group railways	+8.5	-7.4	10.5	10.1
Road freight transport	+4.0	-2.2	72.4	72.7
Inland waterways transport	+3.7	-9.0	6.9	6.9
Long-distance pipelines	-5.7	-5.5	2.2	2.5
Overall market	**+4.5**	**-3.7**	-	-

Figures are based on information and estimates available as of February 2022. Volume sold in rail freight transport according to the Destatis definition of transport services that are primary freight carriers.

As expected, the overall strong development of freight transport lost momentum in the second half of 2021 as a result of decreasing baseline effects following the start of the recovery in late summer 2020. The demand for transport was stimulated by strong momentum from trading and industries such as steel and construction. Coal transport, which is important for rail and inland waterway transport, also recorded strong growth as a result of the increased use of coal in power generation. On the other hand, problems with the procurement of intermediate products and raw materials in the second half of 2021 had a detrimental effect. This was felt particularly strongly in the automotive industry. There were also downturns in mineral oil transport. Negative preemptive responses triggered by the introduction of the carbon tax at the start of the year and the expiration of the value-added tax (VAT) reduction at the end of 2020 were among the most noticeable effects. In addition, numerous extraordinary factors not associated with the macroeconomic environment also had a dampening effect. These included Storm Tristan in February 2021, disruptions to maritime transport, restrictions on freight train lines in the Middle Rhine Valley following a rockslide, and the GDL strikes. Nevertheless, freight transport performance in Germany recorded a strong rise for the year as a whole and exceeded its pre-Covid-19 level.

RAIL FREIGHT TRANSPORT

The weak performance of rail freight transport in the previous year was primarily driven by sharp declines in the iron, coal and steel, bulk cargo and automotive sectors. In 2021, however, there was an above-average increase in volumes. This dynamic development is mainly attributable to the recovery in the iron, coal and steel industry. There was strong growth in the transport of iron ore, steel and secondary raw material (such as scrap). Combined transport also contributed strongly to growth following the decline in the previous year. The coal/coke, chemicals and timber sectors also saw positive development. On the other hand, automotive transport again performed weakly, recording double-digit declines due in large part to the shortage of chips. Mineral oil transport also fell markedly, as in the sector as a whole. Based on the information available at the time of reporting, however, it can be assumed that the freight railways have already reached pre-Covid-19 levels and that above-average performance has allowed them to increase their market share following the losses in the previous year.

The development of non-Group railways lagged behind the intra-Group companies until autumn 2021. This is because iron, coal and steel transport, which are of much lesser importance for non-Group railways, recorded double-digit growth in some cases. Based on the currently available information, development across the entire year was somewhat stronger. According to our calculations on the basis of currently published figures, this is mainly attributable to combined transport.

ROAD FREIGHT TRANSPORT

Road freight transport recorded a weak start to 2021. In addition to the effects of the Covid-19 pandemic, this was also due in part to negative weather effects on the construction industry, which is of significant importance for the road transport sector.

As the economy recovered over the course of the year, however, growth gained noticeable momentum. Growth was boosted primarily by dynamic foreign trade and sustained positive effects from the consumer goods industry and e-commerce. Above-average growth was recorded for trucks registered abroad. Positive baseline effects also made a contribution, following the strict Covid-19 restrictions at borders in the previous year. Overall, road freight transport in 2021 exceeded pre-Covid-19 levels. The market share fell slightly compared to 2020.

INLAND WATERWAYS

After a weak start to the year, the development of inland waterway transport gained noticeable momentum overall from May 2021 onward. In industries that had declined severely in the previous year, such as coal, iron ore and stone/earth, the data published at the time of reporting for the period up to November 2021 showed strong growth. Although container transport tonnage increased slightly, volumes remained below the previous year's level. However, its share of the total volume is too low to have a noticeable effect. Sharp declines in foodstuffs, drinks and tobacco, and in particular in coke/mineral oil products, one of the most important types of goods for inland waterway transport, had a negative effect. Development was also slowed by several weeks of low water on the Rhine in the autumn, which meant that ships were only able to sail with partial loads or were unable to sail at all. The sector has not yet returned to pre-Covid-19 levels.

European rail freight transport market

The effects of the Covid-19 pandemic caused volume sold in European rail freight transport (EU 27, Switzerland, Norway and the United Kingdom) to decline sharply in the previous year. In contrast, the European rail freight transport market saw very positive development in 2021, almost returning to pre-Covid-19 levels. This positive development was caused by the recovery of industrial production and trade as well as baseline effects following the sharp declines in the previous year. In 2021, strong momentum was recorded in the iron, coal and steel sector and the combined transport sector in particular, which was severely impacted in 2020. The recovery in international trade was mainly supported by growth on the European corridors to the North Sea ports of Antwerp, Rotterdam and Hamburg, the southern ports, and on the Eurasian axis.

	Growth rate	
INTERNATIONAL FREIGHT TRANSPORT AND LOGISTICS MARKETS / %	**2021**	2020
European rail freight transport (based on tkm)	+7.2	-6.9

Figures are based on information and estimates available as of February 2022.

The positive development is also reflected in Germany, France, the United Kingdom and Poland, all of which are key markets for DB Cargo. Like DB Cargo, all other major railways in Europe significantly increased their volume sold.

DB LONG-DISTANCE BUSINESS UNIT

Business model

DB Long-Distance offers customers comfortable and environmentally friendly travel within Germany and into neighboring countries. Regularly scheduled daily services with the ICE/Intercity/EC fleet form the backbone of long-distance transport. Offerings are being expanded by island routes to Sylt and Wangerooge.

The most important target figures are number of passengers, passenger satisfaction, operational punctuality, employee satisfaction and operating profit (EBIT). The steering focuses in particular on the performance indicators volume sold, volume produced and load factor. Costs largely correlate with the planned volume produced, which is derived from the services offered. Some of the costs, such as for train-paths, station stops and energy, depend on the actual volume produced. Resource assignments of personnel and facilities are aligned with the annual schedule in order to optimize the unit cost per train kilometer traveled. The key drivers are personnel, maintenance and infrastructure expenses, meaning the business is very fixed-cost intensive. Only a small portion of expenses vary with train capacity utilization.

The most important sources of income for long-distance transport operated on a purely commercial basis are revenues from the sale of tickets and BahnCards.

Our employees, a modern vehicle fleet and a high-quality infrastructure are decisive for success. This is why intra-Group infrastructure companies and service providers as well as the vehicle industry are important partners. Furthermore, cooperation with partner railways is very important for cross-border connections and night train services.

Markets and strategy

GRI 102-6

According to forecasts, the long-distance transport market will continue on its growth path in the aftermath of the Covid-19 pandemic. This assumption has been confirmed by the rapid recovery of demand as soon as the Covid-19 restrictions were loosened and by the Glasgow commitment to climate-friendly mobility on the part of many companies. Despite the intense intramodal as well as intermodal competition, DB Long-Distance intends to use attractive services to further expand the market share of rail. The proportion of the population living in urban metropolitan areas in Germany will have increased by 2050, making fast and direct connections between major cities ever more important. At the same time, the connection of people in rural regions to long-distance transport must be ensured.

As an integral component of the Strong Rail strategy 52ff., DB Long-Distance makes an important social contribution. In 2021 we continued to pursue our activities in this field. By adapting the project portfolio along the strategic areas of the Strong Rail strategy, we have continued to drive the implementation of our strategic targets. DB Long-Distance's core identity – "Our drive: Connecting people, overcoming distances," "Our mission: Best possible journey – together with passion and excellence," "Our promise: Arriving by the time of boarding" – continues to be of central importance.

The central objective is to double the number of passengers to 260 million per year compared to 2015. This requires the expansion and stabilization of production, as well as the further development of attractive travel services. Through this objective, DB Long-Distance is making a significant contribution to the desired shift in the mode of transport towards rail and to tackling climate change 52. In order to achieve the objectives set for DB Long-Distance, measures are being implemented in the strategic areas:

GRI
102-6
102-7

DB LONG-DISTANCE – AT A GLANCE

PRODUCTS

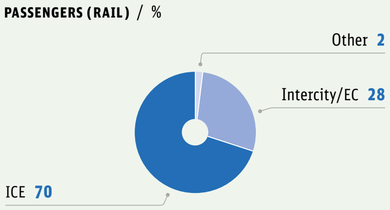
ICE (Intercity Express)
- ICE trains are our high-speed trains, connecting major cities and conurbations. Since 2017, the fourth generation of the ICE has been in use on the rails. DB Long-Distance offers national and cross-border transport in Europe with the ICE fleet.

Intercity
- Intercity trains are primarily used on routes within Germany. They connect cities and conurbations with regional locations. The fleet has been expanded with new double-deck Intercity 2 trains since 2015, and used Stadler double-deck trains (KISS) since 2019.

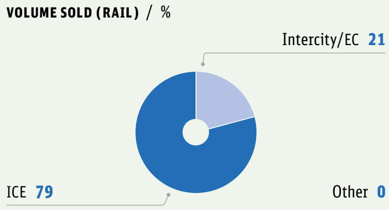
EC (Eurocity)
- EC trains enable fast, cross-country travel. In co-operation with other railways, we offer numerous connections between major European cities.

STRUCTURE

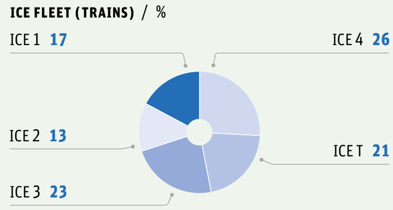
PASSENGERS (RAIL) / %



VOLUME SOLD (RAIL) / %



ICE FLEET (TRAINS) / %



BUSINESS MODEL

INPUTS

Employees
- About 18,800

Vehicles
- 341 ICE
- 210 locomotives
- 1,174 passenger cars

Networks and infrastructure
- 12 works depots

Electricity and fuel
- 2.3 billion kWh traction current
- 9.4 million liters of diesel fuel

Additional production factors
- 144 million train-path km
- 2.8 million station stops

BUSINESS ACTIVITIES

Customer segments
- Private customers
- Business customers

Value proposition
- DB Long-Distance offers easy, relaxed, reliable and environmentally friendly travel.

Customer access and retention
- Travel centers, agencies, ticket machines, online, call center
- BahnCard, BahnComfort and BahnBonus programs, apps

Key activities
- Providing train services
- Serving passengers
- Providing and maintaining vehicles
- Planning networks and services

OUTPUTS [1]

Passengers
- 82 million (rail)

Volume sold
- 25 billion pkm (rail)

OUTCOMES [2]

EBIT
- € -1,790 million

Employee satisfaction
- SI of 3.9 (2020)

Customer satisfaction
- SI of 77.8

Final energy consumption
- +16.8% compared to 2006 (specific)

Punctuality
- 75.2%

As of 2021 respectively December 31, 2021.
[1] Key products and services.
[2] Internal and external consequences and results from business activities and outputs along the entire value-added chain.

- More robust: In order to meet growing demand, DB Long-Distance is increasing the vehicle fleet and maintenance capacity of the depots 55f. To achieve this goal, in 2021 over 30 new ICE 4 and Intercity 2 trains were commissioned and the construction of two additional new ICE maintenance depots in Nuremberg and Dortmund was approved. We also plan to increase personnel capacity by 2025. Recruiting 76 and qualification and retention of employees have an important part to play in this expansion and in compensating for fluctuations and age-related departures. Recruiting is particularly focused on the rapid and qualified occupation of positions critical to operations and services, such as multiple unit drivers and train attendants. This is supported by the development of modern training measures and innovative learning strategies. We are also working continuously on increasing employee satisfac-

tion 78f., for example by improving work-life balance using innovative IT tools that give greater consideration to employees' wishes during staff scheduling.
- More powerful: Our objective is to provide all long-distance trains with the highest quality and at competitive costs through improved processes. To increase vehicle availability and quality 103, production will be digitalized and optimized further. Innovative technologies (such as 3D printing and AI) will form the basis for rapid and reliable processes.
- More modern: DB Long-Distance aims to build a flexible, reliable and high-frequency long-distance transport network in line with Germany in sync. By strengthening the metropolitan network and increasing the number of connections between the regions, the target is to enable 80% of the population in Germany to have direct access to long-distance transport. We are creating attractive and competitive offers not only by expanding routes and increasing frequency, but also through shorter travel times. Our digital customer channels support our passengers during their journey. Passengers have been able to assert their passenger rights online since June 2021. At the same time, we are facilitating access to our system via the digital platform, offering modern and up-to-date journey support throughout the travel chain and establishing a personal service component through the hosting concept, making us sustainable and competitive. In addition, modern DB Lounges provide increased comfort at stations.
- Greener: As pioneers of green mobility in Germany, we see environmental and climate protection as a self-evident part of our work. Since 2018, we have been using 100% eco-power and supplying new maintenance depots, such as the Cologne-Nippes depot green. no. 48, with climate-neutral energy. Our activities are supported by additional measures for greater sustainability: for example we use microplastic-free hand soap green. no. 146 on board all long-distance trains, and we offer Fairtrade-certified hot drinks green. no. 67 and wooden cutlery for to-go products in our on-board restaurants.

Development of our fleet

VEHICLE PROJECTS AND PROCUREMENTS

- The first nine multiple units (prototype and pre-production trains) in the ICE 1 modernization have been completed. Series production began in May 2021, and the trains are being fitted with new seat covers, carpets, a modern passenger information system and improved drive technology, as well as other modifications.
- The redesign of the ICE 3 (403 series) is also continuing, with 35 of the 49 ICE 3s being redesigned by the end of 2021.
- As well as the redesign measures, there are extensive fleet expansion 55f. measures in progress.

VEHICLE AVAILABILITY

The vehicle availability of the ICE fleet increased in 2021 compared to the previous year. The thorough modernization of the existing fleet (as a result of the ICE 1 modernization and the ICE 3 redesign, for example) had a positive effect on the stability of operations. The delivery of new vehicles has also contributed to vehicle availability. In order to continue the positive development, additional vehicle projects are also being implemented. These include the supply of new vehicles 55f. such as the ICE 3neo 164 and the ICE L, as well as continuous measures to optimize the existing fleets.

Digitalization and innovation

- DB Group and Google are intensifying their cooperation to make it even more user-friendly to plan travel on rail using Google Maps. Live data from rail operations and a direct link to the DB portals make it easier to plan and book a trip. Google Maps is extending the availability of these features for long-distance travel. As part of this new cooperation, we are incorporating real-time data on all long-distance trains into Google Maps for the first time.

Environmental measures

- About 10,000 t of waste is generated on our trains each year. Waste is frequently disposed of in the wrong receptacles, making recycling more difficult. For this reason, about 6,000 waste receptacles on our long-distance trains and in the stations have been converted from the existing system of four waste categories to a two-category system. To ensure that waste is properly separated, sorting is handled by 25 certified waste disposal companies. This allows 85% of waste to be recovered as clean, separated materials for recycling, an improvement of over 50% compared to the previous process.
- On-board catering has been using FSC-certified wooden cutlery since June 2021, which replaced the plastic cutlery that had previously been used for to-go products. This measure supplements the existing reusable supply.

Other events

- We are working with Lufthansa to optimize our joint Rail &Fly services. Five cities have been added to the Lufthansa Express Rail network, and more Sprinter trains have been running to Frankfurt Airport since December 2021. The new Sprinter connections provide an even better link between Germany's largest airport and the rail network.
- As part of the Covid-19 support measures 46, the Federal Government is temporarily subsidizing train-path prices for long-distance rail passenger transport in Germany (from March 1, 2020 to May 31, 2022). The resulting train-path price refunds are included in the extraordinary result 89 and not in adjusted operating profit.

Development in the year under review

→ *There was a marked recovery in demand since April, although the trend was hampered by floods, a wage dispute and new Covid-19 restrictions.*

→ *Punctuality was impacted by increased utilization, capacity bottlenecks and extreme weather events.*

The punctuality of DB Long-Distance declined in 2021. In addition to higher capacity bottlenecks on the network as a result of increased construction activity and higher capacity utilization, there were also negative impacts from extreme weather events (including a severe winter, storms and floods) and the wage dispute with the GDL. The further reduction of primary disruptions (including in command and control technology and in vehicles) thanks to improved availability of vehicles and infrastructure had a compensating effect.

As a result, customer satisfaction has also declined. As well as the decrease in punctuality, there was also a negative effect from the wage dispute with the GDL and service restrictions (including in the catering service) due to the decreased demand caused by Covid-19. To assess customer satisfaction, about 20,000 customers were asked in six waves about their satisfaction with the current journey.

The number of BahnCard holders also decreased further as a result of the Covid-19 pandemic. This affected all types of BahnCard.

The performance development only experienced a slight recovery, although it should be noted that the first quarter of 2020 was not significantly impacted by the Covid-19 effects:

- The extension of the Covid-19 pandemic containment measures in early 2021 led to a significant decline in the number of passengers and volume sold. Increases in demand, which were significant at times, were recorded as the measures were increasingly loosened from April 2021 onwards. In addition, the wage dispute with the GDL and the effects of extreme weather events had a negative impact.
- Volume produced also increased slightly. Positive effects from fewer Covid-19 restrictions and the expansion of available services were greater than the negative effects from construction activities on the network and the GDL strikes.

DB LONG-DISTANCE	2021	2020	Change absolute	Change %	2019
Punctuality (rail) (%)	75.2	81.8	- 6.6	–	75.9
Customer satisfaction (SI)	77.8	80.2	- 2.4	–	76.5
BahnCards (thousand)	4,558	4,833	- 275	- 5.7	5,292
Passengers (rail) (million)	81.9	81.3	+ 0.6	+ 0.7	150.7
Passengers (long-distance bus) [1] (million)	–	0.2	- 0.2	- 100	0.7
Volume sold (rail) (million pkm)	24,762	23,542	+ 1,220	+ 5.2	44,151
Volume sold (long-distance bus) [1] (million pkm)	–	48.3	- 48.3	- 100	173.2
Volume produced (million train-path km)	144.4	141.7	+ 2.7	+ 1.9	145.7
Load factor (%)	31.4	30.7	+ 0.7	–	56.1
Total revenues (€ million)	2,911	2,879	+ 32	+ 1.1	4,985
External revenues (€ million)	2,792	2,753	+ 39	+ 1.4	4,824
EBITDA adjusted (€ million)	- 1,434	- 1,337	- 97	+ 7.3	789
EBIT adjusted (€ million)	- 1,790	- 1,681	- 109	+ 6.5	485
Gross capital expenditures (€ million)	1,507	1,290	+ 217	+ 16.8	1,241
Employees as of Dec 31 (FTE)	18,790	18,794	- 4	–	17,289
Annual average employees (FTE)	18,961	18,332	+ 629	+ 3.4	17,036
Employee satisfaction (SI)	–	3.9	–	–	–
Share of women as of Dec 31 (%)	26.9	27.3	- 0.4	–	27.2
Specific final energy consumption compared to 2006 (based on pkm) (%)	+ 16.8	+ 18.9	- 2.1	–	- 31.5

[1] Bus services were discontinued in late 2020.

- Load factor increased again as a result of the increased number of passengers.

As a result of the disproportionate increase particularly in cost of materials and personnel expenses compared to income, the operating profit figures fell.

Income increased mainly as a result of increased demand:

- The recovery in demand led to a slight increase in revenues.
- Other operating income (+28.8%/€ +60 million) increased significantly, particularly as a result of higher income from insurance benefits (for loss events in previous years), international transport and sales of vehicles.

Expenses increased, largely as a result of higher material costs due to price and volume increases and increased personnel costs:

- The increase in the cost of materials (+3.7%/€ +99 million) was largely a result of higher infrastructure and energy expenses due to price and volume increases, as well as more intensive maintenance activities. Reductions in expenses resulted from a reduced use of goods in on-board catering due to the Covid-19 pandemic, commissions and the disposal of Ameropa in the previous year. The discontinuation of long-distance bus activities also had a dampening effect.
- The increased personnel expenses (+7.1%/€ +80 million) resulted primarily from increases in collective bargaining agreements and a greater average number of employees.
- Depreciation rose slightly (+3.5%/€ +12 million). Higher depreciation due to the addition of ICE 4 and Intercity 2 trains was largely compensated for by the effects of ICE and Intercity trains reaching the end of their useful life for accounting purposes.
- Other operating expenses remained virtually unchanged (+0.7%/€ +4 million). Higher expenses, including from losses from disposals of facilities and for marketing, were largely offset, mainly by decreased project costs.

Capital expenditure activities rose to a very high level, resulting primarily from continued vehicle projects 103.

The number of employees as of December 31, 2021 was slightly above the previous year's level.

The share of women decreased slightly.

The specific final energy consumption was still above its level in the reference year, 2006, as a result of persistently low demand due to the Covid-19 pandemic, although it improved slightly compared to the previous year. Nevertheless, the energy efficiency of train journeys improved, mainly thanks to a continuous shift of the long-distance fleet to new, more energy-efficient series. Thus there were, for example, more ICE 4s, which consume less energy on average, in use in 2021. As well as the changes to the fleet mix, we conducted more training in energy-saving driving styles.

DB REGIONAL BUSINESS UNIT

Business model

The core service of DB Regional is to bring millions of passengers in regional transport to their destination every day on time and in a safe, comfortable and environmentally friendly manner, and in doing so, to meet the requirements of the respective transport contract.

Our offerings cover both regional rail passenger transport with regional express, regional railway and S-Bahn (metro) lines as well as regional and urban bus transport services. We therefore offer passengers comprehensive mobility services in major cities and metropolitan areas, but also especially in rural areas. Our regional organizational structure guarantees local transport services oriented towards the requirements of our local customers.

As a rule, DB Regional provides its regional rail passenger transport services within the framework of the Regionalization Act as a public service and on behalf of the competent contracting organizations. The contracting organizations are either the Federal states or a state-owned company, or municipal special-purpose associations. The contracting organizations conclude long-term transport contracts and route concessions with transport companies, mainly within the framework of competitively awarded tenders. These contracts determine the volume produced and contain detailed specifications on quality and fare pricing. With integrated transport concepts, high-quality mobility services and targeted capital expenditures on the vehicle fleet and digitalization, we aim to defend our leading market position and strengthen our role as a quality and innovation leader in the field of regional rail passenger transport.

Volume sold and volume produced are important key performance figures. Transport contracts typically refer to the volume produced.

Concession fees, in addition to revenues from ticket sales, are the most important source of income. However, contracts where fare proceeds remain directly with the contracting organization, while the transport company is fully compensated by the public transport authority for the entire range of services (gross contracts), are also of increasing importance.

Predefined terms in transport contracts and route concessions, combined with the extensive production system, result in a cost structure with high fixed costs. The key drivers are personnel, maintenance, energy and infrastructure expenses. Only a small portion of expenses vary with the load factor.

In the rail sector, integrated bids covering vehicle procurement, financing, fleet management, operation and maintenance were generally required by the contracting organizations in the past. Nowadays, individual, fragmented tender models are becoming more common. In such models, partial services or even only the basic operation are put out to tender. In these models, other partial services remain the responsibility of the contracting organizations (financing, for example) or the responsibility of the vehicle suppliers (maintenance, for example). On the basis of its performance capability at all stages of the value-added chain, DB Regional is in a position to tailor partial services as required and also to operate successfully on the market as a subcontractor for competitors.

In the national bus market, competition in the regional bus sector continues to increase, both as a result of tenders and of licensing auctions. In urban transport, bus services are often awarded to local municipal companies in in-house awards.

Markets and strategy

GRI 102-6

In 2021, the German regional rail passenger transport and public transport market continued to suffer from the restrictions related to Covid-19 and the associated changes in demand for mobility among commuters and leisure passengers. In the medium term, however, we expect that the trends for further transport growth in local transport are intact. These include the continued attractiveness of modern metropolitan areas, the influx of families in particular into suburban areas, who commute to the metropolitan areas, and the continued importance of climate protection 67 ff., as well as increasing acceptance of sharing services. In the short term, the industry solution for local public transport 46 is serving to stabilize local public transport during the Covid-19 pandemic. In the medium and long term, increasing regionalization funds will create stability for the coming years. We also expect positive stimuli for German local transport from the Climate Action Program 47. DB Regional intends to continue to benefit from this positive market environment as the largest provider. DB Regional is oriented towards the Strong Rail strategy 52 ff. and interprets it for local transport under the motto “Regional and urban mobility.” DB Regional understands local transport as bridging different modes of transport and brings together regional rail passenger transport, bus, sharing and pooling offers and, in the future, platform solutions as well. This is done in cooperation with the activities in the New Mobility 137 f. area.

In order to achieve the objectives, the strategy of DB Regional consists of the strategic building blocks of the Strong Rail strategy:

- More robust: Thanks to modern vehicles 108 and the increasing use of the possibilities of digitalization and automation in operations and maintenance, DB Regional contributes to a sustained improvement in quality and an appreciation in the value of regional rail passenger transport. In addition to these aspects, more capacity is also required. To this end, DB Regional, in consultation with the contracting organizations, intends to gradually increase the strength of its fleet and systematically invest in the redesign of existing vehicles, as well as in a sustainable improvement in quality. Sufficient and qualified personnel are also of great importance for a robust operation.
- More powerful: DB Regional is strengthening its functional operation, maintenance and vehicles 56 with the aim of further improving quality and achieving economies of scale through standardization and transparency. This increases competitiveness and prepares DB Regional for the possible increase in fragmented awarded tenders. At the same time, the DB Excellence System will continue to be implemented in operations and maintenance. Driving assistance systems are increasingly being used, platforms and IT systems are being developed to allow customer assistants to be digitally networked, and new AI-powered planning and scheduling systems are being rolled out. In maintenance, DB Regional combines operations and maintenance by automating data on the technical vehicle condition and transmitting it to maintenance during the journey. The fleet is equipped with sensors and transmission facilities.
- More modern: Together with its intra-Group partners, DB Regional is expanding cross-mobility solutions and making it possible to connect regional rail passenger transport and local public transport to facilitate intelligent expansion. DB Regional intends to defend its position as the leading provider of urban and regional mobility in Germany in future and to strengthen it with innovations and a greater customer focus.
- Greener: To improve our climate footprint, we are reducing the use of fossil fuels wherever possible, for example with an energy-efficient driving style green. no. 08 on the part of our vehicle drivers and by using supportive assistance systems. The establishment of alternative drives 134 f. and the use of alternative fuels offer even greater opportunities to for reducing greenhouse gas emissions 68 f. in future. We see our environmental responsibility as an integrated duty, and we are therefore also committed to conserving resources, protecting nature and noise protection.

GRI
102-6
102-7

DB REGIONAL – AT A GLANCE

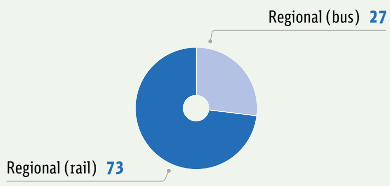
LINES OF BUSINESS

Regional (rail)
Bundles the regional rail passenger transport activities in Germany and includes regional express, regional rail and S-Bahn (metro) lines. This line of business is divided into seven regions (North, North-East, Central, South-East, Baden-Württemberg, Bavaria and North Rhine-Westphalia), the five directly managed S-Bahn (metro) lines Berlin, Hamburg, Munich, Rhine-Main and Stuttgart, the six regional networks and the regional transport services Start Germany.

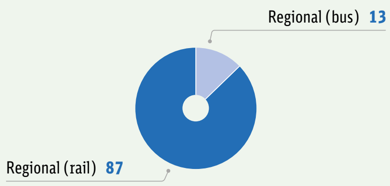
Regional (bus)
Bundles the regional and city bus transport activities and the integration of on-demand transport and rail replacement transport in Germany. There are just under 30 bus companies, which are divided into six regions: North, East, Central, North Rhine-Westphalia, Baden-Württemberg and Bavaria.

STRUCTURE

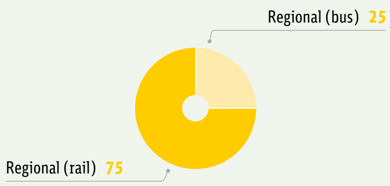
PASSENGERS / %



REVENUES / %



EMPLOYEES / %



BUSINESS MODEL

INPUTS

Employees
- About 37,200

Vehicles
- 556 locomotives
- 4,031 multiple units
- 11,559 rail cars
- 1,958 passenger cars
- 9,803 buses (including external buses)

Networks and infrastructure
- 46 workshops (rail)
- 60 workshops (bus)
- 210 depots

Electricity and fuel
- 2.9 billion kWh traction current
- 321 million liters of diesel fuel (bus including external and rail)
- 0.5 million kg natural gas

Additional production factors
- 109 million station stops

BUSINESS ACTIVITIES

Customer segments
- Private customers
- Business customers
- Contracting organizations

Value proposition
- DB Regional offers customer-focused, punctual, reliable and environmentally friendly mobility services.

Customer access and retention
- Local sales outlets, travel centers, agencies, ticket machines, online, call centers, on-board sales
- Subscriptions, apps

Key activities
- Providing train and bus services
- Looking after customers
- Providing and maintaining vehicles
- Creating competitive offers

OUTPUTS [1]

Passengers
- 1.5 billion (rail and bus)

Volume sold
- 21.4 billion pkm (rail)
- 4.5 billion pkm (bus)

Volume produced
- 0.4 billion train-path km (rail)
- 0.5 billion bus km (bus)

OUTCOMES [2]

EBIT
- € -417 million

Hit rate
- 51% (rail)

Customer satisfaction
- SI of 72 (rail)
- SI of 75 (bus)

Employee satisfaction
- SI of 3.8 (2020)

Punctuality
- 94.3% (rail)
- 83.9% (bus)

Energy consumption
- +26.3% (rail)
- -2.5% (bus) compared to 2006 (specific)

As of 2021 respectively December 31, 2021.
[1] Key products and services.
[2] Internal and external results and outcomes from business activities and outputs along the entire value chain.

Development of the order book

AWARDED TRANSPORT CONTRACTS

GERMAN REGIONAL RAIL PASSENGER TRANSPORT MARKET / million train-path km	2021 p. a.	2021 total	2020 p. a.	2020 total
Tender procedures (number)	40	–	13	–
thereof to DB Regional	15	–	10	–
Awarded tender volume	140.8	1,278	35.3	310.0
thereof DB services[1] (%)	48	–	64	–
thereof to DB Regional	72.0	634.5	30.3	260.9
Hit rate[1] (%)	51	50	86	84
SIGNIFICANT CONTRACTS WON				
Munich S-Bahn (metro) (first Munich S-Bahn contract)	20.9	333.4	–	–
Palatinate network	5.9	83.7	–	–
Northeast Bavaria express transport	8.6	60.2	–	–
Maas-Wupper-Express RE 13	2.6	36.4	–	–

[1] The previous year's figures were adjusted.

GERMAN PUBLIC ROAD PASSENGER TRANSPORT MARKET / million commercial vehicle km	2021 p. a.	2021 total	2020 p. a.	2020 total
Tender procedures (number)	240	–	164	–
thereof including participation by DB Regional	157	–	105	–
Awarded tender volume	170.4	1,260	102	732
thereof DB services (%)	30	–	42	–
thereof including participation by DB Regional	127.7	987.4	74	518
Hit rate (%)	27	–	40	–

NEW COMMISSIONINGS AND CESSATIONS

NEW COMMISSIONINGS (RAIL)[1] 2020–2021	Term	Million train-path km p. a.	thereof versus 2020[2]
D-Network Allgäu IR 25 South (Lot 2)	Dec 2020 - Dec 2021	1.7	+1.6
Network 4 Rhine Valley (Lot 2)	Jun 2020 - Dec 2032	0.1	+0.0
VVO diesel network	Dec 2021 - Dec 2031	2.1	+0.1
Diesel network Central Lower Saxony	Dec 2021 - Dec 2029	4.5	+0.2
Total		**8.4**	**+1.9**

[1] Services or parts of the network were previously provided by non-Group train operating companies.
[2] Effect of the change on the year-on-year comparison. The linear calculation is carried out on a weekly basis by commissioning in the middle of the month.

CESSATIONS (RAIL)[1] 2020–2021	Term	Million train-path km p. a.	thereof versus 2020[2]
Rhine-Ruhr-Express lines Lot 1 (RE 1)	Jun 2020 - Dec 2033	3.6	-1.7
Stuttgart Network Lot Neckartal	Jun 2020 - Dec 2032	2.1	-1.0
Rhine-Ruhr-Express lines Lot 3 (RE 4)	Dec 2020 - Dec 2033	2.4	-2.3
Glauchau—Gößnitz	Jun 2021 - Dec 2025	0.1	-0.1
Allgäu e-network	Dec 2021 - Dec 2033	1.8	-0.1
Hanover S-Bahn (metro) (S3, S6, S7)[3]	Dec 2021 - Jun 2022	1.0	-0.0
Total		**11.0**	**-5.2**

[1] Services or parts of the network were previously provided by DB Regional.
[2] Effect of the change on the year-on-year comparison. The linear calculation is carried out on a weekly basis by commissioning in the middle of the month.
[3] Train-path km relate only to the specified contract term from December 2021 to June 2022.

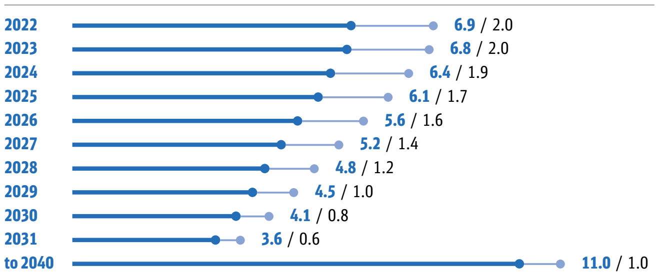
ORDER BOOK

ORDER BOOK AS OF DEC 31 / € billion	2021	2020	Change absolute	Change %
DB Regional	80.0	70.3	+9.7	+13.8
secured	64.9	53.9	+11.0	+20.4
unsecured	15.1	16.4	-1.3	-7.9

Revenues that are directly connected with transport contracts or concessions are either independent of (secured revenues, primarily concession fees) or dependent on (unsecured revenues, primarily revenues from fares) the number of passengers.

In 2021, DB Regional's order book rose significantly. The additions of € 18.3 billion are in contrast to losses – mainly as a result of services rendered – of about € 8.2 billion. In addition, changes in assumptions of about € –0.4 billion had a negative impact.

ORDER BOOK PER YEAR AS OF DEC 31, 2021 / € billion



Individual figures are rounded and therefore may not add up.

Development of our fleet

In 2021, we continued to pursue comprehensive measures to improve our vehicle fleet.

- These included the redesign of the interior, the installation of passenger information and video recording systems, and renewal of the paintwork. A total of 296 vehicles were redesigned and modernized, mainly for the S-Bahn (metro) lines in Hamburg, Munich and Berlin, as well as the on the Lower Saxony and Allgäu diesel networks, the Mainfranken e-networks and the Euregiobahn, and for double-deck cars on the Taunus line.
- We are further focusing on the procurement of new vehicles for acquired transport contracts. A total of 44 new vehicles were supplied in 2021 (of which 22 vehicles were deployed through a leasing model).

Vehicle availability improved again in 2021. However, there were also delays and restrictions relating to the delivery of new trains.

Digitalization and innovation

- In July 2021, DB Group presented a walk-through model of an S-Bahn (metro) of the future. The IdeasTrainCity (Ideenzug City) is DB Regional's second 1:1 model financed with DB funds that makes it possible for contracting organizations and operators in regional transport to experience innovations. In 2021 two modules were added to IdeasTrainRegio (IdeenzugRegio), which was originally presented in 2018. The first phases of this model have been implemented on the Munich and Hamburg S-Bahn (metro) lines.

- In 2021, the DB Train Portal app (DB Zugportal) was expanded to include 20 further transport networks. The portal has also been accessible online since May 2021. It has been accessed about six million times since then.
- The DB Route Agent (DB Streckenagent) app is the second-largest DB Group app after DB Navigator and provides digital services to improve passenger information and thereby make a direct contribution to customer satisfaction. The number of downloads rose to about 2.9 million in 2021. Route agent users receive push notifications containing real-time information on delays and alternative routes. A relaunch with more features is scheduled for spring 2022.

Environmental measures

- A total of 830 diesel trains and locomotives in the DB Regional fleet have now been fitted with telematics systems. This corresponds to 60% of the entire fleet. The Regio Energy Saving System (RESY) software green no. 08 is in use on one in every two journeys to provide support for traction unit drivers to employ an efficient driving style. This saved 0.9 million liters of diesel in 2021. All bus drivers received the Fairfleet Eco app to promote stress-free and economical driving. The app obtains travel data from the telematics systems on the buses. The system detects the driving style, evaluates it and provides feedback on driving behavior. This reduced fuel consumption by more than 5%. In 2021, more than 11,000 t CO_2e were saved in this way.
- DB Regional Bus added two hydrogen-powered buses green no. 53 to its alternative energy fleet in Schleswig-Holstein. These are operated with green hydrogen, which is produced using regional wind energy. There were also 13 new battery-powered green no. 63 rigid buses supplied with eco-power commissioned in Baden-Württemberg, Bavaria and Lower Saxony for climate-neutral travel.

Development in the year under review

⟶ *Continuing effects of the Covid-19 pandemic, floods and a wage dispute with the GDL had a negative effect on demand.*

⟶ *Operating profit figures improved.*

Punctuality did not see a repeat of its level in the previous year, which was characterized by the impact of the Covid-19 pandemic; it was at the same level as in 2019. This was driven

DB REGIONAL	2021	2020	Change absolute	Change %	2019
Punctuality (rail) (%)	94.3	95.6	-1.3	–	94.3
Punctuality (bus) (%)	83.9	83.4	+0.5	–	81.6
Customer satisfaction (rail) (SI)	71.6	69.0	+2.6	–	66.1
Customer satisfaction (bus) [1] (SI)	75	71	+4	–	73
Passengers (million)	1,540	1,604	-64	-4.0	2,507
thereof rail	1,121	1,215	-94	-7.7	1,972
Volume sold (million pkm)	25,921	28,048	-2,127	-7.6	47,908
thereof rail	21,407	23,897	-2,490	-10.4	41,633
Volume produced (rail) (million train-path km)	426.7	424.8	+1.9	+0.4	452.5
Volume produced (bus) (million bus km)	482.8	456.7	+26.1	+5.7	479.8
Total revenues (€ million)	8,043	7,662	+381	+5.0	8,945
External revenues (€ million)	7,929	7,553	+376	+5.0	8,830
Rail concession fees (€ million)	5,824	5,292	+532	+10.1	5,627
EBITDA adjusted (€ million)	218	184	+34	+18.5	1,056
EBIT adjusted (€ million)	-417	-451	+34	-7.5	408
Gross capital expenditures (€ million)	480	434	+46	+10.6	560
Employees as of Dec 31 (FTE)	37,220	37,159	+61	+0.2	36,374
Annual average employees (FTE)	37,337	36,945	+392	+1.1	36,285
Employee satisfaction (SI)	–	3.8	–	–	–
Share of women as of Dec 31 (%)	17.0	16.9	+0.1	–	16.8
Specific final energy consumption (rail) compared to 2006 (based on pkm) (%)	+26.3	+13.2	+13.1	–	-30.0
Specific final energy consumption (bus) compared to 2006 (based on bus km) (%)	-2.5	-1.4	-1.1	–	+1.7

[1] Change in method from 2020 onwards.

by a return to higher utilization of the rail network and the operational impact of high construction volumes. Extreme weather events (mainly a harsh winter, storms and floods) and the wage dispute with the GDL also had negative effects. For these reasons, punctuality fell significantly in the second half of 2021 after a strong first half of the year. The implementation of a number of regional improvement measures had a positive effect. The punctuality of Regional Bus improved.

About 26,000 customers (rail) and about 2,300 customers (bus) were surveyed in two waves for the annual customer satisfaction survey:

- Overall passenger satisfaction with DB Regional Rail increased. The satisfaction figures for regional transport (73 SI) and S-Bahn (metro) (70 SI) improved. Satisfaction with the most recent journey remained unchanged at 79 SI for DB Regional Rail (regional transport and S-Bahn (metro)). Significant improvements were achieved in all performance dimensions.
- Customer satisfaction with bus transport improved significantly, both in terms of satisfaction with the bus company (75 SI) and with the current journey (78 SI).

The performance development differed between rail and bus transport, although it should be noted that the first quarter of 2020 was not significantly impacted by the effects of the Covid-19 pandemic:

- The number of passengers and volume sold in rail transport fell significantly as a result of the Covid-19 pandemic. The extension of the measures to contain the Covid-19 pandemic led to a significant decline, particularly in early 2021. As the measures were increasingly lifted, increases in demand were again recorded from April 2021 onward. There were also negative effects from the floods and the wage dispute with the GDL.
- Covid-19 effects also had a significant negative impact on demand for bus transport, particularly at the beginning of 2021. Overall, however, demand increased as a result of a higher volume produced.

From a financial perspective, DB Regional remained under pressure, although operating profit figures improved slightly.

The decline in passenger numbers did not fully feed through to revenue development. Because of the higher share of gross contracts 105, revenue risk predominantly lies with the contracting organizations:

- The increase in revenues was primarily due to higher concession fees in rail transport, which more than compensated for the decreased revenues from fares (resulting in part from a change in the Munich S-Bahn (metro) contract from a net contract to a gross contract) and from performance gains in bus transport.
- This was counteracted by a decline in other operating income (−4.5%/€ −43 million), largely caused by a decrease in Covid-19 support payments due to lower Covid-19-related losses than in the previous year.

On the expenses side, there were additional pressures primarily from increases in the cost of materials and personnel expenses resulting from increases in prices and collective bargaining agreements:

- Cost of materials rose (+5.0%/€ +268 million), largely as a result of increases in costs for the use of infrastructure and for energy in rail transport, as well as higher maintenance expenses.
- Personnel expenses increased (+4.1%/€ +89 million), largely as a result of collective bargaining agreements.
- Depreciation remained unchanged overall.

In contrast, the decline in other operating expenses had a dampening effect:

- Other operating expenses decreased (−5.0%/€ −46 million), mainly due to smaller effects from the revaluation of provisions for impending losses.

Capital expenditures increased, primarily as a result of tender-related vehicle purchases.

The number of employees as of December 31, 2021 was at the same level as in the previous year.

The share of women increased slightly.

The specific final energy consumption in rail transport remained above the level of the reference year, 2006, as a result of ongoing Covid-19 effects. The increase in volume produced led to a further increase of this figure in 2021. Nonetheless, the energy efficiency of diesel vehicles improved thanks to the further rollout of the RESY telematics system 109. This has reduced the energy consumption of the vehicles by up to 10%. In bus transport, specific final energy consumption improved further.

RAIL LINE OF BUSINESS

- *The Covid-19 pandemic has continued to have an impact on the development of the business.*
- *There were additional negative effects from floods and the wage dispute with the GDL.*
- *Development of profits was impacted by price effects.*

RAIL LINE OF BUSINESS	2021	2020	Change absolute	Change %	2019
Passengers (million)	1,121	1,241	- 120	- 9.7	2,010
thereof rail	1,121	1,215	- 94	- 7.7	1,972
Volume sold (million pkm)	21,407	24,298	- 2,891	- 11.9	42,204
thereof rail	21,407	23,897	- 2,490	- 10.4	41,633
Volume produced (million train-path km)	426.7	424.8	+ 1.9	+ 0.4	452.5
Total revenues (€ million)	6,965	6,696	+ 269	+ 4.0	7,848
External revenues (€ million)	6,859	6,593	+ 266	+ 4.0	7,740
Rail concession fees (€ million)	5,824	5,293	+ 531	+ 10.0	5,626
EBITDA adjusted (€ million)	308	342	- 34	- 9.9	1,037
EBIT adjusted (€ million)	- 247	- 226	- 21	+ 9.3	454
Gross capital expenditures (€ million)	341	329	+ 12	+ 3.6	496
Employees as of Dec 31 (FTE)	27,737	28,090	- 353	- 1.3	27,715

Since 2021, the bus transport activities of Regionalverkehr Alb-Bodensee GmbH (RAB) have been reported under the bus line of business. This has resulted in immaterial limitations in the comparability of the previous year's figures (RAB effect).

Overall, the development of performance in the rail line of business declined. In addition to restrictions resulting from floods 38 and the wage dispute with the GDL 38, Covid-19-related declines had an effect in early 2021 in particular, as the corresponding months in the previous year had not been impacted by the Covid-19 pandemic. The number of passengers and volume sold recorded significant declines as a result. These have improved again since April 2021. Volume produced remained fairly stable.

Overall, operating profit figures declined. Adjusted for the RAB effect, the decline was even greater. The weak performance had a dampening effect on income development:

- Driven by higher concession fees, revenues rose despite the lower revenues from fares due to Covid-19. As well as general increases from the contracting organizations, revenues were also affected by a change in the Munich S-Bahn (metro) contract. In contrast, the wage dispute with the GDL and the effects of the floods had a dampening effect.
- Other operating income fell, largely due to fewer Covid-19 support payments under the industry solution for local public transport 46 owing to lower Covid-19 losses than in the previous year. This was partly offset, primarily by a greater utilization of provisions for impending losses.

On the expense side, there were additional negative effects primarily from price effects and additional expenses for maintenance:

- Cost of materials increased, mainly as a result of higher costs for energy and the use of train-paths and stations. Higher maintenance expenses also had a negative effect.
- Personnel expenses rose, largely as a result of collective bargaining agreements.

In contrast, the decline in other expense items had a dampening effect:

- Declines in other operating expenses mainly resulted from significantly smaller effects from the revaluation of provisions for impending losses. These expenses were unusually high in 2020 due to the Covid-19 pandemic. This effect was partly counteracted by higher expenses for intra-Group services.
- Depreciation decreased, largely as a result of vehicles reaching the end of their useful life.

Capital expenditure activities increased slightly in connection with awarded transport contracts.

The number of employees fell slightly. Adjusted for the RAB effect, there was a slight increase as a result of new operations.

BUS LINE OF BUSINESS

- *Revenue losses related to the Covid-19 pandemic.*
- *Integration of RAB's bus transport activities.*

BUS LINE OF BUSINESS	2021	2020	Change absolute	Change %	2019
Passengers (million)	418.9	363.0	+ 55.9	+ 15.4	496.8
Volume sold (million pkm)	4,515	3,750	+ 765	+ 20.4	5,704
Volume produced (million bus km)	482.8	429.1	+ 53.7	+ 12.5	452.8
Total revenues (€ million)	1,191	1,042	+ 149	+ 14.3	1,162
External revenues (€ million)	1,069	960	+ 109	+ 11.4	1,090
EBITDA adjusted (€ million)	- 91	- 158	+ 67	- 42.4	20
EBIT adjusted (€ million)	- 170	- 226	+ 56	- 24.8	- 46
Gross capital expenditures (€ million)	139	106	+ 33	+ 31.1	64
Employees as of Dec 31 (FTE)	9,483	9,069	+ 414	+ 4.6	8,659

Since 2021, the bus transport activities of Regionalverkehr Alb-Bodensee GmbH (RAB) have been reported under the bus line of business. This resulted in limitations in the comparability of the previous year's figures (RAB effect).

The performance development in the bus line of business increased. In 2021, Covid-19-related declines in the first few months of the year, which were not impacted by Covid-19 effects in 2020, were more than offset by the RAB effect and increases in volumes.

Operating profit figures also improved. However, the economic situation remains challenging.

The positive trend in volumes had an effect on income:

- Revenues increased mainly for performance-related reasons.
- Other operating income increased significantly, largely due to the utilization of provisions for impending losses.

There were additional negative effects on the expense side, mainly from the cost of materials and personnel expenses:

- The increase in the cost of materials resulted mainly from increased procurement of transport services for volume-related reasons and from the rise in diesel prices.
- Personnel expenses increased due to the higher average number of employees and due to collective bargaining agreements.
- The increase in depreciation resulted from capital expenditures in the previous year.
- Other operating expenses increased. Adjusted for the RAB effect, they decreased as a result of lower additions to provisions for impending losses.

Capital expenditure activities increased, particularly in connection with awarded transport contracts.

The number of employees increased, largely due to the RAB effect.

DB CARGO BUSINESS UNIT

Business model

GRI 102-4

With about 4,200 sidings and additional services in 17 European countries, DB Cargo offers its customers access to one of the biggest rail networks in the world, extending as far afield as China, and is thus the number one in European rail freight transport.

Across its international network, DB Cargo

- transports freight cars and groups of freight cars in single wagon transport,
- enables transport chains for containers or truck trailers belonging to shipping companies and freight forwarders using multiple modes of transport in combined transport, and
- operates direct connections from siding to siding in block train transport.

In addition to the pure transport service, DB Cargo creates individual solutions with additional logistical services for its customers.

Owned or rented traction units and freight cars, terminals and train formation yards, as well as in-house personnel resources, are used to provide services. Customers include the manufacturing industry in the automotive, steel, recycling and raw materials, battery manufacturing, chemicals and mineral oil, building materials, industrial and consumer goods sectors, as well as shipping companies, forwarding companies, postal and parcel services and combined transport operators throughout Europe. Customers are increasingly making a conscious decision to use DB Cargo to replace the more environmentally harmful option of transport by truck.

Since DB Cargo generates the majority of its income by transporting goods by rail, the leading performance indicator is volume sold in ton kilometers. In addition to the depreciation of locomotives and cars, as well as personnel costs, the main cost components are energy, infrastructure, rent for facilities and maintenance expenses. The intra-Group infrastructure companies and service providers are important suppliers in this respect.

Markets and strategy

GRI 102-4

The year 2021 was characterized by economic recovery, although the effects of the Covid-19 pandemic remained noticeable. Rail freight transport came close to returning to pre-Covid-19 levels. As part of its growth strategy, DB Cargo has successfully expanded the range of climate-friendly rail freight transport services in its Europe-wide network and grown its customer base, primarily in the consumer goods and battery logistics sectors. This means that DB Cargo is making a significant contribution to shifting transport to the railway, and thus to the achievement of European climate protection targets.

With the Strong Rail strategy 52 ff., DB Cargo is committing to its social responsibility and making a meaningful contribution to the transport and climate policy targets in Germany and Europe. It is DB Cargo's goal to shift transport from road to environmentally friendly rail for its customers. This is in line with the guiding principle of the Strong Rail strategy, namely a shift in the mode of transport to rail for a sustainable climate and mobility transition.

The aim of the Strong Cargo strategy is to strengthen DB Cargo's position in the long term so that it can make the necessary contribution to achieving its goals. The action plan is designed according to the slogan "Europe needs a strong rail logistics provider. For the climate and for a sustainable economy." In this way, DB Cargo makes a significant contribution to increasing the modal share of rail in the German and European transport mix, while also improving its own economic sustainability. The Strong Cargo strategy includes the following measures:

GRI 102-6 102-7

DB CARGO – AT A GLANCE

BUSINESS SEGMENTS

Block train transport
- Direct siding-to-siding connections for high-volume industrial products, raw materials, etc.
- Share of volume sold: 48%
- Share of revenues: 46%

Single wagon transport
- Transport of freight cars and groups of freight cars in a predominantly multi-level collection and distribution network.
- Share of volume sold: 31%
- Share of revenues: 33%

Combined transport
- Transport of standardized load units (such as containers and trailers) on the rails in long-distance runs for transport services that do not generally have sidings in reception and shipping.
- Share of volume sold: 21%
- Share of revenues: 21%

LINES OF BUSINESS

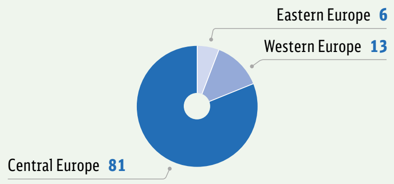
Central Europe
Includes activities in Germany (including production companies), Sweden, Denmark, the Netherlands, Belgium, Switzerland, Italy and DB Cargo Eurasia for the trans-Eurasian corridor. In addition, companies are geared to special markets.

Western Europe
Includes activities in the United Kingdom, France and Spain.

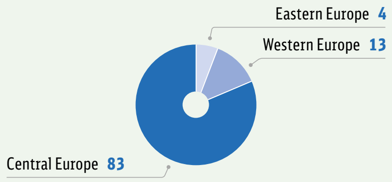
Eastern Europe
Includes activities in Poland, Romania, Bulgaria, Hungary, Czech Republic, Austria and Russia.

STRUCTURE

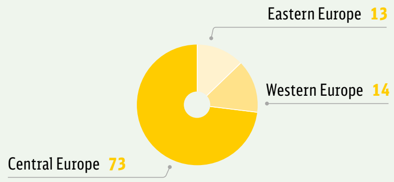
VOLUME SOLD / %



REVENUES / %



EMPLOYEES / %



BUSINESS MODEL

INPUTS

Employees
- About 30,100

Vehicles
- 2,566 locomotives
- 80,517 cars (70,755 own cars and 9,762 rented/leased cars)

Networks and infrastructure
- Active in 17 European countries
- about 4,200 customer sidings
- 9 train formation yards
- 26 maintenance depots

Electricity and fuel
- 2.1 billion kWh traction current
- 131 million liters diesel fuel
- 0.031 million liters HVO (biodiesel)

Additional production factors
- 169 million train-path km

BUSINESS ACTIVITIES

Customer segments
- Business customers with a focus on automotive, construction materials, chemicals, industrial goods, intermodal, consumer goods and iron, coal and steel

Value proposition
- DB Cargo offers customer-oriented, reliable and efficient transport and logistics solutions across Europe.

Customer access and retention
- Segment sales with key account management
- Regional sales
- Customer service center

Key activities
- Providing rail services
- Designing European multimodal logistics solutions
- Providing and maintaining vehicles
- Planning and operating networks
- Providing supplemental logistical services

OUTPUTS [1]

Freight carried
- 227 million t

Volume sold
- 85 billion tkm

OUTCOMES [2]

EBIT adjusted
- € -481 million

Employee satisfaction
- SI of 3.9 (2020)

Customer satisfaction
- SI of 70

Final energy consumption
- -23.2% compared to 2006 (specific)

Punctuality
- 69.5%

Quiet freight cars
- 75,188

As of 2021 respectively December 31, 2021.
[1] Key products and services.
[2] Internal and external results and outcomes from business activities and outputs along the entire value-added chain.

- **A strong rail logistics service provider:** To strengthen its market presence as a rail logistics service provider, DB Cargo systematically offers its customers industry-specific services in its customers' supply chains. Logistics solutions have been developed that contain a rail solution at their core and that can be supplemented with additional modules, such as road transport, storage and other individual logistics solutions.
- **Strong combined transport:** DB Cargo will synchronize the operating activities already offered in combined transport and expand them throughout Europe. In close contact with its customers, DB Cargo will thus increase the attractiveness of rail services on the combined transport lines, thereby bringing more transport from road to rail.
- **Strong single wagon transport:** Single wagon transport is a central component of the growth strategy, and DB Cargo will therefore work in a focused way to develop the single wagon transport network, as a unique environmental feature, into a multimodal network. This includes setting up new express products for customers without sidings. In the medium and long term, the efficiency of the system will also increase with new technologies such as Digital automatic coupling 114f. and automated train formation yards.
- **Strong service management:** Service management supports sales and operational services in offering customers tailor-made, attractive services and thereby optimizing the necessary use of resources. DB Cargo combines the aspiration of being large, green and efficient with the goal of producing rail transport itself if an economic and qualitatively appropriate performance can be produced with its own resources.
- **Further development of production:** The management of national and international transport is being improved. The processes for the implementation of transport services will be consistently reorganized to follow a departure-to-destination rationale that focuses on better quality, simpler and more efficient management systems. In addition, DB Cargo will make capital expenditures in modern multisystem locomotives and new car technologies. Digitalization and automation will aid DB Cargo in offering its customers easier access to the rail system and more transparency about the shipment status, and will significantly speed up the processes in rail transport, i.e. train formation, car handling and maintenance.
- **Strong European corridors:** DB Cargo is established throughout Europe and is represented on the 13 major transport corridors. Along these corridors, DB Cargo is accelerating the development of quality and growth. Success factors include a high transport frequency with coordinated schedules, faster cross-border transport with multilingual train drivers, and fundamentally close cross-national cooperation.

Digitalization and innovation

DB Cargo is positioning itself on the market with, among other things, the following measures to drive digitalization and innovation:

- DB Cargo is developing the Munich-North marshaling yard into Germany's first digital freight yard. It aims to achieve largely automated train dispatching. This will increase the capacity of the marshaling yard by up to 40%. In future, freight trains will be able to depart more quickly, flexibly and frequently.
- In 2020, DB Cargo and the rail freight car lessor VTG constructed a modular and multi-functional carrier car that offers new opportunities for vehicle design. This is the only one of its kind in Europe. The aim is to adapt the cars to customer needs more quickly and in a more tailored way, thereby achieving greater flexibility. The freight car system is capable of single wagon transport and was fully approved by DB Cargo in June 2021. Since then, DB Cargo has been driving the market launch of the carrier car with various containers and superstructures in four industries, and will be investing in the innovative freight car system in its new and replacement purchases. The aim is to offer tailored logistics solutions for customers in the transport and logistics industry. The market launch of the first pre-production series for various types of goods is partly funded by the BMDV program "Future of Rail Freight Transport."
- Digital automatic coupling (DAC) is one of the most important innovations for a green transport transition. The research project DAC4EU, which has received € 13 million in funding from the BMDV, has been running since June 2020. The decision to use the Scharfenberg design as a standard for coupling in freight transport in Europe was made by the European DAC Delivery Program (EDDP) in September 2021. Thanks to the ongoing process tests, the DAC demonstration train is making significant headway in the second phase of the project: in shunting operations under realistic conditions and on various line runs. The introduction of DAC, combined with digitalization

and workflow automation, will lead to capacity increases of up to 15% in the existing rail network. The most important conditions required for this are a uniform European standard, viable funding and financing for the introduction of the DAC, and intensive planning and long-term preparation for the refitting of freight cars and traction units in Europe without major impacts for customers.

Environmental measures

DB Cargo is making a significant contribution to shifting traffic to the rails, and thus to the achievement of European climate protection targets. The associated environmental measures include:

- Procurement of the first 100 dual-power track locomotives green. no. 57 of the 249 series. Dual-power locomotives are a special design of e-locomotive that take their energy from the overhead wires on electrified sections of track and from a diesel generator on the locomotive on non-electrified sections of track.
- Procurement of the first 50 Toshiba hybrid locomotives green. no. 44. Preparations for assembly at DB Cargo's Rostock maintenance depot began in 2021. The hybrid locomotives are set to replace 61 old locomotives.
- To secure the required replacements for the shunting locomotive fleet, hybrid shunting locomotives were tendered across Europe. The tender ended in December, and a framework contract for up to 250 locomotives was signed with Vossloh Locomotives GmbH; 50 vehicles have been ordered for 2024. The new shunting locomotives are plug-in hybrid models and have sufficient engine power with state-of-the-art emissions control. The drive systems have a modular design and can be easily replaced to keep pace with technological developments. The Federal Government is participating in the initial order with funding of up to € 15 million.
- In 2021, DB Cargo set up a national rail freight network for Coca-Cola, linking 13 of the beverage company's sites. Switching this transport to rail will prevent emissions of about 1,900 t CO_2 each year.
- New connections are set to be used to transport more DHL packages by rail. The proportion of packages sent to their recipients in this way increased from under 2% to 6%. In the long term, about 20% of main package runs (connections between package centers) will be transported by rail.
- The driver assistance system LEADER green. no. 08, which is installed on 650 e-locomotives (about 66% of the e-locomotive fleet), was developed further in 2021. LEADER supports traction unit drivers in saving energy when driving.

Other events

- As part of the Covid-19 support measures 46, the Federal Government temporarily (March 1, 2020 to December 31, 2021) subsidized train-path prices for rail freight transport in Germany in addition to the existing train-path price subsidies. The Covid-19-related train-path price refunds are included in the extraordinary result 89 and not in adjusted operating profit.

Development in the year under review

⟶ *Positive performance development due to improved economic environment for sectors predisposed to rail transport.*

⟶ *Revenue growth was recorded in block train, single wagon and combined transport.*

⟶ *Extraordinary events dampened development.*

The punctuality of DB Cargo declined significantly. This largely relates to the companies in Germany, and is mainly due to the increased again utilization of the rail network and higher construction activity. There were further restrictions resulting from multiple extraordinary events (a severe cold snap in February 2021, a landslide in the Middle Rhine Valley in March 2021, infrastructure damage from heavy rain in the Munich North marshaling yard in June 2021 and floods 38 in July 2021). The GDL strikes 38 also had a negative effect on operations. Punctuality also declined significantly for the companies in Eastern Europe.

In the annual survey carried out in March 2021, customer satisfaction was at the highest level measured to date since survey results started to be collected across Europe. Performance during the Covid-19 pandemic was rated highly by customers.

The performance development was positive. The trend from the second half of 2020 continued. Growth in foreign trade, the significant increase in online shopping due to the Covid-19 pandemic and economic stimuli, particularly from the steel and chemical industry, led to significant improvements over the previous year's weak figures, which were

DB CARGO	2021	2020	Change absolute	Change %	2019
Punctuality (%)	69.5	76.9	-7.4	-	74.0
Customer satisfaction (SI)	70	68	+2	-	61
Freight carried (million t)	226.5	213.1	+13.4	+6.3	232.0
Volume sold (million tkm)	84,850	78,670	+6,180	+7.9	85,005
Volume produced (million train-path km)	169.0	156.8	+12.2	+7.8	162.5
Capacity utilization (t per train)	502.0	501.7	+0.3	+0.1	523.2
Total revenues (€ million)	4,487	4,119	+368	+8.9	4,449
External revenues (€ million)	4,195	3,854	+341	+8.8	4,188
EBITDA adjusted (€ million)	-100	-321	+221	-68.8	13
EBIT adjusted (€ million)	-481	-728	+247	-33.9	-308
EBIT margin (adjusted) (%)	-10.7	-17.7	+7.0	-	-6.9
Gross capital expenditures (€ million)	525	452	+73	+16.2	570
Employees as of Dec 31 (FTE)	30,057	30,052	+5	-	29,525
Annual average employees (FTE)	30,192	30,007	+185	+0.6	29,280
Employee satisfaction (SI)	-	3.9	-	-	-
Share of women as of Dec 31 (%)	12.0	11.5	+0.5	-	11.5
Specific final energy consumption compared to 2006 (based on tkm) (%)	-23.2	-23.1	-0.1	-	-21.0

heavily impacted by the Covid-19 pandemic. This more than compensated for the negative effects from extreme weather events, the landslide on the Rhine line, the consequences of the semiconductor shortage in the automotive industry, the temporary closure of the Great Belt Bridge to trailer traffic and the wage dispute with the GDL.

The economic development improved noticeably, but remains under severe strain. Operating profit figures rose significantly as a result of the increase in income.

- Revenues increased significantly to above pre-Covid-19 levels:
  - The main drivers in block train transport were transports of steel, coal, building materials and fertilizers. Among the dampening factors were the decrease in demand for transport of mineral oil products and the wage dispute with the GDL.
  - There was growth in single wagon transport, mainly as a result of development in the iron, coal and steel, timber and paper transport sectors. There were also dampening effects from restrictions from the previously mentioned extraordinary events and the temporary closure of the Great Belt Bridge to trailer traffic.
  - The increase in combined transport was primarily driven by sustained positive development of transport to and from China. New transport services in Germany also increased revenues.
- Other operating income (+23.9%/€ +103 million) increased largely as a result of higher subsidies (mainly from facility price support 48).

On the expense side, there were additional burdens, driven by performance in the cost of materials and increased personnel expenses:

- Cost of materials (+5.9%/€ +148 million) increased due to higher expenses for purchased transport services, energy and train paths. This was counteracted in part by positive exchange rate effects.
- Personnel expenses (+4.2%/€ +74 million) increased in all regions, mainly as a result of collective bargaining agreements.
- Other operating expenses (+2.9%/€ +18 million) rose in part due to higher IT expenses and higher costs for training measures.

In contrast, the development of other expense items had a dampening effect:

- The significant decrease in depreciation (−6.4%/€ −26 million) was driven by the absence of one-off effects from the previous year.

Capital expenditures increased, mainly as a result of leasing activities for freight cars.

The number of employees was at the same level as in the previous year.

The share of women increased slightly.

The specific final energy consumption on the rails (traction) compared to the reference year, 2006, remained virtually unchanged.

CENTRAL EUROPE REGION

- *Performance gains were achieved due to the economic recovery, particularly in the steel and chemical industry.*
- *New transport services were introduced in Belgium, and existing services in trans-Eurasian transport were expanded.*
- *Extraordinary events had a dampening effect.*

CENTRAL EUROPE REGION	2021	2020	Change absolute	Change %	2019
Freight carried (million t)	231.5	214.1	+ 17.4	+ 8.1	225.2
Volume sold (million tkm)	68,414	63,886	+ 4,528	+ 7.1	68,265
Volume produced (million train-path km)	135.8	125.7	+ 10.1	+ 8.0	127.3
Total revenues [1] (€ million)	5,172	4,792	+ 380	+ 7.9	4,959
External revenues [1] (€ million)	3,470	3,192	+ 278	+ 8.7	3,443
EBITDA adjusted [1] (€ million)	- 190	- 386	+ 196	- 50.8	- 112
EBIT adjusted [1] (€ million)	- 459	- 678	+ 219	- 32.3	- 333
Gross capital expenditures [1] (€ million)	385	326	+ 59	+ 18.1	456
Employees as of Dec 31 [1] (FTE)	21,882	21,865	+ 17	+ 0.1	21,433

[1] Previous years figures adjusted due to changes in the presentation of Eurasian transport (from the Eastern Europe region to the Central Europe region).

With respect to performance development in Central Europe, the recovery trend in the steel and chemical industry and in combined transport since the second half of 2020 continued. This was supported by expansions of available offers in Belgium and Italy and on the trans-Eurasian corridor. The effects of the extreme weather events in Germany, the wage dispute with the GDL 38 and the Covid-19-related semiconductor shortage in the automotive industry had a dampening effect. Overall, volumes were higher than before the Covid-19 pandemic.

However, the economic development remains very challenging. Although operating profit figures improved as a result of income gains, they remained negative.

- Revenues increased noticeably due to higher volumes.
- Other operating income increased, mainly as a result of increased subsidies, predominantly from facility price support.

On the expense side, there was a slight increase driven by the cost of materials:

- Cost of materials increased, driven by increased purchases of transport services, as well as train-path and energy expenses as a result of higher volumes. Conversely, lower maintenance costs were among the factors that had a mitigating effect on expenses.
- Personnel expenses also increased, largely as a result of collective bargaining agreements and a higher average number of employees, especially in Germany and Belgium.
- Other operating expenses were at virtually the same level as in the previous year.

In contrast, the decrease in depreciation had a dampening effect:

- Depreciation decreased significantly, largely due to the absence of special items from the previous year (unscheduled software depreciations).

The growth in capital expenditures resulted mainly from higher additions of freight cars.

The number of employees was at the same level as in the previous year.

WESTERN EUROPE REGION

- *Positive effects from recovery-driven increase in demand and train-path price reductions in France.*
- *Restrictions caused by Brexit in the United Kingdom, the semiconductor shortage and economic weakness in Spain had a dampening effect on development.*
- *Restructuring was driven forward in France.*

WESTERN EUROPE REGION	2021	2020	Change absolute	Change %	2019
Freight carried (million t)	45.2	40.9	+ 4.3	+ 10.5	46.4
Volume sold (million tkm)	11,562	10,197	+ 1,365	+ 13.4	11,906
Volume produced (million train-path km)	25.4	23.5	+ 1.9	+ 8.1	27.3
Total revenues (€ million)	708	618	+ 90	+ 14.6	675
External revenues (€ million)	535	483	+ 52	+ 10.8	546
EBITDA adjusted (€ million)	59	37	+ 22	+ 59.5	91
EBIT adjusted (€ million)	- 30	- 53	+ 23	- 43.4	15
Gross capital expenditures (€ million)	84	60	+ 24	+ 40.0	82
Employees as of Dec 31 (FTE)	4,231	4,248	- 17	- 0.4	4,190

The performance development in Western Europe also grew:

- Developments at DB Cargo UK were positive despite the economic consequences of Brexit, although volumes did not return to pre-Covid-19 levels.
- The situation at DB Cargo France reflects the successes of the restructuring program, which were also bolstered by the economic recovery in France.
- There was a dampening effect from a decline in transport services in Spain. This was attributable both to temporary factory closures in the automotive industry caused by the semiconductor shortage, and to the economic consequences of Brexit for transport between Spain and the United Kingdom.

The economic development improved as a result of increases in volume, but remained challenging. Operating profit figures rose as a result of the increase in income:
- The recovery in demand had a positive effect on revenue development.
- There were dampening effects from lower other operating income as a result of reduced maintenance services for third parties at DB Cargo UK.

Expenses rose slightly:
- Cost of materials increased, largely for volume reasons (higher costs for energy and service procurement). This was partially counteracted by a reduction in train-path prices in France. Adjusted for exchange rates, the increase was less significant.
- Personnel expenses increased as a result of higher pension costs at DB Cargo UK and wage increases.
- Other operating expenses increased for exchange rate reasons; adjusted, they were at the previous year's level.
- Depreciation was at the previous year's level.

Capital expenditures increased due to leasing activities.

The number of employees was slightly below the previous year's level due to restructuring measures in France.

EASTERN EUROPE REGION

→ *Covid-19 recovery effects and new transport services had a significantly positive effect, particularly in the Czech Republic.*

→ *Optimization of the product and transport portfolio driven forward.*

EASTERN EUROPE REGION	2021	2020	Change absolute	Change %	2019
Freight carried (million t)	17.6	14.8	+ 2.8	+ 18.9	15.5
Volume sold (million tkm)	4,875	4,587	+ 288	+ 6.3	4,834
Volume produced (million train-path km)	7.9	7.6	+ 0.3	+ 3.9	7.9
Total revenues [1] (€ million)	319	293	+ 26	+ 8.9	304
External revenues [1] (€ million)	190	179	+ 11	+ 6.1	199
EBITDA adjusted [1] (€ million)	31	28	+ 3	+ 10.7	34
EBIT adjusted [1] (€ million)	8	2	+ 6	–	11
Gross capital expenditures [1] (€ million)	55	37	+ 18	+ 48.6	32
Employees as of Dec 31 [1] (FTE)	3,944	3,939	+ 5	+ 0.1	3,902

[1] Previous years figures adjusted due to changes in the presentation of Eurasian transport (from the Eastern Europe region to the Central Europe region).

The performance development in Eastern Europe, driven by recovery effects following the decline in transport in 2020 due to the Covid-19 pandemic, increased significantly and exceeded pre-Covid-19 levels. These developments were also bolstered by new transport services in Romania.

The economic development was pleasing: operating profit figures recovered significantly. This was driven by a growth in income:
- Revenues increased significantly, partly as a result of demand. The expansion of available offers in the Czech Republic and additional transport services in Romania also supported this. Exchange rate effects had a dampening effect.
- Other operating income increased, partly as a result of asset sales.

In terms of expenses, there was a clear volume-related increase, although the increase was lower than the increase in volumes.
- Cost of materials increased significantly, largely as a result of the recovery in demand, an increase in purchased transport services and rising energy costs. Exchange rate effects had a partially compensating effect.
- Personnel expenses increased, largely as a result of collective bargaining agreements. This was also partially compensated for by positive exchange rate effects.
- Other operating expenses also increased. In particular, additional rentals of rolling stock had an effect.

In contrast, the decline in other expense items had a dampening effect:
- Depreciation decreased as a result of lower capital expenditure activities during the business year.

Capital expenditures increased significantly, mainly as a result of the acquisition of locomotives and freight cars in Poland.

The number of employees was at the same level as in the previous year. A volume-related increase in personnel in the Czech Republic and Romania was almost entirely offset by effects from supply adjustments in Poland and Bulgaria.

INFRASTRUCTURE

Development in the relevant markets

In Germany, we assume dual responsibility for rail transport as a result of our integrated Group structure. We are both the operator and primary user of the track infrastructure. The resulting greater focus on customers and efficiency in our infrastructure benefits all train operating companies without discrimination. In addition to the Group's internal code of conduct, competitive neutrality of our track infrastructure is ensured by means of regulation that is considered strict by international standards.

DB TRACK INFRASTRUCTURE IN GERMANY / selected key figures	2021	2020	Change absolute	Change %
Infrastructure customers	453	456	-3	-0.7
Intra-Group railways	18	18	-	-
Non-Group railways	435	438	-3	-0.7
Train-path demand (million train-path km)	1,109	1,066	+43	+4.0
Intra-Group railways	694.4	680.2	+14.2	+2.1
Non-Group railways	414.3	385.4	+28.9	+7.5
Share of non-Group railways (%)	37.4	36.2	+1.2	-
Station stops (million)	158.8	155.4	+3.4	+2.2
Intra-Group railways	112.7	111.2	+1.5	+1.3
Non-Group railways	46.1	44.2	+1.9	+4.3

Individual figures are rounded and therefore may not add up.

The train-path demand and the number of station stops increased significantly again in 2021. This was mainly the result of the catch-up effects following the Covid-19 pandemic. In addition, there was general market growth in all types of transport, though this was partly counteracted by special events (harsh winter, floods 38 and strikes 38). In line with the long-standing trend, the non-Group railways continued to gain market share, while demand from intra-Group railways declined.

Performance and Financing Agreement (LuFV) III

The Infrastructure Status and Development Report for 2020 was provided to the Federal Government on April 30, 2021. Despite the Covid-19 pandemic, the agreed quality targets were achieved, subject to the review of the Federal Railway Authority (Eisenbahn-Bundesamt; EBA). The maintenance and modernization of the existing network infrastructure will continue with the LuFV III 237, which has a duration of ten years ending in 2029 and a total volume of € 86 billion. One of the capital expenditure priorities in 2021 was the renovation of the superstructure (tracks and switches).

Stuttgart 21 cost review

Market prices for construction services and raw materials rose at an increasing rate in 2021. In addition, there were additional costs resulting from supplementary requirements and the optimization of construction processes at the central station. In order to make a reliable assessment of the possible impacts on cost development, DB Group has undertaken a review of the total expense forecast for the Stuttgart 21 rail project, the results of which will be available in spring 2022. A significant increase in costs is anticipated.

In connection with the public allegations made in 2021 regarding mismanagement, corruption and lack of information provided to the auditor of the consolidated financial statements in connection with the Stuttgart 21 project and based on allegations reported via our whistle-blower system in 2016, we, supported by our auditor of the consolidated financial statements and as part of the annual audit, carried out an inquiry and found no results that indicate concrete material compliance violations or misappropriation of assets.

Preparation of the 2021/2022 schedule

About 83,000 train-path requests have been received for the 2022 network schedule. There were an increased number of registration conflicts, the result of several train operating companies ordering the same time slot on the same infrastructure. 50% of the 130 conflicts in total were resolved by mutual agreement with the affected parties with access rights. All the remaining conflicts were decided in a dispute resolution procedure, with the amount of full-year train-path usage fees being the decisive factor for awarding the train-path. The increase in train-path registrations by non-Group train operating companies in long-distance and freight transport in particular shows that competition on the rails continues to increase. The schedule process is subject to a strict regulatory framework and is monitored by the Federal Network Agency (Bundesnetzagentur; BNetzA).

Development of the infrastructure

In 2021, about € 12.8 billion was invested in renewing and maintaining the network, stations and energy facilities. This includes LuFV funds (grants and DB funds) amounting to € 5.5 billion and € 2.7 billion for maintenance.

The impact of the Covid-19 pandemic on construction projects was kept to a minimum by means of effective crisis management. In many cases, close monitoring and targeted countermeasures enabled us to resolve any disruptions that occurred quickly in cooperation with the construction industry.

In 2021, the following construction starts and commissions took place as part of the requirement plan and the Municipal Transport Financing Act (Gemeindeverkehrsfinanzierungsgesetz; GVFG):

CONSTRUCTION BEGAN IN 2021

PROJECT NAME	PROJECT DESCRIPTION
Nuremberg – Erfurt expansion line and new construction line (German unification transport project no. 8.1)	– Eggolsheim – Strullendorf 4-track expansion (plan approval section 21) – Preliminary measures at the Bamberg hub (for example interim construction status and platform extension)
Halle / Leipzig hub (2nd construction phase)	– New construction of Angersdorf electronic interlocking outpost with track diagram conversion (plan approval section 4)
Rhine-Ruhr-Express	– Düsseldorf electronic interlocking
Angermünde – Stettin expansion line	– Electrification of Angermünde – Passow (plan approval section 1)
Karlsruhe – Offenburg – Freiburg – Basel expansion line and new construction line (1st and 2nd construction phases)	– Basel Bad station (plan approval section 9.3)
Uelzen – Stendal – Magdeburg – Halle expansion line (East corridor North)	– Additional tracks in Schnega and Salzwedel stations
Weddel loop	– 2-track expansion at Weddel – Fallersleben station branch line
New construction of S-Bahn (metro) line S4 (East) Hamburg – Bad Oldesloe	– Plan approval section 1 (Hamburg-Hasselbrook – Luetkensallee)

COMMISSIONED IN 2021

PROJECT NAME	PROJECT DESCRIPTION
Halle / Leipzig hub (2nd construction phase)	– West side of Halle central station: conversion of passenger transport facility (plan approval section 1, construction phase 4.2) – New construction of Angersdorf electronic interlocking with track diagram conversion (plan approval section 4)
Hamburg hub	– 2-track expansion of Kornweide north curve
Rhine-Ruhr-Express	– Mülheim (Ruhr)-Styrum – Mülheim (Ruhr)-Heißen: Installation of junction (plan approval section 4)
Nuremberg – Ingolstadt – Munich expansion line and new construction line	– Pfaffenhofen station: electronic interlocking and track diagram adjustment
Berlin hub	– 2nd Nordkreuz – Karow construction phase: 2-track expansion between Blankenburg and Karow, speed increase to 160 km / h
Frankfurt am Main hub	– 2-track expansion of Homburger Damm
Ulm – Friedrichshafen – Lindau expansion line	– Southern Railway electrification, speed increase to 160 km / h
Breisgau S-Bahn (metro)	– Electrification of Denzlingen – Elzach line (Elztal railway)

In addition, the following requirement plan and Municipal Transport Financing Act projects were under construction in 2021:

PROJECTS UNDER CONSTRUCTION IN 2021

PROJECT NAME	PROJECT DESCRIPTION
Stelle – Lüneburg expansion line	– Fitting line with European Train Control System
Berlin – Dresden expansion line (1st and 2nd construction phase)	– Wünsdorf station conversion (tracks, switches, overhead wire, new side platforms, new underpass for cyclists and pedestrians)
Nuremberg – Erfurt expansion line and new construction line (German unification transport project no. 8.1)	– Hallstadt – Breitengüssbach 4-track expansion (plan approval section 23) – Forchheim – Eggolsheim 4-track expansion (plan approval section 19)
Leipzig – Dresden expansion line (German unification transport project no. 9)	– 3rd construction phase: Zeithain – Leckwitz expansion line (modern interlocking adjustment, line speed to 200 km / h)
Karlsruhe – Stuttgart – Nuremberg – Leipzig / Dresden expansion line	– Chemnitz – Chemnitz Kappel (renovation of overhead wire, signal systems, noise reduction) – Gaschwitz – Werdau expansion line (expansion with modern electronic interlocking technology, renovation of superstructure and command and control technology for line speed to 160 km / h, overall commissioning)
Ludwigshafen – Saarbrücken expansion line	– Fitting with European Train Control System

PROJECTS UNDER CONSTRUCTION IN 2021

Stuttgart – Ulm – Augsburg expansion line and new construction line	– Stuttgart 21 (including Municipal Transport Financing Act local transport share) – Wendlingen – Ulm high-speed line new construction
Karlsruhe – Offenburg – Freiburg – Basel expansion line and new construction line (1st and 2nd construction phase)	– Karlsruhe – Rastatt South 4-track expansion including Rastatt tunnel (line section 1) – Müllheim – Auggen 4-track expansion (plan approval section 9.0) – Haltingen – Basel 4-track expansion (plan approval section 9.2)
Oldenburg – Wilhelmshaven / Langwedel – Uelzen expansion line	– 2nd construction phase (Sande track-laying new construction - LuFV) – 3rd construction phase (electrification and expansion line)
(Amsterdam) – German / Dutch border – Emmerich – Oberhausen expansion line	– Oberhausen – Emmerich 3-track expansion and increase in signaling block density, fitting with European train control system
Frankfurt am Main hub	– 2nd Frankfurt am Main construction phase (new construction, 3rd Niederrad Bridge)
Combined transport	– Rhine / Ruhr hub (unpowered train arrival rail-rail-transshipment, rail-road-transshipment connection) – Karlsruhe subway station (extension of the transshipment module to a crane-accessible length of 750 m in two construction stages)
Hanau – Würzburg / Fulda – Erfurt expansion line and new construction line	– Gelnhausen electronic interlocking and preliminary measures: new construction of road overpass, passenger underpass
Rhine-Ruhr-Express	– Conversion of Dortmund central station – 4-track expansion, plan approval section 1.2: Leverkusen (Chempark) – Leverkusen Küppersteg and 4-track expansion, plan approval section 1.3: Leverkusen Rheindorf – Langenfeld Berghausen
740 m network	– Expansion of the passing loop to 740 m
Hamburg hub	– 2-track expansion / 1-track new construction on S4 line Hamburg – Ahrensburg – Bad Oldesloe including new construction of stations
Cologne – Aachen expansion line	– Extension of track 13 at Aachen Rothe Erde station
Rhine-Main S-Bahn (metro)	– Bad Vilbel – Frankfurt am Main West 4-track expansion, 1st construction phase
Rhine-Neckar local fast transport	– 1st and 2nd construction phase: station measures
Nuremberg S-Bahn (metro)	– 2nd construction phase: Nuremberg S-Bahn (metro) – Forchheim – Bamberg 4-track expansion
Munich S-Bahn (metro)	– Construction of a new main line between Laim station and Leuchtenbergring - second S-Bahn (metro) tunnel (initial plan of Federal state of Bavaria)
Berlin S-Bahn (metro)	– S21 (1st construction phase) - expansion of the Berlin S-Bahn (metro) network through construction of a north-south corridor - connecting Berlin central station into the north-south corridor via two branches to the Nordring of the S-Bahn (metro)

At the end of 2021, a total of 176 requirement plan and Municipal Transport Financing Act projects were in planning and under construction. Further information on the projects are available on the Construction Information Portal (BauInfoPortal) Web site.

KEY DEVELOPMENTS IN 2021:

Projects under construction

- **Stuttgart 21:** The project involves restructuring the Stuttgart rail hub to include four new stations and over 57 km of new lines, which will enable shorter travel times, more frequent journeys and a greater number of direct connections. By the end of 2021, a total of 18 chalice-shaped pillars had been constructed in the station hall of the new central station, and expansion work had begun at the northern end of the station. At over 54 km in length, more than 92% of the tunnels have been bored and excavated. Starting in mid-2021, some tunnel structures were handed over to the slab track phase and railway engineering.

- **Wendlingen—Ulm new construction line:** The new line of about 60 km will merge seamlessly with Stuttgart 21, connecting Stuttgart to Ulm at speeds of up to 250 km/h. Combined with Stuttgart 21, travel times between the two cities will be cut in half. In July 2021, the superstructure of the second bridge construction of the Filstal Bridge was completed, meaning that there is now a seamless connection between Ulm and Wendlingen. The work on the slab track phase and railway engineering was largely completed, and trial operations are scheduled to commence in February 2022.
- **Cologne hub:** The Cologne hub is to be expanded through a total of 17 infrastructure measures. In the Cologne—Aachen expansion line project 4, work in the Aachen-Rothe Erde area is still in the implementation phase. Previously completed work was damaged by the floods in July 2021, as was the Aachen—Mönchengladbach detour line. The restoration of the damaged infrastructure and the rescheduling of the track closures required for construction operations will result in a postponement of the commissioning date. Construction work in the S13 Troisdorf—Bonn-Beuel expansion line project is progressing as scheduled.
- **Oldenburg—Wilhelmshaven expansion line:** Since 2011, the two-track expansion and electrification of the Oldenburg—Wilhelmshaven line to provide a high-volume connection to the deep-water port of Jade-WeserPort has been carried out in several phases of construction. Track construction at Sande station has been completed, and the bypass track to facilitate the construction of the new Alexanderstrasse bridge has gone into operation in Oldenburg. Overhead wire work has started on all sections. Construction of the new Rastede substation, the Oldenburg switching station and the two autotransformer stations commenced in June 2021. The most recent plan approval decision (plan approval section 6.2) was issued in June 2021; construction began in July 2021.
- **Dresdner Bahn:** The Dresdner Bahn is being made fit for modern local, regional and long-distance transport. This will reduce the burden on the Berlin railway hub and facilitate shorter travel times. The main construction work is currently underway in all sections. Among other things, construction began in 2021 on the connection curve that will link the Dresden railway to Berlin Brandenburg Airport, and the substitute platform in Lichtenrade was commissioned.
- **Berlin—Dresden expansion line:** 125 km of the line from Berlin to Dresden will be upgraded to support speeds of up to 200 km/h. The first construction phase is currently being implemented. The construction financing agreement for Zossen station was concluded in February 2021. Draft planning is currently in progress for the second construction phase (performance phase 3).
- **Leipzig—Dresden (German Unification Transport Project No. 9):** Once the works are complete, higher speeds of up to 200 km/h and therefore shorter travel times, will be possible. In addition, some of the burden on the existing infrastructure will be relieved. Starting in September 2021, the first track in the Zeithain—Leckwitz section is being newly constructed in its final location. Train traffic can continue rolling on the other track. The command and control technology required for this was commissioned in September 2021.
- **Nuremberg—Ebensfeld expansion line:** The aim is to renew the existing two-track expansion line for the S-Bahn (metro)/regional and freight transport to support speeds of 160 km/h and to construct two additional tracks to operate at a speed of 230 km/h. The construction permit was granted for the 10 km line in plan approval section 21 (Eggolsheim—Strullendorf) in May 2021. Construction started in June 2021. In plan approval section 23 (Hallstadt—Breitengüssbach), platforms and new tracks around the Hallstadt station, among other elements, were commissioned in March 2021. Further outstanding track construction work was completed and went into operation by December 2021. The four-track section of plan approval section 23 (Hallstadt—Breitengüssbach) will be commissioned in April 2022.
- **Outer Halle hub:** The overall conversion project at the Halle (Saale) hub will increase the volume capacity of the hub for future traffic growth. The old bridges in the Merseburger Strasse area were removed in February 2021. The new segments were inserted in July 2021. In addition, tracks and platforms were renewed and the mechanical interlockings replaced by a new electronic interlocking. The section of line was cleared for operation again in December 2021.
- **Expansion line 46/2 (Emmerich—Oberhausen):** In order to handle the increased international freight and passenger transport, DB Group will make extensive structural changes to the line over the next few years. The core element of the project is the three-track expansion of the line in order to increase line capacity and optimize operational processes. Five out of 12 plan approval decisions have now been granted. Construction work on the expansion line has begun and will be expanded as the other decisions are granted.
- **Angermünde—Szczecin expansion line:** The expansion for speeds up to 160 km/h, end-to-end electrification and the construction of a second track will facilitate shorter travel times, more trains on the line and climate-friendly

transport. The Federal Government and DB Group signed the financing agreement in March 2021. The first construction permit for the upgrade of the line between Angermünde and Stettin was granted in April 2021. Work between Angermünde and Passow was started in November 2021 as planned.

- **Relocation of the Hamburg-Altona train station:** The new Hamburg-Altona station will provide a better and more comprehensive service for passengers. The groundbreaking ceremony took place in July 2021. Underground cabling work was carried out in 2020, with various temporary cable bridges being set up and structures decommissioned. All construction work proceeded on schedule.

Projects in planning

- **Frankfurt am Main hub:** The railway hub in Frankfurt am Main is one of the most heavily used transport hubs in the German rail network:
  - In the Nordmain S-Bahn (metro) project plan approval section 1 (Frankfurt) and plan approval section 2 (Maintal), the consultation procedures have been concluded, paving the way for the EBA to issue the plan approval decision. The plans for the Nordmain S-Bahn (metro) in plan approval section 3 (Hanau) have been published.
  - The plan approval documents for the third construction phase of the Frankfurt-Stadion hub project were submitted in March 2021. In addition, the plan approval decision for the second construction stage was issued in October 2021; preparatory measures are already underway. The purpose of the expansion to four tracks is to increase the capacity for traffic traveling from Mannheim to Frankfurt central station.
  - The feasibility study for the new Frankfurt long-distance railway tunnel has been completed. Project work began at the end of June 2021.
- **Dresden–Prague new construction line:** The line between Dresden and Prague is an important part of the Orient/East-Med corridor between the seaports on the North Sea and the Baltic Sea, as well as the Black Sea and the Mediterranean. As part of the preliminary planning, two variants with subvariants will be examined. At least 25 km of cross-border tunnel will be built (at least 14 km of which will be on the German side). This will make it Germany's longest railway tunnel. The planning services, issued together with the Czech rail infrastructure company **Správa železnic, were awarded in August 2021.**
- **Dresden–Görlitz expansion line:** The Dresden–Bautzen–Görlitz–German/Polish border (–Zittau) line is to be electrified. The regional planning process for the traction current line was initiated in April 2021 as part of the preliminary planning fully financed by the Free State of Saxony. Financing and project implementation terms are being coordinated with the Federal Government and the Free State of Saxony.
- **Bamberg hub:** The Federal Transport Infrastructure Plan includes a multi-track expansion of the Bamberg hub. The public consultation of the plan approval documents for the four-track expansion was completed in April 2021. Extensive amendment requests from the City of Bamberg and changes to the regulations related to surface water seepage are being superimposed on the approval procedure. Upstream work on extending two platforms was completed in December 2021.
- **Fürth–Nuremberg freight train line:** The line will create a new freight transport connection, which will therefore no longer need to cross passenger transport traffic. The publication required for plan approval section 13 (Nuremberg marshaling yard) took place in 2021. The plan documents for plan approval section 16 (Fürth–Eltersdorf) are currently being revised. A series of regulatory adjustments related to the discharge of surface water are being superimposed on the approval procedure, which may impact the timeline of the plan approval decision.
- **Construction of new S4 S-Bahn (metro) line (Hamburg–Bad Oldesloe):** For the new S-Bahn (metro) line, the route will be expanded over a length of 20 km alongside the existing tracks. The plan approval documents for plan approval section 2 (Luetkensallee–Hamburg/Schleswig-Holstein state border) and plan approval section 3 (Hamburg/Schleswig-Holstein state border–Ahrensburg-Gartenholz) are currently being updated. In plan approval section 1 (Hasselbrook–Luetkensallee), the main construction work began with the official groundbreaking ceremony in May 2021. The plan approval decision was finalized at the end of 2021. In addition, an important milestone was reached in December 2021 with the construction of the module building of the Ohlsdorf electronic interlocking.
- **Fehmarn Belt fixed link:** The aim is to provide a high-volume rail connection to connect to the Fehmarn Belt Tunnel. The public consultation for plan approval section 4 (Oldenburg in Holstein and Göhl) took place in September/October 2021. In 2020, the documents for plan approval section 6 (Fehmarn including bridge area) were initially published in consultation with the authorities without the changes resulting from the German Parliament resolution of July 2, 2020. These will be factored into the procedure as part of a second consultation in January/February 2022. The draft and approval planning for the combined Fehmarnsund immersed tunnel was started in 2021.

- **Rhine-Ruhr-Express:** The aim is to significantly improve regional transport in the most heavily-populated Federal state. The plan approval procedure has been initiated for 12 of the 15 plan approval sections. Construction permits have been granted for a total of eight plan approval sections. The plan approval documents for plan approval section 3.1 (Düsseldorf-Angermund) were submitted and published in 2021. The 2021 summer track closure was completed as scheduled in plan approval section 1.2 (Leverkusen) and plan approval section 1.3 (Langenfeld). With the start of construction (construction preparation) for the Düsseldorf electronic interlocking, the first work on the Düsseldorf city area has begun. Plan approval section 4.0 (Mülheim) was commissioned together with the Duisburg electronic interlocking.
- **Four-track expansion of Heidelberg-Wieblingen — Heidelberg central station:** The four-track expansion is the most extensive project on the line between Mannheim and Heidelberg. The preliminary planning was completed by September 2021. At the end of 2021, the preliminary planning specification was handed over to the EBA, which means that draft planning can begin from 2022. Planning for the three other projects between Mannheim central station and Friedrichsfeld South has been resumed.
- **Karlsruhe — Durmersheim third track:** The announcement of additional local transport services by the State of Baden-Württemberg requires a sensitivity analysis for a fourth track. ETCS level 2 without signals is also to be included in the capacity analyses. The financing agreement for conducting the sensitivity analysis is scheduled for the first quarter of 2022.
- **Berlin-Brandenburg i2030 projects:** Working with the Federal states and the Transport Association of Berlin Brandenburg (Verkehrsverbund Berlin Brandenburg; VBB), the track infrastructure in Berlin and Brandenburg will be further developed. To this end, expansion measures for long-distance and regional transport and a package of measures for the S-Bahn (metro) are being planned and implemented in eight project corridors.

DB Netze Track business unit

BUSINESS MODEL

With more than 33,000 km of track, DB Netze Track operates the largest rail network in Europe. More than one billion train-path kilometers are traveled each year on the tracks in Germany. The most important sources of income are revenues from train-path products, which constitute over 90% of total revenues. Train-path prices are established on a transparent basis by a train-path pricing system regulated by the BNetzA.

DB Netze Track is also responsible for managing infrastructure operations as well as for securing long-term infrastructure quality and availability, and non-discriminatory access to train-paths and service facilities. This includes preparing schedules in close cooperation with customers, operations management, construction management and maintenance.

The cost structure has a high proportion of fixed costs. The rail network in particular is one of the biggest cost drivers. The use of resources for the operation and maintenance of infrastructure facilities is very much influenced by specific facility characteristics, requirements relating to operational opening hours and the degree of rationalization in operating business activities. As the dimensions of the infrastructure only change in the long term due to new construction or expansion projects or targeted dismantling, the optimal capacity utilization of the existing infrastructure is of major importance for economic success.

A high level of quality and availability for customers also calls for a forward-looking integrated capital expenditure and predictive maintenance strategy. Capacity utilization is measured by train kilometers on track infrastructure. In terms of relative network capacity utilization, this figure can be compared to track kilometers. To reach our transport growth target of an increase of more than 30% in train-path kilometers, it is essential that new construction and expansion/upgrade projects concentrate on removing bottlenecks and on the creation of additional capacity for growth in transport in the main corridors and metropolitan areas.

A forecast of demand for 2040 is made as part of the Network Concept 2040 (Netzkonzeption 2040) project. The demand forecast shows that growth will be concentrated in the main corridors and metropolitan areas. Now that the third expert draft on Germany in sync and the necessary infrastructure measures have been published, the Germany in sync target schedule can also be taken into account when assessing expansion requirements. On this basis, the Network Concept devises a bottleneck-free target network for 2040. An implementation concept will then be developed to optimize the timing of the infrastructure expansion required to achieve the target network, factoring in coordination with the sector on the timing of the phases of Germany in sync.

The contributions made by the Federal Government to the infrastructure financing are of material importance to secure the competitiveness of rail as a mode of transport. The budgetary resources of public authorities, in particular the Federal Government, are of considerable relevance for the financing of replacement capital expenditures in the existing infrastructure, as well as for the financing of new construction and expansion/upgrade projects. In order to implement Germany in sync, there is a need for extensive infrastructure expansion that goes significantly beyond the previous Federal

GRI 102-6 102-7

DB NETZE TRACK – AT A GLANCE

PORTFOLIO

DB Netz AG
Operates the largest track infrastructure in Europe. Responsible for the maintenance, modernization and further development of the rail network and the marketing of train-paths and facilities.

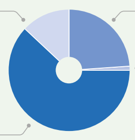
DB RegioNetz Infrastruktur GmbH
Operates regional transport networks in five Federal states (Erzgebirgsbahn, Kurhessenbahn, Oberweißbacher Berg- und Schwarzatalbahn, Südostbayernbahn, Westfrankenbahn).

Deutsche Umschlaggesellschaft Schiene-Straße GmbH
Provides operational management either independently or through the subsidiary MegaHub Lehrte (scheduling, crane services and processing) for 23 transshipment stations in Germany.

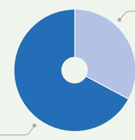
DB Fahrwegdienste GmbH
Offers system services relating to the maintenance of rail lines. These include vegetation maintenance, environmental and project management, and securing track construction sites.

STRUCTURE

VOLUME PRODUCED BY MODE OF TRANSPORT / %



REVENUES / %



BUSINESS MODEL

INPUTS

Employees
– About 51,300

Vehicles
– 745 maintenance vehicles

Networks and infrastructure
– Rail network about 33,300 km in length, operation-critical facilities

Electricity and fuel
– Electricity
– Fuel

BUSINESS ACTIVITIES

Customer segments
– 453 business customers (thereof 435 non-Group customers)

Value proposition
– DB Netze Track provides non-discriminatory access to a safe, reliable rail network in line with demand.

Customer access and retention
– Sales
– E-services

Key activities
– Providing a safe, reliable infrastructure in line with requirements
– Planning and operating networks
– Conducting train operations

OUTPUTS [1]

Volume produced
– About 1.1 billion train-path km

OUTCOMES [2]

EBIT
– € 334 million

Employee satisfaction
– SI of 3.9 (2020)

Customer satisfaction
– SI of 61

Track kilometers noise remediated in total
– 2,110 km

Punctuality
– 92.9 %

Waste
– 6,317 thousand t

As of 2021 respectively December 31, 2021.
[1] Key products and services.
[2] Internal and external results and outcomes from business activities and outputs along the entire value-added chain.

Transport Infrastructure Plan. In addition, in order to implement the target schedule for Germany in sync, it is also assumed that a large number of local transport projects will be implemented by the Federal states. DB Netz AG therefore assumes that a significant increase in annual funds for infrastructure expansion will need to be provided by the Federal Government, the Federal States and DB Group.

GRI

MARKETS AND STRATEGY

102-6 Demand in passenger and freight transport has increased significantly over the last few years (with the exception of the Covid-19-related decrease in 2020) and has led to greater use of the rail infrastructure. In the coming years, we expect growth in demand for freight transport and a significantly increased traffic volume in passenger transport, and therefore a further increase in capacity needs, supported by measures such as increasing regionalization funds, service expansions in passenger transport and the partial subsidizing of train-path prices in freight transport.

By developing infrastructure in line with customer and market requirements, we want to enable the entire rail transport sector to take advantage of growth potential. The Strong

Rail strategy 52ff. incorporates DB Netze Track's strategic topics. As a capacity manager, DB Netze Track intends to create the infrastructural and operational conditions for the implementation of the Strong Rail strategy. The objectives are to expand network capacity, to digitalize, and to improve the use of capacity. DB Netze Track is also striving for the continuous renovation of the existing network and an increase in the performance of the organization. In order to achieve these objectives, DB Netze Track's strategy comprises the strategic areas of the Strong Rail strategy:

- More robust: By expanding the infrastructure in line with demand (new construction and expansion projects) and implementing the Digital Rail for Germany program (Digitale Schiene Deutschland; DSD), DB Netze Track aims to increase network capacity of corridors and hubs in order to eliminate existing bottlenecks and provide the capacity needed to expand services. As part of the strategy implementation, there is a focus on increasing the quality of the existing network. The aim is to improve profitability and the facilities' quality. In addition to infrastructural measures, and as part of its capacity management strategy, DB Netze Track is striving to establish a new control philosophy focused on the utilization of capacity. To this end, DB Netze Track has launched several projects and initiatives to develop the necessary business capabilities for better capacity management. These capacity assessment tools will improve the performance of the company by providing a clear overview of capacity. In addition to the planned expansion and new construction of infrastructure, DB Netze Track focuses on further levers for increasing capacity, such as the more efficient use of track closures during construction activities or the avoidance of overloading usable capacities. To overcome the challenges of the future, DB Netze Track recruits and qualifies appropriately skilled employees in a targeted way.
- More powerful: DB Netze Track is implementing measures such as lean excellence to establish a basis for powerful and stable processes and to create as efficient an organization as possible.
- More modern: DB Netze Track performs supporting tasks for issues concerning the Germany in sync and European corridors.
- Greener: DB Netze Track is moving towards a green future. Firstly, it is electrifying and implementing noise remediation measures on further lines. Secondly, DB Netze Track is committed to sustainable vegetation maintenance 70, conservation measures such as bee cultivation green no. 10 on train-paths, and resource conservation 71f. through initiatives to promote circular economy approaches.

GENERAL FRAMEWORK

Train-path prices for 2022 and 2023

In its decision of March 5, 2021, the BNetzA approved the fees for the train-path prices for 2022. Train-path usage fees will increase by 3.8% for long-distance transport, 0.5% for freight transport and 1.8% for local transport. In the fee application, a fee increase of 4.6% for long-distance transport compared to the 2021 schedule and a reduction in fees of 0.6% for freight transport was planned. Deviating from the application, the BNetzA assumed a higher economic viability for freight transport, thereby adjusting a significant input parameter. As a result, the changes made to the fees are at the expense of freight transport and in favor of long-distance transport. DB Netz AG submitted the fee approval application for train-path usage fees for the 2022/2023 network schedule period at the beginning of October 2021. The BNetzA's ruling on this is still pending.

Arbitration processes for the Rastatt Tunnel

Following the damage in the east tunnel of the Rastatt Tunnel, preparations to renovate have been underway since 2018. At the same time, the evidence collection and mediation proceedings agreed between DB Group and the Rastatt Tunnel consortium have been ongoing since 2017 to clarify the cause of the damage during tunnel boring and thus who is responsible. The procedure is still ongoing due to numerous potential causes of damage that need to be determined. It was agreed that the construction work could resume without the mediation procedures being resolved. The breakthrough of the western tunnel was completed in December 2021.

INVESTMENTS

DB Netz AG completed the full acquisition of SIGNON Deutschland GmbH on March 31, 2021. In particular, this will help us to secure expertise for projects such as the construction of digital interlockings and track equipment with the European Train Control System (ETCS). GRI 102-10

ENVIRONMENTAL MEASURES

- On July 16, 2021, the Regulation introducing a Substitute Building Materials Regulation (framework regulation; Mantelverordnung) was passed. The Regulation enters into force on August 1, 2023, after a two-year transitional phase. The framework regulation provides for uniform national and legally binding regulations on the utilization of mineral waste. Its aim is to promote the circular economy and to improve the acceptance of substitute construction materials. This will help to reduce the use of primary construction materials and conserve natural

DB NETZE TRACK	2021	2020	Change absolute	Change %	2019
Punctuality DB Group (rail) in Germany (%)	93.7	95.1	-1.4	–	93.7
Punctuality (rail) in Germany [1] (%)	92.9	94.5	-1.6	–	93.1
Customer satisfaction (SI)	61	66	-5	–	65
Length of line operated as of Dec 31 (km)	33,288	33,286	+2	–	33,291
Train kilometers on track infrastructure (million train-path km)	1,108	1,064	+44	+4.1	1,089
thereof non-Group railways	414.3	385.4	+28.9	+7.5	368.2
Share of non-Group railways (%)	37.4	36.2	+1.2	–	33.8
Total revenues (€ million)	5,984	5,660	+324	+5.7	5,652
External revenues (€ million)	1,975	1,808	+167	+9.2	1,687
Share of total revenues (%)	33.0	31.9	+1.1	–	29.8
EBITDA adjusted (€ million)	1,010	1,086	-76	-7.0	1,443
EBIT adjusted (€ million)	334	409	-75	-18.3	807
Operating income after interest (€ million)	225	266	-41	-15.4	628
Gross capital expenditures (€ million)	9,349	8,480	+869	+10.2	7,441
Net capital expenditures (€ million)	1,738	1,363	+375	+27.5	1,055
Employees as of Dec 31 (FTE)	51,290	50,330	+960	+1.9	48,787
Annual average employees (FTE)	51,270	50,008	+1,262	+2.5	48,114
Employee satisfaction (SI)	–	3.9	–	–	–
Share of women as of Dec 31 (%)	20.0	19.4	+0.6	–	19.2
Track kilometers noise remediated in total as of Dec 31 (km)	2,110	2,039	+71	+3.5	1,844

[1] Non-Group and DB Group train operating companies.

resources. Fixed or mobile processing plants for mineral substitute construction materials are included in all of our construction projects. The introduction of the framework regulation will therefore have far-reaching effects on regulations and our construction processes in Germany. Within the upcoming two-year transition period, the necessary adjustments and changes will be made as part of a Group-wide project and employees will be informed and receive the necessary training.

DEVELOPMENT IN THE YEAR UNDER REVIEW

- *Increased revenues from price and volume effects.*
- *Personnel expenses increased as a result of collective bargaining agreements and personnel expansion.*
- *Higher expenses, in particular in connection with infrastructure damage and winter service.*
- *High project volumes.*

The punctuality of both non-Group train operating companies in Germany and of intra-Group train operating companies declined in 2021. The main reasons for this were a renewed significant increase in train services and a high construction volume, leading to increased capacity utilization. This led to an overload, particularly at the existing bottlenecks, causing a detrimental impact on operating quality. In addition, individual events led to longer phases of limited facility availability. These mainly included the cold spell in February 2021, which affected multiple regions, and the floods 38 in July 2021, as well as numerous storms caused by low-pressure systems.

Customer satisfaction fell significantly. About 270 customers were surveyed in 2021. In particular, the areas of construction work and infrastructure availability continued to be viewed very critically.

Train kilometers on track infrastructure increased significantly again. The drivers were, in particular, fewer Covid-19-related outages and expansions in regional and freight transport. Special events such as the floods and the strikes by the GDL 38 had a dampening effect. Demand at non-Group customers increased even more than at intra-Group customers.

Economic development was weaker, with operating profit figures decreasing significantly. This was the result of higher expenses for personnel and for measures to expand capacity, improve quality and remedy flood damage.

Higher expenses were partly offset by growth in income:

- Revenues increased significantly due to demand. Positive price effects also increased revenues. Counteracting effects resulted from special events such as the floods and the GDL strikes.
- The increase in other operating income (+6.3%/€ +62 million), due among other things to increased subsidies and higher income from scrapping due to price effects, had a supporting effect.

In terms of expenses, there were significant additional costs, in particular for measures to expand capacity, improve quality and in connection with the floods:

- The increased cost of materials (+15.9%/€ +343 million) was mainly due to increased maintenance services, the remedying of flood damage, a harsher winter and higher energy expenses.
- Personnel expenses (+5.8%/€ +192 million) increased significantly due to the higher number of employees and as a result of collective bargaining agreements.
- The increase in other operating expenses (+8.3%/€ +107 million) resulted, among other things, from higher expenses for projects and for asset disposals, partly in connection with infrastructure destroyed by floods. In addition, expenses for training rose following a significant fall in 2020 due to Covid-19. The increase was partly offset by lower administrative costs.
- Depreciation (−0.1%/€ −1 million) remained almost unchanged.

The significant increase in gross and net capital expenditures resulted in particular from higher capital expenditures in new construction and expansion projects.

The number of employees increased significantly to cover demand and ensure succession planning, particularly in the areas of maintenance, construction projects and operations.

The share of women was somewhat higher.

The total number of track kilometers noise-remediated increased further due to the implementation of measures.

DB Netze Stations business unit

BUSINESS MODEL

DB Netze Stations is the largest station operator in Europe. In addition to the core business – the development and operation of stations – the business unit offers a variety of mobility-oriented services in stations. With about 0.9 million m² of leased space, we are among Germany's largest commercial landlords.

Trains from 114 train operating companies stop at our stations every day. We set particular priorities in the areas of service, safety and cleanliness so that we can offer customers high quality standards. Our station managers also work hard on-site to ensure seamless operations. Our station portfolio has a particularly wide geographical coverage. The infrastructure required is characterized by high fixed costs. A provision of equipment and infrastructure in line with needs is crucial to our commercial success.

Revenues are generated primarily from station stops (regulated, pre-pandemic share: about 70%) in the stations and from leasing out commercial space (not regulated). Our most important regulatory partners are the BNetzA and the EBA.

MARKETS AND STRATEGY

We are facing a period of significant change. The mobility market will continue to grow and change. Digital solutions are significantly accelerating this development. New forms of mobility are emerging and car transport is increasingly being questioned. Social structures are also changing:

- the population continues to age;
- cities are growing and pushing their infrastructure to its limits;
- rural areas are shrinking but still require access to mobility.

We have further developed our strategy in key areas. The basis for implementing the strategy is restructuring the organization. All structures and processes are aimed at the needs of passengers and visitors and feed into the Strong Rail strategy 52ff.

- More robust: We are continuously improving the tangible fundamental quality of our stations and of the station environment for our customers. We consistently ensure that standardized production concepts are applied throughout Germany, optimize our maintenance measures and rely on digitalized status- and demand-oriented solutions. We are investing in new construction projects and developing future-oriented capacity concepts to ensure our infrastructure is robust and secure in order to help achieve the desired modal shift and support the corresponding increase in passenger numbers.
- More powerful: As part of the lean excellence transformation, we intend to establish a lean-thinking and lean-acting organization. By cultivating the lean mindset among all employees, we are creating the basis for excellent value generation and continuous improvement of processes. Our processes begin with customers and their requirements, and we develop solutions to increase customer satisfaction. With the creation of our performance processes, we ensure that our actions are aligned with the needs of our customers and systematically collect their feedback. We implement consistent, end-to-end responsibility for all our processes. In doing so, we focus on the effect on the end customers. The introduction of comprehensive performance management for all organizational units creates transparency about relevant key figures and enables clear control along our customer-oriented processes. This also includes the ongoing standardization and digitalization of core processes to increase efficiency.

GRI
102-6
102-7

DB NETZE STATIONS – AT A GLANCE

SERVICE PORTFOLIO

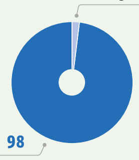
Station stops
Trains stopping at platforms for passengers to get off and on. As well as basic services, additional services are also offered depending on the category of station, such as service employees, DB information or weatherproofing. Station fees are charged for the services and published in station price lists.

Rental
About 0.9 million m² of leasing area on offer in stations. This makes DB Netze Stations one of Germany's largest commercial landlords.

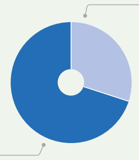
Other
Provision of additional services at stations and stops (including the operation of lockers, parking garages).

STRUCTURE

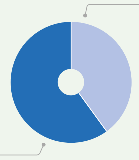
STATION STOPS BY MODE OF TRANSPORT / %



STATION STOPS / %



REVENUES / %



BUSINESS MODEL

INPUTS

Employees
– About 6,800

Networks and infrastructure
– About 5,400 stations
– About 700 stops with marketing
– About 9,300 platforms
– About 6,500 passenger information systems
– About 6,800 dynamic visual displays
– About 2,500 elevators
– About 1,000 escalators
– About 300 parking garages and parking spaces

Additional production factors
– 303.6 GWh electricity

BUSINESS ACTIVITIES

Customer segments
– Private customers
– Business customers, particularly train operating companies (TOCs), tenants and mobility service providers
– Contracting organizations

Value proposition
– DB Netze Stations provides attractive stations and concourse buildings with a wide range of mobility and everyday offers, as well as leasing spaces for retail, catering and services.

Customer access and retention
– Key account management
– Regional sales
– Customer services at the station

Key activities
– Operating stations
– Leasing out commercial space
– Providing reliable infrastructure

OUTPUTS [1]

Station stops
– 155.5 million

Rented space
– About 0.9 million m²

OUTCOMES [2]

EBIT adjusted
– € 1 million

Employee satisfaction
– SI of 4.0 (2020)

Customer satisfaction
– Traffic station (passengers/visitors) SI of 73
– Traffic station (TOCs and contracting organizations) SI of 69
– Tenants SI of 79

Facilities quality
– Grade: 2.77

Primary energy consumption
– -27.4% compared to 2010 (absolute)

As of 2021 respectively December 31, 2021.
[1] Key products and services.
[2] Internal and external results and outcomes from business activities and outputs along the entire value-added chain.

– **More modern:** We wish to improve the quality of our guests' stays at our stations. We intend to integrate stations even more comprehensively and effectively into people's everyday lives and make their stays attractive 129f. by providing relevant offers. Comfortable waiting areas, a welcoming forecourt, redesigned concourse buildings and improved service help make passengers and visitors feel more at home at the station. We are optimizing our passenger information system 129f. and further developing our guidance systems so that passengers and guests from the neighborhood can find their way around as quickly as possible. We are further expanding Wi-Fi access at stations and are focusing on new concepts and digital services, such as the DB Rad+ app 130 and Zugvogel Automats. Through the Smart City Initiative 130, we are making stations and their surroundings more attractive. We are developing innovative usage concepts for stations, rethinking station neighborhoods and ensuring interlinked, sustainable mobility. This includes new everyday services such as smart lockers, options for remote working at stations, attractive forecourt design including sharing spaces for onward travel, and micro hubs for city logistics.

- Greener: In order to improve our environmental footprint, we are continuously increasing our energy efficiency through energy-saving renovations and replacing lights with LEDs. We continue to promote the use of renewable energies, including the use of eco-power at many of our stations. We are also testing a sustainable construction approach for small stations at the Zorneding site 131f. Through the BALIN research project 70, we are also researching the possible effects of nocturnal station lighting on insects.

GENERAL FRAMEWORK

Approval of station fees for 2022

On September 17, 2021, following changes to the legal context (Railway Regulation Act Amendment; ERegG-Novelle), the fee schedule for the 2022 station prices were approved by resolution of the BNetzA. The Federal agency approved the 2022 station prices with a small number of deductions. As in the previous year, DB Station&Service AG filed an action with the Cologne Administrative Court against the deductions made by the BNetzA to station fees for canceled station stops. In total, an average price increase of 2.46% was approved.

Federal Government economic stimulus program for attractive stations

As part of an economic stimulus/trade program, an additional €120 million was made available by the Federal Government in 2021, as an extension of the 2020 economic stimulus program, to support small and medium-sized businesses whilst at the same time making stations more attractive. In 2021, over 2,000 measures were planned and implemented using this additional funding at about 1,000 stations.

At the same time, we are working together with the Federal Government to increase the sustainability of our stations: at about 90 stations, the lighting has been switched to LEDs and the energy efficiency of the heating systems was improved at about 50 stations.

DEVELOPMENT OF THE INFRASTRUCTURE

Capacity and frequency recording

To enable the anticipated growth in passenger numbers, operational and structural measures must be taken to ensure the performance capability of capacity-critical stations. Germany in sync is contributing significantly to the passenger forecast for 2040, which forms the basis for categorizing stations by capacity. The first step is to create transparency about possible bottlenecks and their causes. Video-based frequency management is being introduced in selected stations. This will generate real-time data for assessing the capacity of stations and allow passenger flows to be managed directly.

Modernization and construction of stations

- Dortmund central station is expected to provide barrier-free links between all modes of transport by 2025. The third of the eight platforms to be modernized went into operation at the end of July 2021.
- Beginning in summer 2022, all the platforms, platform roofs and some bridge structures above the passenger tunnel level will be renovated at Hanover central station. Due to the need to concentrate the construction work on the platforms to the relevant periods around the annual summer holidays, the modernization is expected to be completed in 2033.
- Construction work on the hall roof has begun at Berlin Ostbahnhof (East Station). Since May 2021, scaffolding platforms have been set up to renovate the entire roof membrane, install new skylights and renew the corrosion protection on all of the roof girders. Train traffic is largely unaffected and can continue as scheduled.
- The complete renovation of the Berlin Zoologischer Garten station is being implemented in several construction phases. In 2021, the areas of the first construction phase including the long-distance rail hall and the intermediate level to the tracks were recommissioned following renovation. Planning services are currently being carried out for further areas and construction phases. The measures in the S-Bahn (metro) hall that form part of the second construction phase will begin in mid-2022.
- In the Frankfurt am Main central station project (complete renovation of the B level and northern building), the first and second construction phases, the complete renovation of the feeder level below the station forecourt ("B level") and the (supply) levels below, began in 2021. Another construction phase, which will include changing the guidance systems for passengers, will begin in the second quarter of 2022.

DIGITALIZATION AND INNOVATION

Passenger information of the future

As part of the renewal of passenger information systems, a new central management and publication system (IRIS+) is being developed. In combination with the passenger information (Reisendeninformations; RI) platform, it will be used to provide passengers with information at the station. In 2021, the number of stations operating with the new systems increased to 387.

In 2021, regional and long-distance stations and platforms in particular were added in Berlin, in the area around Erfurt and in the Darmstadt and Mannheim regions. In addition, the conversions in North Rhine-Westphalia continued with the stations around Aachen and Düsseldorf as well as stations in Münster. This means that about 40% of all major stations have been converted to the new system.

The ability, established at the end of 2020, to communicate between multimodal connections, i.e. to provide a display of local timetable-linked connections, was tested at several stations in 2021.

The software development for the next generation of the Dynamic Visual Display (DSA+) is also being driven forward with a view to operational testing in 2022.

Smart City at DB Station&Service

With Smart City | DB, we are seeking to improve everyday life through smart and environmentally friendly services and to better integrate stations into municipalities and cities. In 2021, we were able to take further innovative development steps, for example:

- **Increased quality of stay:** The specially developed "Freiraum Kit" improves the quality of stay on the forecourts. The Freiraum Kit offers a combination of seating with shading elements, a playground for children and green islands as an urban plant laboratory.
- **More flexible mobility options:** In October 2021 we launched the first DB Mobility Hub at the Stuttgart-Vaihingen station. This allows us to bundle all of our sharing offers into one place, and commuters can reserve car parking spaces directly at the station. The Mobility Hub is a joint project of Smart City | DB, DB BahnPark and the Stuttgart S-Bahn (metro).
- **Sustainable last mile:** The idea of the micro-hub is to make the last mile of a journey sustainable and provide climate-neutral onward journeys using small vehicles. In 2021, another micro hub was opened in Berlin in cooperation with logistics partners.
- **Coworking offer:** In October 2021, the coworking service everyworks was opened at Hanover central station. The first two locations were opened in cooperation with an external partner (Design Offices).

New services at future stations

Our project "Future Station" (Zukunftsbahnhof) stands for a test of innovative offerings at 16 future stations. We are doing this to find out how to make life for passengers or station visitors easier and improve the comfort of their stay at the station. We use various offers and services to better integrate the stations into their surroundings and to make them pleasant places to stay. In 2021, we implemented the following measures, among others:

- In cooperation with Edeka Südwest, the first 24/7 digital supermarket was opened at the station in Renningen in February 2021.
- In Ahrensburg, a digital 24/7 service store was also opened in 2021 on the station platform.
- In Halle (Saale), a new waiting area was opened with new furniture and greening elements.
- At Coburg station, there are new design elements and waiting furniture in the reception hall and the station has been connected to the Rad+ app 130.
- In Heilbronn, a new hall lighting system with strip lights provides a pleasant atmosphere and a clean appearance.

We are working on the holistic design and implementation of successful products from the future stations green no. 74 and Smart City projects at more than 100 stations across Germany. Funds from the economic stimulus package were also used to this end in 2021.

ENVIRONMENTAL MEASURES

- The Bike+Ride campaign green no. 156 is intended to help create up to 100,000 additional parking spaces, thereby initiating an expansion of the Bike+Ride infrastructure. To date, about 70 facilities with more than 7,000 parking spaces have been constructed. Finished concepts with agreed and approved spaces are available for about 45,000 parking spaces. The municipalities are financially supported by the German Federal Ministry for the Environment, Nature Conservation, Nuclear Safety and Consumer Protection (Bundesministerium für Umwelt, Naturschutz, nukleare Sicherheit und Verbraucherschutz; BMUV) and operationally supported by us through space testing and rent-free permits. The program has been extended to 2027. In order to advise municipalities on issues and to support them with projects, we also set up an information center in July 2021. DB Netze Stations received the tender as part of a Federal Government process and, initially for a fixed term until the end of 2023, will provide interested municipalities with a comprehensive range of information. Location-specific consultation is also possible.

DB NETZE STATIONS	2021	2020	Change absolute	Change %	2019
Passenger stations	5,399	5,397	+2	-	5,384
Facilities quality (grade)	2.77 [1]	2.83 [1]	-	-	2.87
Customer satisfaction, traffic station (passengers/visitors) (SI)	73	72	+1	-	69
Customer satisfaction, traffic station (train operating companies and contracting organizations) (SI)	69	68	+1	-	61
Customer satisfaction, tenants (SI)	79	77	+2	-	79
Station stops (million)	155.5	152.2	+3.3	+2.2	153.3
thereof non-Group railways	46.0	44.0	+2.0	+4.5	40.0
Total revenues (€ million)	1,285	1,258	+27	+2.1	1,339
thereof station revenues (€ million)	966	917	+49	+5.3	905
thereof rental (€ million)	302	332	-30	-9.0	393
External revenues (€ million)	520	525	-5	-1.0	590
EBITDA adjusted (€ million)	160	171	-11	-6.4	349
EBIT adjusted (€ million)	1	24	-23	-95.8	210
Gross capital expenditures (€ million)	1,380	1,338	+42	+3.1	1,096
Net capital expenditures (€ million)	297	253	+44	+17.4	262
Employees as of Dec 31 (FTE)	6,811	6,525	+286	+4.4	6,216
Annual average employees (FTE)	6,768	6,375	+393	+6.2	6,038
Employee satisfaction (SI)	-	4.0	-	-	-
Share of women as of Dec 31 (%)	44.1	44.2	-0.1	-	44.7
Absolute primary energy consumption (stations) compared to 2010 (%)	-27.4	-25.7	-1.7	-	-22.1

[1] Preliminary figure.

- Through the DB Rad+ app green no. 10 we are promoting intermodal journey chains that combine cycling and the railway. The app counts the number of kilometers cycled within an area of action, and these can be redeemed for discounts and rewards from retailers in the region and at the station. Users of the app have already traveled more than one million km in 14 cities. Further locations are to follow.
- A new approach to construction is being trialed at the station in Zorneding, which will enable us to reduce greenhouse gas emissions. The special feature of this new approach is the high degree of prefabrication and the use of wood as a renewable, recyclable construction material, which reduces greenhouse gas emissions. A total of 41.8 m³ is being installed, and 48% of greenhouse gas emissions are being saved compared to conventional construction using reinforced concrete. This will enable us to create an attractive station offer at locations that have small passenger numbers.

DEVELOPMENT IN THE YEAR UNDER REVIEW

→ *Positive development of demand, mainly as a result of the resumption of transport services.*

→ *Rental business continues to be greatly burdened by effects of the Covid-19 pandemic.*

→ *Additional burdens due to effects of collective bargaining and external influences such as severe weather.*

→ *Measures were implemented to save energy and to ensure and improve the quality of customer satisfaction.*

The facilities quality remained at a good level.

Customer satisfaction among passengers/visitors increased again, especially at the stations in the economic stimulus program 129. The survey is conducted on the basis of about 80,000 interviews per year. Customer satisfaction for train operating companies and contracting organizations also improved slightly. Despite the ongoing Covid-19 pandemic, customer satisfaction among tenants increased and returned to its pre-pandemic level.

The increase in station stops resulted mainly from the resumption of transport services, which were temporarily reduced due to Covid-19. The main driver was the higher demand from intra-Group and external customers in regional transport. Overall, the pre-Covid-19 level was exceeded.

On the other hand, the economic development continued to prove challenging, with operating profit figures declining significantly due to additional expenses, in particular because of support measures for tenants in connection with the Covid-19 pandemic. These were only partially offset by income growth:

- The increase in revenues was due to higher station fees as a result of price and volume factors. Lower rental revenues had a dampening effect, due in particular to Covid-19. Lower rental revenues due to renovation measures at stations placed an additional strain on income growth.
- Other operating income (+54.2%/€ +103 million) increased significantly, driven by higher grants in connection with support programs for the renovation of stations (Federal Government's trade program 129).

In terms of expenses, there were considerable additional burdens from the cost of materials and personnel expenses:

- The costs of materials (+17.1%/€ +118 million) increased, in part because of additional hygiene and safety measures at our stations made necessary by Covid-19, and also because of the Federal Government's trade program stimulus package, though this did not affect profits overall. Price increases, including for energy and services, resulted in additional burdens.
- Personnel expenses (+10.7%/€ +43 million) increased as a result of a higher number of employees and collective bargaining agreements.
- Depreciation (+8.2%/€ +12 million) increased significantly due to capital expenditures.
- Other operating expenses (+1.1%/€ +3 million) increased slightly. In addition to the absence of a one-time effect that reduced expenses in 2020, expenses rose due to higher expenses for rent and IT projects, among other things. This was offset partly by the effects of lower impairments on receivables and a decline in travel activity due to Covid-19 effects.

Due to higher gross capital expenditures, mainly in the modernization of existing stations and the construction of new stations, net capital expenditures increased significantly, with investment grants virtually unchanged.

As of December 31, 2021, the number of employees increased, mainly as a result of an increase in personnel in construction and facilities management.

The share of women remained almost unchanged at a relatively high level.

With a further reduction in absolute primary energy consumption of stations in comparison to 2010, including through the use of energy-saving technologies, the positive trend of the past years is continuing.

DB Netze Energy business unit

BUSINESS MODEL

DB Netze Energy offers industry-standard energy products related to traction energy and stationary energy supply. As well as traction current and diesel, these also include supply solutions for alternative drives and synthetic fuels in rail transport. Stations and other DB Group properties are supplied with electricity, gas and heat. In addition, the supply of certified eco-power is offered to private customers nationwide. The range of services also includes energy economics-related and technical services.

The traction current grid is the technical backbone of traction power provision in Germany, for which DB Netze Energy as the network operator ensures a high level of supply reliability. The required electricity is generated in traction current power stations using fossil and renewable energy sources or fed via converters/transformers. In order to provide for diesel traction units, DB Netze Energy offers a network of filling stations across Germany, which can also be partially used by road vehicles. To enable climate-neutral rail transport in future as an alternative to diesel, even on sections without overhead lines, DB Netze Energy is implementing energy supply solutions for traction units with alternative drives and synthetic fuels. In addition, DB Netze Energy operates 50 Hz medium-voltage networks to supply energy to stations and provides a charging infrastructure for electric vehicles on the road. The infrastructure operated by DB Netze Energy is to a high degree and in varying forms subject to regulation by the BNetzA.

MARKETS AND STRATEGY

GRI 102-6

DB Netze Energy is responsible for economically and environmentally efficient energy procurement and for reliable energy provision for train operating companies. DB Netze Energy also has a high-performance infrastructure for the provision of electricity and diesel to mobile and stationary consumers.

- More robust: DB Netze Energy is securing its power supply in view of potential increases in traffic volume and increasing volatility in the supply of renewable energies. The LuFV III 237 provides the financial basis for this, including for the construction of additional converter capacity. The expansion of the traction current grid will be supported by the driving forward of digitalization at DB Energy, for example through the rollout of sensor technology in traction current facilities, which began in 2020.
- More powerful: In 2021, lean excellence was implemented as part of two pilot projects. In subsequent projects, further processes and areas will be reviewed using lean approaches and, if applicable, made more efficient.
- More modern: As an energy supplier to train operating companies in Germany, DB Netze Energy is a central driver for switching to climate-friendly practices. In order to completely switch DB traction current to renewable energies by 2038 at the latest, existing fossil fuel power plant contracts will henceforth be replaced by environmentally sustainable renewable energies. To enable climate-neutral rail transport in future even on non-electrified lines, DB Netze Energy is working together with vehicle manufacturers, contracting organizations and Federal agencies to pilot suitable supply solutions.
- Greener: The infrastructure is being modified for alternative drives and synthetic fuels in order to ensure the climate-neutral provision of transport services previously run on

GRI 102-6 102-7

DB NETZE ENERGY – AT A GLANCE

PRODUCTS

Traction current
Supplying trains with energy. We supply the 16.7 Hz rail traction current throughout Germany around the clock through our own interconnected power grid.

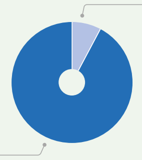
Traction current pass-through
Pass-through of electricity purchased externally by train operating companies within the DB Netze Energy grid in order to supply trains.

Stationary energy
Supplying stations, plants, interlockings and office buildings with electricity and heating. Stationary train operation facilities, such as facilities for pre-heating trains or switch heaters, are supplied with electricity.

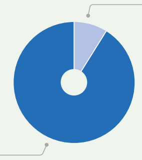
Diesel fuel
Supply of diesel fuel via 24-hour self-service rail filling stations. The offer also includes consumables and supplies, heating and engine oil and AdBlue®.

STRUCTURE

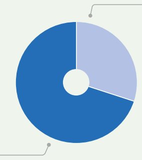
TRACTION CURRENT / %



STATIONARY ENERGY / %



DIESEL FUEL / %



BUSINESS MODEL

INPUTS

Employees
– 1,900

Networks and infrastructure
– About 7,900 km of traction current grid
– About 1,810 transformer stations
– 185 gas stations
– 53 power plants / converters / transformers

Additional production factors
– Electricity
– Fuel

BUSINESS ACTIVITIES

Customer segments
– Business customers
– Private customers

Value proposition
DB Netze Energy offers a customer-oriented and environmentally friendly access to products in the areas of traction current and diesel, as well as stationary energy.

Customer access and retention
– Key account management
– Regional sales
– Online customer platforms

Key activities
– Providing reliable infrastructure
– Procuring energy
– Selling energy
– Offering energy economics-related and technical services

OUTPUTS [1]

Traction current (16.7 Hz and direct current)
– 7,445 GWh

Stationary energy (50 Hz and 16.7 Hz)
– 14,070 GWh

Diesel fuel
– 389 million l

OUTCOMES [2]

EBIT adjusted
– € 169 million

Employee satisfaction
– SI of 4.0 (2020)

Customer satisfaction
– SI of 79

Share of renewable energies in the DB traction current mix in Germany
– 62.4%

Supply reliability
– 99.99%

As of 2021 respectively December 31, 2021.
[1] Key products and services.
[2] Internal and external results and outcomes from business activities and outputs along the entire value-added chain.

diesel. Implementation of the "Green energy for a strong rail system" business unit strategy continued in 2021, interlinked with the Strong Rail strategy 52 ff.

GENERAL FRAMEWORK

Procedure for defining traction current grid access

The determination procedure already initiated by the BNetzA in 2019 for the further development of the business processes for access to the traction current grid is nearing completion. In April 2021, the BNetzA submitted a revised document on future automated business processes for public consultation.

The defining procedure aims to improve transparency and enforceability of the access rules, data formats and communication deadlines for all market partners (electricity suppliers, train operating companies, vehicle owners and DB Netze Energy). The BNetzA's intention by introducing this procedure is to strengthen the responsibility of the owners of railway vehicles. In order to supply the traction current grid operator with binding usage data in due time, this information will be provided by vehicle owners in future. This will improve the quality and speed of the access processes all the way through to settlement. DB Netze Energy welcomes this further development in its role as the traction current grid operator. After the BNetzA has evaluated numerous statements, the business processes defined by the Federal agency are expected to be adopted in 2022. As part of this process, an appropriate transitional period will be required to allow the necessary IT systems to be developed by all market partners involved.

ENVIRONMENTAL MEASURES

Expansion of renewable energies in the traction current mix

Building a mixed portfolio for a secure energy supply while increasing the share of renewable energies under an economically sustainable general framework is a core element of our green strategy:

- In 2021, DB Netze Energy concluded an additional 15-year agreement for the purchase of electricity from offshore wind farm green. no. 47 Amrumbank West off Helgoland. From 2025, about 190 GWh of additional electricity will be purchased each year. As a result, every fourth wind turbine on the Amrumbank wind farm will be working for DB Group. Up to 153,000 t of CO_2e p.a. will be saved compared with obtaining energy from a coal-fired power plant, equivalent to 17,000 times the annual per capita CO_2 emissions in Germany.
- An agreement for supply from the Schluchsee hydroelectric power plant complex has been finalized with RWE. This is a pumped-storage power plant which, due to its natural inflow, can also supply electricity from renewable energies (RE electricity) from hydroelectric power green. no. 16. The ten-year agreement covers an annual supply of 93 GWh from 2023. Up to 72,500 t of CO_2e p.a. can be saved in comparison to sourcing from a coal-fired power station. This is equivalent to 8,000 times the annual per capita CO_2 emissions in Germany.
- DB Netze Energy is securing the continued operation of two wind farms in Lower Saxony that are more than 20 years old, thereby saving about 50,000 t CO_2e p.a. in comparison with electricity supplied by a coal-fired power plant. From 2022, the two wind farms will supply about 90 GWh of electricity annually. As a result, on-land wind power plants will join DB Netze Energy's eco-power portfolio. To date, there is little knowledge about how reliable wind turbines are after 20 years of operation. The agreement terms are short in order to enable experience to be gathered first.
- The solar power park green. no. 30 in Gaarz near Plau am See went into operation on May 31, 2021. DB Netze Energy receives about 80 GWh of eco-power annually from the Enerparc facility. The electricity supply has been agreed for 30 years. Compared to gray power consumption from the 50 Hz markets, this saves up to 40,000 t of CO_2 p.a., and up to 60,000 t CO_2e p.a. compared to sourcing from a coal-fired power plant. This is equivalent to 4,500 times the annual per capita CO_2 emissions in Germany.
- For ten years from 2023, the Mågeli hydroelectric power plant in Norway will supply almost 190 GWh p.a. of eco-power. This quantity will cover the energy requirements of the about 40,000 trains in Germany each day for about one week. It is therefore the first cross-border, long-term eco-power agreement (Cross-Border PPA) to be concluded. The partner is the state-owned Norwegian energy company Statkraft. Compared to electricity from coal, this hydroelectric power from Norway will save up to 146,000 t of CO_2e p.a., equivalent to 16,000 times the annual per capita CO_2 emissions in Germany.

Energy supply for alternative drives

In addition to the further electrification of railway lines, DB Netze Energy is also implementing supply solutions for rolling stock with alternative drives. To this end, DB Netze Energy is pursuing various technological approaches:

- In terms of supplying energy to battery-powered trains green. no. 45, planning services for the construction of the necessary charging infrastructure in Schleswig-Holstein and Rhineland-Palatinate were further advanced in 2021 in cooperation with DB Netze Track. Since spring 2021, planning has been in progress for the construction of the charging infrastructure in the Lower Rhine-Münsterland network in North Rhine-Westphalia.
- DB Netze Energy is a project partner in a joint project funded by the BMDV between DB Group and Siemens Mobility for the approval and testing of the Mireo Plus H fuel train, which has been newly developed by Siemens Mobility, for regional rail passenger transport. Within this project, DB Netze Energy is responsible for developing an innovative supply infrastructure for hydrogen green. no. 53. DB Netze Energy is also constructing a hydrogen filling station in Frankfurt am Main as a pilot facility to supply our fuel cell road vehicles. This facility, which is designed not only to supply hydrogen but also to generate it on-site, is scheduled for completion in the second quarter

DB NETZE ENERGY	2021	2020	Change absolute	Change %	2019
Supply reliability (%)	99.99[1]	99.99[1]	-	-	99.99
Customer satisfaction (SI)	79	77	+2	-	78
Customer satisfaction, traction current and diesel (SI)	77	71	+6	-	71
Customer satisfaction, electricity and gas plus (intra-Group customers) (SI)	80	76	+4	-	78
Customer satisfaction, electricity and gas plus (non-Group customers) (SI)	80	85	-5	-	86
Traction current (16.7 Hz and direct current) (GWh)	7,445	7,263	+182	+2.5	7,986
Pass-through traction current (16.7 Hz) (GWh)	2,281	1,985	+296	+14.9	1,566
Stationary energy (50 Hz and 16.7 Hz) (GWh)	14,070	14,063	+7	-	14,932
Diesel fuel (million l)	389.3	385.7	+3.6	+0.9	410.6
Total revenues (€ million)	3,366	2,724	+642	+23.6	2,812
External revenues (€ million)	1,808	1,297	+511	+39.4	1,308
EBITDA adjusted (€ million)	254	91	+163	-	128
EBIT adjusted (€ million)	169	5	+164	-	43
Gross capital expenditures (€ million)	340	273	+67	+24.5	193
Net capital expenditures (€ million)	66	51	+15	+29.4	61
Employees as of Dec 31 (FTE)	1,900	1,861	+39	+2.1	1,772
Annual average employees (FTE)	1,892	1,821	+71	+3.9	1,751
Employee satisfaction (SI)	-	4.0	-	-	-
Share of women as of Dec 31 (%)	13.9	14.4	-0.5	-	13.3
Share of renewable energies in the DB traction current mix (%)	62.4	61.4	+1.0	-	60.1

[1] Preliminary figure (not rounded).

of 2022. Last but not least, DB Netze Energy is involved through regional rail passenger transport tenders in various Federal states with the planning and implementation of supply solutions for the use of local fuel cell trains.

- In addition, DB Netze Energy supports the testing and regular use of alternative fuels within DB Group. This includes a field test conducted by advanced TrainLab green. no. 159, in which 100% HVO fuel (consisting entirely of hydrogenated vegetable oil produced from plant and waste residues) is provided via a mobile tank container. The test supply and operation of the mobile tank container was extended by another year until at least mid-2022.

DEVELOPMENT IN THE YEAR UNDER REVIEW

→ *Recovery after Covid-19-related challenges – demand for traction energies increased significantly.*
→ *Hedging strategy limits the impact of significant price increases on the energy procurement market.*
→ *Increased capital expenditures in traction current supply.*
→ *Supply reliability stable at a high level.*

The high level of supply reliability was maintained.

Customer satisfaction was at a very high level. Across all product areas, customers are very satisfied with employee behavior, service quality and settlement. There were improvements in traction energy in particular, resulting from optimizations to the reporting and settlement processes compared to the previous year.

Volumes grew, primarily as a result of recovery effects after the pandemic-related decrease in the previous year:

- Traction current sales increased, mainly as a result of higher demand from intra-Group customers in long-distance passenger and freight transport. A shift in demand from non-Group customers to pass-through traction current curbed this development slightly.
- The traction energy passed-through for non-Group customers increased significantly. In addition to recovery effects, increased traffic and shifts away from full supply models also led to an increase.
- In stationary energy, electricity sales remained virtually unchanged. The decline in portfolio optimization measures on the energy market almost completely eliminated the recovery effects and growth of the private customer business.
- The increased demand for diesel fuels is due to intra-Group customers in regional and freight transport.

Economic development improved. The increases in revenues were only partly offset out by higher energy procurement expenses. The operating profit figures improved significantly.

The driver for these developments was noticeable income growth:

- Revenues increased significantly, due mainly to higher prices in energy trading and revenues from CO_2 certificates. Higher sales prices for diesel fuel and stationary energy also had an effect. Higher sales volumes and prices also led to an increase in revenues from traction current.

- Increase in other operating income (+36.8%/€ +28 million) resulted, among other things, from higher income from the release of provisions. In addition, income from technical services provided to internal and external customers also increased.

In terms of expenses, there were additional challenges related to the cost of materials, due in particular to the recovery in demand and price factors:

- Cost of materials increased significantly (+20.5%/€ +505 million). Increased sales volumes, price effects in energy trading and in CO_2 certificates as well as higher procurement prices led to an increase in energy procurement expenses.
- Personnel expenses (+8.2%/€ +11 million) increased as a result of a higher number of employees and collective bargaining agreements.

The remaining expense items remained almost unchanged:

- Other operating expenses (−3.8%/€ −5 million) declined slightly. In addition to fewer IT services, lower impairments on receivables in particular had a cost-reducing effect. This was countered by increased rental expenses and license costs for software.
- Depreciation (−1.2%/€ −1 million) decreased primarily due to the absence of negative one-time effects in the previous year.

Capital expenditures increased significantly as a result of an increased volume as part of the LuFV III and increased capital expenditures in joint projects (requirement plan). Net capital expenditures also increased as a result of a one-time effect from the capitalization of a lease contract.

The number of employees increased slightly, primarily in order to implement the higher project volume arising from the LuFV III and through insourcing IT services.

The share of women declined.

The share of renewable energies in the DB traction current mix in Germany 67 f. continued to grow.

Subsidiaries/other

The Subsidiaries/other area comprises the governance functions and the legally dependent service units of the holding company DB AG. The legally independent service units of DB Group and the independent Operational Services are also bundled in this segment. These are service units, which act in particular as internal service providers on behalf of the business units of DB Group.

DB E.C.O. GROUP

The DB E.C.O. Group acts as a single-source partner, offering DB Group's engineering, consulting and operations expertise to its customers.

Investments

With 50 employees, inno2grid GmbH (i2g) supports the activities of the DB E.C.O. Group. i2g's areas of activity include urban electric mobility, energy management and the digital networking of mobility and energy provision. GRI 102-10

DB Engineering & Consulting

DB Engineering & Consulting (DB E&C) was awarded planning services for a section of the Ruhr-Sieg line in Hesse that stretches about 75 km. In order to meet increasing freight transport demand, this line is being expanded. The special feature of the line is its numerous tunnels. The expansion will enable freight trains, especially from combined transport, to run through the tunnels. In addition, passing loops for freight trains and increases to signal block density are planned.

- Since January 2021, DB E&C has been responsible for a section of the second S-Bahn (metro) main line in Munich. The first major project milestone – inserting the tied-arch bridge into the project location – was completed in July 2021.
- The Wallauer Spange new construction line will create a 4-km-long connection line between the Breckenheim—Wiesbaden rail lines and the Cologne—Rhine/Main high-speed line. DB E&C has been commissioned to provide geotechnical advice and groundwater monitoring, and to prepare a specialist model of the building site for use in building information modeling (BIM) throughout the entire project area.
- In April 2021, DB E&C was commissioned, with partners from Spain and Italy, to act as the electrification engineer (ENE engineer) for Rail Baltica. The Rail Baltica Global Project is a major project to connect the Baltic states to the European rail network.
- DB E&C and JSC Ukrzaliznytsia (Ukrainian Railway) have signed a consultancy agreement relating to passenger transport. Its objective is to improve the planning and development of rail passenger transport, to optimize purchasing and to modernize the vehicle fleet.
- At DB E&C, the main objectives that BIM was used for in 2021 were increasing efficiency and partially automating further production steps. To this end, a great deal of work went into standardizing BIM throughout the entire production chain. The project portfolio has grown by 173 new BIM projects. About 240 BIM projects are currently being processed.

GRI 102-7

SUBSIDIARIES/OTHER – AT A GLANCE

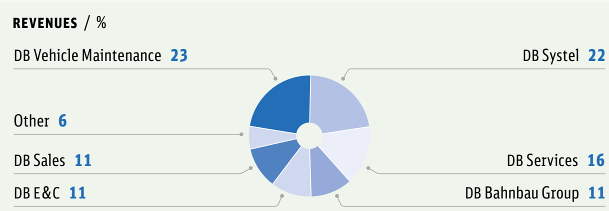
PORTFOLIO

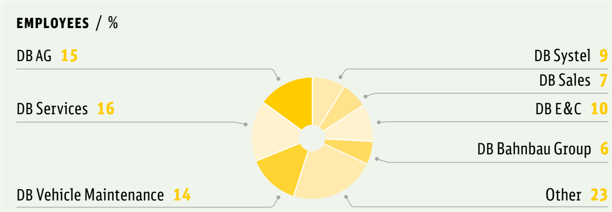
DB Business Services
- Legally independent entities (including DB Zeitarbeit GmbH, DB JobService GmbH and DB Digital Ventures GmbH)
- Legally dependent entities (including DB Real Estate, DB Training and DB Procurement)

DB Operational Services
- Legally independent operating service entities (including DB Fahrzeuginstandhaltung GmbH, DB Systel GmbH, DB Services GmbH, DB Bahnbau Gruppe GmbH, DB Vertrieb GmbH, DB E.C.O. Group, ioki GmbH)

Other
- Corporate management governance functions (including Group development, finances, treasury and human resources)
- DB supporting functions (including Deutsche Bahn Finance GmbH and Deutsche Bahn Stiftung gGmbH)

STRUCTURE





As of 2021 respectively December 31, 2021.

DB International Operations
- Following the completion of a 273-km-long freight transport line in Uruguay, which is scheduled to happen in 2023, DB International Operations (DB IO), together with two partners, will take over the operation and maintenance of the line for 22 years. The formation and mobilization of the operating company began in October 2020 and will run for three years.
- Etihad Rail DB is bringing its experience and expertise gained from the first phase to the preparation of operations for the phase 2 line in the United Arab Emirates, which covers about 600 km and is currently under construction.
- The DB E.C.O. Group North America, together with DB IO, is advising the California High-Speed Rail Authority in the US on preparing for operations.

DB NEW MOBILITY

DB New Mobility combines DB Group's range of new mobility solutions. These include the offers from ioki, Mobimeo, and CleverShuttle, the Call a Bike, Flinkster, Bonvoyo products and Curbside Management from DB Connect. DB New Mobility is directing this integrated offer to contracting organizations such as municipalities and transport associations.

- CleverShuttle had won tenders for a total of 13 on-demand transport services by the end of 2021 and also brought the largest all-electric on-demand transport service of a German public transport company onto the road. After winning a Europe-wide tender, CleverShuttle has been operating the HeinerLiner in Darmstadt since April 2021 on behalf of the transport company HEAG mobilo.
- In 2021, ioki launched a total of 24 new on-demand transport services in close cooperation with contracting organizations and transport companies, including the largest on-demand service in Germany, with an innovative booking app in the Rhine-Main area (RMV app) and the EVA shuttle in Karlsruhe, which for the first time combined autonomous driving in an area-based service and on-demand bookings. An ioki study showed that, in rural areas in particular, there is a gap in public transport services that could be closed with the introduction of on-demand services.
- Using the example of Bonvoyo, DB Connect's mobility budget offer, the potential of mobility budgets to act as behavior-influencing measures to increase sustainable mobility was investigated in the Reallabor Hamburg research project, which was sponsored by the BMDV: in the case of both the Bonvoyo app itself and the use of Bonvoyo as a payment option in the HVV switch app, there was evidence of increased use of sustainable mobility services among the pilot customers.
- As a technology partner, Mobimeo is working with the industry initiative Mobility inside to develop a mobility platform and the corresponding regionally branded mobility apps for the 13 participating transport companies

and associations. The platform will facilitate the reciprocal sale of public passenger transport tickets throughout Germany as well as multimodal connections through sharing and on-demand services. The market launch is scheduled for the end of the first quarter of 2022.

DEVELOPMENT IN THE YEAR UNDER REVIEW

- *Personnel expenses increased, mainly as a result of a higher number of employees.*
- *Digitalization and Group projects advanced.*
- *Significant income gains drive improved profit.*

SUBSIDIARIES / Other	2021	2020	Change absolute	Change %	2019
Total revenues (€ million)	5,685	5,375	+ 310	+ 5.8	5,192
DB Business Services	3	4	- 1	- 25.0	51
DB Operational Services	6,519	6,203	+ 316	+ 5.1	5,994
Other / consolidation	- 837	- 832	- 5	+ 0.6	- 853
External revenues (€ million)	593	523	+ 70	+ 13.4	581
EBITDA adjusted (€ million)	113	- 98	+ 211	–	- 62
EBIT adjusted (€ million)	- 472	- 690	+ 218	- 31.6	- 575
DB Business Services	- 74	- 85	+ 11	- 12.9	- 71
DB Operational Services	217	32	+ 185	–	18
Other	- 614	- 637	+ 23	- 3.6	- 522
Gross capital expenditures (€ million)	815	981	- 166	- 16.9	714
DB Business Services	7	5	+ 2	+ 40.0	5
DB Operational Services	414	390	+ 24	+ 6.2	429
Other	394	586	- 192	- 32.8	280
Net capital expenditures (€ million)	809	981	- 172	- 17.5	713
Employees as of Dec 31 (FTE)	58,345	57,878	+ 467	+ 0.8	55,497
DB Business Services	11,571	11,792	- 221	- 1.9	12,015
DB Operational Services	44,299	43,330	+ 969	+ 2.2	40,907
Other	2,475	2,756	- 281	- 10.2	2,575
Annual average employees (FTE)	58,255	56,847	+ 1,408	+ 2.5	54,973

The increase in total revenues was driven by higher revenues from intra-Group customers of DB Operational Services companies. This resulted mainly from a higher demand for digitalization and cybersecurity solutions (DB Systel), for Covid-19-related cleaning and hygiene services (DB Services), mobility (DB Connect) and security services (DB Security). A higher project volume for DB Vehicle Maintenance and the DB E.C.O. Group also had a revenue-increasing effect.

Revenues from non-Group customers increased slightly. This was mainly the result of recovery-related growth at DB Sales and an increase in project business at the DB E.C.O. Group.

The operating profit figures in the Other area were significantly affected by corporate management functions performed for the business units. There was no cost transfer to the business units by means of intra-Group allocations. The operating profit figures adjusted EBITDA and adjusted EBIT were significantly better, as growth in income exceeded the increase in expenses.

These extra costs were due to higher expenses for personnel, mainly resulting from an increase in the number of employees in response to capacity and quality measures. Rental expenses and IT costs were also above the previous year's level. In addition to countermeasures, the positive business development at DB Systel, DB Vehicle Maintenance, DB Sales and DB Connect, among others, more than compensated for these effects.

The decline in capital expenditures resulted mainly from less significant effects from extensions of existing rental and lease contracts at DB Real Estate.

The number of employees increased, driven mainly by increased personnel at DB Operational Services companies, in particular in the DB E.C.O. Group, DB Systel, DB Vehicle Maintenance, DB Security, DB Services and DB Bahnbau, resulting from expanded digitalization and quality measures, additional hygiene and safety requirements as a result of the Covid-19 pandemic and the increase in in-house production levels. Due to changes in demand, on the other hand, the number of employees working for DB Sales and the human resources service providers of DB Group fell. The number of employees at the Group headquarters also fell.

DB Arriva business unit

DEVELOPMENT IN THE RELEVANT MARKETS

The environment for European passenger transport deteriorated significantly from spring 2020 due to the Covid-19 pandemic. The official contact and travel restrictions continued in 2021. These were only gradually eased before being reintroduced as the number of infections increased in the last quarter of 2021. In some places, the restrictions were stricter than in Germany. These effects also led to a substantial decline in volume sold in 2021 compared to pre-Covid-19 levels. In many European countries, the transport sector and transport providers received financial support from public authorities to (partially) compensate for the large losses caused by the Covid-19 pandemic.

United Kingdom

- The United Kingdom (UK) government is taking forward its plans for reforming rail following the publication of the Williams-Shapps plan, in May 2021. The reforms will take a few years to implement. A new public institution, the Great British Railways (GBR), will be set up to implement the new model as a management institution in close cooperation with private operators. The previous franchise model for rail transport contracts is being reformed.
- The UK government moved to a further stage of support for bus services in England and the emergency scheme was replaced by GBP 226.5 million of recovery funding payable to local authorities and operators until April 5, 2022. The funding is closely aligned to the policy aims of the national bus strategy (NBS), which focuses on increasing passenger numbers and comprises GBP 3 billion after 2021.
- At the end of October 2021, local transport authorities published a local Bus Service Improvement Plan, developed in collaboration between operators and authorities. It sets targets for punctuality and passenger growth, highlights important bus transport measures and consider issues such as carbon reduction targets, and plans for revised networks, fares and ticketing together with priorities for government funding allocated under the NBS.

Mainland Europe

- Operations in the Netherlands will continue to be supported by central and local governments in 2021 and into 2022. Discussions with contracting organizations regarding support through to September 2022 and the potential for extension of support beyond that date are continuing.
- A new government coalition has been in office in the Netherlands since January 2022 and has released a coalition program. Discussions around further liberalization of public transport are taking place and, after a two-year period of emergency contract extensions due to the impact of Covid-19, competitive tenders are expected to resume.
- In Mainland Europe, mechanisms of government support in response to Covid-19 impacts have varied by market, and have included direct support (the Netherlands, Croatia, Serbia, Denmark, Italy, Hungary, Czech Republic), adjustments to contractual pricing mechanisms (Sweden, Spain, Portugal) and previously agreed support such as cost plus contracts (Slovakia) and a farebox guarantee (Slovenia).

BUSINESS MODEL

DB Arriva focuses on transport services with buses and trains. The activities of DB Arriva are divided into three lines of business: UK Bus, UK Trains and Mainland Europe.

Volume sold and volume produced are important key performance figures. In addition to revenues from fares, subsidies from national governments and public transport authorities are an important source of income. Commercial revenues are generated mainly through ticket sales/fares. In addition, in many markets DB Arriva also generates revenues from private rentals, which complement the commercial business.

Predefined terms of transport contracts, concessions and route authorizations, combined with the complex production system, result in a cost structure with a high proportion of fixed or semi-fixed costs (costs related to production but which need some time to adjust to fluctuations in production, such as personnel expenses). Alongside capital expenditure and depreciation, the major drivers are personnel, maintenance, energy and infrastructure expenditure (in rail transport). Reacting quickly to changes in bus and train capacity can be a challenge in many of the markets in which DB Arriva operates.

GRI 102-6 102-7

DB ARRIVA – AT A GLANCE

LINES OF BUSINESS

UK Bus
DB Arriva is the third-largest provider of bus services in regional markets in the United Kingdom, with rural, urban and inter-urban bus services, and is a major operator in London. Our buses operate across England and Wales.

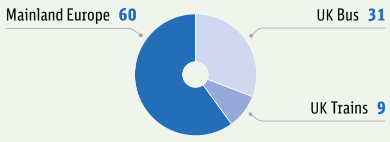
UK Trains
DB Arriva runs three rail contracts (CrossCountry, Chiltern and London Overground) and an open-access operation (Grand Central) in the United Kingdom.

Mainland Europe
DB Arriva is the leading private player across most of its markets in 13 European countries. In addition to trains and buses, DB Arriva also operates water buses and car-sharing services.

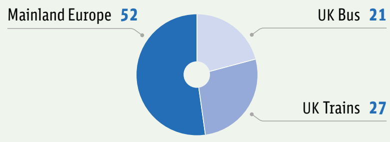
Corporate Center
The lines of business are supported by central functions providing specialist support across IT, Procurement, HR, Commercial and Finance, using knowledge and experience to leverage and share best practice.

STRUCTURE

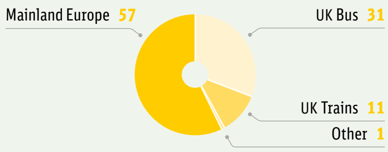
PASSENGERS / %



REVENUES / %



EMPLOYEES / %



BUSINESS MODEL

INPUTS

Employees
– About 43,200

Vehicles
– 813 multiple units
– 18 locomotives
– 73 passenger cars
– 15,676 buses (including external buses)

Electricity and fuel
– 454 million l fuel
– 271 million kWh electricity

BUSINESS ACTIVITIES

Customer segments
– Private customers
– Contracting organizations and other local authorities

Value proposition
– DB Arriva offers customer-oriented, efficient and affordable transport solutions.

Customer access and retention
– Local sales outlets, travel centers, agencies, ticket machines, online, call center, on-board sales
– Subscriptions, apps

Key activities
– Providing train and bus services
– Looking after customers
– Providing and maintaining vehicles
– Operation and optimization of local networks

OUTPUTS [1]

Passengers
– 1.3 billion (bus and rail)

Volume sold
– 4.7 billion pkm (rail)

Volume produced
– 0.9 billion bus km and
– 0.1 billion train-path km

OUTCOMES [2]

EBIT adjusted
– € -73 million

Employee satisfaction
– SI of 3.8 (2020)

Customer satisfaction
– SI of 77

Greenhouse gas emissions
– -17.3% (rail)
– -14.9% (bus) compared to 2006 (specific)

Punctuality
– 93.5%

As of 2021 respectively December 31, 2021.
[1] Key products and services.
[2] Internal and external consequences and results from business activities and outputs along the entire value-added chain.

Throughout Europe, DB Arriva works with local, regional and national authorities to bring new and improved services to customers. DB Arriva's regional presence allows it to quickly respond to changes, especially new regulatory requirements and changing customer expectations. DB Arriva works closely with its customers to develop efficient, reliable, safe and sustainable transport solutions.

Clients particularly appreciate the experience that DB Arriva has with operating various transport solutions and DB Arriva's commitment to providing high-quality, reliable, efficient and cost-effective transport services.

MARKETS AND STRATEGY

GRI 102-6 DB Arriva connects communities in various European countries, and continuously invests in new vehicles, improving passenger information systems and developing new mobility solutions to complement traditional passenger modes. This in turn helps the company achieve sustainable positions across its core markets. Furthermore, DB Arriva continues to improve its position by participating in tenders across its markets. Some examples of such investment in technology, products and new tenders are:

- UK Bus has introduced a standardized operating model under a new function that creates a foundation for operational excellence and unlocks additional potential. UK Bus has appointed a national Operations Director, supported by a team to improve operational excellence through various programs of changes.
- UK Trains and Mainland Europe were successful in various tender processes 141 f. The successes included direct awarding and extensions of existing contracts, such as those for Chiltern Railways 141.

Employees are a critical component in DB Arriva's success. Each year DB Arriva continues to evolve its approach to continually improve engagement with employees, including through a wide range of opportunities for employees to share their ideas and views. This feeds the development of action planning to enable our continual development, making Arriva an even better place to work.

In 2021, DB Arriva was able to maintain the level of employee satisfaction, benchmarking well against external comparisons and supporting our employer of choice vision.

DB Arriva's commitment to the environment and to the wider sustainability agenda is an integral part of its corporate culture. Central to this is transitioning to zero emissions vehicles where possible, reducing fuel consumption, improving air quality and reducing carbon emissions. DB Arriva has committed to helping shape a sustainable future and in 2021 began developing a new sustainability strategy which will be rolled out in 2022. The strategy will set ambitious targets with a focus on zero emissions vehicle transition for both bus and rail operations in Europe, circularity, green procurement, and diversity and inclusion.

In 2020, DB Arriva undertook a strategic review to ensure the business can continue to thrive and grow in the future. The majority of European markets have been evaluated as core and there will be no change, however certain markets identified as non-core are under evaluation to establish divestment opportunities. The outcome will be a more focused business facilitating even greater innovation and sustainable growth, whilst also closely aligning their business to the needs of their clients, passengers and the communities they serve. This process is ongoing, and no decisions have yet been made.

In 2021, DB Arriva continued to take appropriate management actions to reduce its cost base to make it more competitive, and throughout the year maintained discipline around its capital expenditures. Such action included, for example, successfully closing its three defined benefit pension schemes to future accrual, resulting in one-off closure costs of € 30 million. As a result of the management actions taken, DB Arriva is able to invest in its growth markets.

In addition, DB Arriva launched a company-wide performance improvement program to identify and implement cost savings and commercial initiatives to build a more efficient and competitive business for the long term. In 2021, DB Arriva began to roll out new tender and contract management processes and introduced a key performance indicator approach to drive performance across the business. Customers sit at the heart of this improvement program, with DB Arriva focused on using data and building insights in order to build closer and deeper relationships to meet DB Arriva's customers' needs and expectations.

ORDER BOOK

Awarded transport contracts

TRANSPORT CONTRACTS AWARDED / Rail 2021		Term	Volume (million train km) p. a. [1]	Volume (million train km) Total [1]
United Kingdom	Chiltern	12/2021–03/2025	10.4	33.8
Czech Republic	MoT Trains (R14)	12/2022–12/2027	1.7	8.5
Sweden	E20 Train Roslagsbanan [2]	06/2021–04/2022	3.2	2.4
Poland	Kujawsko-Pomorskie [2]	12/2021–12/2022	2.2	2.2
Total [1]			**17.5**	**46.9**

[1] Differences due to rounding are possible.
[2] Including extensions of existing transport contracts.

- A new contract (National Rail Contract) for Chiltern Railways has been agreed with the Department for Transport. The new contract started on December 31, 2021, and runs until the end of 2027, with a guaranteed core term of 3.25 years (the remainder is subject to the discretion of the Secretary of State).

TRANSPORT CONTRACTS AWARDED / Bus 2021		Term	Volume (million bus km) p. a. [1]	Total [1]
Slovakia	Bratislava Regional Transport	11/2021 - 11/2031	14.5	145.0
United Kingdom	London (35 separate lines) [2]	2 - 5 years	37.3	83.1
Slovenia	Regional Transport [3]	12/2021 - 12/2023	23.1	46.2
Sweden	Kristianstad	12/2022 - 12/2028	7.0	41.6
The Netherlands	Noord Brabant West [3]	07/2023 - 07/2025	17.9	35.8
Italy	SAB [3]	01/2022 - 12/2023	13.7	27.4
Sweden	E20 Bus Norrort [3]	06/2021 - 11/2022	17.2	22.9
Hungary	BKK A7+BKK A8 [3]	06/2021 - 06/2023	11.2	22.4
Italy	SIA [3]	01/2021 - 12/2021	15.9	15.9
Italy	SADEM [3]	01/2022 - 03/2023	9.9	12.4
Czech Republic	City of Třinec	01/2022 - 12/2031	1.2	12.0
Slovakia	City of Trnava	07/2021 - 06/2031	1.2	11.6
Slovakia	Zilina region [3]	12/2021 - 09/2022	10.5	8.7
Serbia	Bosch passenger transport [3]	02/2022 - 01/2024	1.6	3.1
The Netherlands	Lelystad [3]	01/2022 - 12/2024	1.4	2.8
Serbia	Leoni personnel transport [3]	02/2021 - 01/2022	1.2	1.2
Serbia	City of Kragujevac [3]	06/2021 - 05/2022	2.5	2.5
Other [2]		0.2 - 10 years	11.4	12.7
Total			**198.7**	**507.3**

[1] Differences due to rounding are possible.
[2] Including extensions of existing transport contracts.
[3] Extension of the existing transport contract.

— DB Arriva mobilized the first part of its bus contract in Kristianstad / Sweden for the provision of 54 city buses in December 2020. The second part of the contract involving 31 regional buses successfully commenced in December 2021. The contract will be operated until December 2028.

Major commissionings

MAJOR COMMISSIONINGS / Rail 2020 - 2021 [1]		Term	Million train-path km p. a.	thereof versus 2020
Czech Republic	MOT (R14)	12/2020 - 12/2027	1.7	+ 1.7
Total [2]			**1.7**	**+ 1.7**

[1] Services were previously not provided by DB Arriva.
[2] Differences due to rounding are possible.

MAJOR COMMISSIONINGS / Bus 2020 - 2021 [1]		Term	Million bus km p. a.	thereof versus 2020
Czech Republic	Pilsen region	06/2020 - 06/2030	18.2	+ 8.3
Sweden	Kristianstad	12/2020 - 12/2028	3.5	+ 3.2
Slovakia	Bratislava	11/2020 - 11/2031	15.3	+ 1.9
Total [2]			**37.0**	**+ 13.4**

[1] Services were previously not provided by DB Arriva.
[2] Differences due to rounding are possible.

Major contract cessations

MAJOR CONTRACT CESSATIONS / Rail 2020 - 2021 [1]		Cessation	Million train-path km p. a.	thereof versus 2020
United Kingdom	Rail North	03/2020	56.5	- 9.0
Total [2]			**56.5**	**- 9.0**

[1] Services were previously not provided by DB Arriva.
[2] Differences due to rounding are possible.

MAJOR CONTRACT CESSATIONS / Bus 2020 - 2021 [1]		Cessation	Million bus km p. a.	thereof versus 2020
Sweden	Halland South (Halmstad City)	06/2020	5.9	- 3.0
Czech Republic	Hradec Králové region	02/2021	6.9	- 5.8
Denmark	Movia A18	06/2021	5.0	- 2.5
Denmark	NT26.4	08/2021	3.0	- 1.0
Czech Republic	Ústecký kraj region	11/2021	2.9	- 0.5
Slovakia	Nitra City	12/2021	4.2	- 0.4
Total [2]			**27.9**	**- 13.2**

[1] Services were previously provided by DB Arriva.
[2] Differences due to rounding are possible.

Order book

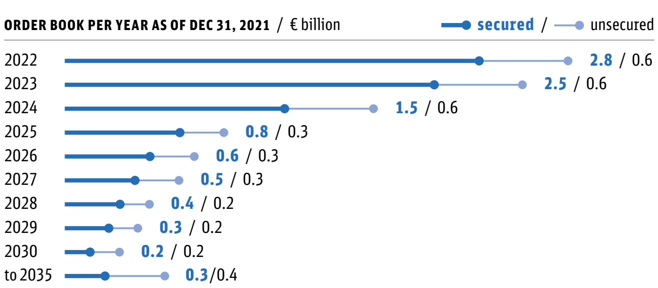
ORDER BOOK AS OF DEC 31 / € billion	2021	2020	Change absolute	Change %
DB Arriva	13.6	14.4	- 0.8	- 5.6
secured	9.9	10.2	- 0.3	- 2.9
unsecured	3.7	4.2	- 0.5	- 11.9

Revenues that are directly connected with transport contracts or concessions are either independent of (secured revenues, primarily concession fees) or dependent on (unsecured revenues, primarily revenues from fares) the number of passengers.

In 2021, the order book declined in total. The additions from transport contracts won of about € 2.4 billion are offset by disposals – mainly as a result of services rendered – of about € 3.4 billion. In addition, changes in premises of + € 0.2 billion had a positive effect.

This was primarily due to the development in Mainland Europe (– 7 %). There has been tendency in many markets to defer tender processes and extend existing contracts. DB Arriva expects the tender volume to increase again in the second half of 2022 and in 2023.

ORDER BOOK PER YEAR AS OF DEC 31, 2021 / € billion



DIGITALIZATION AND INNOVATION

- DB Arriva launched its first Mobility as a Service (MaaS) app glimble. The new mobile app enables passengers to plan, book and pay with a smartphone for most travel options. The app works in the Netherlands for all modes and means of transport, thus ensuring fully interlinked multimodal travel planning.
- DB Arriva's shared mobility service in Denmark, SHARE NOW, has extended its area of operation to the city of Lyngby.

ENVIRONMENTAL MEASURES

- In 2021, Udine will be the first Italian city to introduce five natural gas vehicles on its suburban lines, with an investment of about € 1.3 m financed by DB Arriva.
- Chiltern Railways trialed the use of its first hybrid train in June 2021. The re-engineered train has been fitted with an innovative system that allows it to operate under battery power while entering or leaving stations before switching to diesel engines. It will be used in passenger transport from the beginning of 2022 and is the fastest hybrid train to operate in passenger service on the UK national network. This will help to reduce noise and pollutants in and around stations and could also lead to shorter travel times for customers.
- DB Arriva has commissioned 18 new WINK trains in the Netherlands. In addition to a modern design, the newly designed articulated rail cars (GTW) are also fitted with batteries that can store the trains' braking energy, making them quieter in the station. Storing braking energy means the train does not have to idle when stationary to keep its systems, including lighting and air-conditioning, operational, reducing the environmental impact.
- ProRail, DB Arriva and the provinces of Overijssel, Gelderland and Fryslân are working together to achieve climate-neutral local public transport and are testing a new battery powered train. On three non-electrified rail routes a WINK train from DB Arriva will be tested to (partly) run electrically. By making technical adjustments to the train, it can run on a battery instead of diesel.
- DB Arriva has fitted its bus fleet in the Dutch region of Achterhoek to operate with hydrotreated vegetable oil (HVO). This is in addition to the HVO buses operated in Friesland and Schiphol and it is also used to power the heating on board buses in Limburg. In addition, the 18 new WINK trains in the north of the Netherlands will also be operated with HVO, and tests will be carried out on HVO use on two existing GTW trains.
- In February 2021, DB Arriva awarded Solaris its first order in the Netherlands for ten new hydrogen buses, the first of which was delivered in October 2021. The capital expenditure of about € 6.4 million will be supported by the province of Gelderland and the EU.
- DB Arriva opened a new energy-efficient combined depot and head office building in Madrid / Spain. The design of the depot accommodates a transition to zero emissions vehicles, with new infrastructure installed to support the charging of hybrid, electric and gas-powered vehicles, planned for the future.
- DB Arriva has tested several types of electric buses in Hungary (MAN Lion'sCity E, Mercedes eCitaro, BYD K9 UB solo, Ikarus 120.EL CityPioneer). Plans for similar tests in the future will also be developed in close cooperation with the public transport authority.

OTHER EVENTS

- The application by DB Arriva for two open-access night connections in the Netherlands has been approved by the market authorities. In a unique move within the Dutch market, DB Arriva is applying for three new Open Access routes of which two will serve Schiphol Airport with night-time links, allowing travel by rail during the night for the first time and connecting with early morning flight departures.

DEVELOPMENT IN THE YEAR UNDER REVIEW

⟼ *Performance development at the beginning of the year still significantly influenced by Covid-19 effects.*

⟼ *Revenue decline, partially mitigated through government support payments.*

⟼ *Cessation of the Rail North franchise (ARN effect).*

Punctuality in rail passenger transport increased, partly as a result of the Rail North effect and due to the reduced standing times at stations due to the lower passenger numbers.

In the UK the customer satisfaction survey was paused due to the Covid-19 pandemic and was only resumed in the fourth quarter of 2021. DB Arriva's activities achieved good results, with Arriva London Overground and Chiltern Railways in particular showing good improvements in overall customer satisfaction. Customer satisfaction at UK Bus fell slightly as a result of lower supply due to Covid-19 and reduced punctuality.

DB ARRIVA	2021	2020	Change absolute	Change %	2019
Punctuality (rail) (United Kingdom, Denmark, Sweden, the Netherlands, Poland and the Czech Republic)[1] (%)	93.5	92.3	+1.2	–	87.6
Customer satisfaction for bus and rail in the United Kingdom (SI)	77	80	-3	–	78
Passengers in bus and rail (millions)	1,308	1,179	+129	+10.9	2,214
Volume sold (rail) (million pkm)	4,663	4,494	+169	+3.8	12,617
Volume produced (bus) (million bus km)	947.6	927.7	+19.9	+2.1	1,065
Volume produced (rail) (million train-path km)	109.2	111.3	-2.1	-1.9	168.9
Total revenues (€ million)	4,069	3,990	+79	+2.0	5,410
External revenues (€ million)	4,067	3,988	+79	+2.0	5,405
EBITDA adjusted (€ million)	359	51	+308	–	752
EBIT adjusted (€ million)	-73	-431	+358	-83.1	289
Gross capital expenditures (€ million)	267	457	-190	-41.6	718
Employees as of Dec 31 (FTE)	43,189	46,008	-2,819	-6.1	52,331
Annual average employees (FTE)	44,187	47,180	-2,993	-6.3	52,855
Employee satisfaction (SI)	–	3.8	–	–	–
Share of women as of Dec 31 (%)	13.6	14.7	-1.1	–	14.9
Specific greenhouse gas emissions (rail) compared to 2006 (based on rail car units) (%)	-17.3	-12.2	-5.1	–	-9.7
Specific greenhouse gas emissions (bus) compared to 2006 (based on bus km) (%)	-14.9	-16.2	+1.3	–	-10.1

[1] Change of methods in the UK Trains line of business in 2021 with retroactive adjustment in previous years.

The performance development recovered only slowly and remained at a low level. Overall, recovery effects and new traffic led to an increase in the number of passengers (bus and rail). Offsetting effects resulted from the Covid-19 pandemic, especially at the beginning of 2021, and the ARN effect. Thus, the volume produced in rail transport declined.

The economic development improved, mainly as a result of additional government support measures, but remains strained.

Overall, income development was slightly positive:

- Revenue increased, due in part to government support services, new transport services, recovering effects in Mainland Europe and due to exchange rate effects. The ARN effect and the effects of Covid-19, especially in the UK, countered this impact.
- Other operating income (+8.8%/€ +35 million) increased as well. Higher Covid-19-related government support measures and positive exchange rate effects were partially offset by the ARN effect.

On the expense side, there was a noticeable decline:

- Other operating expenses (–30.1%/€ –242 million) decreased significantly, due in part to the ARN effect and lower franchise payments. Exchange rate effects had a countereffect.
- Depreciation (–10.4%/€ –50 million) decreased as a result of one-off effects and due to the ARN effect. This was counteracted by an increase due to new traffic in Mainland Europe and exchange rate effects.

The increase in other expense items had a partially compensating effect:

- The increase in personnel expenses (+1.4%/€ +30 million) resulted mainly from exchange rate effects and one-off effects from the closure of pension plans, partially offset by the ARN effect. Adjusted for exchange rate effects, personnel expenses fell slightly.
- The increase in the cost of materials (+1.0%/€ +15 million) is also largely due to exchange rate effects and increased energy and maintenance costs. The ARN effect had a dampening effect.

DB Arriva took a cautious approach to capital expenditure activities, which subsequently declined significantly. The ARN effect and the conclusion of projects for new transport services in Mainland Europe also contributed to this.

The number of employees decreased as a result of the reduced volume of services and driver turnover at UK Bus.

The share of women decreased slightly.

Specific CO_2 emissions in relation to the reference year 2006 continued to decline in rail transport. The level in bus transport has deteriorated slightly. Telematics system support is a significant lever for reducing emissions, as it reduces heavy acceleration and braking processes in both bus and rail transport. The increasing share of Euro VI engines is making the bus fleet increasingly efficient and more environmentally friendly.

UK Bus line of business

⟶ *Recovery has begun, Covid-19 effects persist.*

⟶ *Further government support measures.*

UK BUS LINE OF BUSINESS	2021	2020	Change absolute	Change %	2019
Passengers (million)	402.3	366.9	+35.4	+9.6	716.5
Volume produced (million bus km)	304.9	298.0	+6.9	+2.3	345.9
Total revenues (€ million)	861	838	+23	+2.7	1,076
External revenues (€ million)	861	837	+24	+2.9	1,074
EBITDA adjusted (€ million)	48	29	+19	+65.5	134
EBIT adjusted (€ million)	-48	-69	+21	-30.4	44
Gross capital expenditures (€ million)	50	36	+14	+38.9	64
Employees as of Dec 31 (FTE)	13,398	14,806	-1,408	-9.5	15,130

The number of passengers at UK Bus increased due to Covid-19 recovering effects. After a decline in demand at the beginning of 2021, demand has recovered since March. It should be noted that the first months of 2020 were not yet impacted by Covid-19 effects.

Volume produced increased again, as fewer transport services were cancelled due to the Covid-19 pandemic.

The economic development was better. Increasing revenues and higher levels of support led to an improvement in operating profit figures.

Income development was slightly positive:

- Revenue development improved, mainly driven by exchange rate effects and the recovery in demand. The discontinuation of the bus sales and hire business of Arriva Bus and Coach had a dampening effect.
- Other operating income also increased, mainly as a result of higher Covid-19 support measures such as state bus service support grants as well as positive exchange rate effects.

On the expense side, negative exchange rate effects, among other things, led to an increase:

- Personnel expenses increased. Negative exchange rate effects and one-off effects from the closure of pension plans were partially offset by lower driver costs due to the effects of Covid-19.
- Other operating expenses increased, mainly due to exchange rate effects. After adjusting for these effects, other operating expenses remained virtually unchanged.

In contrast, the decline in other expense items had a partially compensating effect:

- Cost of materials decreased mainly due to lower expenses in connection with the discontinuation of bus sales and hire business of Arriva Bus and Coach. This was partly offset by negative exchange rate effects.
- Depreciation increased slightly as a result of lower capital expenditures in the previous year.
- Capital expenditures increased due to vehicle projects that were postponed in the previous year because of the Covid-19 pandemic.

The number of employees fell noticeably, due in part to driver turnover as a result of Brexit and the reduced service offering due to the Covid-19 pandemic.

UK Trains line of business

⟶ *Continued negative effects due to Covid-19, mitigated by government support measures.*

⟶ *Services of Grand Central temporarily suspended until March 2021 during the shutdown.*

⟶ *Cessation of the ARN franchise on March 1, 2020.*

UK TRAINS LINE OF BUSINESS	2021	2020	Change absolute	Change %	2019
Passengers (million)	118.6	120.5	-1.9	-1.6	354.8
Volume sold (million pkm)	2,863	2,943	-80	-2.7	10,264
Volume produced (million train-path km)	48.0	57.7	-9.7	-16.8	115.8
Total revenues (€ million)	1,141	1,286	-145	-11.3	2,190
External revenues (€ million)	1,107	1,255	-148	-11.8	2,137
EBITDA adjusted (€ million)	34	38	-4	-10.5	220
EBIT adjusted (€ million)	0	-36	+36	-	80
Gross capital expenditures (€ million)	6	47	-41	-87.2	277
Employees as of Dec 31 (FTE)	4,844	4,948	-104	-2.1	11,215

The performance development at UK Trains was influenced by the ARN effect. It should also be noted that the start of 2020 was not affected by the Covid-19 pandemic.

The economic development continued to be shaped by Covid-19 effects. Operating profit figures improved due to the significant decline in expenses.

The income situation was significantly weaker:

- Revenues fell sharply, due in part to the ARN effect and the decline in passenger numbers. Government Covid-19 support measures and positive exchange rate effects partially compensated for this.
- Other operating income also declined sharply, due in part to the ARN effect.

On the expenses side, the ARN effect and changes in the treatment of leasing expenses at CrossCountry led to a significant decline:

- Other operating expenses fell significantly, mainly as a result of the ARN effect, lower franchise payments due to government support, reduced rental expenses due to the changed treatment of leased assets at CrossCountry, and the loss of a negative one-time effect at Grand Central.
- The decrease in personnel expenses resulted mainly from the ARN effect, partially compensated by exchange rate effects.

- Cost of materials also fell significantly, mainly due to the ARN effect. Negative exchange rate effects had a partially offsetting effect.
- Depreciation fell significantly, primarily due to the ARN effect as well as change in accounting treatment of lease assets at Chiltern Railways.

Capital expenditures fell significantly, primarily due to the ARN effect. In addition, capital expenditures of so-called emergency recovery measures agreements (ERMA) are generally grant-funded.

The number of employees fell slightly.

Mainland Europe line of business

⟼ *Recovery has begun, Covid-19 effects persist.*

⟼ *Further government measures.*

⟼ *New transport services in the Czech Republic with positive effect.*

MAINLAND EUROPE LINE OF BUSINESS	2021	2020	Change absolute	Change %	2019
Passengers (bus) (million)	696.0	610.2	+ 85.8	+ 14.1	1,018
Passengers (rail) (million)	91.2	81.5	+ 9.7	+ 11.9	125.4
Volume sold (rail) (million pkm)	1,800	1,551	+ 249	+ 16.1	2,353
Volume produced (bus) (million bus km)	642.7	629.7	+ 13.0	+ 2.1	719.5
Volume produced (rail) (million train-path km)	61.2	53.6	+ 7.6	+ 14.2	53.2
Total revenues (€ million)	2,258	2,034	+ 224	+ 11.0	2,321
External revenues (€ million)	2,098	1,894	+ 204	+ 10.8	2,182
EBITDA adjusted (€ million)	340	50	+ 290	–	402
EBIT adjusted (€ million)	44	- 220	+ 264	- 120	174
Gross capital expenditures (€ million)	210	370	- 160	- 43.2	377
Employees as of Dec 31 (FTE)	24,585	25,897	- 1,312	- 5.1	25,572

The performance development in Mainland Europe was positive overall, driven by new transport services and a recovery in demand, as well as the sustained Covid-19 effects, particularly at the beginning of the year:

- In rail transport the effects from new traffic in the Czech Republic and recovery effects exceeded the Covid-19-related declines.
- In bus transport, the development was regionally differentiated. The Covid-19 impact varied by region, depending on the extent of the restrictions. Overall, the number of passengers and the volume produced increased, mainly driven by partial Covid-19 recovery and new transport services in the Czech Republic and in Italy.

The economic development was much more positive again, driven by a noticeable growth in income:

- The significant increase in revenues resulted mainly from the partial recovery in demand and new transport services in the Czech Republic. Exchange rate effects also had an impact.

The expense side was significantly influenced by the omission of Covid-19-related effects:

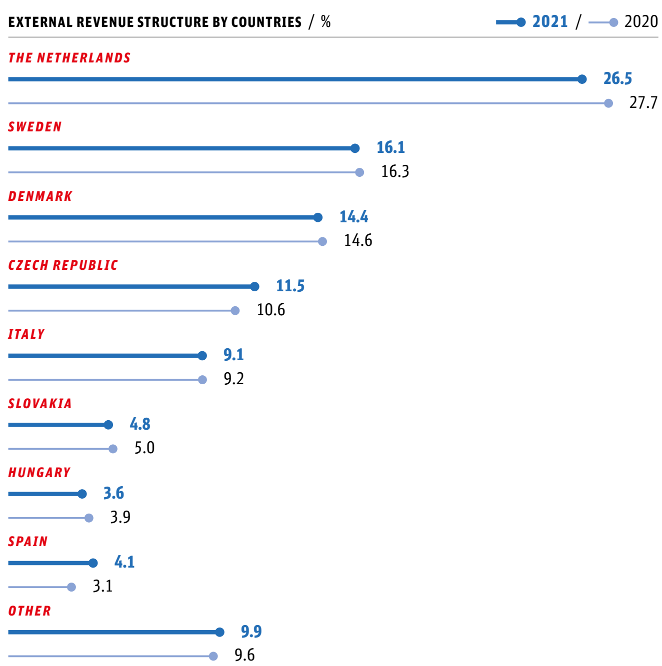
- Other operating expenses fell significantly, primarily due to lower effects of creation of provisions for impending losses, which were exceptionally high in 2020 due to the Covid-19 pandemic.

The increase in other expenses was partly compensating:

- The increase in costs of materials was driven in particular by higher fuel costs as a result of the expansion of services. In addition, new transport services in the Czech Republic also contributed to higher expenses.
- Depreciation increased significantly, mainly due to capital expenditures for new transport services in the Czech Republic and the impairments on diesel buses in connection with the EU Directive on the Promotion of Clean and Energy-Efficient Road Transport Vehicles.
- Personnel expenses increased as a result of the expansion of services and exchange rate effects.

The decline in capital expenditures also resulted from the conclusion of capital expenditure measures for new transport services.

The number of employees fell due to delays in the re-employment of temporary staff after the Covid-19 pandemic and the impact of strategic decisions in non-core countries.



The revenue structure changed only slightly, due in part to the effects of new transport services in the Czech Republic. The share of revenue in Spain also increased, while the share in the Netherlands declined.

DB Schenker business unit

DEVELOPMENT IN THE RELEVANT MARKETS

GRI 102-6

Land transport

EUROPE

- After the slump in European land transport in 2020 due to the Covid-19 pandemic, there was a noticeable recovery in 2021.
- 2021 was marked by an increase in demand in European land transport as a result of the economic recovery. The increased demand was met by a shortage and an increase in the price of transport services, caused in part by a lack of drivers and an increase in the price of diesel. Prices for transport services increased noticeably, and were exacerbated by unstable supply chains in air and ocean freight and the resulting waiting times.
- Shipment flows also changed slightly from intercontinental to more intra-European flows.
- Investments in digital platforms for consolidating supply and demand of transport capacities added to the existing pressure on margins caused by intense competition.
- Despite the tense market situation, DB Schenker maintained its market-leading position.

AMERICAS

- Truck load capacity in North America remained very low, initially mainly in the US, then also in Mexico and Canada. The ongoing lack of drivers, the availability of equipment and parts, as well as the rising costs of fuel, tires and insurance, caused prices to rise further.
- In South America, the market was less tense – disruptions to land transport were much less frequent and were caused by pandemic-related problems or general port congestion.

ASIA / PACIFIC

- Domestic business in most countries was affected by restrictions related to the Covid-19 pandemic from February to July 2021. International business in Asia and Eurasia increased by 75%, due to restrictions in international air and shipping.

Air freight

As in the previous year, 2021 was heavily influenced by pandemic-related factors on all trade routes.

- Since the beginning of the pandemic, the air freight market has been faced with a lack of capacity, triggering strong momentum in terms of rising freight prices.
- On the geopolitical level, trade restrictions also presented further obstacles.
- Nevertheless, the market was able to increase significantly in tonnage compared to the crisis-shaken previous year. The recovery was also helped by the extreme turbulence affecting the ocean freight market. Many companies tried to compensate for supply-chain bottlenecks by using air freight. According to the international industry association IATA, demand has now exceeded pre-pandemic levels, although capacity is still significantly lower.
- DB Schenker recorded significant volume growth in 2021. This was made possible by the early purchase of charter freight capacities, which, in the current situation of scarce capacity, enables not only existing customers to ensure the smooth running of their transport chain, but also enables us to attract new customers.

Ocean freight

- The market situation remained very tense in 2021. The reliability of global schedules reached a low point, marked by delayed port arrivals, longer handling times and a record number of overbooked container spaces. This led to persistently high rates from the beginning of the year.
- This situation was caused by many far-reaching restrictions, starting with the incident in the Suez Canal, followed by the Covid-19-related closure of the terminal in the port of Ningbo and the delays in the port of Los Angeles / Long Beach, with subsequent further equipment bottlenecks and delays.
- The development of the market in 2021 was thus marked by great uncertainty for all participants.
- Thanks to preferential access to capacity, DB Schenker has held up well in this challenging market environment.

Contract logistics

- The global contract logistics market recorded a recovery in 2021, mainly from the APAC and Americas regions, while the Europe region was not able to recover to pre-pandemic levels.
- The positive development in the e-commerce, healthcare, electronics and consumer goods sectors was still very pronounced and contributed significantly to strong market growth. The situation in industry also improved significantly.
- The automotive and consumer electronics sectors experienced a short-term increase in demand volatility due to supply bottlenecks for microchips and inventories caused by capacity bottlenecks and / or delays in ocean freight.

- Stronger price increases were observed in individual segments, including wages, steel, industrial trucks, as well as other material handling equipment and real estate.
- DB Schenker recorded a slight increase in its market share due to its geographically and sectorally diversified portfolio, particularly in the Americas and Asia/Pacific regions.

BUSINESS MODEL

DB Schenker serves established markets and emerging national economies as an integrated transport and logistics services provider with a global network.

- In land transport, the network connects the most important economic regions in Europe. Services include time- and cost-optimized services for general cargo, partial and full load transport along with door-to-door solutions across Europe. Land transport in America is becoming an increasingly important area of activity. In addition to serving the North American markets, activities in South America are being expanded. DB Schenker is also continuously expanding its land transport business in the growth market of Asia.
- As one of the global leaders in air and ocean freight, DB Schenker offers the entire range of services in this segment.
- In contract logistics, the services offered cover all stages of the value-added chain from supplier to producer/trade, end customers and spare parts services. The core area of expertise is the planning and handling of complex global supply chains, including sustainable logistics concepts.

DB Schenker has a global customer base in a wide range of industries and a focus on industrial customers. The vertical market approach is aimed at developing industry-specific solutions. Major customers are supported with tailor-made solutions.

In air and ocean freight, DB Schenker acts solely as a freight forwarder without our own aircraft and ships. In some segments of land transport, we use our own vehicles and containers. Transshipment terminals and warehouses are generally our own property or are leased over the longer term. In addition to airlines and shipping companies in air and ocean freight, our major partners include land transport subcontractors for the supply of transport services.

Performance is measured specifically for each line of business:

- in land transport, this is measured by the number of shipments,
- air freight is calculated by tons billed, and
- the volume of ocean freight is measured in TEU.
- There is no comparable volume measurement in the contract logistics segment. In this case, market comparisons are usually made on the basis of revenues.

DB Schenker has a relatively low capital intensity and real net output ratio. About 70% of revenues in the transport business line come from procured intermediate input services. Therefore, optimizing these purchase relationships and balancing various influential success factors such as transport relations, volume, weight and mode of transport represents an important factor for success and a value driver. The same applies to managing fluctuations in freight rates and the specific surcharges to these freight rates. One of the essential factors besides gross profit is the effective and efficient use of personnel. This is of particular importance in the contract logistics line of business. Here, know-how and experience relevant to the industry are an essential success factor in the optimal design of intra-company logistics processes. Effective IT support is also especially important.

The most important sources of income are transport and logistics services, including services with added value concentrating on the strategic areas of aftermarket, cloud, finished goods fulfillment, omnichannel and medical devices, with a focus on supporting the electronics, healthcare, industrial and e-mobility sectors.

MARKETS AND STRATEGY

GRI 102-6

DB Schenker is well positioned in the relevant market segments. Our vision is to be the leading integrated transport and logistics services provider with a global reach. In order to achieve this objective, DB Schenker intends to further strengthen and expand its leading market position.

With its Primus strategy, DB Schenker intends to increase its profitability and focus its portfolio more on international growth markets. A comprehensive transformation program has been introduced to drive change in six dimensions (global market leader, customers' first choice, employer of choice, sustainability leader, digital value generator and relentless productivity driver).

The individual business areas devise the measures and implement them. Overarching issues are managed centrally. Examples include comprehensive programs to increase efficiency, which include implementing new management practices.

Digitalization is gaining increasing importance as a driver of disruption in the logistics industry. DB Schenker therefore has a dedicated digitalization unit. Initiatives such as data-driven business models, online platforms and technical innovations are promoted on a global scale.

GRI
102-4
102-6
102-7

DB SCHENKER – AT A GLANCE

LINES OF BUSINESS

Land transport
- Parcel
- System freight (LTL)
- Direct freight (LTL and FTL)
- Multimodal solutions

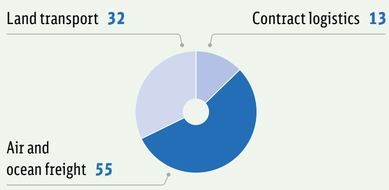
Air and ocean freight
- Air freight: general air freight products, charter services, intermodal solutions
- Ocean freight: less-than-container load (LCL) cargo shipment, full load containers, intermodal solutions, refrigerated containers
- Other services include trade fair and art logistics, systems and project logistics, sports and events logistics, special transport services

Contract logistics
- Aftermarket / reverse logistics
- Finished goods
- Cloud logistics
- E-commerce
- Medical devices / healthcare

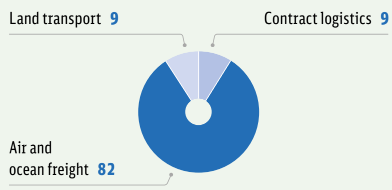
Other
- Supporting the lines of business through central functions such as production, sales, finance, HR and IT

STRUCTURE

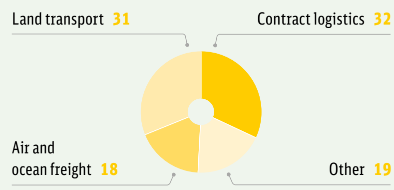
REVENUES / %



EBIT / %



EMPLOYEES / %



BUSINESS MODEL

INPUTS

Employees
- About 76,100

Vehicles
- About 33,700 vehicles used on a regular basis (including external, excluding spot market)

Networks and infrastructure
- More than 1,850 sites in over 130 countries
- thereof about 430 sites in land transport
- about 550 global sites in air / ocean freight
- More than 8 million m² warehouse space in contract logistics

Additional production factors
- Fuel
- Electricity
- Water

BUSINESS ACTIVITIES

Customer segments
- Business customers with a focus on automotive, chemicals, consumer, electronics, healthcare, industrial, retail and semiconductors / solar

Value proposition
- DB Schenker offers customer-oriented, reliable and eco-friendly integrated solutions in transport and warehousing worldwide.

Customer access and retention
- Branch offices with sales network Key account management
- E-services

Key activities
- Planning and operating global networks
- Providing / organizing transport and warehousing services
- Purchasing cargo space
- Providing supplemental logistical services

OUTPUTS [1)]

Land transport shipments
- 111 million

Air freight volume (export)
- 1.4 million t

Ocean freight volume (export)
- 2.0 million TEU

OUTCOMES [2)]

EBIT adjusted
- € 1,248 million

Employee satisfaction
- SI of 3.9 (2020)

Customer satisfaction
- SI of 68

CO_2 emissions
- -31.6 % (land transport)
- -17.4 % (air freight)
- -68.4 % (ocean freight) compared to 2006 (specific)

As of 2021 respectively December 31, 2021.
1) Key products and services.
2) Internal and external consequences and results from business activities and outputs along the entire value chain.

Implementation of PRIMUS

Numerous initiatives were implemented in 2021:

- **Global market leader:** Schenker Ventures was established to drive innovations in the logistics and supply chain industry. Founders and start-ups are supported with capital and industry knowledge. The network was further expanded, for example by beginning construction of the third expansion of a logistics hub in the Dubai South Logistics District 150.
- **Customers' first choice:** DB Schenker has expanded its global aviation network and offers its customers freight connections between America, Europe and Asia. The 43 weekly flights can carry freight with capacity corresponding to 135 large passenger aircraft.
- **Employer of choice:** The new Avature recruitment system is improving recruitment efficiency and the recruitment experience, simplifying the management process and reducing administrative costs.
- **Sustainability leader:** In cooperation with Lufthansa Cargo, DB Schenker has launched the first regular, climate-neutral freight flight 151 from Frankfurt to Shanghai. For this service, DB Schenker uses sustainable aircraft fuel produced from biomass. This initiative saves 174 tons of fossil fuel every week.
- **Digital value generator:** DB Schenker's visibility platform offers cost-effective and scalable solutions for shipment transparency. We fit assets (trucks, trailers, ships, aircraft) with sensors and link them with shipment data.
- **Relentless productivity driver:** DB Schenker aims to achieve maximum profitability and sustainable financial performance by constantly identifying opportunities for added value. These include a competitive cost structure based on a common cost culture and optimized cash flow management. This enables us to improve our financial competitiveness and be more successful than other logistics companies.

Development of the network

- Construction has begun on Dubai Logistics Center III (DLC III) – a modern, green logistics hub with a storage area of 37,000 m², including 5,000 m² of mezzanine space intended for value-added services and spare part transactions. Temperature-controlled areas and zones with ambient temperatures will be included and will be operated using 100 % renewable energy. This will increase the total space of DB Schenker's mega-logistics hub in Dubai to 84,000 m² from June 2022.
- Major new activities in contract logistics:
  - USA: Reverse logistics hub in Houston, Texas, together with a leading global player in the electronics market.
  - Germany: Distribution activities in healthcare and storage of PPE.
  - Sweden: Omnichannel operations with a high degree of automation for customers in the cosmetics, consumer and retail markets.
  - United Kingdom, China: Activities for a world-leading manufacturer in the e-mobility industry.
  - Global: various locations focusing on global server and cloud logistics to support leading industrial companies.

DIGITALIZATION AND INNOVATION

- With the Microsoft Azure platform, DB Schenker is making logistics more intelligent and supply chains more efficient. In future, cloud-based services will be connected to physical logistics solutions. DB Schenker has already launched the first cloud projects in the Azure migration program. The goal is to optimize volume, capacity and supply chain performance in real time with new big-data solutions.
- DB Schenker uses its own IT innovations to achieve improved efficiency and fewer empty spaces in all modes of transport. With the new BinPACKER algorithm, the load planning process is managed in such a way that different sized objects are stacked more intelligently. Algorithms are used to calculate the best loading solution, for example for truck loads or pallets in warehouses. Pilot tests on container and truck loading have shown that BinPACKER helps to increase capacity utilization by up to 10 %.
- DB Schenker is involved in the Croatian start-up Gideon Brothers, which specializes in robotics and AI solutions in warehouse logistics, and is participating in the USD 31 million Series A financing round, which will advance the development and marketing of the AI and 3D-view based autonomous robots (AMR). The technology has already been implemented in DB Schenker's warehouse in Leipzig.
- The heavy-load VoloDrone successfully completed its first public flight at the ITS World Congress 2021. In cooperation with DB Schenker, Volocopter used a freight transport demonstration to showcase how VoloDrone can be integrated into logistics supply chains. The test flight reached a maximum flight height of 22 m.

- DB Schenker, Dachser, duisport and Rhenus have founded the Open Logistics Foundation. The purpose of the non-profit foundation is to build a European open-source community with the aim of advancing digitalization in logistics and supply chain management on the basis of open source, as well as standardizing logistics processes. The Foundation is an appeal to pool thinking and expertise on logistics, technology and processes and to actively participate in the open-source community. It is aimed at all logistics-oriented companies and their IT developers. The Foundation was founded in cooperation with the Fraunhofer Institute for Material Flow and Logistics (IML).

ENVIRONMENTAL MEASURES

- DB Schenker and Lufthansa Cargo have implemented a regular, climate-neutral air freight connection between Frankfurt am Main and Shanghai. 100% of energy consumption is covered by sustainable aviation fuel (SAF), which consists mainly of biomass waste such as used vegetable and cooking oil. In 2021, 6,669 t SAF was purchased as part of the cooperation with Lufthansa Cargo. The emissions reduction is more than 20,700 t CO_2e.
- In Hamburg, we presented two new vehicle types that are making city logistics more climate-friendly. We have also expanded upon a special supply chain of an all-electric Fuso eCanter truck and two XXL cargo bikes. Together, these three vehicles replace two 7.5 t diesel-powered trucks.
- In 2021, another 36 Fuso eCanter electric trucks were delivered, expanding the eCanter fleet to a total of 41 vehicles. DB Schenker now operates the world's largest eCanter fleet. Besides these, the electric DB Schenker fleet green. no. 122 also includes four electric trucks from Volvo Trucks.
- DB Schenker has secured production capacity for about 1,500 full-electric Volta Zero vehicles 11 – Europe's most significant order to date for large zero-emissions trucks. As part of the partnership, DB Schenker will use the first prototypes in spring and summer 2022. The findings from these tests will be incorporated into the series production of the vehicles.
- The number of eco warehouses green. no. 73 at DB Schenker increased by 10, to 49 in 2021.
- With Avatour, DB Schenker has developed a virtual inventory inspection that enables virtual audits. This allows us to save up to 130 tons of CO_2e each year.
- In 2021, the number of Schenker "Sustainable Cities" grew to seven: in addition to Oslo and Paris, Dubai, Singapore, Gothenburg, Helsinki and Rennes are among the cities that have sustainable mobility concepts and local sustainability commitments. In Norway, all the larger cities follow the concept. In Oslo, only zero-emissions vehicles are used in inner-city traffic. For overland transport, 50% of freight is transported by train and 50% with sustainable biofuel.

  In 2019, DB Schenker developed a "Sustainable City" concept, which allowed cities in the DB Schenker network to apply for this status with a defined integrated concept and bundles of measures consisting of sustainable mobility concepts for freight transport and employees, energy and material-use reduction, waste reduction, as well as local social commitments and partnerships with science and environmental associations. Paris and Oslo made a start in 2020, with a particular focus on integrated city logistics focusing on electric mobility.

OTHER EVENTS

- Against the backdrop of the Covid-19 pandemic, DB Schenker has expanded its global network of full-charter connections in air freight. With a total of 2,333 flights, DB Schenker was able to counter the continuing lack of freight capacity caused by the grounding of many passenger aircraft. This means that the number of full-charter flights has increased more than tenfold since the start of the Covid-19 pandemic.
- DB Schenker relies on a partnership with SkyCell to use special containers for life-saving pharmaceutical products. The hybrid pharmaceutical containers are able to maintain an internal temperature of –80°C to –15°C for at least five days and temperatures from +2°C to +8°C and +15°C to +25°C for more than eight days – without an external energy supply.

INVESTMENTS

GRI 102-10

- DB Schenker completed its acquisition of the Vähälä Group in Finland on October 14, 2021. DB Schenker has thus achieved nationwide coverage in land transport for national and international transport and package deliveries, enabling it serve customers throughout Finland.
- On December 1, 2021, and December 2, 2021, respectively, DB Schenker completed the acquisition of Transportes Santos Campos S.A. and the Loserco Group in Spain. The two transactions strengthen DB Schenker's position in the Spanish land transport market.

DEVELOPMENT IN THE YEAR UNDER REVIEW

- *Very positive market environment after burdens from the Covid-19 pandemic in 2020.*
- *Strong improvement in profits, particularly in air and ocean freight.*
- *Extensive measures to improve efficiency and digitalization.*

Customer satisfaction declined significantly. The main drivers were capacity bottlenecks, closed ports and steep price increases. Customers in 18 countries were surveyed to assess customer satisfaction. The survey is carried out annually, inviting more than 200,000 participants.

Volume development reflected the overall macroeconomic recovery. Volumes increased significantly, particularly in air freight, and in some cases they rose above pre-pandemic levels. In addition to the positive market effects, DB Schenker was also able to profit from its own measures, such as ensuring transport activities at an early stage.

The economic development, driven by air and ocean freight, was also very encouraging: operating profit figures rose significantly in all regions. As a result, gross profit also improved noticeably (+17.6%). Adjusted for exchange rates, the increase was even stronger.

Income development was very positive, driven by strong revenue growth:

- Revenues increased significantly as a result of growth in volumes. Higher freight rates also had a positive effect, particularly in air and ocean freight. Negative currency effects, in contrast, had a revenue-reducing effect.
- Other operating income (–15.1%/€ –41 million) fell significantly at a low level. This was due, among other things, to lower income from Covid-19 support and for operating leases.

Expenses were driven, in part, by volume and freight-rate developments. In contrast, the effects of measures to improve productivity had a lowering effect:

- The cost of materials (+40.7%/€ +4,718 million) increased significantly due to the development of freight rates and increased volumes, particularly in air freight. Exchange rate effects and declines in other business areas, on the other hand, had an expense-reducing effect.
- Personnel expenses increased (+7.6%/€ +260 million), due in part to growth in volumes. Exchange rate effects, in contrast, had an expense-reducing effect.
- The significant increase in other operating expenses (+13.4%/€ +217 million) was also mainly driven by increased volumes. Exchange rate effects, in contrast, had an expense-reducing effect.
- Depreciation (+0.2%/€ +1 million) was at the same level as in the previous year. Higher depreciation due to increased capital expenditures (including leasing) was almost completely eliminated by exchange rate effects that reduced expenses.

DB SCHENKER	2021	2020	Change absolute	Change %	2019
Customer satisfaction (SI)	68	74	-6	–	71
Land transport shipments (million)	110.7	108.2	+2.5	+2.3	107.1
Air freight volume (export) (thousand t)	1,438	1,094	+344	+31.4	1,186
Ocean freight volume (export) (thousand TEU)	2,003	2,052	-49	-2.4	2,294
Total revenues (€ million)	23,443	17,671	+5,772	+32.7	17,091
External revenues (€ million)	23,371	17,601	+5,770	+32.8	17,018
Gross profit margin (%)	31.2	35.2	-4.0	–	36.1
EBITDA adjusted (€ million)	1,845	1,307	+538	+41.2	1,082
EBIT adjusted (€ million)	1,248	711	+537	+75.5	538
EBIT margin (adjusted) (%)	5.3	4.0	+1.3	–	3.1
Gross capital expenditures (€ million)	844	817	+27	+3.3	662
Employees as of Dec 31 (FTE)	76,114	74,161	+1,953	+2.6	76,153
Annual average employees (FTE)	74,744	74,373	+371	+0.5	76,047
Employee satisfaction (SI)	–	3.9	–	–	–
Share of women as of Dec 31 (%)	36.5	36.3	+0.2	–	36.1
Specific greenhouse gas emissions (land transport) compared to 2006 (based on tkm) (%)	-31.6	-26.0	-5.6	–	-24.0
Specific greenhouse gas emissions (air freight) compared to 2006 (based on tkm) (%)	-17.4	-15.9	-1.5	–	-9.1
Specific CO_2 emissions (ocean freight) compared to 2006 (based on tkm) (%)	-68.4	-67.6	-0.8	–	-64.3

Capital expenditure activity increased. The increase was mainly due to leasing activities. The focus of capital expenditures continued to be on the Europe and Asia regions. Adjusted for exchange rates, the increase was less significant.

Due to adjustments driven by growth in volumes, the number of employees was slightly above the level as of December 31, 2021. On an annual average basis, the number of employees was at the previous year's level.

As of December 31, 2021, the share of women had increased slightly.

Specific CO_2 emissions were further reduced in comparison with the reference year 2006:

- Land transport once again recorded an increase in volume and emissions, with a significant shift to direct transport, including the integration of port / airport feeder services from other lines of business (air, sea, contract logistics). This in turn increased the average weight of shipments and significantly improved greenhouse gas efficiency.
- The trend towards freight aircraft, which was observed in the wake of the Covid-19 pandemic, continued in 2021 and reduced greenhouse gas efficiency. However, the corresponding effects were more than compensated for by the strong volume increase.
- In ocean freight, the trend towards cleaner fuels with increased greenhouse gas efficiency largely offset the specific reduction of greenhouse gases, with only a small improvement and slightly lower overall volumes.

Land transport line of business

⟶ *Further increase in demand.*

⟶ *Quality improvements with positive effects.*

⟶ *Further increase in demand for the digital platforms Connect4land and Drive4Schenker.*

LAND TRANSPORT LINE OF BUSINESS	2021	2020	Change absolute	Change %	2019
Land transport shipments (million)	110.7	108.2	+2.5	+2.3	107.1
Total revenues (€ million)	7,517	6,716	+801	+11.9	7,125
External revenues (€ million)	7,452	6,651	+801	+12.0	7,058
EBITDA adjusted (€ million)	300	339	-39	-11.5	341
EBIT adjusted (€ million)	113	158	-45	-28.5	172
Employees as of Dec 31 (FTE)	23,255	21,807	+1,448	+6.6	21,811

Demand for land transport increased, driven by growth in direct, system and special transport services. In contrast, declines in package transport had a dampening effect.

Economic development was weak. Operating profit figures dropped as a result of a noticeable increase in expenses. This outweighed the positive profit development.

- Revenues increased significantly, due in part to volume-related factors. Adjusted for exchange rates, the increase was somewhat less significant.
- Other operating income fell slightly as a result of lower state aid for Covid-19, primarily in Germany, Austria, France and Sweden.

Trends in expenses were driven by rising volumes in the cost-intensive areas of direct, system and special transport services. Compared to income, the increase was significantly stronger:

- The costs of materials increased noticeably in line with demand. Rising prices and exchange rate effects exacerbated this trend.
- Other operating expenses increased due to the reclassification of IT expenses within the business unit with no effect on income.
- Personnel expenses increased due to growth in volumes and exchange rates.

The number of employees increased significantly, partly due to growth in volumes.

Air and ocean freight line of business

⟶ *Strong recovery in demand for air freight.*

⟶ *Capacity bottlenecks and pandemic-related uncertainties suppress growth in ocean freight.*

⟶ *Significant increase in freight rates.*

⟶ *Air freight: various measures implemented to ensure transport operations, standardization, and productivity improvements.*

⟶ *Ocean freight: implementation of projects to improve efficiency and optimize organization worldwide.*

AIR AND OCEAN FREIGHT LINE OF BUSINESS	2021	2020	Change absolute	Change %	2019
Air freight volume (export) (thousand t)	1,438	1,094	+344	+31.4	1,186
Ocean freight volume (export) (thousand TEU)	2,003	2,052	-49	-2.4	2,294
Total revenues (€ million)	12,962	8,228	+4,734	+57.5	7,218
External revenues (€ million)	12,957	8,223	+4,734	+57.6	7,213
EBITDA adjusted (€ million)	1,094	511	+583	+114	342
EBIT adjusted (€ million)	1,028	448	+580	+129	287
Employees as of Dec 31 (FTE)	13,609	13,185	+424	+3.2	13,964

The performance development differed for air and ocean freight.

- In air freight, the trend was very positive, with volumes rising above the pre-pandemic level, driven by higher demand for the transport of electronics, automotive and medical goods. A temporary, large-scale shift in transport demand from ocean freight had a supporting effect.

- For ocean freight, volumes were slightly below the low level of the previous year. Equipment and capacity shortages, alongside the tense market situation due to Covid-19, were only partially offset by volume growth in the Asia/Pacific region and temporary recovery trends.

The economic development was very encouraging: the adjusted profit figures improved due to the significant increase in income:

- Revenue increased significantly, mainly due to the growth in freight rates. Volume growth also had a very positive effect in air freight. Adjusted for exchange rates, the increase was even stronger.
- Other operating income was virtually unchanged. Volume and price trends in air and ocean freight offset each other almost entirely.

In terms of expenses, volume growth in air freight and the increase in freight rates had a notable impact:

- The costs of materials increased significantly, mainly as a result of higher volumes in air freight and higher freight rates. Exchange rate effects, in contrast, had an expense-reducing effect.
- Other operating expenses increased due to the reclassification of IT expenses within the business unit with no effect on income.
- Personnel expenses increased as a result of a higher number of employees, partly due to growth in volumes. Exchange rate effects, in contrast, had an expense-reducing effect.

The number of employees increased as a result of the increase in volumes. More complex work processes due to Covid-19 resulted in additional new hires in ocean freight.

Contract logistics line of business

⟶ *Significant recovery of business activities following stricter restrictions as a result of the Covid-19 pandemic.*

⟶ *The growth drivers are Asia/Pacific and America – a lack of semiconductors is slowing development in Europe.*

⟶ *Productivity improvement measures are being implemented.*

CONTRACT LOGISTICS LINE OF BUSINESS	2021	2020	Change absolute	Change %	2019
Warehouse space (million m²)	8.4	8.8	-0.4	-4.5	8.4
Total revenues (€ million)	2,964	2,715	+249	+9.2	2,734
External revenues (€ million)	2,963	2,714	+249	+9.2	2,733
EBITDA adjusted (€ million)	372	358	+14	+3.9	312
EBIT adjusted (€ million)	107	105	+2	+1.9	79
Employees as of Dec 31 (FTE)	24,056	24,382	-326	-1.3	24,625

The development in contract logistics followed overall market trends thanks to the business line's geographically and sectorally diversified portfolio. There was also a slight increase in overall market share (primarily in the Asia/Pacific region and the Americas). Developments in Europe were slowed by the semiconductor shortage and the greater dependence on the automotive industry.

The economic development was somewhat better, despite the challenging market environment. Adjusted profit figures rose slightly, driven by income gains. In terms of revenues, the pre-pandemic level was exceeded by a significant margin:

- Revenues increased significantly again, driven by recovery effects following the tighter restrictions resulting from the Covid-19 pandemic. Trends in the automotive sector stabilized, although the ongoing semiconductor shortage acted as a brake on activity. The electronics and consumer sectors in particular developed positively. Adjusted for exchange rates, revenue increased even more sharply.
- In contrast, other operating income fell to a low level as a result of lower pandemic-related government benefits.

In terms of expenses, the recovery in demand was noticeable:

- The costs of materials increased in line with revenue development. Exchange rate effects, in contrast, had a partially expense-reducing effect.
- Other operating expenses increased due, among other things, to the reclassification of IT costs within the business unit with no effect on income, and as a result of business development. Exchange rate effects, in contrast, had a partially expense-reducing effect.
- Personnel expenses also increased as a result of business development. In addition, one-off bonus payments to operational employees increased expenses. Exchange rate effects, in contrast, had an expense-reducing effect.
- Depreciation increased significantly as a result of the conclusion of leasing agreements for storage capacity.

The number of employees fell slightly, due in part to higher productivity and a tense labor market.

OPPORTUNITY AND RISK REPORT

TCFD GRI 102-11

Opportunity and risk management within DB Group

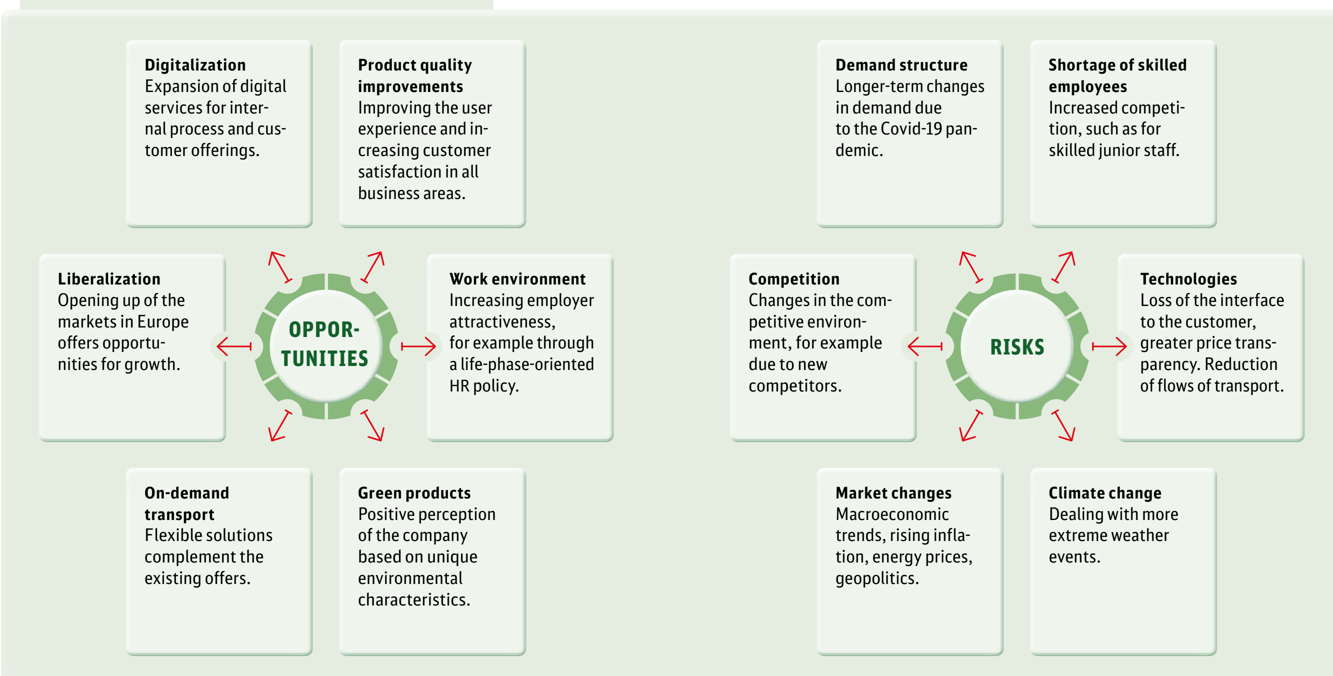
Opportunity and risk management within DB Group comprises the systematic identification, assessment and management of opportunities and risks. The primary objective of opportunity and risk management is to ensure the long-term future of DB Group.

The principles of opportunity and risk management are laid down by Group management and implemented on a Group-wide basis. Within the framework of our early-warning system, opportunity and risk reports are submitted to the Management Board and the Supervisory Board of DB AG three times a year. Risk reporting covers the medium-term period (five years). Major risks occurring outside of this reporting cycle must be reported immediately. Planned acquisitions are subject to additional specific monitoring.

Following the release of a new version of the IDW PS 340 audit standard (“Audit of the early risk detection system”), there are now additional requirements for DB Group’s risk management. Compared to the status quo, existential risks must now be evaluated on the basis of a defined risk-bearing capacity; the previous risk aggregation has also been adjusted. All other requirements of IDW PS 340 were already met by the existing risk management system.

Our risk management system (RMS) maps all of the opportunities and risks in an opportunity and risk portfolio and also individually in detail, factoring in materiality thresholds. A catalog of opportunity and risk categories serves to identify the relevant financial and sustainability-related opportunities and risks as fully as possible. This also includes risks that arise for companies in connection with the transition to a lower-carbon economy (transition risks), as well as physical risks as defined by the Task Force on Climate-related Financial Disclosures (TCFD). The opportunities and risks considered within the risk report are categorized and classified according to probability of occurrence. Together with possible consequences, the analysis also takes into account the starting position and the costs of countermeasures (gross and net result). Opportunities and risks are reported in the RMS depending on the probability of occurrence and the threshold value (≥ € 50 million). An exception

OVERVIEW OF OPPORTUNITIES AND RISKS



only applies to regulatory information. The opportunities and risks are assessed against DB Group's current medium-term planning, which covers a period of five years. Based on the opportunity and risk portfolio, an overall risk position is also determined by means of a stochastic simulation, which is used to assess developments that could jeopardize the company's continued existence. In organizational terms, Group controlling is the central coordination point for our opportunity and risk management. Risks included in our medium-term planning are not included in the RMS. This relates to opportunities and risks with a probability of occurrence (PoO) >70% (highly likely).

Our strategic opportunity and risk management efforts are mainly derived from the targets and strategies of our business units. Direct responsibility for early and regular identification, analysis and management of strategic opportunities and risks lies primarily with operational management personnel. These activities are an integral element of the Group-wide planning and controlling systems. We focus on detailed analyses of our markets and competitors, market scenarios, relevant cost drivers and critical factors for success, including those within our political and regulatory environment. Concrete opportunities are identified and analyzed from these activities.

DB Group's business environment is in a state of constant change. We use DB.Trend.Radar to monitor the most important external developments for DB Group so that we can take advantage of opportunities and react to risks in good time. The focus is on the issue of how changes in society, politics, technology and the economy affect our markets. The individual topics are all highly interconnected and of great importance for the future of DB Group. DB.Trend.Radar helps DB Group to focus its business operations on the future and actively make use of opportunities.

In conjunction with Group financing, with its strict focus on the operating business, Group Treasury is responsible for limiting and monitoring the resulting credit, market price and liquidity risks. The centralized handling of relevant transactions (money market, securities, foreign exchange and derivative transactions) means that potential risks can be managed and limited centrally. Group Treasury is organized in line with the Minimum Requirements for Risk Management for Banks (Mindestanforderungen an das Risikomanagement; MaRisk), which means that it complies with the resulting criteria of the Act on Supervision and Transparency in the Corporate Sector (Gesetz zur Kontrolle und Transparenz im Unternehmensbereich; KonTraG).

KEY CHARACTERISTICS OF ICS AND RMS WITH REGARD TO THE GROUP ACCOUNTING PROCESS

Our Group-wide internal control system (ICS), which also includes accounting-related processes, is an integral part of the RMS. To the extent that compliance is deemed to be appropriate, the organization of our ICS takes into account the recommended conduct set out by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in its publication "Internal Control – Integrated Framework" in the revised version from 2013. On that basis, our ICS – especially with regard to the accounting process – is a continuous process based on basic Group-wide principles and control mechanisms, such as system-based and manual reconciliations, the separation and clear definition of functions as well as the monitoring of compliance and further development of Group-wide guidelines and special work instructions.

The accounting-related control mechanisms we use beyond the instruments outlined above include, among other things, standardized reporting throughout DB Group and the regular updating of the relevant accounting directives and accounting-related systems.

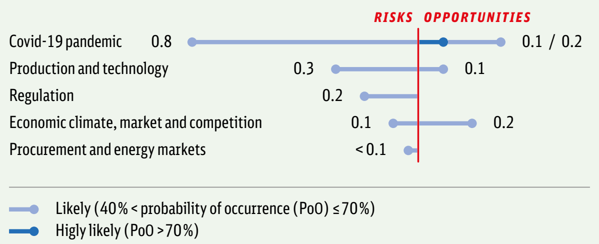
Subject to a binding schedule, business transactions of the accounting-relevant units are processed in line with IFRS principles and in compliance with Group-wide, uniform procedures. These are then transmitted to the centralized consolidation system.

The auditing activities of the intra-Group auditors, which represent another element of our control mechanisms, are focused on assessing the adequacy and effectiveness of our ICS. In addition to our monitoring mechanisms, the Audit and Compliance Committee and/or the Supervisory Board are concerned with the effectiveness of the ICS.

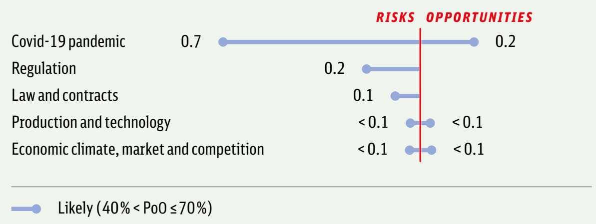
The management of the companies included in the scope of fully consolidated companies and of the individual business units of DB Group verifies the completeness and accuracy of the reporting data relevant to the financial statements among other aspects, using a quarterly internal reporting process. In addition, the responsible management confirms compliance with the Group-wide ICS requirements, which are supplemented where necessary by company-specific, documented management and monitoring instruments.

ASSESSMENT OF RISK POSITION BY CATEGORIES

OPPORTUNITY AND RISK PORTFOLIO FOR 2022 FINANCIAL YEAR
AS OF DEC 31, 2021 / € billion



OPPORTUNITY AND RISK PORTFOLIO FOR 2021 FINANCIAL YEAR
AS OF DEC 31, 2020 / € billion



Without factoring in the possible impacts of the Ukraine conflict.

ASSESSMENT OF THE RISK SITUATION

The main risks for DB Group result primarily from the further course of the Covid-19 pandemic and the speed of the recovery process in terms of the demand for passenger transport. Recovery in demand is of fundamental importance for improving the financial situation. Risks from the Ukraine crisis are not yet represented here.

The risk situation is assessed on the basis of our RMS. Opportunities and risks that are highly likely (PoO > 70%) have been dealt with in the mid-term planning. The system is based on the requirements of the German Act on Corporate Control&Transparency (KonTraG) and is continually evolving. In 2021, the methodology was expanded to include the definition of a risk-bearing capacity and a statement on existential risks based on simulation-based risk aggregation.

As of December 31, 2021, DB Group's main risks (probable risks) not only concerned the Covid-19 pandemic, but also the areas of production, technology and regulation, as well as the economy, the market and competition.

Opportunities beyond the EBIT forecast primarily include other public support for passenger transport as a result of the Covid-19 pandemic, as well as opportunities associated in the area of economic climate, market and competition, particularly at DB Schenker.

Due to hedging measures 213ff., energy price increases only had a minor impact on our expectations for the 2022 financial year. In subsequent years, however, there may be major effects on profits.

Third-party evaluation is also an important indicator for overall risk assessment. In addition to the internal risk assessment, DB Group's creditworthiness and aggregate default risk are assessed by credit rating agencies 91. Their external assessments of DB Group's total risk position are reflected in the good credit ratings. In the area of sustainability, potential risks are externally assessed and evaluated by ESG rating agencies 45.

In terms of organization, we have created the conditions necessary to enable the early identification of possible risks. Our continuous risk management and the active management of key risk categories contribute to limiting risks. Key strategic opportunities and risks were identified at the business unit level and recorded in the course of the strategic process for operationalization with measures. Our analyses of opportunities and risks, countermeasures, hedging and precautionary measures, together with the opinion of the Management Board based on the current risk assessment and our mid-term planning (MTP), indicate that there are no risks that, individually or jointly, could have an impact on the net assets, financial position and results of operations of DB Group and that would pose a threat to the Group as a going concern.

Opportunity and risk categories

TCFD
GRI 102-11

ECONOMIC CLIMATE, MARKET AND COMPETITION

Demand for our mobility services and, in particular, our transport and logistics services depends, among other things, on overall economic developments:

- Economic growth fuels the trends underlying our strategy in our markets.

- Macroeconomic shocks such as economic and financial crises, disruptions to supply chains or economic downturns resulting from, amongst other things, geopolitical conflicts or epidemics can have a significant negative impact on our business.
- Risks arising from depleted public sector budgets in some European countries could have negative effects (particularly in the form of spending cuts), especially on DB Arriva activities. The market volume is greatly determined by the financial situation of the contracting organizations. However, there is also the potential for new markets or market segments to be opened for competition.
- Developments in the competitive environment are of particular importance for DB Group:
  - In long-distance transport, we are primarily exposed to fierce intermodal competition, particularly with motorized individual transport as the dominant competitor, but also with long-distance bus services and aviation.
  - In regional transport, there is intense competition throughout Europe for securing long-term transport contracts. This means there is a risk of volume losses. In order to remain competitive in this market, we are constantly working to optimize our tender management and our cost structures. In addition, risks arise from the implementation of transport contracts if the parameters of the underlying calculation do not materialize as planned. In order to continuously increase quality and customer satisfaction and improve our efficiency, we have put together appropriate programs at DB Regional and DB Arriva.
  - In rail freight transport, there is a high level of competitive pressure. Risks arise from the fact that, to some extent, competitors can operate with less expensive cost structures while enjoying greater flexibility. Further risks result from possible future efficiency gains of trucks, for example by digitalization. Several measures have been implemented to tackle these challenges.
  - In the freight forwarding business, there is, on the one hand, intense competition with other providers and, on the other hand, a concentration of the market in the carrier sector that causes changes in the supply of cargo space with corresponding effects on the purchase and sales prices. We are responding to this by continuously optimizing our networks and improving our cost structures, services and IT infrastructure. The dynamic development of freight rates presents opportunities.

Overall, a general risk is a loss of competitiveness. A key component in facing the competition is improvements in service quality. For the Integrated Rail System, we are implementing the Strong Rail strategy 52 ff., in particular to significantly improve product quality.

The trend towards digitalization is creating key opportunities for performance enhancements:

- more efficient and customer-focused processes,
- improved and new digital services, and
- easier access with online portals and apps.

In the medium-term, changes in the competitive environment may result from the following developments:

  - New competitors: In our markets, providers from outside of the industry, such as automobile manufacturers, ITcompanies and start-ups, may become increasingly active.
  - New platforms / data-driven business models: Digital platform providers are increasing the intensity of competition and transparency, and are also changing the perception of prices. Start-ups in particular are the driving force behind the platform business and aim to occupy the digital customer interface.
  - Shifts in added value: Added value in the mobility and logistics sector could shift towards additional services.
  - Integrated on-demand mobility: Mobility-as-a-Service (MaaS) concepts will be part of the standard offering in the long-term. The customer can order, book and pay for transport easily and in real time.
  - Increasing cost pressure from the public sector. Ordering behavior could also change and tenders could expand to include on-demand, minibus and shuttle services. This would increase the cost pressure on established providers.
  - Supply chain visibility: Transparency in the value-added chain is one of the top trends in logistics. Start-ups and established players see data and analysis solutions as a significant business opportunity.
  - Goods structure effect: The production share of highly specialized goods such as pharmaceuticals and high-tech products is growing strongly. At the same time, types of goods with a generally lower weight and higher value density, such as electronic components, are growing at an above-average rate. Heavy, bulky goods, such as steel, paper and chemicals are becoming less important.

Among other things, we have developed our digitalization strategy 62 ff. in order to adequately address the resulting opportunities and risks.

We are also responding to opportunities and risks arising from changing demand patterns and from shifts in traffic patterns throughout the Group with intensive market observation and by continuously upgrading our portfolio and our products.

The demand for our products and services is partly dependent on the development of our customers:

- Our customers' economic development dictates their need for storage and transport services, which in turn affects our freight forwarding and logistics businesses. In addition, there may be structural changes in the production structures of our customers. The rising costs and risks of globally distributed production make regional production more efficient. Another reason for regionalization is the use of production innovations such as automation, modularization and 3D printing with the potential to relativize wage cost differences and economies of scale.
- Rail freight transport is partly dependent on industries that are stagnating. The decline of coal as an energy source, for example, is having an effect. In addition, disruptions in production or even temporary shutdowns (e.g. as a result of supply chain disruptions) can result in a drop in customers' demand for transport services, at least temporarily.
- The development of demand in track infrastructure is dependent on rail transport's ability to compete on the upstream transport markets.

PRODUCTION AND TECHNOLOGY

If the production quality of passenger transport services suffers, this has an impact on service quality and can lead to the loss of customers. Postponed deliveries of new vehicles may result in revenue losses and additional expenses, for example, due to substitute transport services or penalty payments.

The availability, capacity and the condition of the track infrastructure are significant prerequisites for competitive rail transport. In order to maintain the future viability of rail in the long term, it is also necessary to digitalize and automate the infrastructure.

The intensity of construction activity on the network has increased noticeably and can have a strong impact on the carriers' schedules and production quality, some of which cannot be compensated for.

The range and quality of our services depend to a significant extent on the availability and reliability of the production resources used, intermediate services procured and the quality of our partners' services. We therefore maintain an intense dialog with our suppliers and business partners on the subject of quality. This is of particular importance in the vehicle industry.

Sufficient availability of our vehicle fleet is particularly critical. Significant restrictions endanger operating schedules. In regional transport, there is the additional risk of penalties if trains are canceled or punctuality is insufficient. We try to minimize this risk by taking preventative actions and also by minimizing the consequences should it happen, such as by providing replacement vehicles or by organizing substitute transport.

The technical production resources used in rail transport must comply with applicable standards and requirements, which are subject to change. As a result, we may receive technical complaints concerning our vehicles. This leads to the risk that we may not be permitted to use individual series or rail car types, or only under certain conditions, such as limited speeds, shorter intervals between maintenance or reduced wheel set loads. In addition, we cannot accept new vehicles that have defects or for which the necessary vehicle certification has not been granted.

As a result of technical defects or conditions, vehicles may need to be refitted, which could lead to significant restrictions on availability or even temporary prohibition of use.

In regional transport, a risk can arise from the redundancy of vehicles following the expiry or re-tendering of a transport contract. As a countermeasure, alternative possible uses are investigated.

Increasing digitalization means that dependence on secure IT that is available around the clock is increasing. This results in IT, telecommunications and cyber risks such as the interruption of the availability of IT systems, which can lead to serious business interruptions, or the unauthorized access of third parties to customer data.

We combat these risks through forward-thinking IT security management, which provides the necessary security for our IT-based business processes. A key instrument here is risk management for information, IT applications, and IT infrastructure and services. The relevant risks are identified, analyzed, evaluated and reduced. The remaining risks are documented and, if necessary, reported to and monitored by suitable bodies. Our information security management system follows international standards in accordance with ISO 27001/27002:2013 and the NIST Cyber Security Framework.

In order to minimize critical technical vulnerabilities, numerous countermeasures (such as firewalls, encryption, sealed server areas, and prompt software updates) have been implemented. Appropriate redundancy of the IT systems (including across several locations) increases the overall resilience of critical business processes, applications and infrastructures. The network infrastructure also has a redundant design where required for the purposes of IT security and business continuity.

For the most important processes and IT applications, systematic and regular penetration tests and red-team stress tests are carried out in order to detect and eliminate weak points at an early stage.

Overall, these measures reduce the risk of attacks, the resulting outages of IT systems, the disruption of communications and the theft of confidential information, thereby avoiding damage to DB Group.

Punctuality 60ff. is a key factor for our rail freight transport customers when selecting a mode of transport. In addition to this, irregularities can occur, such as customs offenses and theft. We combat this, among other things, by involving qualified customs coordinators and using an immediate reporting system for tax assessment notices.

HUMAN RESOURCES

To implement the Strong Rail strategy 52ff., we rely on adequate equipment and qualified, skilled employees. DB Group has a high annual need for new employees. This is reinforced by the age-related retirement of numerous employees as well as the elective model for working hours agreed under collective bargaining agreements.

Due to demographic changes and the associated lack of skilled employees, it is becoming increasingly difficult to fill vacancies with qualified employees. This in turn results in risks such as low personnel coverage to safeguard ongoing business and the long-term loss of knowledge, especially for railway-specific professions.

We are counteracting these risks in particular by improving our employer attractiveness, implementing extensive recruiting measures, redesigning vocational and functional training (retraining), and expanding and digitalizing the qualification capacities and measures for strategic succession planning as well as for effective knowledge management.

In addition, automation potential must be tapped in order to counteract the risks of a shortage of skilled employees.

Increased cross-generational and intercultural cooperation as well as a general framework to equalize the participation of men and women within DB Group reduce the risks that result from a change in employee structure and increase employer attractiveness. This is where our diversity management comes in with the Group initiative “Uniquely Different” (“Einziganders”) and the strategic program “Women in Management Positions” (“Frauen in Führungspositionen”).

Against the backdrop of economic crises with unclear prospects, the personnel cost structure plays an important role in recruitment. In terms of the labor market and transport market, our target is therefore to always conclude competitive collective bargaining agreements. Additional pressure on the development of wages can be expected from the surge in prices.

The agreement between DB Group and the Railway and Transport Workers Union (Eisenbahn- und Verkehrsgewerkschaft; EVG) and the German Train Drivers’ Union (Gewerkschaft Deutscher Lokomotivführer; GDL) has made it possible to conclude collective bargaining agreements that express appreciation for employees while at the same time safeguarding the future viability of the Integrated Rail System.

DB Group’s digital transformation is critical for the successful implementation of the Strong Rail strategy. The digitalization of DB Group must be driven forward in a way that maintains the employability of our employees. The challenge is to identify the emerging changes in professions and job profiles in a timely manner and to address the resulting implications for qualifications and training accordingly. To this end, we are developing future prospects for railway professions in an R-Future Lab, among other things, and updating the content of our qualification offerings and programs.

In the course of digital transformation, business-critical knowledge and competencies are becoming more diverse, and in many places more specific and fast-paced. This is placing new demands on our qualification and knowledge architecture. The challenge is to get new employees up to speed quickly, to facilitate access to relevant knowledge and thus to empower employees from all working areas and from different generations to be equally capable in a changing working environment. Accordingly, we are looking ahead and developing a modern knowledge architecture in the context of a learning ecosystem within the framework of the “Learning@DB” project.

Another challenge is to promote digital cooperation, innovative strength and resilience in the context of a modern corporate culture. Major risks could arise if we as a company were unable to react flexibly to the changing requirements of a volatile market environment and failed to meet our employees’ requirements in a modern working environment. We counter this by driving forward modern working environments as part of numerous programs, initiatives and communities within DB Group, for example “People. Make. The Future.”, “Digital transformation”, “Mobile working of tomorrow", the "New forms of cooperation" R-Future Lab, the internal "Agile Islands" ("Agilen Inseln") network and the Office 365 Supported Learning Community.

The digitalization of the working environment, new forms of cooperation, but also increasing potential for social debate and conflict mean that the number of demands placed on executives is increasing. In order to provide our executives with the appropriate competencies and methods in the future, we are further developing the training and further education program for executives at the DB Academy to create a new leadership program.

REGULATION

Changes to the legal framework at the national or European level could pose risks to our business. This general regulatory risk could therefore result in tangible negative effects on revenues and profit.

These regulations govern, among other things, the individual components of the pricing systems and general terms and conditions applied by our rail infrastructure company. There are risks of complaints and intervention in this regard. Measures that threaten or even prevent DB Group from attaining reasonable returns in our infrastructure business units (such as an intervention in pricing systems) can therefore threaten financing contributions by DB Group to capital expenditures in infrastructure.

Political risks concern in particular a tightening of existing standards and regulations affecting the railways. The structure of DB Group may also be exposed to regulatory risks.

In order to respond to risks resulting from changing legal framework conditions on either a national or an international level, we take an active part in the discussions and debates that take place ahead of this type of change.

Opportunities arise from the promotion of green mobility, including to achieve government climate protection targets, such as the Climate Action Program 47.

PROCUREMENT AND ENERGY MARKET

Depending on the market conditions, the purchase prices for raw materials, energy, and transport and construction services may fluctuate significantly. In addition, there is the risk of sustained price momentum, particularly in the construction and logistics sectors.

The Ukraine war and, in particular, the sanctions imposed on Russia as a result and Russia's possible reactions to them are already resulting in significant price increases, not only for gas and oil, but also for raw materials. These developments may be significantly exacerbated by further shortages in supply quantities, the suspension of deliveries or bans on imports. This may result in significant risks in terms of energy costs and construction prices.

Among other things, we counter the risk of energy price increases by using appropriate derivative financial instruments 213ff. and concluding long-term procurement contracts. However, these safeguards only have an effect for a limited period, and limit opportunities arising from falling energy prices.

This means that, depending on the market and competitive situation, it may not be possible or may only be possible to a very limited extent to pass increased costs on to the customer in the short term. This in turn has a negative impact on margins.

The bundling of requirements and the optimization of procurement processes create opportunities for leveraging further potential in procurement prices.

CAPITAL MARKETS AND TAXES

The international nature of our business creates a currency risk. This, however, is largely limited to the so-called translation risk since there is usually a high regional congruence between the production and sales markets. Among other things, we hedge interest rate and currency risks from our operating business through primary and derivative financial instruments 213ff. Their use is only permitted in DB Group for hedging purposes. There is a risk that these hedging measures will not pay off, or not in the way expected.

To prevent counterparty default risk from financial and energy derivatives, we conclude credit support agreements (CSA) for all longer-term hedges.

Due to the long-term capital employed, we also use long-term, fixed-interest financial instruments. As a result, only new issues are exposed to the risk of rising interest rates.

Liabilities from pensions and similar retirement benefit obligations are partially covered by plan assets from stocks, real estate, fixed-interest securities and other investments. Losses of value in these assets reduce the cover of pension obligations by plan assets, potentially resulting in DB Group having to provide additional cover.

In addition, there are potential risks from back-tax payments from tax audits that are in progress and from amendments to tax laws. In order to minimize tax risks, we pursue the prompt processing of tax audits and have introduced a tax compliance management system in DB Group.

LAW AND CONTRACTS

Delayed vehicle deliveries and vehicle defects can lead to operational challenges in regional and long-distance transport. In regional transport, this may result in contractual violations or non-compliance with the contracting organizations. Higher expenses, penalty payments and lower fares are the result. Ensuing damage claims are asserted against the manufacturers.

In addition, risks, in particular from warranty and other liability provisions, may also arise from other contractual relationships. This relates, for example, to the sale of companies, real estate or other material assets.

Provisions have been made for existing legal and contractual risks based on an assessment of their probability of occurrence.

Compliance with current laws, company guidelines and recognized regulatory standards is the task and duty of every DB Group employee. It is the mission of our compliance department to ensure compliance with such criteria.

With its very high procurement volume and about 20,000 suppliers, DB Group is one of the largest purchasers in Germany. Large-scale capital expenditures mean that the infrastructure business units in particular are exposed to a significant risk of becoming the target and victim of corruption, cartel agreements or fraud. As a provider of grants, the Federal Government places high demands on DB Group with its anti-corruption guidelines.

Opportunities arise from the discovery of cartels that operated in the past and the enforcement of claims for damages against cartel members. DB Group is seeking compensation for damages in over ten cases. This relates, amongst other issues, to cartels in trucks, cars (known as the car cartel and emissions scandal), tracks, air freight, elevators and escalators, prestressing of steel, and girocard. In more than ten other cases, DB Group is still determining if damage has been caused.

SIGNIFICANT EVENTS

Our activities are based on a technologically complex, networked production system. In general, we try to combat the risk of potential operational disruptions through regular maintenance and by taking on qualified employees, coupled with continuous quality assurance and improvement of our processes. The nature of rail transport as an open system means that certain factors (such as natural disasters, accidents, sabotage and theft), over which we have only limited influence, could have a negative impact on operations. Our efforts in such cases focus on minimizing the potential effects. However, this could also result in cost risks from countermeasures.

Additional measures to increase public safety at passenger stations, for example, by expanding video surveillance 259, may lead to additional costs.

CLIMATE-RELATED OPPORTUNITIES AND RISKS

TCFD
GRI 201-2

Climate-related transitory opportunities and risks associated with the transition to a decarbonized economy and risks associated with climate change are recorded in our RMS and are reported in the affected risk categories if certain threshold values and probabilities of occurrence are exceeded.

Through the use of scenario analyses, for example as part of the PIK study 66 and the strategic development of climate resilience management 69f., DB Group is paving the way for forward-looking management of acute and chronic physical risks related to climate change. In 2021, we commissioned another external study that identified physical and transitory risks in accordance with the TCFD recommendations in an initial impact analysis on the activities of DB Group for two extreme scenarios. The result shows, among other things, that transitory risks from the political, market and technology categories should be classified as relevant for DB Group according to the TCFD classification.

In the following section, we list examples of climate-related opportunities and risks for DB Group in accordance with the TCFD classification of transitory and physical opportunities and risks.

Transitory opportunities and risks

With the Green Transformation of DB Group 66ff., its anchoring in our Strong Rail strategy 52ff. and by shifting the mode of transport to climate-friendly rail, we are making a central contribution to achieving the German and European climate protection targets. Making passenger and freight transport climate-neutral through measures such as the use of renewable energies and alternative drive concepts can enhance our reputation with our customers. Our climate protection measures 67ff. aim to reduce our greenhouse gas emissions, to see us become climate-neutral by 2040 and to meet the Federal Government's climate protection target 47 for the transport sector. In order to achieve the national climate protection targets, the Federal Government is adopting necessary regulations that hold opportunities for DB Group, especially in rail transport, such as the permanent reduction of value-added tax for long-distance transport tickets. However, individual environmental regulatory measures may also have a negative impact on our activities. The CO_2 price introduced by the Fuel Emissions Trading Act (Brennstoffemissionshandelsgesetz; BEHG) represents, for example, both an opportunity and a risk for us:

- it gives us an opportunity when compared to other modes of transport, as it makes fossil-fueled modes of transport more expensive and thus rail travel more attractive,
- it presents a risk for our purchasing, as we are one of the largest energy consumers in Germany and still have diesel-powered locomotives in operation.

In order to counteract the risks and promote the phase-out of fossil fuels, the various approaches to phasing out diesel have been bundled, among other things, with the starter package for diesel phase-out 68. To make our fleet green, we are focusing on technology developments and investing in alternative drives and fuels. However, technological developments that lead to other climate-friendly mobility solutions can also represent a risk for us.

Physical risks

Extreme weather events resulting from climate change represent an acute physical risk for DB Group, which we have been recording in more detail in our risk catalog since 2021 and which we are responding to with resilience measures 69f. We also address physical risks as part of our Group-wide business continuity management to ensure the continuation of critical business processes in the event of damage. The effects of climate change, such as storms, floods and heat waves, impact our core business. Extreme weather-related damage to our track infrastructure can lead to losses in revenues and penalties. It also requires additional expenses and capital expenditures in order to repair damage and implement preventive measures. In addition to the infrastructure, rail and road vehicles can also be affected. In recent years, acute physical risks affecting operations and punctuality have increased significantly. Group Risk Management therefore consistently monitors and records these risks. In this context, the importance of preventive vegetation work and track-related safety work to ensure the smooth running of operations has greatly increased. The potential financial impacts of extreme weather events is taken into account in the RMS or medium-term planning. In order to reduce acute physical risks, since 2017, DB Group has significantly increased its expenses on vegetation control measures and has been implementing a special vegetation control 70 program since 2019. We also deal with chronic physical risks, such as rising temperatures, which place increased demands on our operational processes, vehicles, buildings and infrastructure.

IMPLEMENTATION OF PROJECTS

Our measures involve not only large capital expenditure volumes, but also a large number of highly complex projects. Changes to the legal framework, delays in implementation (due among other things to more extensive public participation), necessary adjustments during terms often lasting several years, deviations from the increase in funds for capital expenditures agreed with the Federal Government, or changes to purchase prices may lead to project and liquidity risks. The networked production structure means that these can often affect a number of business units. For example, in such cases planned shifts in the mode of transport from road to rail may not be feasible. We keep up to date with these developments by closely monitoring projects.

When implementing planned measures from various programs, such as the Strong Rail strategy 52ff. for the Integrated Rail System or Primus 150 at DB Schenker, there is the risk that it will either not be possible to realize the planned effects, or only to a lesser extent and/or that these may be delayed. At the same time, however, there is also the opportunity to outperform and exceed the planned effects.

INFRASTRUCTURE FINANCING

GRI 203-1

At the beginning of 2020, we concluded an agreement with the Federal Government that sets out the financing of the existing network until 2029. The LuFV III 119 and the associated long-term assurance of infrastructure quality and availability improve the attractiveness of rail as a mode of transport, which in turn results in more traffic and therefore higher revenues for infrastructure companies. Risks arise from a potential failure to achieve the contractual objectives set out in the LuFV and from a possible reclaim by the Federal Government following audits of applications of funds for the intended purposes.

The economic sustainability of capital expenditures or financial contributions to capital expenditure projects funded with DB funds is essential if we are to ensure DB Group's ability to invest in the long term.

EVENTS AFTER THE BALANCE SHEET DATE

Three bond issues

Through DB Finance, we issued three senior bonds with a total volume of € 1.1 billion at the beginning of 2022:

ISIN	Issuer	Currency	Volume (million)	Volume (€ million)	Coupon (%)	Maturity	Term (years)
XS2434704123	DB Finance	AUD	300	191	3.350	Jan 2042	20.0
XS2445114734[1]	DB Finance	EUR	200	200	0.791	Feb 2027	5.0
XS2451376219	DB Finance	EUR	750	750	1.375	Mar 2034	12.0

[1] Private placement.

EU Commission initiates investigation into support measures for DB Cargo

In its decision of January 31, 2022, the EU Commission initiated a formal investigation into the Federal Government in relation to support measures provided to DB Cargo AG. The investigation is based on a complaint from a competitor. The competitor believes the profit transfer agreement between DB Cargo AG and DB AG, as well as certain other measures, represents competition-distorting aid from DB AG. The purpose of the investigation that has now been initiated is to clarify the questions raised. The EU Commission is conducting the examination without prejudging the outcome. The Federal Government and DB Group had already rejected the allegations in the preliminary proceedings on the grounds that the measures did not actually include any aid.

Further expansion of the ICE fleet

With the ICE 3neo, the ICE fleet 55 f. of DB Long-Distance will grow to a total of about 450 trains by the end of the decade. From 2022, the first of the 30 new high-speed trains (ICE 3neo) will gradually be delivered, with the first ICE 3neo scheduled to enter into service at the end of 2022. In total, 73 ICE 3neo trains will be delivered by 2029.

Judgment on civil proceedings for infrastructure utilization fees

In the BGH rulings dated February 8, 2022, a final decision was made against DB Netz AG in two court proceedings. The BGH rulings that have been issued are expected to have an impact on pending civil proceedings relating to infrastructure utilization fees 51.

S-Bahn (metro) accident in Munich

On February 14, 2022, a head-on collision between two commuter trains occurred on a single-track section of line near the Ebenhausen-Schäftlarn station. One passenger died in the accident and 18 people were injured, some seriously, including the two locomotive drivers. The relevant authorities have launched an investigation. At the time of reporting, no statement can be made about the causes of the accident. The line is equipped with an intermittent train control system (punktförmige Zugbeeinflussing; PZB).

War in Ukraine

On February 24, 2022, the Russian Federation's armed forces launched an invasion of Ukraine. The specific effects of the Ukraine crisis on DB Group are currently not fully foreseeable and quantifiable. Until now, DB Group has only been active in Ukraine with its logistics subsidiary DB Schenker, which employs about 90 employees in the country. We have discontinued operations at the logistics offices in Ukraine. Other effects will include those resulting from sanctions against Russia. In addition, the increase in energy and raw material prices will have an impact on DB Group.

Change to the Management Board of DB AG

Management Board member Ronald Pofalla, responsible for the Infrastructure division, is leaving DB AG and intends to terminate his Management Board contract prematurely on April 30, 2022.

OUTLOOK

The specific effects of the Ukraine crisis on DB Group are currently not fully foreseeable and are not included in our forecasts. It can be assumed that the war in Ukraine will reduce Ukrainian imports and exports. As a result of the sanctions against Russia and its reactions to them, it is likely that transport between Russia and the EU will also be affected, as well as rail traffic to China, which has increased significantly in recent times. It is also likely that the conflict will continue to affect the prices of gas, oil and other raw materials in the short and medium term, which will have a negative impact on the wider economy and private households. However, it is not currently possible to estimate how severe the impact will be.

Overall statement of the Management Board regarding the economic development

Contrary to expectations from the previous year, economic development in 2021 was still strongly influenced by further waves of Covid-19 in Germany and Europe, DB Group's largest markets.

Full order books in the industry, increasing private consumption and, above all, progress in the fight against Covid-19 are expected to boost economic output in 2022. However, passenger transport is still not expected to fully return to pre-Covid-19 levels. The pace of growth in freight transport is expected to slow down.

Even if the recovery in passenger transport takes longer than initially forecast, the drivers of growth in public transport will continue to have an effect over the medium and long term. In particular, Europe and Germany's climate policy targets cannot be achieved without a mobility transition in favor of public transport. In addition, other problems associated with road freight and passenger transport will regain significance once the restrictions related to Covid-19, from which private motorized transport in particular has benefited, have been lifted. In addition to emissions of harmful substances, these problems also include the significant amount of land required by road vehicles, which many cities are no longer willing to grant.

For these reasons, the increase in capital expenditures resulting from the Strong Rail strategy will continue. This applies in particular in the area of infrastructure, where capital expenditures often only pay off after many years in the form of faster and more stable connections.

Risks from the lingering effects of the Covid-19 pandemic continue to exist for the 2022 financial year. It cannot be ruled out that with increasing infection numbers, especially in the autumn/winter of 2022, restrictions will continue to apply or new measures will be taken that will have a negative impact on the demand for mobility and transport services. The Management Board believes that DB Group has taken the necessary measures to protect itself against existing risks and to take advantage of potential opportunities.

Future direction of DB Group

The Strong Rail strategy, presented in June 2019, continues to define the future direction of DB Group.

FUTURE SALES MARKETS

Our opportunities for growth in the German passenger transport market are limited, both due to the high level of competition and restrictions imposed by antitrust laws. On the other hand, there are increasing positive signals promising the promotion of environmentally friendly modes of transport through targeted measures. As such, our focus is still on expanding capacity, and therefore on defending our strong market position and increasing the share of rail in intermodal competition. In the German passenger transport market, we expect a continued shift toward needs-oriented road transport in the medium term. For example, autonomous driving will lead to ever fewer people having to own their own car. Autonomous road transport also offers the potential to free certain elements of public transport from dependence on stops and schedules, thus making them more flexible.

In the area of rail freight transport, our focus continues to be on the European market. We are well-positioned in the central European corridors and offer connections to locations as far afield as China.

Economic outlook

ANTICIPATED DEVELOPMENT / %	2021	2022
World trade	+11.7	+5.0
GDP world	+5.8	+4.0
GDP Eurozone	+5.2	+3.5
GDP Germany	+2.8	+3.5

As of February 2022 (before the outbreak of the war in Ukraine).
Forecasts for 2022 rounded to half percentage points.
Source: Oxford Economics

Current expectations point to a significant recovery in the global economy for 2022, meaning that even countries and regions that have not yet returned to pre-Covid-19 levels of economic output will be able to overcome the slump induced by Covid-19.

A long-term effect of the Covid-19 pandemic is that many countries have taken on large amounts of debt to support their economies and due to a shortfall in tax revenues. This could reduce their room for maneuver in future crises. The monetary policy measures taken to support the economy also have their downside: inflation in the Eurozone, for example, has increased massively as a result of the ECB's continued expansionary monetary policy. A further surge in inflation is expected as a result of the war in Ukraine.

Transport markets

PASSENGER TRANSPORT

ANTICIPATED MARKET DEVELOPMENT / %	2021	2022
German passenger transport (based on pkm)	+4.4	+8.0

As of February 2022. Forecast for 2022 rounded to half percentage points.

Compared to pre-Covid-19 levels, performance fell in 2020 and 2021 as a result of Covid-19. However, the German passenger transport market is expected to recover significantly in 2022. Nevertheless, volume sold in all sectors, with the exception of private motorized transport, will remain below pre-Covid-19 levels on an annual basis. The trend in demand for transport services depends heavily on occurrence of infection, regulatory measures and associated mobility patterns. Community and business travel are being replaced by remote working and digital communication to a noticeable, but probably modest, extent. Individual forms of transport where there is a low risk of infection – traveling by car, bicycle or on foot, for example – should benefit from the ongoing Covid-19 pandemic compared to public transport.

- Under these circumstances, private motorized transport in particular is likely to reach pre-Covid-19 levels. Rising fuel prices, partly as a result of the CO_2 pricing that entered into force in 2021, will initially remain of minor importance. Further significant increases in 2022 as a result of the war in Ukraine will dampen the increase and favor the shifts in the mode of transport to rail.
- Domestic German air transport is facing a lengthy recovery in view of subdued demand due to Covid-19 control measures, climate change policies and a steep drop in supply. In 2022, it will only make up for some of the losses sustained as a result of Covid-19.
- Public road passenger transport is expected to increase again, but will continue to suffer from substitution effects from cars and bicycles in local transport. Long-distance bus services are expected to grow more slowly in comparison due to the reduced supply and strong competition from rail passenger transport.
- A noticeable recovery in local and long-distance transport is expected for rail passenger transport. Long-distance transport is likely to benefit from gains from air and long-distance bus transport, as well as an improved service offering. The main premises for this development are a decline in infection numbers, the loosening or lifting of restrictions related to Covid-19, and increasing confidence in public transport, as well as the desire for a shift in the mode of transport.

Also in European passenger transport, the development will be specific to the mode of transport and will vary from region to region. Financial weaknesses and strategic realignment of individual providers make it probable that the mobility market will undergo consolidation. However, the progressive climate policy of the EU and its member states remains the long-term motor for the development of climate-friendly public mobility – and therefore rail passenger transport in particular.

FREIGHT TRANSPORT AND LOGISTICS

ANTICIPATED MARKET DEVELOPMENT / %	2021	2022
German freight transport (based on tkm)	+4.5	+3.0
European rail freight transport (based on tkm)	+7.2	+3.0
European land transport (based on revenues)	+7.6	+5.0
Global air freight (based on t)	+18.4	+4.0
Global ocean freight (based on TEU)	+5.0	+3.0
Global contract logistics (based on revenues)	+8.4	+5.5

As of February 2022. Forecasts for 2022 rounded to half percentage points.

The freight market is expected to see a more moderate, yet still strong, increase in output in 2022 compared to 2021. It is generally assumed that the supply chain bottlenecks that occurred in 2021 will weaken over the course of the year. However, aggravations are expected from the war in Ukraine. The delayed recovery in some sectors will also have knock-on effects on demand for transport and will continue to have an impact up to 2023. The market will continue to be characterized by sustained competitive pressure. In addition to prices, the quality of transport services will become increasingly important as resources become scarcer.

Rail freight transport will return to a growth path following the declines from 2018 to 2020 and the strong increase in performance in 2021. Combined transport will once again play a key role if the impetus from the coal and steel industry is expected to weaken. This trend is also being driven by the increasing importance of sustainable transport and the growing customer demand for a shift in the mode of transport to rail.

Following the dynamic development in 2021, growth in road freight transport will slow in 2022, but will remain strong overall. Stimulating factors will include robust consumer sentiment, a dynamic foreign trade environment and positive effects from the construction sector. The war in Ukraine will have a dampening effect.

In 2021, inland waterway transport was still unable to offset the previous year's losses, meaning that the recovery should continue in 2022. This applies in particular to the area of mineral oil transport. However, as a result of the weakening impetus from the coal and steel industry and the low importance of container transport in terms of the freight structure, the overall trend is again likely to be below average. Weather dependency remains a risk.

Assuming further economic stabilization, the European rail freight transport market is expected to return to a moderate growth path in 2022. Combined transport in particular will benefit from the continued dynamic development of European foreign and domestic trade and will play a growth-driving role.

- Revenues in the European land transport market are expected to return to pre-Covid-19 levels in 2022. The driver for this development is the economic recovery in Europe. Revenues from international land transport business are expected to exceed pre-Covid-19 levels, while domestic transport services are expected to remain just below pre-Covid-19 levels. The effects of the war in Ukraine may have a dampening effect here, particularly in the first half of 2022.
- For American land transport, the current conditions are expected to continue in 2022. All indicators point to a continued shortage of truck capacity, with freight forwarders increasing their rates and being much more selective in awarding contracts. The spot market will most likely grow more strongly than the contract market, at least in the first half of 2022, as freight forwarders will take advantage of high rates before making long-term commitments.
- Intra-Asian land transport will benefit from the economic recovery, after the Covid-19 pandemic has been overcome.
- The continued slow resumption of (air) travel activities in 2022 is unlikely to be sufficient to cause a noticeable reduction in extraordinarily high air freight rates through increased freight capacities. The uncertainties and travel restrictions caused by the Covid-19 pandemic remain too great. The ongoing capacity bottlenecks in ocean freight will also continue to lead to a tense order situation for air transport. Developments from political decisions may also influence market developments, such as further sanctions against Russia.
- The outlook for the global ocean freight market is heavily dependent on the extent to which the container ship congestion in ports, which continues to exist and is increasing as a result of short-term Covid-19 restrictions, can be relieved. As long as the demand for transport space exceeds capacity, rates are not expected to recover in the short term.

- The contract logistics market expects subdued growth in 2022. The Asia-Pacific and American markets will continue to see single-digit growth, while the European market is expected to recover to pre-Covid-19 levels.
- In the e-commerce, healthcare and electronics divisions, we expect solid business development, while the automotive market will continue to suffer from the negative impact of chip supply bottlenecks. Risks continue to result from the unpredictable development of the Covid-19 pandemic and its impact on the global macroeconomy, as well as from the increasing challenges in the areas of high inflation, the real estate market and the labor market.

INFRASTRUCTURE

Train-path demand is forecast to develop positively in 2022. In addition to further easing after the Covid-19 pandemic, the expansion of supply as part of the long-distance transport initiative is leading to an increase in demand. The increase in demand for local transport is primarily attributable to the lower basis in 2021 as a result of unanticipated events (floods, strikes). Volume growth is expected in rail freight transport due to the macroeconomic environment.

The number of station stops will further stabilize in 2022 and continue the positive trend of the years before 2020. The share of station stops of non-Group railways will continue to increase.

Rental income in stations should stabilize slowly over the course of 2022 as a result of a moderate recovery from the effects of the Covid-19 pandemic, and should be slightly above 2021 levels.

Procurement markets

Despite the uncertainties from the war in Ukraine in the first half of 2022, we only expect DB Group to experience a few physical bottlenecks on the procurement side. In many markets, however, there is still an imbalance resulting from strong demand and an additional supply shortage due to the Covid-19 pandemic and the war in Ukraine. In addition to the highly volatile commodity markets, we continue to observe unprecedented price dynamics, including in the construction and logistics sectors.

Climate protection efforts are accelerating structural change in the energy sector. The expansion of renewable energies is expected to further strengthen price fluctuations on the electricity spot market due to their limited predictability. While the phase-out of nuclear power and coal power has created the potential for higher prices on the production side, developments in the mobility sector will have a significant impact on demand dynamics. In the long term, however, a cheap supply of energy should become available following the successful transition to renewable energies.

For 2022, an imbalance of very rigid demand and a shortage of key products such as chips and raw materials (such as iron ore) is expected. On the production side, there may be shortfalls and thus further supply shortages. In Germany, coal-fired power generation remains attractive due to the continued high gas prices. The situation on the gas market will remain extremely tense. Due to the current developments in the Russia-Ukraine conflict, the prices of electricity, coal and crude oil are likely to undergo a further significant increase. There is currently no foreseeable end to this development.

There is likely to be little scope for prices of emissions allowances (CO_2 certificates) to fall in the next few months. The political will of the Federal Government and the European Commission to achieve a rapid climate-neutral transformation of the energy supply will make itself felt here.

Overall, the market conditions suggest that electricity prices will remain high in the first few months of 2022. Here, spot prices will be influenced by the temperatures and wind volume even more than in previous years.

Crude oil prices are also not expected to ease in the near future. In addition, as the Covid-19 pandemic eases, demand for oil products will increase significantly and the war in Ukraine will cause supply disruptions.

Financial markets

As inflation rates continue to rise, interest rates are likely to increase further. The movement in the Eurozone is being slowed by the European Central Bank's countermeasures to support the economy.

Development of DB Group

- *Progress in implementing the Strong Rail strategy.*
- *Capital expenditure activity continues to grow.*
- *Ongoing uncertainty regarding the momentum of the recovery process in passenger transport.*
- *Profit development probably to be significantly above the previous year's level.*

Our forecasts for the development of DB Group and the business units in the 2022 financial year are based on our expectations of developments in the market, competition and environment, and the implementation success of planned measures.

In 2022, the business development of DB Group is once again expected to be significantly influenced by the ongoing Covid-19 pandemic, the length and intensity of which are currently unforeseeable. The consequences of the war in Ukraine are not quantified and are not taken into account in these forecasts. Consequently, the following forecasts are subject to greater uncertainty than in previous years.

TOP TARGETS STRONG RAIL

ANTICIPATED DEVELOPMENT	2021	2022
Passengers (rail) long-distance transport (million)	81.9	~130
Passengers (rail) local transport (million)	1,121	~1,400
Volume sold rail freight transport (Germany) (billion tkm)	60.3	>62
Train kilometers on track infrastructure (Germany) (million train-path km)	1,109	> 1.130
Customer satisfaction DB Long-Distance (SI)	77.8	80
Customer satisfaction DB Regional (rail) (SI)	71.6	72
Customer satisfaction DB Cargo (SI)	70	67
Punctuality DB Long-Distance (%)	75.2	~80
Punctuality DB Regional (rail) (%)	94.3	~95
Punctuality DB Cargo (Germany) (%)	69.8	~72
Share of renewable energies in the DB traction current mix in Germany (%)	62.4	64
Employee satisfaction (SI)	-	3.8
ROCE (%)	-3.6	>0
Debt coverage (%)	4.3	q

↗ above previous year's figure
→ at previous year's level
↘ below previous year's figure

- Performance in regional and long-distance rail passenger transport should continue to stage a noticeable recovery in 2022. The exact extent of the recovery will be largely influenced by the future development of the Covid-19 pandemic.
- We also expect positive trends in rail freight transport volumes and train-path demand.
- At DB Cargo, we expect the customer satisfaction score to be significantly lower at the next measurement in March 2022 due to the significant drop in punctuality over the course of 2021.
- Punctuality is expected to improve in 2022. In order to achieve these goals, the quality measures initiated in 2021 will be continued and intensified. However, punctuality targets are under pressure due to the further increase in traffic volumes and a continued very high level of construction activity.
- We will continue our measures to reduce the greenhouse gas intensity of the DB traction current in Germany through a consequent increase in the share of renewable energies.
- In 2022, we will conduct our sixth Group-wide employee survey to detect trends and changes and to find out which measures are effective and where we still need to take action. We expect this to stabilize at our long-term target level.
- Due to the expected significant improvement of adjusted EBIT, along with a simultaneous increase in capital employed, the ROCE is expected to improve.
- Debt coverage is also expected to increase significantly as a result of the expected improvement in operating profit.

ADDITIONAL KEY FIGURES FOR INCOME, FINANCIAL AND ASSET SITUATION

ANTICIPATED DEVELOPMENT / € billion	2021	2022
Revenues adjusted	47.3	>48
EBIT adjusted	-1.6	>0
Gross capital expenditures	15.4	>16
Net capital expenditures	6.3	>6.5
Maturities	2.2	2.2
Bond issues (senior)	4.9	<5
Net financial debt as of Dec 31	29.1	>30

The economic development of DB Group in 2022 will continue to be largely influenced by the momentum of the ongoing recovery in demand for passenger transport. We therefore expect a continued positive development in revenues and profit, but the extent of this is fraught with uncertainty, especially regarding the future development of the Covid-19 pandemic. In terms of the development of net profit for the year, a significantly lower special effect from pandemic-related train-path price subsidies will have a dampening effect.

We will continue our quality and capital expenditure initiative for the Integrated Rail System with large capital expenditures. We thus intend to improve our quality and customer satisfaction, drive forward digitalization (including IT security improvements) and increase our performance capability. Capital expenditures in 2022 are expected to be above the 2021 level. This is mainly due to higher capital expenditures in rolling stock at DB Long-Distance and DB Regional, as well as increased investments in rail infrastructure within the framework of the LuFV III 237.

Efficient liquidity management is once again a top priority for us in 2022. We are focusing on continually forecasting the cash flow from operating activities, as this is our main source of cash and cash equivalents. We produce liquidity forecasts every month on the basis of a 12-month liquidity plan. In 2022, we must redeem financial liabilities (excluding commercial paper and current bank liabilities) at about the same level as in 2021. Funding needs for this are met by issuing public and non-public bonds. Roadshows are planned in Europe and Asia in conjunction with the bond issues.

For our capital market activities, we continue to have adequate financing scope from our debt issuance programs 90 and our commercial paper program 90. The guaranteed credit facilities 90 serve as a fallback in the event of a disruption to capital market access. At the beginning of 2022, we issued three senior bonds 164 through DB Finance. Our short- and medium-term liquidity supply is therefore also secure in 2022.

The majority of our gross capital expenditures in 2022 will again be covered by investment grants. In addition, a further equity measure from the Federal Government is planned as part of the Climate Action Program 47. The net capital expenditures to be financed by DB Group will likely also not be fully covered by internal sources in 2022.

We still plan to divest DB Arriva in the medium term. We assume that this will take place after 2022.

Net financial debt is expected to rise again as of December 31, 2022, taking into account even higher net capital expenditures and the continuing impact of the Covid-19 pandemic. The fact that DB AG will not make a dividend payment to the Federal Government in 2022 will have a positive offsetting effect.

We will also continue our M&A activities in a selective and focused manner in 2022.

ADDITIONAL KEY FIGURES FOR THE GREEN TRANSFORMATION

ANTICIPATED DEVELOPMENT	2021	2022
Specific greenhouse gas emissions in comparison to 2006 (%)	-36.1	-39
Track kilometers noise remediated in total as of Dec 31 (km)	2,110	2,200
Recycling rate (%)	96.2	>95

- Due to the continuing impact of the Covid-19 pandemic, in particular on passenger transport, our expectations of further reducing specific greenhouse gas emissions in 2022 are subdued compared to 2006.
- We will continue the noise remediation of lines as scheduled in 2022.
- We will continue to keep the recycling rate at a high level in 2022.

GOVERNANCE

GRI 102-18

Service and financial relationships in DB Group

Within DB Group, because of strong operational interconnections and dependencies, there are service and financial relationships between the management holding company DB AG and the individual business units, as well as between business units.

These can be organized into four groups:

- **Operational service relationships** between two companies, which may arise through the use of infrastructure, such as when DB Regio AG uses train paths, for which it pays train-path usage fees.
- **Service relationships with Group management:** DB AG provides services to the operating companies, such as central purchasing.
- **Group financing:** DB AG performs and consolidates the financing function in DB Group. In this context, DB AG obtains funds on the capital market through its financing subsidiary Deutsche Bahn Finance GmbH (DB Finance) and transfers these funds to the Group companies as loans.
- **Domination and profit and loss transfer agreements:** In Germany, domination and profit and loss transfer agreements are used for the formation of a consolidated tax group that allows companies to offset tax losses against profits. In DB Group, the company ultimately subject to tax in Germany is DB AG.

The arm's length principle is fundamental in the development of service relationships. This means that compensation is always based on market prices. In DB Group this applies to charges for operational service relationships, service units and Group financing. Intra-Group customers pay the same fees for utilizing train-paths as non-Group customers. The prices of intra-Group services are reviewed regularly on the basis of market analyses to ensure that they are in line with the market. The terms of financing transactions are based on prevailing market conditions in the financial and capital markets. Governance functions perform controlling and monitoring roles. These services are generally not charged.

By contrast, the services of the service units are generally charged to the intra-Group recipients of the service, in relation to the service provided.

The reasons and motivation for aligning intra-Group transactions with market conditions are as follows:

- A value-based corporate management approach can only be successful if it is embedded at all levels in DB Group. This, in turn, can only be achieved on the basis of intra-Group transactions that operate on the basis of fair market conditions. Success and failure must be transparent in order to facilitate economic management.
- Rail infrastructure companies are legally required to provide their services without discrimination. The Federal Network Agency (Bundesnetzagentur; BNetzA) assesses whether prices are in line with the market. Prices are transparent for everyone.
- Alignment of service relationships with market conditions is also both necessary and stipulated for tax reasons and from the perspective of minority shareholders.

The effects of domination and profit and loss transfer agreements within DB Group on net profits and payments are not qualified as service relationships, but are a consequence of DB Group's status as a domestic contract group and the associated rights and obligations of all the incorporated domestic companies.

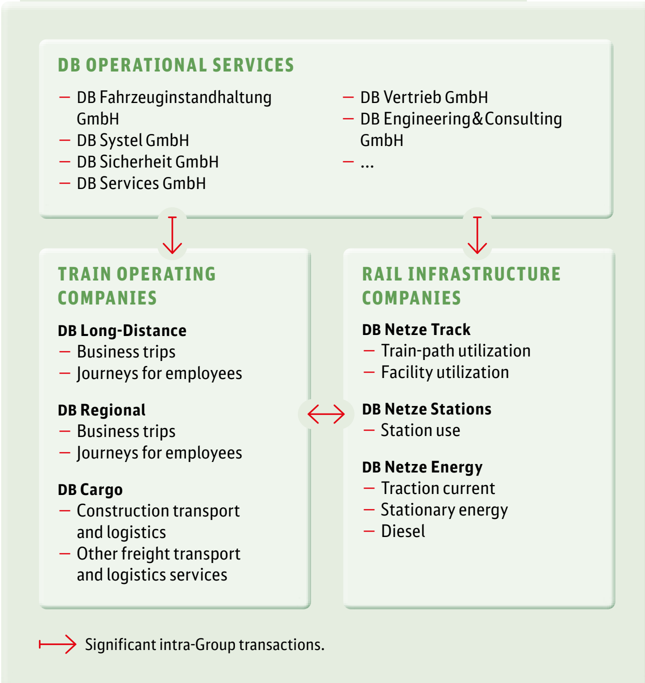
OPERATIONAL SERVICE RELATIONSHIPS

The most extensive operational service relationships result from the use of the track infrastructure and the procurement of energy. As for non-Group customers, fees for the use of infrastructure are based on the published pricing systems (train-path pricing system, facility pricing system and station pricing system). The procurement of energy includes the purchase of traction energy (diesel fuel and traction current) as well as electricity for stationary facilities (such as switch heaters and train preheating systems).

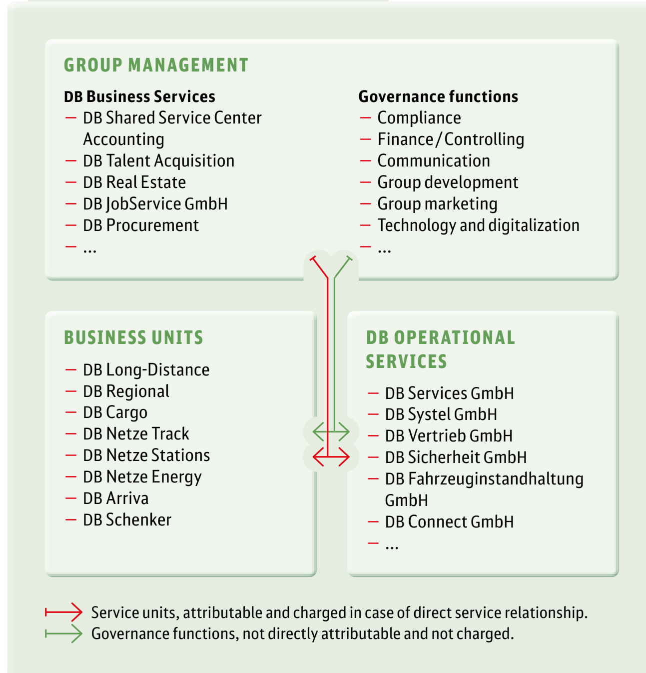
The main intra-Group service relationships in the area of infrastructure utilization are shown in the following table:

INTRA-GROUP SERVICE RELATIONSHIPS FROM INFRASTRUCTURE UTILIZATION IN 2021 / € million	DB Long-Distance	DB Regional	DB Cargo	Other
Train-path utilization	-1,073	-2,273	-368	-2
Use of local infrastructure	-32	-51	-142	-3
Station use	-114	-598	–	–
Energy charges	-351	-641	-264	-297

SIGNIFICANT OPERATIONAL BUSINESS RELATIONSHIPS (INTEGRATED RAIL SYSTEM)



SERVICE RELATIONSHIPS WITH GROUP MANAGEMENT



SERVICE RELATIONSHIPS WITH GROUP MANAGEMENT

Group management incorporates various governance and service functions that, with a few regulatory exceptions, perform functions for the entire DB Group. The costs of governance functions are generally not passed on to the business units (no Group charges).

Charges for DB Business Services are only transferred if these result from direct transactions with the business units, or expenses that are directly attributable to a tangible service. This applies in particular to expenses on the use of real estate, central procurement and technology services, and for centrally consolidated insurance expenses.

The Group job market performs an important central function. DB JobService GmbH employs personnel whose jobs in German companies of DB Group have been lost, with the aim of finding another intra-Group job for them. It therefore plays a key role in the functioning of the DB-internal labor market.

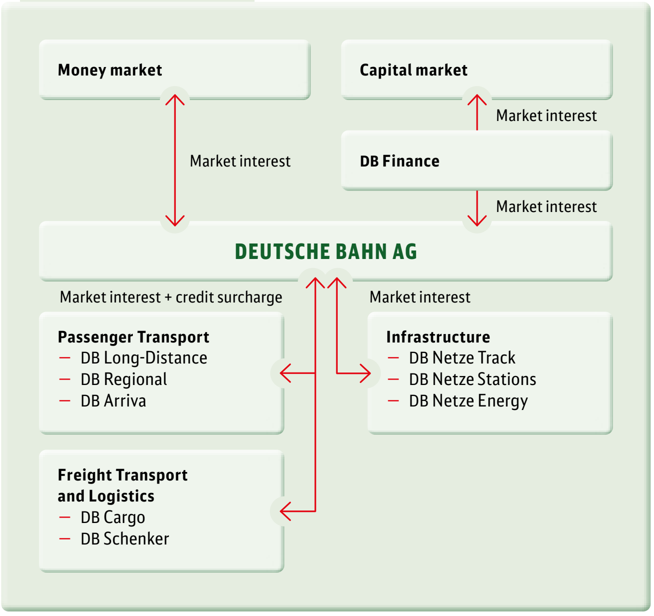
GROUP FINANCING

Group Treasury at DB AG is responsible for DB Group financing. This ensures that all Group companies are able to borrow and invest funds at optimal terms and conditions. Before obtaining funds from external sources, we first conduct intra-Group financing transactions. When borrowing non-Group funds, DB AG takes out short-term loans in its own name, whereas long-term capital is generally obtained through the Group's financing company, DB Finance. The funds are passed on to the Group companies as short-term credit lines, which can be utilized as part of cash pooling on internal current accounts and/or through fixed short-term credit, or in the form of long-term loans.

The Group Treasury operates as an in-house bank, although it provides a service function rather than acting as a profit center. The Group companies conduct business dealings with the Group Treasury (foreign exchange transactions, cash pooling, cash investments and taking up of loans). The conditions are set in line with market rates according to the arm's length principle. This means that the agreed interest rates are in line with those quoted by banks, assuming they were not intended to yield a profit. Market rates also mean that credit margins are adjusted in line with creditworthiness: the credit margin for the infrastructure companies is largely in line with the credit margins of DB AG in the financial and capital market. The credit margins for non-infrastructure companies are higher and are based on an internal metric-based credit rating and the credit margins quoted on the capital market.

Consolidation of the Group finance function in DB AG gives us a uniform market presence in the financial and capital markets, and allows us to achieve economies of scale and cost benefits. In addition, central Group financing enables us to adequately monitor financial transactions and achieve comprehensive risk management.

GROUP FINANCING

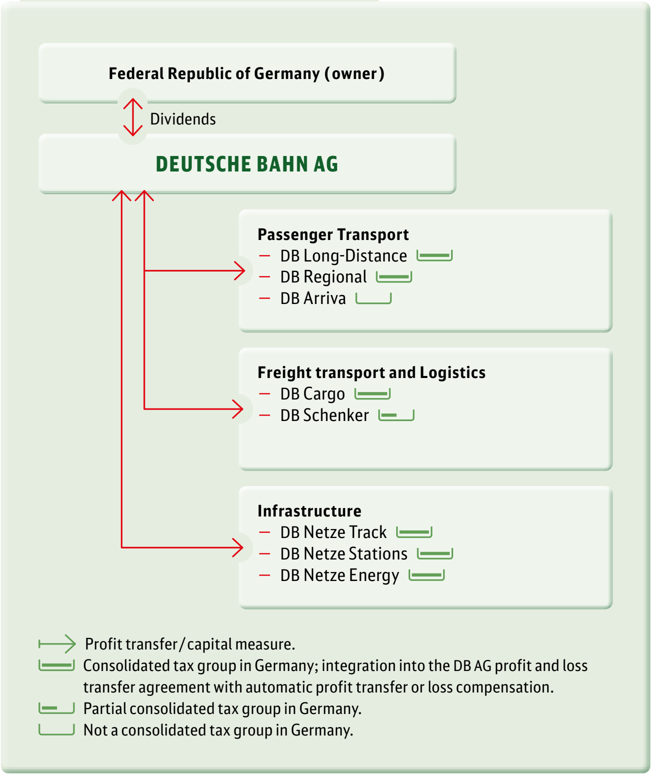


DOMINATION AND PROFIT AND LOSS TRANSFER AGREEMENTS

Profit transfer and loss compensation between companies in Germany do not constitute intra-Group transactions. On the contrary, the profit and loss transfer agreement stipulates that the amount of profit distributed or the sum required to offset losses is not reset every year but is calculated automatically. The cash flow is based on the shareholder's right to profits or obligation to compensate any losses. Notwithstanding this, DB Group ensures that Group companies have sufficient capital stock despite the obligation to offset potential losses generated by other companies within the Group.

Investors are only willing to provide capital if amortization and returns are ensured. A purely debt-based financing model is not commercially viable, as it is associated with high risks. Profits are essential for maintaining DB Group's capital expenditure capacity. Profits generated are either retained or distributed to the Federal Government as the sole shareholder. The share of profit retained in DB Group increases the capital expenditure and borrowing capacity.

DOMINATION AND PROFIT AND LOSS TRANSFER AGREEMENTS



CASH FLOWS BETWEEN DB AG AND DB INFRASTRUCTURE COMPANIES / € million	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Total
FROM CAPITAL INCREASES BY DB AG																							
DB Netz AG	–	–	–	–	–	+ 600	–	–	–	–	+ 620	–	–	+ 5	–	–	–	+ 1,000	–	–	–	+ 1,125	**+ 3,350**
DB Station & Service AG	–	–	–	–	–	–	–	+ 286	–	+ 28	+ 111	+ 14	–	–	–	–	–	–	–	–	–	+ 1,000	**+ 1,439**
Total	**–**	**–**	**–**	**–**	**–**	**+600**	**–**	**+286**	**–**	**+28**	**+731**	**+14**	**–**	**+5**	**–**	**–**	**–**	**+1,000**	**–**	**–**	**–**	**+2,125**	**+4,789**
FROM PROFIT AND LOSS TRANSFER AGREEMENTS TO (-)/FROM (+) DB AG																							
DB Netz AG	+ 790	+ 181	+ 548	+ 324	+ 183	+ 260	+ 212	- 146	- 338	- 768	+ 44	- 307	- 197	- 66	- 217	- 81	- 280	- 390	- 509	- 402	+ 23	+ 139	**- 997**
DB Station & Service AG	+ 70	- 0	+ 251	- 37	- 55	- 69	- 52	- 90	- 190	- 150	- 141	- 155	- 160	- 169	- 188	- 203	- 176	- 186	- 190	- 146	+ 32	+ 61	**- 1,943**
DB Energie GmbH	- 34	- 2	- 29	- 43	- 47	- 44	- 111	- 106	- 18	- 91	- 38	+ 38	- 62	+ 37	- 39	- 51	- 35	- 59	- 12	+ 3	+ 66	- 126	**- 803**
Total	**+826**	**+179**	**+770**	**+244**	**+81**	**+147**	**+49**	**-342**	**-546**	**-1,009**	**-135**	**-424**	**-419**	**-198**	**-444**	**-335**	**-491**	**-635**	**-711**	**-545**	**+121**	**+74**	**-3,743**
DIVIDEND PAYMENT TO THE FEDERAL GOVERNMENT (FOR PREVIOUS YEAR)																							
DB AG	–	–	–	–	–	–	–	–	–	–	–	- 500	- 525	- 525	- 200	- 700	- 850	- 600	- 450	- 650	- 650	–	**- 5,650**

(+) Cash inflow (-) Cash outflow

Corporate Governance report

GRI 102-16 102-18

Corporate governance rules are intended to ensure good, responsible and value-focused corporate management. The Federal Government amended its Public Corporate Governance Code (Public Corporate Governance Kodex; PCGK) on principles of good corporate and investment management by resolution dated September 16, 2020. The PCGK sets out the essential provisions of applicable law governing the management and monitoring of non-listed companies in which the Federal Republic of Germany holds a majority stake, while outlining the internationally and nationally acknowledged principles of good and responsible corporate management. The objective of the PCGK is to make the corporate management and oversight of companies more transparent and easier to understand as well as to establish more precisely the role of the Federal Government as a shareholder in such companies. It also intends to increase awareness of good corporate governance.

We are convinced that good corporate governance is fundamental to the success of DB Group. Our aim is to sustainably increase the enterprise value so as to promote the interests of customers, business partners, investors, employees and the public, while maintaining and expanding trust in DB Group.

For corporations under uniform management, the executive bodies of the parent company must jointly issue the statement of compliance for the parent company of the Group and the companies under its uniform management which are required to apply the Code. DB AG complies with this recommendation in the following statement. The statement of compliance is an essential part of the Corporate Governance Report, which is therefore also submitted in its entirety at the level of the Group's parent company.

STATEMENT OF COMPLIANCE

I.

The Supervisory Board and the Management Board of DB AG declare that since the last declaration was issued on March 24, 2021, the recommendations on the PCGK adopted by the Federal Government on September 16, 2020, have been complied with, with the following exceptions:

1. NO. 3.1 SENTENCE 1

A sample clause about the application of the PCGK as amended was developed and scheduled for inclusion in the company documents. The adoption of amended articles of association and partnership agreements is still in the implementation phase. It may be that by the time the statement of compliance is issued, resolutions of the corporate bodies or notarial deeds have not yet been finalized in the individual companies, with the result that this recommendation of the PCGK may not yet have been fully complied with at that time.

2. NO. 3.2 SENTENCES 1 TO 4

For some of the limited liability companies (GmbHs) within DB Group, shareholder's meetings did not take place in person once a year as recommended by the PCGK; instead, they were held by way of a written resolution in accordance with section 48 of the German Limited Liability Company Act (Gesetz betreffend die Gesellschaften mit beschränkter Haftung; GmbHG).

These companies are directly or indirectly wholly owned by DB AG and are integrated into DB Group via a domination and profit and loss transfer agreement. As part of DB Group in companies mentioned above, meetings held in person to discuss the financial statements with only one person present as shareholder representative would have no added value in terms of content, but would result in a significantly disproportionate administrative burden and additional expenses, due to the presence of the auditor, for example.

3. NO. 4.1.2 PARA. 1

A sample clause for anchoring approval conditions was developed and scheduled for inclusion in the company documents. The adoption of amended articles of association and partnership agreements is still in the implementation phase. It may be that by the time the statement of compliance is issued, resolutions of the corporate bodies or notarial deeds have not yet been finalized in the individual companies, with the result that this recommendation of the PCGK may not yet have been fully complied with at that time.

4. NO. 4.1.3 PARA. 2 SENTENCE 1 AND NO. 4.1.3 PARA. 4

Continuous quarterly reporting recommended by the PCGK for the companies it covers in accordance with section 90 of the German Stock Corporation Act (Aktiengesetz; AktG) is not implemented for 13 GmbHs.

In these companies, this is not considered to be expedient, as the extension to a quarterly cycle would not lead to any added value or meaningful reporting depth for the supervisory body in view of the nature and scope of the business operations. The proper, timely and comprehensive information of the supervisory body continues to be effectively ensured, even with the current reporting period of at least one meeting per calendar half-year.

5. NO. 4.1.3 PARA. 5 SENTENCE 2

A sample clause was developed to define the general management's information and reporting obligations and was scheduled for inclusion in the company documents. The adoption of amended company documents is still in the implementation phase. It may be that by the time the statement of compliance is issued, resolutions of the corporate bodies or notarial deeds have not yet been finalized in the individual companies, with the result that this recommendation of the PCGK may not yet have been fully complied with at that time.

6. NO. 4.1.3 PARA. 5 SENTENCES 4 AND 5

The respective rules of procedure for the companies covered by the scope of application of the PCGK generally stipulate that a 14-day period must be observed for convening the Supervisory Board, including communication of agenda items. Additions should be communicated no later than one week before the meeting (by means of additional communication). In justified exceptional cases, additions to the agenda or the submission of documents may be required at short notice so that the Supervisory Board can also be informed in urgent cases or can also make corresponding decisions. During the reporting period, some companies covered by the PCGK submitted documents within less than 14 days' notice in isolated cases.The companies shall continue to endeavor to comply with the specified notice periods as fully as possible.

7. NO. 4.3.2 SENTENCE 2

In its D&O insurance policy, DB Group does not comply with the deductible recommended by the PCGK for executives of GmbH companies. DB AG has taken out a Group-wide D&O insurance policy for all its Board members in fully consolidated companies. A deductible for executives of GmbH companies is not prescribed by law and is not customary in the industry. Unlike executives of stock corporations, for whom the deductible is prescribed by law, there are hardly any corresponding insurance offers on the market to cover such a deductible for the executives of GmbHs. As a result, the respective executives would have to pay the economic risk of such a deductible directly from their own resources, without being able to adequately insure it, potentially leading to demands for higher remuneration. Furthermore, establishing a corresponding deductible for the executives of GmbHs would place DB Group at a significant competitive disadvantage in terms of recruiting qualified executives.

8. NO. 4.3.2 SENTENCE 3

In D&O insurance, there is no deductible for members of supervisory bodies.

DB AG has taken out a Group-wide D&O insurance policy for all its Board members in fully consolidated companies, which also covers the members of the supervisory bodies.

In principle, a deductible is not a suitable way of improving the quality of the Supervisory Board's activities. Instead, it reduces the attractiveness of the Supervisory Board mandate and therefore makes it more difficult to attract appropriately qualified candidates, especially as the compensation paid is already relatively low.

A significant portion of the compensation paid to representatives on DB Group Supervisory Boards who are delegated by/elected at the behest of the Federal Government is transferred to the Federal Treasury, unless they waive their compensation altogether. Members of the Supervisory Board representing employees also transfer a significant amount of their compensation to the Hans Böckler Foundation (Hans-Böckler-Stiftung). DB executives who take on Supervisory Board mandates within DB Group do not receive any separate compensation for DB Group-internal Supervisory Board mandates. This being the case, it does not seem appropriate to allow members of the supervisory bodies to share in the risks arising from Directors' and Officers' liability cases.

9. NO. 5.1.2 SENTENCE 4

DB Group has largely complied with the PCGK's recommendation that the entity responsible for compliance should report directly to the management, or implemented this in 2021 where it was not yet the case.

Some of the reorganization processes required for this in a few of the companies covered by the PCGK had yet to be fully completed at the time of the printing of this report, so this recommendation may not yet be fully complied with.

10. NO. 5.2.2 SENTENCE 3

In the course of implementing the PCGK recommendations, a standard procedure/model document for a transparent selection procedure was developed in the reporting period and will be used in the future. These were not yet fully applied in 2021.

11. NO. 5.2.4 SENTENCE 2

In one case, a managing director of a DB Group company covered by the PCGK was appointed for five years upon their initial appointment. Exceeding the recommended initial appointment period of three years was necessary to ensure the success of an exposed project of the Company.

12. NO. 5.2.4 SENTENCE 3

During the reporting period, in two cases at different DB Group companies, reappointments were made before one year had elapsed and before the end of the appointment term. In one case, this was necessary to ensure the success of an exposed project of the company. In the other case, this approach was necessary to ensure continuity and stability in the company's management.

13. NO. 5.2.5

A sample clause for the establishment of an age limit for members of management in line with statutory provisions on old-age pensions has been developed and scheduled for inclusion in company documents. The adoption of amended rules of procedure is still in the implementation phase. It may be that by the time the statement of compliance is issued, resolutions of the corporate bodies have not yet been finalized in the individual companies, with the result that this recommendation of the PCGK may not yet have been fully complied with at that time.

14. NO. 5.3.1 SENTENCES 1 TO 3

The remuneration system in DB Group will be methodically overhauled from the 2022 financial year. The envisaged methodology meets the requirements of the PCGK. At the time of printing this report, some of the relevant resolutions had not yet been adopted by the bodies.

15. NO. 5.3.2 PARAS. 1 AND 2

The recommendations under no. 5.3.2 (1) and (2) of the PCGK, in accordance with which executive remuneration should be decided by the responsible corporate body, are, for the most part, complied with. In certain cases, there are still ongoing Group employment contracts for historical reasons. In these cases, where the contractual partner is not the corporate body, but rather DB AG as management holding company, the recommendations of this section shall be deviated from during the term of these Group employment contracts. There are no plans to conclude new Group employment contracts in the future.

16. NO. 5.3.2 PARA. 5

DB AG intends to comply with the recommendation to establish malus and clawback clauses in the employment contracts of executives. This recommendation will be integrated into contractual regulations, predominantly in the context of new appointments and reappointments. Accordingly, it will take several years for the companies covered by the PCGK to fully comply with this recommendation.

17. NOS. 5.3.3 AND 5.3.4
The recommendations under nos. 5.3.3 and 5.3.4 of the PCGK with regard to the determination of variable compensation components by the responsible corporate body are, for the most part, complied with. In individual cases, there are still ongoing Group employment contracts for historical reasons. In these cases, where the contractual partner is not the corporate body, but rather DB AG as management holding company is, the recommendations of this section shall be deviated from during the term of these Group employment contracts, as the targets in these cases are agreed with Group management. There are no plans to conclude new Group employment contracts in the future.

The variable compensation / profit share in DB Group will be methodically overhauled from the 2022 financial year. The envisaged methodology meets the requirements of the PCGK. At the time of printing this report, some of the relevant resolutions had not yet been adopted by the bodies.

18. NO. 5.4.3 SENTENCES 2 AND 3 AND NO. 5.4.4
A corresponding sample clause has been developed and scheduled for inclusion in the company documents. The adoption of adapted company documents is currently still being implemented. It may be that by the time the statement of compliance is issued, resolutions of the corporate bodies or notarial deeds have not yet been finalized in the individual companies, with the result that this recommendation of the PCGK may not yet have been fully complied with at that time.

19. NO. 6.1.1 PARA. 1
In the case of DB Projekt Stuttgart-Ulm GmbH, DB Group does not comply with the PCGK's recommendation to anchor a supervisory body in the articles of association where this is not provided for by law. In 2013, the Management Board and Supervisory Board agreed to establish the project company DB Projekt Stuttgart–Ulm GmbH for the implementation of the major Stuttgart 21 / Wendlingen–Ulm projects and to set up an Advisory Board of specialist experts to support the company. The Advisory Board of DB Projekt Stuttgart–Ulm GmbH does not have any tasks, rights or duties within the meaning of the German Stock Corporation Act (Aktienrecht). However, the Chairman of the Advisory Board regularly brings the committee's positions into the deliberations of DB AG's Supervisory Board on the Stuttgart 21 project. In addition, the auditors PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft (PwC) and the engineering firm Emch + Berger provide regular, independent support and quarterly reporting on the project status on DB AG's Audit and Compliance Committee. There is, therefore, no intention to establish a separate Supervisory Board for DB Projekt Stuttgart–Ulm GmbH.

20. NO. 6.1.2
A sample document for the rules of procedure for the supervisory body has been developed and, where it does not yet exist, should be established promptly. The adoption of amended corporate documents is still in the implementation phase. It may be that by the time the statement of compliance is issued, resolutions of the corporate bodies have not yet been finalized in the individual companies, with the result that this recommendation of the PCGK may not yet have been fully complied with at that time.

21. NO. 6.1.7
Provision has been made for the deletion of the relevant delegation clauses from the company documents. The adoption of adapted company documents is currently still being implemented. It may be that, by the time the statement of compliance is issued, resolutions of the corporate bodies or notarial deeds have not yet been finalized in the individual companies, with the result that this recommendation of the PCGK may not yet have been fully complied with at that time.

22. NO. 6.1.9
A sample clause about checking the efficiency and quality of the supervisory body's activities was developed and, where not yet available, scheduled for inclusion in the company documents. The adoption of adapted company documents is currently still being implemented. It may be that by the time the statement of compliance is issued, resolutions of the corporate bodies or notarial deeds have not yet been finalized in the individual companies, with the result that this recommendation of the PCGK may not yet have been fully complied with at that time.

23. NO. 6.2.2
A sample clause for setting an appropriate age limit for members of the supervisory body that complies with legal requirements was developed and scheduled for inclusion in the company documents. The adoption of amended company documents is still in the implementation phase. It may be that by the time the statement of compliance is issued, resolutions of the corporate bodies or notarial deeds have not yet been finalized in the individual companies, with the result that this recommendation of the PCGK may not yet have been fully complied with at that time.

24. NO. 6.5 PARA. 1
DB Group does not comply with the recommendation that all companies covered by the PCGK hold one regular meeting of the supervisory body per calendar quarter. DB AG believes that holding meetings less frequently has proven to be effective, particularly in the case of smaller companies, and – given the size of the companies and the smaller variety of topics or reportable business transactions compared to large companies – it also constitutes proper monitoring of the management. From the point of view of the companies concerned, it would be disproportionate to increase the number of meetings and thus the administrative burden without there being significant added value.

25. NO. 6.5 PARA. 2
To date, circular resolutions have been documented in a separate resolution. Additional consideration was arranged in the minutes of the subsequent meeting of the supervisory body in the reporting period and will be implemented gradually. This has not yet been done exhaustively for 2021.

26. NOS. 7.2.1 AND 7.2.2
DB AG does not follow the recommendation to disclose the compensation of the executive bodies of the subsidiaries covered by the PCGK on an individual basis in the Corporate Governance report.

Publishing the compensation awarded to the respective members of management, especially without their consent, would be questionable with regard to data protection. As yet, relevant consents have not been contractually agreed for the members of management, with the exception of the DB Group Management Board.

27. NO. 8.2.1 PARA. 3
For one company, this recommendation was not complied with in the year under review.

II.
The Supervisory Board and the Management Board of DB AG further declare that the Group parent company and the companies under its uniform management that are required to apply the Code will, in principle, comply with the recommendations on PCGK 2020 adopted by the German Government on September 16, 2020, with the aforementioned exceptions.

COOPERATION BETWEEN THE MANAGEMENT BOARD AND SUPERVISORY BOARD
As a German Aktiengesellschaft (joint stock corporation), DB AG is subject to a two-tier management and monitoring structure in the form of the Management Board and Supervisory Board. These two bodies are strictly segregated in terms of both their membership and their competencies. The members of the Management Board bear joint responsibility for the management of the company. The Supervisory Board monitors the activities of the Management Board and is responsible for appointing members to, and dismissing members from, the Management Board.

In the interests of optimum company management, we see it as very important for the Management Board and the Supervisory Board to maintain continuous dialog with each other and to work together efficiently and in an atmosphere of mutual trust for the benefit of the company. The Management Board provides the Supervisory Board with regular, prompt, comprehensive information on all matters relevant to the company, particularly those concerning planning, business development, risk exposure and risk management, as well as the internal control system.

An overview of the members of the Management Board and of the Supervisory Board of DB AG 248 ff., including the mandates they hold, is provided in the Notes to the consolidated financial statements.

Management Board
The members of the Management Board bear joint responsibility for the management of the company. The Management Board is required to safeguard the interests of the company and is committed to achieving the sustainable growth of enterprise value. It specifies the business goals and defines the strategies to be implemented in order to attain these targets. The Management Board is responsible for making decisions on all matters of fundamental and key importance for the company.

In its meeting on June 15, 2021, the Supervisory Board of DB AG appointed Dr. Daniela Gerd tom Markotten to the Management Board of DB AG as head of the Digitalization and Technology division for the period from September 15, 2021, to September 14, 2024. She succeeds Prof. Dr. Sabina Jeschke, who resigned from her mandate on May 31, 2021.

Management Board members must disclose any conflicts of interest with the Supervisory Board immediately and must also provide their colleagues on the Management Board with information about any such conflicts.

In accordance with this provision, Dr. Sigrid Nikutta informed the bodies at the beginning of her Management Board mandate that she has a familial relationship with a member of the general management of a rail vehicle manufacturer. She has therefore not participated in procurement processes with this rail vehicle manufacturer in order to avoid any conflicts of interest. A change in the management of the rail vehicle manufacturer resolved the potential conflict of interest in the reporting period.

Supervisory Board

The Supervisory Board advises and monitors the Management Board in its management of the company.

In line with the requirements of the Co-Determination Act (Mitbestimmungsgesetz; MitbestG), the Supervisory Board of DB AG consists of 20 members, of whom ten members are shareholders' representatives and ten members are employee representatives. Some of the shareholders' representatives are seconded to the Supervisory Board and some are elected at the Annual General Meeting. The employees' representatives on the Supervisory Board are elected in line with the requirements of the Co-Determination Act.

In the current term of office, Dr. Tamara Zieschang resigned her mandate on the Supervisory Board with effect from September 16, 2021. Mr. Enak Ferlemann (Member of the German Parliament; former Parliamentary State Secretary) was appointed as her successor on the Supervisory Board of DB AG with effect from October 11, 2021.

Any personal or business relationships of individual members of the Supervisory Board with the company are stated in the Notes to the consolidated financial statements.

Supervisory Board members must immediately disclose any conflicts of interest with the Supervisory Board and must also provide the Supervisory Board with information about any such conflicts. In the reporting period, no such incidents arose.

Transactions of fundamental importance and other Management Board decisions with a major impact on the business operations and on the assets, financial or income situation of the company require the authorization of the Supervisory Board. The Management Board reports to the DB Supervisory Board on the business development and the position of DB Group at least once every quarter. The Management Board also reports to the Supervisory Board regularly on all measures implemented within the company that are intended to ensure compliance with laws and corporate regulations. In addition, the tasks of the Supervisory Board include the auditing and approval of the company's annual financial statements and the auditing of the company's management report, the consolidated financial statements, and the DB Group management report. The Supervisory Board also monitors the accounting process, the effectiveness of the internal control system, the risk management system and the internal audit system, as well as the process of auditing the annual financial statements.

The Chairman of the Supervisory Board is in regular contact with the Management Board and specifically the Chief Executive Officer to discuss company strategy, business development and risk management. The Chairman of the Supervisory Board receives regular reports from the Chief Executive Officer on all events that are of key importance for assessing the company's situation and development, as well as for its management.

There were no consultancy agreements or other comparable service agreements or contracts for services between the members of the Supervisory Board and DB AG in the year under review.

Supervisory Board committees

In order to enable it to carry out its monitoring activities to the best of its abilities, the Supervisory Board of DB AG has made use of the option of setting up further committees in addition to the Mediation Committee, which has to be set up in accordance with the Co-Determination Act, and has set up an Executive Committee, an Audit and Compliance Committee and a Personnel Committee. An overview of the members of the committees 250 can be found in the Notes to the consolidated financial statements. Details of the work performed by the individual committees 29f. in the year under review are included in the report of the Supervisory Board. Details of the functions of the individual committees can be found on our Web site.

SHARE OF WOMEN ON THE MANAGEMENT BOARD AND SUPERVISORY BOARD

Six women currently serve on the Supervisory Board of DB AG (30.0%). A target of a 30% share of women on the Supervisory Board of DB AG was set, with a deadline of June 30, 2022.

The Management Board of DB AG included, as at the reporting date of December 31, 2021, and still includes, two women (28.6%). A target of a 30% share of women on the Management Board of DB AG was set, with a deadline of June 30, 2022.

At the other management levels of DB AG, the following targets have been set (deadline December 31, 2024): at the first management level below the Management Board, a 31.7% share of women, and at the second management level below the Management Board, a 40.2% share of women.

As of December 31, 2021, a 23.8% share of women was realized at the first management level below the Management Board. At the second level, 33.3% was achieved.

DB Group is committed to the equal participation of women and men in management positions and, on the basis of the law, has decided to set a total target of 30% women in management for all applicable subsidiaries at all levels (Supervisory Boards, Management Boards/general management, first and second management levels), with a deadline of December 31, 2024.

Comprehensive information on DB Group's diversity and sustainability activities is provided in the non-financial section of the Integrated Report.

TRANSPARENCY

All important information regarding the consolidated and annual financial statements, the interim report, the financial calendar and information on security transactions subject to a reporting obligation can be found on our Web site. In addition, we provide regular information on current developments within the framework of our investor relations activities and corporate communication.

RISK MANAGEMENT

TCFD

Good corporate management also encompasses a responsible approach to the risks and opportunities arising in connection with business operations. The early identification and limitation of business risks is therefore of paramount importance to the Management Board and the Supervisory Board.

The Management Board is responsible for ensuring, and continuously improving, adequate risk management and monitoring of risks within the company. The Accounting Law Modernization Act (Bilanzrechtsmodernisierungsgesetz; BilMoG) precisely defines the responsibilities of the Supervisory Board with regard to monitoring the accounting process and ensuring the effectiveness of the internal control system, the risk management system and the internal audit system. For the Supervisory Board to be able to discharge this responsibility, it must be provided with suitable information based on which it can form an opinion on the adequacy and effectiveness of systems. Regular reports are made to the Audit and Compliance Committee concerning the adequacy and effectiveness of the internal control system. In addition, the Management Board reports to the Audit and Compliance Committee regarding risks of major importance to the Group companies and the handling of these risks by the Management Board. It also controls whether the early warning system for risks meets the requirements of section 91 (2) of the German Stock Corporation Act (Aktiengesetz; AktG).

COMPLIANCE

Compliance is an integral component of the corporate and leadership culture at DB Group. To us, compliance means ensuring our business activities comply with the relevant laws and regulations that apply to them.

Our compliance activities focus on preventing and consistently combating corruption and other corporate crime. Mandatory compliance policies serve to protect DB Group, our employees and our executives. Increasing awareness among our employees and executives remains of great importance, because only risk-aware employees can recognize risks and successfully avoid or, at least, minimize them.

The compliance work of DB Group includes the early detection of compliance risks as well as the introduction of relevant countermeasures. This work includes conducting compliance programs, continuous communication and process improvements.

ACCOUNTING AND AUDITING

On March 24, 2021, the Annual General Meeting of DB AG appointed the auditing firm PricewaterhouseCoopers GmbH (PwC), Berlin, as auditor for the 2021 financial year. The Audit and Compliance Committee prepared the proposal of the Supervisory Board regarding the election of the auditor and, following the election of the auditor by the Annual General Meeting, defined the key audit aspects in conjunction with the auditor. Once again this financial year it was agreed with the auditor that the Chairman of the Audit and Compliance Committee will be notified of any possible reasons for exclusion or prejudice that emerge in the course of the audit. It was also agreed that the Chairman of the committee will be notified immediately by the auditor of any separate findings and any irregularities in the statement of compliance.

EFFICIENCY AUDIT OF THE SUPERVISORY BOARD

The Supervisory Board regularly monitors the efficiency of its activities. The last efficiency audit took place in the 2021 financial year.

COMPENSATION REPORT

The compensation report outlines the compensation system and lists the individual compensation of the members of the Management Board and the Supervisory Board.

TCFD Compensation system of the Management Board

The compensation system for the Management Board of DB AG aims to provide appropriate compensation to members of the Management Board in accordance with their duties and areas of responsibility, while at the same time directly taking into account the performance of each Management Board member and the success of the company.

The appropriate level of compensation is reviewed regularly using a comparison process. This review examines the level of Management Board compensation both in comparison to the external market (horizontal appropriateness) and in comparison to other levels of compensation within the company (vertical appropriateness). If the review shows a need to adjust the compensation system or the level of compensation, the Personnel Committee of the Supervisory Board submits its proposals in this regard to the Supervisory Board for approval. The appropriateness of Management Board compensation was last reviewed in the 2021 financial year.

COMPENSATION COMPONENTS

The total compensation for Management Board members consists of a fixed salary, a performance-linked annual bonus and a long-term incentive plan based on multi-year figures. Total compensation also includes benefit commitments, other commitments and ancillary benefits.

The fixed salary is cash compensation linked to the financial year. It is based on the scope of responsibility and the experience of each Management Board member. The individually defined fixed income is paid out in 12 equal installments.

The performance-linked annual bonus is calculated based on the achievement of business targets (business factor) and the achievement of individual targets (performance factor). There is a multiplicative link between the business factor and the performance factor. The business factor depends on the extent to which the business targets set out by corporate planning are achieved. The parameters for this factor are operational success (operating income after interest) and return on capital employed (ROCE), with equal weighting.

The performance factor reflects success in meeting personal targets. The target bonus corresponds to the annual bonus paid to the Management Board member in a “normal financial year” for meeting performance targets in full. If the Group results do not meet planned objectives, the business factor can, in extreme cases, be reduced to zero, regardless of personal performance. This means that the annual bonus can be zero. If planned objectives are exceeded and the maximum performance factor is also achieved, the annual bonus can be as high as 2.6 times the target bonus.

The business and personal targets of the Management Board members are decided by the Supervisory Board each year based on recommendations from the Personnel Committee, and are then agreed in writing with the Management Board members.

Together with the corporate plan adopted by the Supervisory Board, the personal targets form the basis for calculating the annual bonus. This means that all of the key parameters for total compensation are established at the beginning of the financial year.

At the end of each financial year, the business and personal performance factors are calculated for each Management Board member based on Group results. Target income is attained if both business goals and individual targets have been met in full. The final decision on this matter is made by the Supervisory Board and is prepared by the Personnel Committee.

In December 2021, the Supervisory Board adopted an amendment to the short-term incentive (STI) methodology, which is applicable for the 2022 financial year. In the interests of transparent and uniform rules on profit-sharing in the Integrated Rail System, this should also apply, as far as possible, to other Group subsidiaries and management levels from 2022.

The long-term incentives (LTI) for the Management Board now also focus on long-term transport and climate policy targets and the sustainable creditworthiness and profitability of DB Group. After the end of the respective plan term of four years, the extent to which LTI targets have been achieved at the end of the tranche is measured using the average target achievement for the individual years. The payment amount for the long-term incentive plan has an upper limit and can vary between 0% and 200%. The entitlement arising from the LTI commitment is heritable.

The Management Board members are entitled to an appropriate severance package if their contract is terminated before the contractually stipulated termination date, provided that the Management Board member was not personally responsible for the termination through his or her actions. The severance package is based on the remaining term of the contract, the agreed target salary and, where applicable, the pension benefits already owed by DB AG for the remainder of the contract.

In accordance with the recommendations of the PCGK, a severance payment cap is included in all contracts of DB AG Management Board members. This cap means that payments made to a Management Board member due to premature termination of Management Board duties cannot, without good cause as defined by section 626 of the German Civil Code (Bürgerliches Gesetzbuch; BGB), exceed the value of two years' salary, including variable compensation components, and must not provide compensation for more than the remaining term of the employment agreement.

Management Board members do not receive any additional compensation for mandates exercised in control bodies of Group companies or affiliated companies.

Group-wide compensation system for executives

The compensation system for executives aims primarily to closely link compensation to the sustainable success of the company in the sense of the business success of the Integrated Rail System and of DB Group, as well as the alignment of all divisions toward this target.

The annual bonus for executives and employees not subject to wage agreements in the Integrated Rail System is structured as a profit share. Personal goals are then agreed with executives as part of a regular process. The achievement of the goals is regularly included in the assessment when making decisions on increases to the fixed salary.

If the executives are members of DB AG subsidiaries, the respective subsidiary's Supervisory Board is responsible for discussing the personal goals, if possible by the end of a financial year. Where applicable, the respective decision-making will take place after the DB AG Supervisory Board meeting in which the mid-term planning and the targets for the Group's Management Board are adopted. This chronological sequence of the handling of personal goals in the Supervisory Boards of the subsidiaries is due to the Group structure of DB AG.

In some cases, given the regulatory requirements, DB Netz AG is subject to separate regulatory requirements which take even greater account of the business success of DB Netz AG.

In the interests of transparent and uniform rules on profit-sharing in the Integrated Rail System, the modified STI methodology adopted for 2022 by the Supervisory Board in December 2021 should also apply, as far as possible, to other Group subsidiaries and management levels from 2022.

Pension entitlements

The Supervisory Board of DB AG set a general retirement age of 65 for Management Board members. In the previous year, in accordance with the provisions of the PCGK 2020, this regulation was modified to stipulate that the Management Board should not include any members who have exceeded the statutory retirement age. After leaving the company, Management Board members are entitled to pension payments. At the latest upon reaching the age of 65, Management Board members who were in office prior to 2017 are entitled to a lifelong pension if the term of employment ends due to permanent invalidity, or if the contract is terminated before the agreed termination date or is not extended, without good cause, or if the Management Board member refuses to continue the contract under the same or more beneficial conditions.

The system governing benefit commitments to Management Board members was amended in 2017. Members appointed to the Management Board for the first time in 2017 and thereafter receive a defined benefit commitment under which a capital stock is saved up for the Board member for the duration of their employment and paid out when they reach retirement age. An annual amount derived as a specific percentage of fixed salary is paid into the defined contribution plan.

Company pension commitments for Management Board members already in office are based on a percentage of the basic salary depending on the length of time that the Management Board member has been with the company. Pension commitments include lifelong retirement and surviving dependent benefits. There is no lump-sum payment option.

In addition, for Management Board member contracts entered into before January 1, 2009, a reinsurance policy was concluded to cover company pension benefits.

Contractual ancillary benefits

The contractual ancillary benefits for Management Board members include a company car with driver for business and personal use, a personal BahnCard 100 First free travel card and standard insurance coverage. A housing allowance is provided for second homes where these are required for business purposes. Where these benefits in kind cannot be granted on a tax-free basis, they are taxed as non-cash benefits for which the Management Board members are fully responsible. Management Board members, like any other member of the Group's executive personnel, can choose to take part in the company's deferred compensation program.

The members of the Management Board are covered by liability insurance against financial losses incurred due to DB AG's business operations (D&O insurance). In the year under review, this insurance was designed as a Group insurance policy with the deductible provided for under law; it provides coverage for financial losses that may occur during the performance of Management Board activities. The insurance coverage of the existing D&O insurance policy is valid for a period of five years after the termination of activities as a member of the Management Board.

COMPENSATION FOR THE 2021 FINANCIAL YEAR

DB AG Management Board

The director's fee for the previous financial year is due at the end of the month in which the company's Annual General Meeting takes place.

The DB AG Management Board members will receive the following compensation for their work during the year under review:

TOTAL COMPENSATION OF THE MANAGEMENT BOARD / € thousand	Fixed compensation	Variable compensation: Short-term [1),2)]	Variable compensation: Long-term payment [2)]	Variable compensation: Provision [3)]	Other [4)]	Total [5)]
INCUMBENT MANAGEMENT BOARD MEMBERS OF DB AG AS OF DEC 31, 2021						
Dr. Richard Lutz	900	–	–	495	11	**911**
Dr. Daniela Gerd tom Markotten	118	–	–	22	6	**124**
Dr. Levin Holle	400	–	–	144	15	**415**
Berthold Huber	650	–	–	315	12	**662**
Dr. Sigrid Nikutta	400	–	–	150	9	**409**
Ronald Pofalla	650	–	–	315	12	**662**
Martin Seiler	650	–	–	255	9	**659**
Total	**3,768**	**–**	**–**	**1,696**	**75**	**3,843**
MEMBERS WHO LEFT THE MANAGEMENT BOARD OF DB AG DURING THE YEAR UNDER REVIEW						
Prof. Dr. Sabina Jeschke	**271**	–	–	**198**	**15**	**286**
Total	**4,039**	**–**	**–**	**1,894**	**90**	**4,129**

Individual figures are rounded and therefore may not add up.
1) Subject to the resolution of the Supervisory Board.
2) All Board members have waived their variable compensation components for 2021.
3) Long-term variable compensation refers to the addition / release of provisions for long-term incentives (LTI).
4) Non-cash benefits from travel discounts, usage of company cars, and insurance and housing allowances.
5) Total without long-term variable compensation.

In the year under review, no Management Board members of DB AG received benefits or promises of benefits from a third party with regard to their activities as a member of the Management Board.

Pension benefits for the Management Board for the 2021 financial year

In the year under review, an amount of € 1,880 thousand was added to the pension provisions.

ADDITIONS TO PENSION PROVISIONS / € thousand	2021
INCUMBENT MANAGEMENT BOARD MEMBERS OF DB AG AS OF DEC 31, 2021	
Dr. Richard Lutz	390
Dr. Daniela Gerd tom Markotten	58
Dr. Levin Holle	183
Berthold Huber	685
Dr. Sigrid Nikutta	177
Ronald Pofalla	0
Martin Seiler	275
Total	**1,768**
MEMBERS WHO LEFT THE MANAGEMENT BOARD OF DB AG DURING THE YEAR UNDER REVIEW	
Prof. Dr. Sabina Jeschke	**112**
Total	**1,880**

Pension provisions for former Management Board members 239 are shown in total in the Notes to the consolidated financial statements.

Compensation of the Supervisory Board for the 2021 financial year

Compensation of the Supervisory Board of DB AG was most recently regulated by the Annual General Meeting resolution of September 21, 2010. In addition to being reimbursed for their cash outlays and the value-added tax due on their compensation and cash outlays, the DB AG Supervisory Board members each receive fixed annual compensation of € 20,000, plus performance-linked annual compensation. The performance-based compensation is calculated based on the relationship between operating profit (EBIT) as disclosed in the consolidated financial statements for the financial year compared to the previous year's figures, and the attaining of specific operational performance figures. Performance-based compensation is limited to a maximum of € 13,000. The Chairman of the Supervisory Board receives twice this amount, while his deputy receives one and a half times the above figure. This compensation is increased by a quarter for every position held on a committee by the individual Supervisory Board member. This compensation increases by 100 % for the Chairman of the Executive Committee and the Chairman of the Audit and Compliance Committee, and by 50 % for the Chairman of the Personnel Committee. This does not include membership or chairmanship of the committee that is formed under the terms of section 27 (3) of the Co-determination Act (MitbestG).

In addition, the members of the Supervisory Board of DB AG receive an attendance fee of € 250 for each meeting of the Supervisory Board and its committees at which they are present. The members of the Supervisory Board also have the choice between a personal BahnCard 100 First and five free train tickets.

The members of the Supervisory Board are covered by liability insurance against financial losses incurred due to DB AG's business operations (D&O insurance). This insurance is designed as a group insurance policy with no deductible and provides coverage for financial losses that may occur during the performance of Supervisory Board activities. There is also a Group accident insurance policy in place for members of the Supervisory Board. The company pays the premiums for these policies.

Supervisory Board members who have only been members for part of the respective financial year receive a twelfth of the total compensation for each month or part of a month of their membership. This rule also applies to the increase in compensation for the Chairman of the Supervisory Board and his or her deputy and to the increase in compensation for membership and chairmanship of a Supervisory Board committee.

Compensation is paid after the conclusion of the Annual General Meeting that votes to ratify the Supervisory Board's activities in the previous financial year.

Taxes due on compensation received, including the personal BahnCard 100 First and the five free train tickets, are the individual responsibility of each Supervisory Board member.

Supervisory Board members currently hold no shares in the company, nor do they hold options entitling them to purchase shares in the company.

Subject to the approval of the activities of the Supervisory Board by the Annual General Meeting on March 30, 2022, the members of the Supervisory Board of DB AG will receive the following compensation for their work during the year under review:

TOTAL COMPENSATION OF THE SUPERVISORY BOARD / € thousand	Annual compensation 2021				
	Fixed compensation	Variable compensation [1]	Attendance fee	Ancillary services	Total
INCUMBENT SUPERVISORY BOARD MEMBERS OF DB AG AS OF DEC 31, 2021 [2]					
Michael Odenwald	70.0	45.5	4.5	0.9	**120.9**
Klaus-Dieter Hommel	40.0	26.0	3.8	6.4	**76.1**
Jürgen Beuttler	20.0	13.0	1.5	–	**34.5**
Martin Burkert	20.0	13.0	3.0	–	**36.0**
Enak Ferlemann [3]	–	–	–	–	**–**
Werner Gatzer	20.0	13.0	2.5	–	**35.5**
Dr. Ingrid Hengster	20.0	13.0	1.3	6.4	**40.6**
Jörg Hensel	25.0	16.3	2.8	0.9	**44.9**
Cosima Ingenschay	25.0	16.3	2.8	–	**44.0**
Prof. Dr. Susanne Knorre	20.0	13.0	1.5	6.2	**40.7**
Jürgen Knörzer	20.0	13.0	1.5	6.2	**40.7**
Kirsten Lühmann	20.0	13.0	1.5	0.9	**35.4**
Heike Moll	20.0	13.0	1.3	6.4	**40.6**
Dr. Immo Querner	40.0	26.0	2.8	6.4	**75.1**
Mario Reiß	20.0	13.0	1.3	–	**34.3**
Eckhardt Rehberg	20.0	13.0	1.3	–	**34.3**
Christian Schmidt	20.0	13.0	1.5	0.9	**35.4**
Jens Schwarz	30.0	19.5	4.3	6.2	**60.0**
Veit Sobek	20.0	13.0	1.5	6.4	**40.9**
Elisabeth Winkelmeier-Becker [3]	–	–	–	–	**–**
MEMBERS WHO LEFT THE SUPERVISORY BOARD OF DB AG DURING THE YEAR UNDER REVIEW [2]					
Dr. Tamara Zieschang	26.3	17.1	4.5	–	**47.8**
Compensation for further Supervisory Board mandates in DB subsidiaries					**92.4**
Total					**1,010**

Individual figures are rounded and therefore may not add up.

[1] All Supervisory Board members waived the variable compensation due to them for 2021.

[2] Some Supervisory Board members request that their compensation is donated to the Hans Böckler Foundation (Hans-Böckler-Stiftung) in line with the directive of the German Trade Union Confederation (Gewerkschaftsbund).

[3] Ms. Winkelmeier-Becker and Mr. Ferlemann waived the compensation they are due for their work as a member of the Supervisory Board.

There are no pension obligations for members of the Supervisory Board.

The members of the Supervisory Board did not receive any compensation in the year under review for any personally provided services.

Forward-looking statements

This management report contains statements and forecasts pertaining to the future development of DB Group, its business units and individual companies. These forecasts are estimates based on information that is available at the current time. Actual developments and profits may diverge from the current expectations as a result of the non-materialization of the assumptions upon which our forecasts are based or the materialization of risks such as those presented in the risk report.

DB Group does not assume any obligation to update the statements made within this management report.

Cross-references in the management report

This management report contains cross-references to additional information that is not part of this management report. The corresponding parts are marked in the report with the symbol **term** and are not part of the management report.

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF INCOME

GRI 201-1

JAN 1 THROUGH DEC 31 / € million	Note	2021	2020
Revenues	(1)	47,075	39,901
Inventory changes and other internally produced and capitalized assets	(2)	3,884	3,564
Overall performance		50,959	43,465
Other operating income	(3)	5,901	3,439
Cost of materials	(4)	- 28,419	- 22,757
Personnel expenses	(5)	- 19,219	- 18,297
Depreciation and impairments	(6)	- 3,804	- 5,372
Other operating expenses	(7)	- 5,716	- 5,235
Operating income (EBIT)		**- 298**	**- 4,757**
Result from investments accounted for using the equity method	(8)	- 10	- 21
Net interest income	(9)	- 528	- 615
Other financial result	(10)	48	- 91
Financial result		**- 490**	**- 727**
Loss before taxes on income		**- 788**	**- 5,484**
Taxes on income	(11)	- 123	- 223
Net loss for the year		**- 911**	**- 5,707**
Net loss for the year			
thereof net loss attributable to shareholder of Deutsche Bahn AG		- 946	- 5,710
thereof remuneration entitlement of hybrid capital investors		26	26
thereof net profit / loss for the year attributable to non-controlling interests		9	- 23
Earnings per share (€ per share)	(12)		
Undiluted		- 2.20	- 13.28
Diluted		- 2.20	- 13.28

Reconciliation of consolidated comprehensive income

JAN 1 THROUGH DEC 31 / € million	2021	2020
Net loss for the year	- 911	- 5,707
Changes due to the revaluation of defined benefit plans	1,482	- 1,067
Change in items recognized directly in equity, which are not reclassified to the income statement	1,482	- 1,067
Changes resulting from currency translation	101	- 173
Changes resulting from market valuation of securities / reclassifications of cash flow hedges	0	1
Changes resulting from market valuation of cash flow hedges	91	- 23
Share of profit items not recognized in the income statement due to investments accounted for using the equity method	3	-
Change in profit items recognized directly in equity, which are reclassified to the income statement	195	- 195
Balance of profit items covered directly in equity (before taxes)	**1,677**	**- 1,262**
Deferred taxes relating to revaluation of defined benefit plans	- 51	- 21
Changes in deferred taxes on profit items recognized directly in equity, which are not reclassified to the income statement	**- 51**	**- 21**
Deferred taxes relating to the change in the market valuation of cash flow hedges	- 7	1
Changes in deferred taxes on profit items recognized directly in equity, which are reclassified to the income statement	**- 7**	**1**
Balance of profit items recognized directly in equity (after taxes)	**1,619**	**- 1,282**
Comprehensive income	**708**	**- 6,989**
Comprehensive income		
thereof comprehensive income attributable to shareholder of Deutsche Bahn AG	674	- 6,987
thereof remuneration entitlement of hybrid capital investors	26	26
thereof comprehensive income for the year attributable to non-controlling interests	8	- 28

GRI 102-7

CONSOLIDATED BALANCE SHEET

Assets

€ million	Note	Dec 31, 2021	Dec 31, 2020
NON-CURRENT ASSETS			
Property, plant and equipment	(13)	50,100	47,704
Intangible assets	(14)	2,387	2,290
Investments accounted for using the equity method	(15)	461	458
Other investments and securities	(17)	99	57
Receivables and other assets	(19)	1,441	1,140
Derivative financial instruments	(21)	356	151
Deferred tax assets	(16)	1,305	1,164
		56,149	**52,964**
CURRENT ASSETS			
Inventories	(18)	2,155	1,937
Other investments and securities	(17)	1	1
Trade receivables	(19)	6,476	4,849
Other receivables and other assets	(19)	2,358	2,205
Income tax receivables	(20)	63	55
Derivative financial instruments	(21)	50	13
Cash and cash equivalents	(22)	4,591	3,411
Held-for-sale assets	(23)	0	0
		15,694	**12,471**
Total assets		**71,843**	**65,435**

Liabilities

€ million	Note	Dec 31, 2021	Dec 31, 2020
EQUITY			
Subscribed capital	(24)	2,150	2,150
Reserves	(25)	978	-3,316
Generated profits	(26)	5,357	6,302
Equity attributable to shareholder of Deutsche Bahn AG		**8,485**	**5,136**
Non-controlling interests	(27)	134	132
Hybrid capital	(27)	2,002	2,002
		10,621	**7,270**
NON-CURRENT LIABILITIES			
Financial debt	(28)	30,322	27,070
Other liabilities	(29)	341	734
Derivative financial instruments	(21)	200	319
Pension obligations	(31)	5,031	6,517
Other provisions	(32)	3,163	2,576
Deferred items	(33)	406	316
Deferred tax liabilities	(16)	168	154
		39,631	**37,686**
CURRENT LIABILITIES			
Financial debt	(28)	4,164	6,254
Trade liabilities	(29)	8,097	6,312
Other liabilities	(29)	3,883	3,308
Income tax liabilities	(30)	252	191
Derivative financial instruments	(21)	19	60
Other provisions	(32)	4,333	3,465
Deferred items	(33)	843	889
		21,591	**20,479**
Total assets		**71,843**	**65,435**

CONSOLIDATED STATEMENT OF CASH FLOWS

JAN 1 THROUGH DEC 31 / € million	Note	2021	2020
Loss before taxes on income		- 788	- 5,484
Depreciation on property, plant and equipment and intangible assets		3,804	5,372
Write-ups / write-downs on non-current financial assets		- 32	56
Result of disposal of property, plant and equipment and intangible assets		123	96
Result of disposal of financial assets		- 4	- 1
Result of the sale of consolidated companies		0	- 3
Interest and dividend income		- 57	- 115
Interest expenses		583	729
Foreign currency result		- 27	25
Result of investments accounted for using the equity method		10	21
Other non-cash expenses and income [1]		2,786	2,233
Changes in inventories, receivables and other assets		- 2,372	- 831
Changes in liabilities, provisions and deferred items		616	- 29
Cash generated from operating activities		4,642	2,069
Interest received		40	28
Received (+) / paid (-) dividends and capital distribution		- 3	0
Interest paid		- 524	- 519
Paid (-) / reimbursed (+) taxes on income		- 255	- 158
Cash flow from operating activities		**3,900**	**1,420**
Proceeds from the disposal of property, plant and equipment and intangible assets		213	228
Payments for capital expenditures in property, plant and equipment and intangible assets		- 14,182	- 13,284
Proceeds from investment grants		9,045	8,516
Payments for repaid investment grants		- 43	- 48
Proceeds from sale and disposal of financial assets		82	0
Payments for investments in financial assets		- 185	- 24
Proceeds from sale of shares in consolidated companies less net cash and cash equivalents sold		0	4
Payments for acquisition of shares in consolidated companies less net cash and cash equivalents acquired		- 45	- 40
Proceeds from disposal of investments accounted for using the equity method		0	0
Payments for additions of investments accounted for using the equity method		- 1	- 1
Cash flow from investing activities		**- 5,116**	**- 4,649**
Proceeds from capital injections		2,675	-
Payments for the acquisition of non-controlling interests		-	- 2
Distribution of profits to shareholder		-	- 650
Distribution of profits to non-controlling interests and hybrid capital investors		- 33	- 27
Payments for redemption leasing liabilities		- 1,164	- 995
Payments for the settlement of IFRIC 12 leasing liabilities		- 25	-
Proceeds from issue of senior bonds		4,860	5,327
Payments for redemption of senior bonds		- 1,832	- 2,078
Proceeds from interest-free loans from the public sector		0	8
Payments for redemption and repayment of interest-free loans		- 157	- 163
Proceeds from borrowings and commercial paper [2]		187	2,795
Payments for redemption of borrowings and commercial paper [2]		- 2,202	- 1,509
Cash flow from financing activities		**2,309**	**2,706**
Net change in cash and cash equivalents		**1,093**	**- 523**
Cash and cash equivalents as of Jan 1	(22)	3,411	3,993
Changes in cash and cash equivalents due to changes in the scope of consolidation		-	4
Changes in cash and cash equivalents due to changes in exchange rates		87	- 63
Cash and cash equivalents as of Dec 31	**(22)**	**4,591**	**3,411**

[1] Including additions to other provisions.
[2] Including change in short-term bank borrowings between reporting dates.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

€ million	Subscribed capital	Reserves							Generated profits	Equity attributable to shareholder of Deutsche Bahn AG	Hybrid capital	Non-controlling interests	Equity
		Capital reserves	Currency translation	Fair value valuation of securities	Fair value valuation of cash flow hedges	Revaluation of pensions	Other movements	**Total**					
As of Jan 1, 2020	2,150	6,310	94	1	- 149	- 2,843	- 13	**3,400**	7,225	**12,775**	1,997	155	**14,927**
+ Capital increase/injection	–	–	–	–	–	–	–	**–**	–	**–**	–	10	**10**
− Capital decrease	–	–	–	–	–	–	–	**–**	–	**–**	–	- 1	**- 1**
− Dividend payment/remuneration hybrid capital	–	–	–	–	–	–	–	**–**	- 650	**- 650**	- 21	- 6	**- 677**
± Withdrawal from capital reserve	–	- 5,439	–	–	–	–	–	**- 5,439**	5,439	**–**	–	–	**–**
± Other changes	–	–	–	–	–	–	0	**0**	- 2	**- 2**	–	2	**0**
± Comprehensive income	–	0	- 169	1	- 22	- 1,087	–	**- 1,277**	- 5,710	**- 6,987**	26	- 28	**- 6,989**
thereof net profit/loss (after taxes)	–	–	–	–	–	–	–	**–**	- 5,710	**- 5,710**	26	- 23	**- 5,707**
thereof currency effects	–	–	- 169	–	–	–	–	**- 169**	–	**- 169**	–	- 4	**- 173**
thereof deferred taxes	–	–	–	–	1	- 21	–	**- 20**	–	**- 20**	–	–	**- 20**
thereof market valuation/reclassification	–	–	–	1	- 23	–	–	**- 22**	–	**- 22**	–	–	**- 22**
thereof revaluation of defined benefit plans	–	–	–	–	–	- 1,066	–	**- 1,066**	–	**- 1,066**	–	- 1	**- 1,067**
thereof share of items not recognized in the income statement from investments accounted for using the equity method	–	–	–	–	–	–	–	**–**	–	**–**	–	–	**–**
As of Dec 31, 2020	**2,150**	**871**	**- 75**	**2**	**- 171**	**- 3,930**	**- 13**	**- 3,316**	**6,302**	**5,136**	**2,002**	**132**	**7,270**

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201-1

€ million	Subscribed capital	Reserves							Generated profits	Equity attributable to shareholder of Deutsche Bahn AG	Hybrid capital	Non-controlling interests	Equity
		Capital reserves	Currency translation	Fair value valuation of securities	Fair value valuation of cash flow hedges	Revaluation of pensions	Other movements	Total					
As of Jan 1, 2021	2,150	871	- 75	2	- 171	- 3,930	- 13	**- 3,316**	6,302	**5,136**	2,002	132	**7,270**
+ Capital increase/injection	–	2,675	–	–	–	–	–	**2,675**	–	**2,675**	–	1	**2,676**
− Capital decrease	–	–	–	–	–	–	–	**–**	–	**–**	–	–	**–**
− Dividend payment/remuneration hybrid capital	–	–	–	–	–	–	–	**–**	–	**–**	- 26	- 7	**- 33**
± Withdrawal from capital reserve	–	–	–	–	–	–	–	**–**	–	**–**	–	–	**–**
± Other changes	–	–	- 2	–	–	–	1	**- 1**	1	**–**	–	0	**0**
± Comprehensive income	–	–	102	3	84	1,431	–	**1,620**	- 946	**674**	26	8	**708**
thereof net profit/loss (after taxes)	–	–	–	–	–	–	–	**–**	- 946	**- 946**	26	9	**- 911**
thereof currency effects	–	–	102	–	–	–	–	**102**	–	**102**	–	- 1	**101**
thereof deferred taxes	–	–	–	–	- 7	- 51	–	**- 58**	–	**- 58**	–	–	**- 58**
thereof market valuation/reclassification	–	–	–	0	91	–	–	**91**	–	**91**	–	–	**91**
thereof revaluation of defined benefit plans	–	–	–	–	–	1,482	–	**1,482**	–	**1,482**	–	–	**1,482**
thereof share of items not recognized in the income statement from investments accounted for using the equity method	–	–	–	3	–	–	–	**3**	–	**3**	–	–	**3**
As of Dec 31, 2021	**2,150**	**3,546**	**25**	**5**	**- 87**	**- 2,499**	**- 12**	**978**	**5,357**	**8,485**	**2,002**	**134**	**10,621**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Segment information according to segments

	DB Long-Distance		DB Regional		DB Cargo		DB Netze Track		DB Netze Stations		DB Netze Energy	
JAN 1 THROUGH DEC 31 OR RESPECTIVELY AS OF DEC 31 / € million	**2021**	2020	**2021**	2020	**2021**	2020	**2021**	2020	**2021**	2020	**2021**	2020
External revenues	2,792	2,753	7,929	7,553	4,195	3,854	1,975	1,808	520	525	1,808	1,297
Internal revenues	119	126	114	109	292	265	4,009	3,852	765	733	1,558	1,427
Total revenues	2,911	2,879	8,043	7,662	4,487	4,119	5,984	5,660	1,285	1,258	3,366	2,724
Other external income	196	140	814	850	497	386	801	713	258	160	60	36
Other internal income	72	68	107	114	37	45	239	265	35	30	44	40
Inventory changes and other internally produced and capitalized assets	9	15	54	47	30	40	1,372	1,192	112	89	28	24
Total income	3,188	3,102	9,018	8,673	5,051	4,590	8,396	7,830	1,690	1,537	3,498	2,824
Cost of materials	-2,810	-2,711	-5,662	-5,394	-2,675	-2,527	-2,498	-2,155	-809	-691	-2,973	-2,468
Personnel expenses	-1,199	-1,119	-2,261	-2,172	-1,845	-1,771	-3,498	-3,306	-444	-401	-145	-134
Other operating expenses	-613	-609	-877	-923	-631	-613	-1,390	-1,283	-277	-274	-126	-131
EBITDA	**-1,434**	**-1,337**	**218**	**184**	**-100**	**-321**	**1,010**	**1,086**	**160**	**171**	**254**	**91**
Depreciation [2]	-356	-344	-634	-631	-378	-363	-690	-685	-159	-147	-84	-84
Impairments recognized / reversed [2]	–	–	-1	-4	-3	-44	14	8	0	–	-1	-2
EBIT (operating profit / loss)	**-1,790**	**-1,681**	**-417**	**-451**	**-481**	**-728**	**334**	**409**	**1**	**24**	**169**	**5**
Operating interest balance [3]	-29	-19	-42	-46	-57	-58	-109	-143	-37	-31	-13	-16
Operating income after interest [3]	**-1,819**	**-1,700**	**-459**	**-497**	**-538**	**-786**	**225**	**266**	**-36**	**-7**	**156**	**-11**
Property, plant and equipment	6,584	5,456	6,076	6,296	3,112	3,037	21,788	20,676	3,602	3,476	1,133	1,144
+ Intangible assets	56	48	57	37	198	185	199	160	63	48	4	10
thereof goodwill	0	0	5	6	1	1	12	–	–	–	–	–
+ Inventories	181	172	558	527	195	188	229	229	0	0	182	104
+ Trade receivables [4]	26	37	992	727	507	456	137	153	37	71	205	112
+ Receivables and other assets (excluding receivables from plan assets) [4]	131	125	1,004	964	181	190	590	453	44	51	170	159
− Receivables from financing and earmarked bank deposits [4]	–	–	–	–	–	–	–	–	–	–	–	–
+ Income tax receivables	–	–	0	1	2	2	0	–	–	–	0	0
+ Held-for-sale assets [4]	–	–	–	–	–	–	–	–	–	–	–	–
− Trade liabilities [4]	-371	-299	-885	-967	-429	-407	-919	-666	-88	-96	-421	-422
− Miscellaneous and other liabilities [4]	-167	-244	-843	-894	-222	-219	-694	-613	-182	-241	-61	-44
− Income tax liabilities	0	0	-1	-1	-4	-2	–	–	-1	0	–	–
− Other provisions	-28	-31	-2,693	-2,200	-173	-197	-959	-482	-37	-41	-33	-28
− Deferred items	-407	-385	-241	-110	-14	-5	-170	-238	-100	-104	-1	-1
− Deferred liabilities [4]	-69	-74	-164	-158	-184	-172	-232	-235	-17	-15	-9	-8
Capital employed [5]	**5,936**	**4,805**	**3,860**	**4,222**	**3,169**	**3,056**	**19,969**	**19,437**	**3,321**	**3,149**	**1,169**	**1,026**
Net financial debt	3,325	2,335	1,157	1,623	2,530	2,503	9,718	10,454	746	1,600	773	608
Investments accounted for using the equity method	0	1	5	4	34	33	2	2	0	0	–	0
Result from investments accounted for using the equity method	0	0	0	0	3	4	1	1	–	–	–	0
Gross capital expenditures	1,507	1,290	480	434	525	452	9,349	8,480	1,380	1,338	340	273
Investment grants received	–	-40	-25	-16	-28	-14	-7,611	-7,117	-1,083	-1,085	-274	-222
Net capital expenditures	**1,507**	**1,250**	**455**	**418**	**497**	**438**	**1,738**	**1,363**	**297**	**253**	**66**	**51**
Additions due to changes in the scope of consolidation (acquisition of companies)	–	–	–	–	–	16	27	1	–	–	–	–
Employees [6]	18,790	18,794	37,220	37,159	30,057	30,052	51,290	50,330	6,811	6,525	1,900	1,861

[1] Relating to special items and reclassification PPA amortization of customer contracts as well as the reconciliation of capital employed to the external display.
[2] The non-cash items are included in the segment result shown.
[3] Key figure from internal reporting, no external figures.
[4] Content allocation in accordance with management reporting.
[5] Profit transfer agreements were not assigned to segment assets or liabilities.
[6] The number of employees comprises the workforce, excluding vocational trainees, and dual degree students at the end of the reporting period (part-time employees have been converted to full-time employees).

Subsidiaries/Other		Consolidation		Integrated Rail System		DB Arriva		DB Schenker		Consolidation other		DB Group adjusted		Reconciliation [1]		DB Group	
2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
593	523	–	–	19,812	18,313	4,067	3,988	23,371	17,601	–	–	47,250	39,902	- 175	- 1	47,075	39,901
5,092	4,852	- 11,741	- 11,166	208	198	2	2	72	70	- 282	- 270	–	–	–	–	–	–
5,685	5,375	- 11,741	- 11,166	20,020	18,511	4,069	3,990	23,443	17,671	- 282	- 270	47,250	39,902	- 175	- 1	47,075	39,901
447	450	–	–	3,073	2,735	431	395	220	261	- 2	–	3,722	3,391	2,179	48	5,901	3,439
1,331	1,270	- 1,825	- 1,760	40	72	0	1	10	10	- 50	- 83	–	–	–	–	–	–
916	822	1,341	1,306	3,862	3,535	6	9	7	5	9	15	3,884	3,564	–	–	3,884	3,564
8,379	7,917	- 12,225	- 11,620	26,995	24,853	4,506	4,395	23,680	17,947	- 325	- 338	54,856	46,857	2,004	47	56,860	46,904
- 3,107	- 3,132	9,652	9,205	- 10,882	- 9,873	- 1,445	- 1,430	- 16,297	- 11,579	225	199	- 28,399	- 22,683	- 20	- 74	- 28,419	- 22,757
- 3,898	- 3,718	–	–	- 13,290	- 12,621	- 2,139	- 2,109	- 3,697	- 3,437	–	–	- 19,126	- 18,167	- 93	- 130	- 19,219	- 18,297
- 1,261	- 1,165	2,435	2,293	- 2,740	- 2,705	- 563	- 805	- 1,841	- 1,624	100	129	- 5,044	- 5,005	- 672	- 230	- 5,716	- 5,235
113	- 98	- 138	- 122	83	- 346	359	51	1,845	1,307	–	- 10	2,287	1,002	1,219	- 387	3,506	615
- 583	- 551	65	59	- 2,819	- 2,746	- 432	- 446	- 592	- 586	2	2	- 3,841	- 3,776	- 40	- 52	- 3,881	- 3,828
- 2	- 41	–	–	7	- 83	–	- 36	- 5	- 10	–	–	2	- 129	75	- 1,415	77	- 1,544
- 472	- 690	- 73	- 63	- 2,729	- 3,175	- 73	- 431	1,248	711	2	- 8	- 1,552	- 2,903	1,254	- 1,854	- 298	- 4,757
- 89	- 133	–	–	- 376	- 446	- 31	- 37	- 57	- 58	–	–	- 464	- 541	–	–	–	–
- 561	- 823	- 73	- 63	- 3,105	- 3,621	- 104	- 468	1,191	653	2	- 8	- 2,016	- 3,444	–	–	–	–
3,154	3,026	- 884	- 840	44,565	42,271	2,343	2,518	3,212	2,938	- 20	- 23	50,100	47,704	–	–	50,100	47,704
296	288	- 69	- 52	804	724	180	215	1,405	1,352	- 2	- 1	2,387	2,290	–	–	2,387	2,290
28	27	–	–	46	34	0	0	1,173	1,111	–	–	1,219	1,145	–	–	1,219	1,145
633	570	- 32	- 20	1,946	1,770	85	88	124	79	–	–	2,155	1,937	–	–	2,155	1,937
346	314	–	–	2,250	1,870	289	294	3,919	2,677	–	–	6,458	4,841	18	8	6,476	4,849
1,232	1,186	- 1,372	- 1,447	1,980	1,681	536	516	762	618	- 103	- 88	3,175	2,727	523	618	3,698	3,345
–	–	–	–	–	–	–	–	–	–	–	–	–	–	- 541	- 625	- 541	- 625
6	6	–	–	8	9	9	14	46	32	–	–	63	55	–	–	63	55
0	0	0	0	0	0	–	–	–	–	–	–	0	0	–	–	0	0
- 668	- 621	–	–	- 3,781	- 3,478	- 603	- 563	- 3,527	- 2,435	–	–	- 7,911	- 6,476	- 186	164	- 8,097	- 6,312
- 737	- 791	1,369	1,446	- 1,537	- 1,600	- 282	- 277	- 707	- 511	102	88	- 2,424	- 2,300	- 1,800	- 1,742	- 4,224	- 4,042
- 30	- 36	–	–	- 36	- 39	- 57	- 62	- 169	- 99	10	9	- 252	- 191	–	–	- 252	- 191
- 2,799	- 2,292	–	–	- 6,722	- 5,271	- 235	- 351	- 449	- 409	- 90	- 10	- 7,496	- 6,041	–	–	- 7,496	- 6,041
- 40	- 45	3	–	- 970	- 888	- 268	- 306	- 11	- 11	–	–	- 1,249	- 1,205	–	–	- 1,249	- 1,205
- 321	- 315	–	–	- 996	- 977	- 192	- 150	- 798	- 450	–	–	- 1,986	- 1,577	1,986	1,577	–	–
1,072	1,290	- 985	- 913	37,511	36,072	1,805	1,936	3,807	3,781	- 103	- 25	43,020	41,764	–	–	43,020	41,764
8,570	7,315	–	–	26,819	26,438	1,113	1,208	1,175	1,699	–	–	29,107	29,345	–	–	29,107	29,345
355	353	–	–	396	393	54	54	11	11	–	–	461	458	–	–	461	458
- 14	- 26	–	–	- 10	- 21	- 1	- 1	1	1	–	–	- 10	- 21	–	–	- 10	- 21
815	981	- 120	- 120	14,276	13,128	267	457	844	817	–	–	15,387	14,402	–	–	15,387	14,402
- 6	0	–	–	- 9,027	- 8,494	- 18	- 22	–	–	–	–	- 9,045	- 8,516	–	–	- 9,045	- 8,516
809	981	- 120	- 120	5,249	4,634	249	435	844	817	–	–	6,342	5,886	–	–	6,342	5,886
–	16	–	–	27	33	–	–	57	–	–	–	84	33	–	–	84	33
58,345	57,878	–	–	204,413	202,599	43,189	46,008	76,114	74,161	–	–	323,716	322,768	–	–	323,716	322,768

Information by regions

JAN 1 TO DEC 31 / € million	External revenues 2021	External revenues 2020	Non-current assets [1] 2021	Non-current assets [1] 2020	Capital employed [1] 2021	Capital employed [1] 2020	Gross capital expenditures 2021	Gross capital expenditures 2020	Net capital expenditures 2021	Net capital expenditures 2020	Employees [1] 2021	Employees [1] 2020
Germany	24,055	21,568	46,187	43,811	37,983	36,671	14,363	13,282	5,338	4,788	209,763	207,996
Europe (excluding Germany)	14,278	12,031	5,757	5,799	4,145	4,472	833	1,012	813	990	84,260	85,699
Asia/Pacific	4,957	3,519	1,291	1,109	1,139	1,026	258	182	258	182	16,985	16,764
North America	3,180	2,236	271	243	680	483	40	38	40	38	9,256	9,027
Rest of world	780	548	37	36	82	60	13	8	13	8	3,452	3,282
Consolidation	–	–	- 977	- 919	- 1,009	- 948	- 120	- 120	- 120	- 120	–	–
DB Group adjusted	**47,250**	**39,902**	**52,566**	**50,079**	**43,020**	**41,764**	**15,387**	**14,402**	**6,342**	**5,886**	**323,716**	**322,768**
Reconciliation	- 175	- 1	–	–	–	–	–	–	–	–	–	–
DB Group	**47,075**	**39,901**	**52,566**	**50,079**	**43,020**	**41,764**	**15,387**	**14,402**	**6,342**	**5,886**	**323,716**	**322,768**

[1] As of balance sheet date.

Basic principles and methods

FUNDAMENTAL INFORMATION

Deutsche Bahn AG (DB AG), and its subsidiaries (together DB Group) provide services in the fields of passenger transport, freight transport and logistics, and operate an extensive rail infrastructure which is also available to non-Group users on a non-discriminatory basis. Whereas rail infrastructure activities are conducted primarily in the company's domestic market of Germany, business activities in passenger and freight transport are conducted on a Europe-wide basis and logistics activities are conducted on a worldwide basis.

DB AG, Potsdamer Platz 2, 10785 Berlin is an Aktiengesellschaft (stock corporation); its shares are held entirely by the Federal Republic of Germany (Federal Government). The company is listed in the trade register of the Amtsgericht (local court) Berlin-Charlottenburg under the number HRB 50000. DB Group has issued securities in accordance with section 2 (1) clause 1 of the Securities Trading Act (Wertpapierhandelsgesetz; WpHG); these securities are traded on organized markets in accordance with section 2 (11) WpHG.

These consolidated financial statements have been prepared by the Management Board, and will be submitted to the Supervisory Board for the Supervisory Board meeting on March 30, 2022.

PRINCIPLES OF PREPARING FINANCIAL STATEMENTS

The consolidated financial statements are prepared on the basis of section 315e Commercial Code (Handelsgesetzbuch; HGB) and in accordance with the International Financial Reporting Standards (IFRS) as applied in the EU and their interpretation by the IFRS Interpretations Committee. The accounting standards have been applied consistently throughout the entire reporting period with no changes compared with the previous year.

The financial year of DB AG and its incorporated subsidiaries is the same as the calendar year. The consolidated financial statements are prepared in euros. Unless otherwise specified, all figures are stated in millions of euros (€ million).

STRUCTURE OF THE BALANCE SHEET AND THE STATEMENT OF INCOME

Assets and liabilities are stated in the balance sheet either as current or non-current items. Assets and liabilities are classified as current if they will be realized or are due within 12 months after the end of the year under review. The notes to the balance sheet take account of the requirements of the ordinance relating to the structure of the annual financial statements of transport companies. The statement of income uses the structure of total cost accounting.

CONSOLIDATION METHODS

a) Consolidation principles

In the consolidated financial statements of DB AG, DB AG and all companies (subsidiaries) are fully consolidated in accordance with IFRS 10 from the time at which DB AG acquires control.

For the purpose of standardized accounting, the affiliated companies have applied the accounting directive of the parent company.

Capital is consolidated in accordance with the acquisition method in line with IFRS 3.

The equity attributable to Group shareholders is shown separately from the non-controlling interests in the equity of subsidiaries. The amount is calculated based on the non-controlling interests at the time of the initial consolidation and the changes in equity attributable to this interest after that time.

Non-controlling interests are calculated on a pro rata basis from the assets, liabilities and contingent obligations valued with their fair value.

Intra-Group liabilities as well as expenses and income and intercompany results between fully consolidated companies are completely eliminated.

b) Business combinations

All subsidiaries acquired after December 31, 2002, have been consolidated using the acquisition method under IFRS 3.

Any difference between the acquisition costs of the business combination and the acquired assets valued at fair value is shown as goodwill. If the purchase price is lower than the fair value of the acquired assets, the difference is recognized immediately in the statement of income after reassessment.

The acquisition and sale of shares in an already fully consolidated company that do not result in a change of control are recognized in equity with no impact on profit and loss. In this respect, there have been no changes in the carrying amounts of the assets and liabilities recognized from such transactions.

c) Joint ventures, joint operations and associated companies

Joint ventures are defined as companies that are managed by DB AG jointly with another party either directly or indirectly, and in which the partners own rights to the net assets of the company.

A joint operation is defined as agreements that are managed by DB AG jointly with another party either directly or indirectly, and in which the parties involved in the joint operation have rights relating to the assets and obligations relating to the liabilities attributable to the agreement.

Associated companies are defined as equity participations in which DB Group is able to exercise a major influence on the financial and business policy. Major influence is normally defined as a situation in which DB AG directly or indirectly holds 20 to 50 % of the voting rights in these companies and the related assumption of association is not refuted.

In exceptional cases, companies in which DB Group holds fewer than 20 % of the voting rights are also classified as associates. Despite such a low shareholding, a major influence is deemed to exist in such cases, for instance as a result of various rights of codetermination in major issues concerning business policy or because members of general management are appointed by DB Group.

Joint ventures and associates are accounted for using the equity method in accordance with IAS 28 (Investments in Associates and Joint Ventures). Alternatively, they are valued in accordance with IFRS 5 if the shares are classified as held-for-sale.

Intercompany results attributable to transactions with associated companies or joint ventures are eliminated on a pro rata basis.

In the case of joint operations, the assets, liabilities, income and expenses have to be recognized on a pro rata basis.

CURRENCY TRANSLATION

Currency translation uses the concept of functional currency according to IAS 21 (The Effects of Changes in Foreign Exchange Rates) or IAS 29 (Financial Reporting in Hyperinflationary Economies) for annual financial statements of subsidiaries that are based in a hyperinflationary country.

No major subsidiary was domiciled in a hyperinflationary economy in the year under review or the previous year.

The consolidated financial statements are prepared in euros (reporting currency); in accordance with IAS 21, the financial statements of subsidiaries whose functional currency is not the euro are converted into the reporting currency.

The following exchange rates are some of the rates used for currency translation purposes:

	as of Dec 31		annual average	
€ 1 EQUIVALENT TO	**2021**	2020	**2021**	2020
Australian Dollar (AUD)	1.56150	1.58960	1.57495	1.65541
Canadian Dollar (AUD)	1.43930	1.56330	1.48267	1.52961
Swiss Franc (CHF)	1.03310	1.08020	1.08103	1.07041
Renminbi Yuan (CNY)	7.19470	8.02250	7.62671	7.87213
Danish Krone (DKK)	7.43640	7.44090	7.43703	7.45438
Pound Sterling (GBP)	0.84028	0.89903	0.85958	0.88936
Hong Kong Dollar (HKD)	8.83330	9.51420	9.19130	8.85331
Japanese Yen (JPY)	130.38000	126.49000	129.85488	121.79628
Norwegian Krone (NOK)	9.98880	10.47030	10.16329	10.72502
Polish Zloty (PLN)	4.59690	4.55970	4.56556	4.44356
Swedish Krona (SEK)	10.25030	10.03430	10.14628	10.48882
Singapore Dollar (SGD)	1.52790	1.62180	1.58888	1.57364
US Dollar (USD)	1.13260	1.22710	1.18249	1.14148

CRITICAL ESTIMATIONS AND ASSESSMENTS

The consolidated financial statements are based on assessments and assumptions relating to the future. Based on past experience and reasonable expectations of future events, the estimations and assessments that are derived are continuously reviewed and adjusted where appropriate. Nevertheless, the estimations will not always correspond to the subsequent actual circumstances.

The estimations and assessments that may involve a significant risk during the next year under review in the form of major adjustments to the carrying amounts of assets and liabilities are discussed under the relevant items.

COMPARABILITY WITH THE PREVIOUS YEAR

After due consideration is given to the following issues (in particular the Covid-19 pandemic), the financial information presented for the year under review is comparable with the financial information for the previous year.

Accounting and valuation methods

A) STANDARDS, REVISIONS OF STANDARDS AND INTERPRETATIONS THAT ARE THE SUBJECT OF MANDATORY FIRST-TIME ADOPTION FOR REPORTING PERIODS STARTING JANUARY 1, 2021, OR EARLY ADOPTION

In the year under review, the consolidated financial statements took account of all new and revised standards and interpretations which are the subject of mandatory first-time adoption starting on or after January 1, 2021, which are also relevant for DB Group and which have not been the subject of early adoption in previous periods. The changes to the standards have been recognized in accordance with the transitional regulations. The impact of the new regulations is considered to be immaterial.

B) STANDARDS, REVISIONS OF STANDARDS AND INTERPRETATIONS THAT HAD BEEN ADOPTED AS OF THE REPORTING DATE, BUT THAT ARE NOT YET THE SUBJECT OF MANDATORY ADOPTION AND EARLY ADOPTION

Various new accounting standards and interpretations have been published, although they are not the subject of mandatory adoption for reporting periods up to December 31, 2021, and have not been the subject of early adoption by DB Group. The impact of the new regulations is considered to be immaterial.

Information regarding major events and transactions, particularly in connection with the Covid-19 pandemic

In DB Group, revenues in the year under review increased to € 47,075 million (previous year: € 39,901 million). All segments with the exception of DB Netze Stations reported positive revenue development compared to the previous year, the growth being driven particularly by the DB Schenker segment. Revenues from the DB Long-Distance, DB Regional, DB Netze Stations and DB Arriva segments have not yet returned to pre-pandemic levels.

In conjunction with various government support programs, DB Group companies have received Federal grants in connection with the Covid-19 pandemic, largely in the form of compensation payments for temporary train-path price reductions and income grants. If such grants are not concession fees, they are mainly shown under other operating income in DB Group (Note (3) 198). DB AG was also awarded a payment to the capital reserve by the Federal Government as compensation for losses of revenues from fares at DB Long-Distance totaling € 550 million (Note (25) 216). In addition, the DB AG dividend payment allocated in the financing cycle to replacement capital expenditures under the Performance and Financing Agreement (€ 650 million) was replaced by additional Federal funds.

As a result of the positive business development and government support measures, EBIT improved significantly in the year under review to € –298 million (previous year: € –4,757 million); operating cash flow increased significantly to € 3,900 million (previous year: € 1,420 million).

Major events and transactions, and the corresponding impact on the consolidated financial statements, are described in greater detail in the following.

IMPLEMENTATION OF THE MEASURES FROM THE CLIMATE ACTION PROGRAM 2030

On the basis of the Federal Government's Climate Action Program 2030, additional Federal funds totaling € 11 billion will be made available by 2030 to strengthen the rail system. At the end of January 2020, the Federal Ministry of Finance (BMF) and the Federal Ministry for Digital and Transport (BMDV), and DB AG, DB Netz AG, DB Station&Service AG and DB Energie GmbH, agreed on the inflow and use of the funds in a joint letter of intent. The funds will be used exclusively for infrastructure; half will be paid as equity and half as grants to DB Netz AG and DB Station&Service AG. In terms of content, the funds will be used in the categories of a robust network, digital rail, attractive railway stations and infrastructure measures operated on a purely commercial basis. Following the completion of coordination with the EU Commission, the equity measures set out in the 2021 Federal budget for 2020 and 2021, totaling € 2.125 billion, were implemented in November 2021.

PROVISIONS RELATING TO ONEROUS CONTRACTS

Particularly in connection with the Covid-19 pandemic, lower revenues from fares from transport contracts meant that it was necessary for further additions to be made to provisions for onerous contracts. At DB Regional, the additions to provisions for pending losses amounted to € 183 million as of December 31, 2021 (as of December 31, 2020: € 280 million); at DB Arriva, the corresponding figure was € 17 million (as of December 31, 2020: € 118 million); (Note (32) 226ff.).

ESTIMATION AND FORECAST UNCERTAINTY

In view of the Covid-19 pandemic, and also because it is extremely difficult for the corresponding consequences to be foreseen as of the end of the year under review, any estimations and forecasts in the year under review are subject to a particular degree of uncertainty. We consider such estimation uncertainty in detail under the respective notes.

LIQUIDITY MANAGEMENT AND GOING-CONCERN ASSUMPTION

As well as additional payments to the capital reserve of DB AG by the Federal Government, additional senior bond issues were made during the year under review (Note (28) 216ff.). In view of the unrestricted access of DB Group to the capital market and the financing commitments of the Federal Government which have been agreed for infrastructure capital expenditures, as well as the implementation of measures to partly offset losses due to Covid-19, the going-concern assumption is applicable for DB Group for the foreseeable future without any restrictions.

Statement of cash flows

Of the financial receivables and earmarked bank deposits recognized, only the cash flows from cash securities for derivative financial instruments (credit support agreements) are allocated to cash flow from financing activities. Receivables from financing to third parties and the cash changes to receivables from transport concessions are shown under cash flow from investing activities (payments for investments in financial assets). The remaining financial receivables (in particular finance lease receivables) were allocated to cash flow from ordinary business operations.

As a result, the inflow of funds from financing activities increased in the year under review by € 197 million and the outflow of funds from investing activities increased by € 92 million, while cash flow from ordinary business operations decreased by € 105 million.

Scope of consolidation and investments in other companies

GRI 102-10

A) SUBSIDIARIES

According to IFRS 3, the acquisition cost of a business combination is determined by the fair values of the assets given and the liabilities incurred or assumed at the date of the transaction. The acquired identifiable assets, liabilities and contingent liabilities are valued under IFRS 3 with their fair value at the date of acquisition, irrespective of any non-controlling interests. Alternatively, acquired non-current assets or groups of assets which are classified as held-for-sale in accordance with IFRS 5 are shown with their fair value less costs to sell.

Changes in the scope of fully consolidated companies of DB Group are detailed in the following:

	Germany 2021	Rest of world 2021	Total 2021	Total 2020
FULLY CONSOLIDATED SUBSIDIARIES				
As of Jan 1	115	404	**519**	**542**
Additions	1	7	**8**	**3**
Additions due to changes in type of incorporation	0	1	**1**	**3**
Disposals	-3	-2	**-5**	**-29**
Disposals due to changes in type of incorporation	0	0	**0**	**0**
As of Dec 31	**113**	**410**	**523**	**519**

Additions of companies and parts of companies

The additions of companies to the scope of consolidation consist of three acquired groups of companies, one newly established company and the acquisition of the remaining 95% of the shares in another subsidiary. From the portfolio point of view of DB Group, none of the acquisitions was significant.

Overall, a total figure of net € 52 million was spent on company acquisitions according to IFRS 3 in the year under review (previous year: € 16 million). They are set out in the following:

COMPANY	Activities	Segment
SIGNON Deutschland GmbH (SIGNON), Berlin	Planning, consulting, engineering and testing services for railways in Germany	DB Netze Track
Vähälä Group (Vähälä), comprising: Vähälä Logistics Oy, Oulu/Finland, Lauri Vähälä Oy, Oulu/Finland, Kiitoterminaali Oy Oulu/Finland	Full-service logistics companies with national land transport services in Central and Northern Finland	DB Schenker
Loserco Group (Loserco), comprising: Loserco Andalucía, S.L., Córdoba/Spain, Loserco Logística y Servicios de Córdoba, S.L., Córdoba/Spain, Loserco Malaga, S.L., Córdoba/Spain, Transportes Santos Campos S.A., Benicarlo/Spain	Land transport companies in Spain	DB Schenker

Goodwill is to a large extent substantiated by the synergy effects expected for the period after the acquisition. The findings are as follows:

€ million	2021	thereof due to SIGNON	thereof due to Vähälä	thereof due to Loserco
PURCHASE PRICE				
Payments made	52	24	18	10
+ Outstanding purchase price payments	–	–	–	–
Total transferred equivalent	**52**	**24**	**18**	**10**
− Fair value of net assets acquired	35	13	14	8
Goodwill	**17**	**11**	**4**	**2**

After initial consolidation, SIGNON has generated revenues of € 6 million and a net loss of € −2 million, Vähälä has generated revenues of € 10 million and a net loss of € −2 million, and Loserco has generated revenues of € 2 million and a net profit of € 0 million.

Disposals of companies and parts of companies

The disposals from the scope of consolidation relate to two mergers and three liquidations; there were no sales. In the previous year, there was a cash inflow from sales of € 4 million.

As was the case in the previous year, there were no major effects on results due to the loss of control in the year under review.

The results are shown in the other operating expenses (Note (7) 202f.) or other operating income (Note (3) 198).

Effects on the consolidated statement of income

Overall, the effects of the changes in the scope of consolidation on the consolidated statement of income which have occurred compared with the previous year are not of a material nature.

B) JOINT VENTURES, ASSOCIATED COMPANIES AND COMPANIES WITH JOINT BUSINESS OPERATIONS

	Germany 2021	Rest of world 2021	Total 2021	Total 2020
JOINT VENTURES ACCOUNTED FOR USING THE EQUITY METHOD				
As of Jan 1	12	13	**25**	**26**
Additions	0	0	**0**	**0**
Additions due to changes in type of incorporation	0	0	**0**	**0**
Disposals	0	0	**0**	**0**
Disposals due to changes in type of incorporation	0	0	**0**	**-1**
As of Dec 31	**12**	**13**	**25**	**25**
ASSOCIATED COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD				
As of Jan 1	49	37	**86**	**88**
Additions	0	0	**0**	**3**
Additions due to changes in type of incorporation	0	0	**0**	**0**
Disposals	-2	-1	**-3**	**-3**
Disposals due to changes in type of incorporation	0	0	**0**	**-2**
As of Dec 31	**47**	**36**	**83**	**86**
COMPANIES WITH JOINT BUSINESS OPERATIONS				
As of Jan 1	0	1	**1**	**1**
Additions	0	0	**0**	**0**
Additions due to changes in type of incorporation	0	0	**0**	**0**
Disposals	0	0	**0**	**0**
Disposals due to changes in type of incorporation	0	0	**0**	**0**
As of Dec 31	**0**	**1**	**1**	**1**

From the perspective of DB Group, no joint venture, associated company or company with joint business operations is significant, either individually or when viewed together.

CAPITAL MANAGEMENT IN DB GROUP

The purpose of financial management of DB Group is not only to achieve sustainable growth in the enterprise value but also to comply with a capital structure that is adequate for maintaining a very good credit rating.

Based on adjusted EBIT, return on capital employed (ROCE) is calculated as a key component of the value management concept. The capital employed represents the use of capital provided by shareholders and debt investors that is tied up in DB Group and that is associated with yield expectations. The parameter is derived on the basis of the respective closing balance sheet for the year under review. The following table shows the process of calculating capital employed, using the asset and liability items shown in the balance sheet.

As of Dec 31 / € million	2021	2020	Change absolute	Change %
Property, plant and equipment	50,100	47,704	+2,396	+5.0
+ Intangible assets/goodwill	2,387	2,290	+97	+4.2
+ Inventories	2,155	1,937	+218	+11.3
+ Trade receivables	6,476	4,849	+1,627	+33.6
+ Receivables and other assets	3,799	3,345	+454	+13.6
− Receivables from plan assets [1]	-101	–	-101	–
− Financial receivables and earmarked bank deposits (excluding receivables from finance lease)	-541	-625	+84	-13.4
+ Income tax receivables	63	55	+8	+14.5
+ Assets held for sale	0	0	0	–
− Trade liabilities	-8,097	-6,312	-1,785	+28.3
− Miscellaneous and other liabilities	-4,224	-4,042	-182	+4.5
− Income tax liabilities	-252	-191	-61	+31.9
− Other provisions	-7,496	-6,041	-1,455	+24.1
− Deferred income	-1,249	-1,205	-44	+3.7
Capital employed	**43,020**	**41,764**	**+1,256**	**+3.0**

[1] Starting in the year under review, receivables from plan assets are deducted when calculating the capital employed.

For further calculation, the adjusted EBIT and adjusted EBITDA in the following table is derived from the operating profit (EBIT) shown in the statement of income. The corresponding details at the segment level have been calculated using the same method.

€ million	2021	2020	Change absolute	Change %
Operating loss (EBIT)	-298	-4,757	+4,459	+93.7
Income from the disposal of financial instruments	-7	-4	-3	-75.0
Expenses from the disposal of financial instruments	3	0	+3	–
Train-path price subsidy to tackle the Covid-19 pandemic	-2,098	–	-2,098	–
Allocation to provision for ecological burdens	515	–	+515	–
Adjustment of provisions/receivables from tunnel accident	144	59	+85	–
Restructuring/contractual personnel obligations	133	114	+19	+16.7
Adjustment of provisions for restoration obligations and real estate write-ups (DB Netze Track)	-122	79	-201	–
Energy expenses attributable to other periods	19	72	-53	-73.6
Impairment goodwill DB Arriva	–	1,411	-1,411	-100
Other	120	68	+52	+76.5
Operating loss (EBIT) adjusted for special items	**-1,591**	**-2,958**	**+1,367**	**+46.2**
PPA amortization customer contracts (depreciation)	39	55	-16	-29.1
EBIT adjusted	**-1,552**	**-2,903**	**+1,351**	**+46.5**
Scheduled depreciation and impairments	3,804	5,372	-1,568	-29.2
PPA amortization customer contracts (depreciation)	-39	-55	+16	+29.1
Special items for scheduled depreciation, recognized impairments/recoveries	74	-1,412	+1,486	–
EBITDA adjusted	**2,287**	**1,002**	**+1,285**	**+128**

Special items totaling € −1,293 million (previous year: € 1,799 million) were adjusted in EBIT in the year under review. These are mainly attributable to temporary train-path price reductions for long-distance rail passenger transport and rail freight transport included in the Federal Government's Covid-19 support measures (with retroactive effect from March 2020). This was partially offset by additions to provisions from the revaluation of ecological burdens (subsidiaries/other) and for settlement proceedings relating to a tunnel accident (DB Netze Track). Other special items resulting from the adjustment of provisions for real estate risks and restoration obligations and from real estate write-ups (DB Netze Track) and the formation of provisions for obligation surpluses relating to employment agreements (subsidiaries/other). In addition, the amortization of customer and franchise agreements has been reclassified from EBIT; these will be written down mainly at DB Arriva over the remaining term of the respective contracts as a result of being capitalized as intangible assets as part of the process of purchase price allocations (PPA) (€ 39 million; previous year: € 55 million).

The capital employed and the adjusted EBIT have resulted in the following figures for ROCE:

€ million	2021	2020	Change absolute	Change %
EBIT adjusted	-1,552	-2,903	+1,351	+46.5
/ Capital employed as of Dec 31	43,020	41,764	+1,256	+3.0
ROCE (%)	**-3.6**	**-7.0**	**–**	**–**

Notes to the statement of income

GRI 201-1

As a general rule, all income and expenses are reported on an unnetted basis, unless IFRS accounting rules permit or require offsetting.

Expenses are recognized in the income statement at the point at which the service is used or at the point at which the expenses are incurred.

The special items detailed at income and expenses ("Total") are issues that are considered to be unusual either in terms of the amount involved and/or the actual reason behind the issue. Irrespective of the amount involved, this item comprises book profits and losses arising from transactions with investments/financial assets as well as depreciation on long-term customer contracts that have been capitalized as part of the purchase price allocation process in connection with company acquisitions. In addition, the special items recognize individual issues if they are of an exceptional nature, if they are definable for accounting purposes, if they can be measured and if the amount involved is material. In addition to the special items, effects from changes in the scope of consolidation and exchange rate effects are also disclosed separately. The item "Total – comparable" does not involve IFRS figures; instead, it involves additional disclosures in accordance with internal reporting.

(1) REVENUES

Revenues generated in DB Group relate to the provision of passenger transport, freight transport and logistics services, the provision of rail infrastructure, the sale of goods and other services related particularly to rail operations, less value-added tax, discounts and any price reductions. They are recognized with their fair value.

Services provided by DB Group are normally completed within a few hours/days. Accordingly, with the exception of season tickets, revenues in regional and long-distance transport services are recognized at the time at which the tickets are sold. Exceptions in this respect are the DB Regional and DB Arriva segments, where order processing in the form of long-term transport contracts concluded with the contracting organizations of the Federal states in Germany and the franchisers in other European countries are very important for business development. Contractual relations with customers covering several years also exist in the contract logistics line of business in the DB Schenker segment, which accounts for about 6% of Group revenues.

Revenue recognition in accordance with IFRS 15 is based on the principle that revenues are recognized when control over a product or service is transferred to the customers. Revenues generated by the rendering of services are recognized with the amount which is expected as the consideration as soon as control over the services has been transferred.

€ million	2021	2020
Revenues from freight and passenger transport services	41,683	35,058
thereof concession fees for rail transport	7,209	6,529
Revenues from operating track infrastructure	2,224	2,050
Revenues from rental and leasing	332	374
Revenues from sales of products	2,202	1,690
Other revenues	860	805
Revenue discounts	-226	-76
Total	**47,075**	**39,901**
± Special items	175	1
± Effects from changes in scope of consolidation	-39	-6
± Exchange rate effects	-36	0
Total – comparable	**47,175**	**39,896**

The revenues from freight and passenger transport services were generated mainly by companies operating in the DB Schenker, DB Regional, DB Cargo, DB Arriva and DB Long-Distance segments. They include a minor amount of revenues from sub-operating leases in the DB Schenker segment. Revenues from operating track infrastructure related to the segments DB Netze Track and DB Netze Stations. Rental and leasing revenues were generated mainly in the DB Netze Stations segment, and revenues from product sales were mainly generated in the DB Netze Energy and DB Schenker segments. Other revenues related to virtually all segments.

In the year under review, revenues increased by € 7,174 million (+18.0 %) to € 47,075 million. The increase in DB Group revenues resulted largely from the strong revenue development in the DB Schenker segment. The main drivers were significant increases in ocean and air freight rates, as well as volume increases in land transport, air freight and contract logistics. Significant revenue increases were also recorded in the following segments: DB Netze Energy (primarily due to higher volumes in certificate trading and general price effects), DB Regional (due, among other things, to higher concession fees) and DB Cargo (primarily for performance-related reasons).

Revenues include positive exchange rate effects of € 36 million. In the DB Arriva segment, the strong British pound had a particularly positive effect, while the weak US dollar had a negative effect in the DB Schenker segment.

Even when adjusted for special items, effects from changes in the scope of consolidation and exchange rates, revenues were significantly higher than in the previous year (€ +7,279 million, +18.2 %).

Movements in revenues broken down according to business segments and regions are set out in segment reporting 190f.

As was the case in the previous year, revenue discounts from long-term transport contracts (contractual penalties) were netted directly with the revenues of transport and passenger services. The separately disclosed revenue discounts (€ 226 million) also related mainly to revenues from transport and passenger transport services (for instance passenger rights).

The order book of customer contracts with contractually agreed outstanding revenues (secured revenues) was broken down as follows:

ORDER BOOK SECURED AS OF DEC 31 / € million	2021	2020
Passenger transport contracts	74,765	64,142
Logistics and freight transport contracts [1]	221	248
Other contracts [1]	1,195	197
Total	**76,181**	**64,587**

[1] Contracts with a duration of at least 12 months and a total volume of at least € 5 million.

Most of the secured order book will be fulfilled within a period of ten years, with percentages declining over a period of time.

The increase in the order book for passenger transport contracts only affected the DB Regional segment; the order book in the DB Arriva segment declined slightly. In terms of other contracts, there was a significant increase in the Subsidiaries/Other segment.

The exemption regulation of IFRS 15.121 (a) has been used for the logistics contracts and the other contracts.

Variable considerations of transport contracts as well as price escalation clauses or contractual penalty are only taken into consideration in the estimation of secured revenues if they are highly likely.

Claims relating to contractual assets [1] were recognized together with the other receivables and assets and developed as follows:

CONTRACTUAL ASSETS / € million	2021	2020
As of Jan 1	35	29
Currency translation differences	0	0
Additions	147	131
Impairments	0	-
Fulfillment/payment	-24	-55
Other changes	-140	-70
Changes in the scope of consolidation	12	-
As of Dec 31	**30**	**35**

In particular, the clearing of advance payments received was included in the other changes. A figure of € 9 million (as of December 31, 2020: € 15 million) was attributable to long-term contractual assets.

The contractual liabilities in DB Group include advance payments received as well as other payments received in advance in relation to revenues for subsequent periods (for example for season tickets). Obligations from contractual liabilities were shown under the trade liabilities and deferred items and have developed as follows:

[1] The contractual assets include claims relating to work-in-progress from long-term orders.

CONTRACTUAL LIABILITIES / € million	2021	2020
As of Jan 1	1,120	1,308
Currency translation differences [1]	7	- 9
Additions	2,655	2,353
Fulfillment of liabilities [1]	- 2,726	- 2,500
Other changes	37	- 32
Changes in the scope of consolidation	8	-
As of Dec 31	**1,101**	**1,120**
thereof long-term	110	111

[1] Previous year figure adjusted.

(2) INVENTORY CHANGES AND OTHER INTERNALLY PRODUCED AND CAPITALIZED ASSETS

€ million	2021	2020
Inventory changes	- 3	1
Other internally produced and capitalized assets	3,887	3,563
Total	**3,884**	**3,564**
± Special items	-	-
± Effects from changes in scope of consolidation	- 6	1
± Exchange rate effects	0	-
Total – comparable	**3,878**	**3,565**

Own investments relate mainly to construction and project business in rail infrastructure and also the modernization of vehicles as well as the processing of appropriate spare parts. The increase compared with the previous year was attributable to a higher construction volume in track infrastructure.

(3) OTHER OPERATING INCOME

€ million	2021	2020
SERVICES FOR THIRD PARTIES AND SALE OF MATERIALS		
Income from maintenance and repair	1	3
Sale of materials and energy	158	98
Other services for third parties	520	527
	679	**628**
Leasing and rental income	169	176
Income from compensations for damages and refund of expenses	211	174
INCOME FROM GOVERNMENT GRANTS		
Federal Government compensation payments	99	94
Other investment grants	0	0
Income from reversal of deferred items	72	143
Other Government grants	3,412	1,181
	3,583	**1,418**
Income from the disposal of property, plant and equipment and intangible assets	147	121
Income from the disposal of non-current financial instruments	7	4
Income from the reversal of provisions	252	130
OTHER INCOME		
Income from third-party fees	19	21
Income from remediation of ecological burdens	48	51
Utilization of provisions for impending losses	197	152
Miscellaneous other income	589	564
	853	**788**
Total	**5,901**	**3,439**
± Special items	2,179	- 48
± Effects from changes in scope of consolidation	- 1	- 5
± Exchange rate effects	- 9	-
Total – comparable	**3,712**	**3,386**

Adjusted for special items, effects from changes in scope of consolidation and exchange rate effects, other operating income was higher than the previous year (€ +326 million).

The increase before the adjustment for special items, effects from changes in the scope of consolidation and exchange rate effects was almost entirely attributable to income from other Government grants. The grants mainly included temporary train-path price subsidies from the Federal Government to deal with the consequences of the Covid-19 pandemic for long-distance rail passenger transport and rail freight transport (€ 2,098 million; retroactively from March 2020), of which € 1,826 million was attributable to the DB Long-Distance segment and € 272 million to the DB Cargo segment. In addition, subsidiaries of DB Group were awarded Covid-19 grants to compensate for the lack of revenues from fares among other things, particularly in the DB Regional and DB Arriva segments. Additional Government grants for which the application and approval process to receive Covid-19 aid had not been completed as of the end of the year under review were accounted for at the expected funding amount. The final approval may result in deviations from the estimated amount.

The increase in income from the sale of materials and energy was mainly due to higher income from the sales of scrap in connection with construction work (DB Netze Track).

The leasing and rental income included subletting income of € 35 million (previous year: € 23 million).

The miscellaneous other income comprises the reversal of liabilities as well as a range of individual issues that are individually of a minor nature.

(4) COST OF MATERIALS

€ million	2021	2020
EXPENSES FOR RAW MATERIALS AND SUPPLIES AND OF PURCHASED PRODUCTS		
ENERGY EXPENSES		
Electricity	2,259	1,906
Electricity tax	148	145
Diesel, other fuel [1]	995	805
Other energies	294	185
Energy price derivatives [1]	- 51	78
	3,645	**3,119**
Other supplies and purchased goods	539	647
Price adjustments and impairments for materials	- 20	- 31
	4,164	**3,735**
EXPENSES FOR PURCHASED SERVICES		
Purchased transport services	17,206	12,470
Cleaning, security, disposal, winter service	499	410
Commissions	92	80
EXPENSES FOR UTILIZATION OF INFRASTRUCTURE		
Train-path usage	348	367
Station usage	58	63
Use of local installations	0	3
	406	**433**
Other purchased services	826	849
	19,029	**14,242**
Expenses for maintenance and production	5,226	4,780
Total	**28,419**	**22,757**
± Special items	- 20	- 74
± Effects from changes in scope of consolidation	- 8	- 3
± Exchange rate effects	13	-
Total – comparable	**28,404**	**22,680**

[1] Previous year figure adjusted.

Adjusted for special items, effects from changes in scope of consolidation and exchange rate effects, the cost of materials increased by € 5,724 million compared with the previous year (+25.2 %).

The impairments on inventories recognized in cost of materials amount to € 43 million (previous year: € 87 million).

The energy expenses increased in the year under review as a result of price and volume effects. In addition to higher procurement prices, the increased volume produced in the DB Cargo and DB Long-Distance segments also led to a higher demand for traction current.

The expenses for purchased services increased significantly by € 4,787 million compared with the previous year (+33.6 %). The purchased transport services were higher than the corresponding previous year level mainly due to sharp Covid-19-related increases in ocean and air freight rates at DB Schenker. In the DB Cargo segment, purchased transport services were also above the previous year's level due to the increased traffic to China.

The expenses for maintenance and production increased by € 446 million (+9.3 %), and were mainly attributable to the DB Netze Track and DB Long-Distance segments.

(5) PERSONNEL EXPENSES AND EMPLOYEES

€ million	2021	2020
WAGES AND SALARIES		
for employees	14,682	13,836
for assigned civil servants	778	856
	15,460	**14,692**
SOCIAL SECURITY EXPENSES		
for employees	2,771	2,594
for assigned civil servants	189	204
Expenses for personnel adjustment	155	155
Retirement benefit expenses	644	652
	3,759	**3,605**
Total	**19,219**	**18,297**
± Special items	-93	-130
± Effects from changes in scope of consolidation	-34	-1
± Exchange rate effects	-36	-
Total – comparable	**19,056**	**18,166**

The figure stated for personnel expenses (social security expenses) included expenses of € 1,293 million for defined contribution plans (previous year: € 1,238 million).

The amount shown for personnel adjustment mainly comprises expenses for restructuring costs, obligation surpluses relating to employment agreements as well as costs of severance packages and semi-retirement agreements.

The retirement benefit expenses related to active persons as well as persons who are no longer employed in DB Group or their surviving dependents. They were attributable primarily to service costs, employers' contributions to the company top-up benefit scheme as well as the contributions to Pensions-Sicherungs-Verein aG (pension backing association). The interest expense resulting from compounding the pension obligations and the expected income from plan assets is shown in financial result. For detailed explanations regarding the development of pension obligations, please refer to Note (31) 221 ff. The activities of civil servants in DB Group are based on statutory allocation under article 2, section 12 of the Rail Restructuring Act (Eisenbahnneuordnungsgesetz; ENeuOG). For the work of the allocated civil servants, DB AG reimburses the Federal Railroad Fund (Bundeseisenbahnvermögen; BEV) those costs which would be incurred if an employee covered by collective bargaining arrangements were to be employed instead of the allocated civil servant (pro forma calculation).

The increase in wages and salaries in Germany was largely influenced by the 2020/2021 collective bargaining agreement: it ruled that, for the period from March to November, a Covid-19 premium of € 300 to € 600 (Railway and Transport Workers Union (Eisenbahn- und Verkehrsgewerkschaft; EVG): € 600; German Train Drivers' Union (Gewerkschaft Deutscher Lokomotivführer; GDL): € 300 to € 600 depending on the pay grade) would be paid; these premiums were paid out in December 2021. A collective scheme called "Fonds Wohnen und Mobilität (Wo-Mo-Fonds)" (Housing and Mobility Fund) was established, and the endowments for the existing collective schemes (the social security fund and the "FairnessPlan") were increased. Furthermore, wage increases had the effect of increasing expenses.

In addition, performance-related bonuses in the DB Schenker segment increased as a result of the positive business development.

In addition, a slight increase in the number of employees in Germany led to an increase in personnel expenses.

In the 2021 financial year, pension expenses included income from the plan payments amounting to € 69 million.

The development in the number of employees in DB Group, converted to full-time employees (FTE) in each case, is shown in the following:

	as of Dec 31		annual average	
FTE	2021	2020	2021	2020
Employees	309,402	306,131	308,123	303,925
Civil servants	14,314	16,637	15,482	17,964
Employees	**323,716**	**322,768**	**323,605**	**321,889**
Trainees and dual degree students	13,173	12,796	11,782	11,201
Total	**336,889**	**335,564**	**335,387**	**333,090**

In the event of changes in the scope of consolidation, the employees are included on a pro rata basis up to the time of deconsolidation or after the date of initial consolidation.

At the end of the year under review, the number of persons employed in DB Group was slightly higher than at the end of the previous year. This increase can be seen at segment level at DB Schenker as a result of business development. In the Integrated Rail System, the number of employees increased, particularly in the DB Netze Track segment in maintenance/construction projects and in operational services, as well as through the purchase of SIGNON Deutschland GmbH. A higher project volume within the framework of the Performance and Financing Agreement (Leistungs- und Finanzierungsvereinbarung; LuFV) III resulted in an increase in the number of employees, especially relating to construction projects in the DB Netze Stations segment. In the Subsidiaries/Other segment, the number of employees increased as a result of an increased order volume and the expansion of innovative areas, in particular at DB Fahrzeuginstandhaltung GmbH, DB E.C.O. Group and DB Systel GmbH. This was offset by a lower number of employees in the DB Arriva segment as a result of the effects of the Covid-19 pandemic.

The development in the number of employees, based on the number of natural persons (NP), is shown in the following:

	as of Dec 31	
NP	2021	2020
Employees	322,261	319,185
Civil servants	14,729	17,093
Employees	**336,990**	**336,278**
Trainees and dual degree students	13,173	12,796
Total	**350,163**	**349,074**

(6) SCHEDULED DEPRECIATION AND IMPAIRMENTS

In the case of property, plant and equipment, depreciation is recognized using the straight-line method over the expected useful life of the assets or, in the case of leased assets, over the shorter contract duration. The following useful-service lives for the main groups of property, plant and equipment are taken as a basis:

	Years
Permanent way structures, tunnels, bridges, railway crossings	15-100
Track infrastructure	13-30
Buildings, halls, roofs	10-85
Other structures	5-60
Signaling equipment	7-40
Telecommunications equipment	5-20
Traction current installations	10-52
Rolling stock	10-30
Other technical equipment, machinery and vehicles	5-40
Operating and business equipment	3-15

The appropriateness of the chosen depreciation method and the useful lives is subject to an annual review. Our expectations regarding the residual value are also updated annually.

Intangible assets are depreciated using the straight-line method. The following useful lives are used as the basis for scheduled depreciation:

	Years
Franchises, rights, etc.	Duration of contract
Trademarks	Economic life
Customer base	Economic life
Purchased software	3-10
Software produced in-house	3-25

Goodwill arises as a positive difference between the acquisition costs of purchasing the shares and the fair values of the individually acquired assets, absorbed liabilities and contingent liabilities. It, like brand names, is not depreciated; instead, it is subject to an annual impairment test. Impairment losses in relation to goodwill are not reversed.

The adequacy of the depreciation method and the useful life are subject to an annual review.

Impairment of assets

IAS 36 governs the impairment test for substantial and intangible assets with a certain useful life, which is carried out using a so-called indicator-based asset impairment test. Such an asset impairment test has to be carried out when indicators (so-called triggering events) indicate a possible loss of value. In addition, according to IAS 36, goodwill as well as intangible assets with an indefinite useful life have to be subjected at least once a year to an impairment test.

DEFINITION OF CASH-GENERATING UNITS

Goodwill impairment tests have to be carried out at the level of individual assets as part of the asset impairment test. If it is not possible to determine future cash flows, which are to a large extent independent, for an individual asset, so-called cash-generating units (CGUs) have to be formed as an aggregation of assets whose future cash flows depend on each other. With no changes compared to the previous year, the CGU structure is fully in line with the planning and reporting structure of DB Group.

Due to the congruence between management structure and legal structure, the identified CGUs also always consist of at least one legal unit. This means that the data necessary for the asset impairment test can be derived from annual financial statements and planning data.

The impairment test for goodwill is carried out at the level of the CGU or group of CGUs to which the goodwill has been allocated. This is applicable for the operating segments. Significant goodwill currently exists in the DB Schenker CGU. However, a small amount of goodwill is also recognized in the DB Netze Track, DB Regional, DB Cargo and Subsidiaries/Other segments. With regard to the recognition of goodwill for each CGU, please also refer to Segment information according to segments 190 f.

METHOD

In the impairment test in accordance with IAS 36, the carrying amount of an asset or a CGU has to be compared with the corresponding recoverable amount. If the positive carrying amount is no longer covered by the recoverable amount, this results in a corresponding impairment requirement.

The carrying amount of a CGU is established by adding the carrying amounts of the assets less the liabilities which are related to the relevant assets (net position). In addition, for determining the carrying amount of a CGU, it is also necessary to recognize corporate assets and corporate liabilities jointly used by several CGUs, and the working capital necessary for the corresponding CGU must also be taken into consideration.

The recoverable amount is defined as the higher of the fair value less costs of disposal and the value in use. In the impairment tests carried out in DB Group, the recoverable amount is represented by the value in use. The value in use is established as the present value of the free cash flows before interest and after tax attributable to the continuation of a CGU. A flat tax rate of 30.5% has again been used in relation to EBIT. The forecast of cash flows reflects previous experience, and takes account of corporate management expectations with regard to future market developments. This cash flow forecast is based on the medium and long-term planning adopted by the Management Board of DB AG, which covers a planning horizon that extends until 2030. If cash flow forecasts are necessary beyond the planning horizon, a sustainable free cash flow is derived from the planning and is extrapolated on the basis of a growth rate related to the specific market development. As was the case in the previous year, a uniform average growth rate of 1% p.a. has been assumed in DB Group.

A weighted average cost of capital is used for discounting the free cash flows; this reflects the capital market interest rate request for providing debt capital and shareholders equity to the relevant CGU. Because free cash flow after taxes has been calculated, a cost-of-capital rate after tax has also been used. Risks of free cash flows are recognized by a risk-equivalent capitalization rate.

The Weighted Average Cost of Capital (WACCs) of the CGUs that are applicable for the 2020 and 2021 annual financial statements are detailed in the following table:

%	2021 Before taxes	2021 After taxes	2020 Before taxes	2020 After taxes
DB Long-Distance	6.2	4.3	6.7	4.7
DB Regional	5.3	3.7	5.6	3.9
DB Cargo	8.3	5.8	8.2	5.7
DB Netze Track	4.6	3.2	4.8	3.4
DB Netze Stations	6.1	4.2	5.8	4.0
DB Netze Energy	4.0	2.8	4.0	2.8
DB Arriva	5.8	4.0	6.1	4.2
DB Schenker	8.3	5.8	8.4	5.9

The changes in the WACCs compared with the previous year are attributable to current expectations of medium- to long-term developments in the capital market.

ASSET IMPAIRMENT TEST

Processes that comply with the specific requirements of IAS 36 have been implemented in order to carry out the asset impairment test. The useful lives of the individual CGUs used for the asset impairment test are based on the useful life of the asset or a group of homogeneous assets which is most significant for the particular CGU.

In addition, the process of establishing the value in use disregards assets or future cash flows that result from major structural changes, disinvestment measures or extension capital expenditures. Resultant adjustments to the original plans relate mainly to the major new and expansion infrastructure projects, where it is assumed that the construction process will be completed beyond the observation period (beyond 2030) and for which most of the intended DB funds have not yet been invested. The cash flow forecasts take account of internal transfer prices within DB Group on the basis of arm's length assessments of the companies involved. The published infrastructure prices are applicable for service relationships between transport and infrastructure segments; price increases in the forecast period have also been taken into consideration.

The calculation takes account of a long-term growth rate of 1.0% in relation to the capital employed. The purpose of growth retention is to present an inflation-adjusted reinvestment rate. This ensures that a steady state is reflected in the perpetual yield in the extrapolation of cash flows.

After completion of planning, a regular check is carried out to assess whether it is necessary for impairments to be recognized at the CGU level. In addition to this annual cycle, a test is also performed if current issues arising from business development or changes in assumptions indicate that there has been a major deterioration in the value in use.

At the DB Cargo CGU, there is a shortfall in the value in use compared with the carrying amount of the assets employed as of the balance sheet date. In this case, it is also necessary for the fair value less the costs to sell to be determined for the affected assets. If this exceeds the carrying amount of the assets, there is no need for impairment. In 2021, DB Cargo determined market values for most of its assets (in particular locomotives and freight cars). Overall, no shortfall in the carrying amounts was identified, meaning that no impairment had to be recognized as of the balance sheet date.

In the observed period, all CGUs, with the exception of DB Cargo, were able to cover their carrying amounts with the usage value.

Independently of the impairment tests carried out in relation to the CGUs, impairments are recognized in relation to individual assets that are no longer capable of being utilized fully. These impairments are shown under the disclosures for the respective balance sheet item.

GOODWILL IMPAIRMENT TEST

A goodwill impairment test must be carried out annually for all CGUs to which goodwill can be allocated. Because the goodwill which arises in DB Group as a result of acquisitions is generally allocated to a CGU, this goodwill impairment test is an integral element of the asset impairment test that is always carried out annually for all CGUs.

The goodwill impairment tests carried out for the segments which are carrying goodwill did not identify any impairment requirement for the CGUs.

The respective recoverable amount is represented by the value in use of the CGU, which in turn has been derived from the planning of the relevant segments. The details relating to methods presented above are thus applicable correspondingly. At DB Schenker it should also be borne in mind that separate assumptions relating to the development of the economy, market and competitive environment as well as currency relations have been made for the relevant international markets. These assumptions have been based on the external and internal expert assessments available at the time of planning.

CRITICAL ESTIMATIONS AND ASSESSMENTS

Impairment of cash-generating units (CGUs)

Within the framework of the impairment test, the key premises and assumptions that have an impact on the impairment of a CGU were reviewed in the form of standardized sensitivity analyses. As was the case in the previous year, the sensitivity analysis at the DB Cargo CGU was carried out in relation to the fair values established for the main assets. Similar to the situation in the previous financial year, it can be assumed that there is no impairment requirement even in conjunction with a reduction of 10% in relation to the market value.

Infrastructure CGUs are also exposed to risks relating to the extent of long-term investment grants for replacement capital expenditures in the existing network and the related scope of own funds at the infrastructure companies. The investment grants included in the medium- and long-term planning are based on the Performance and Financing Agreement signed by the Federal Ministry for Digital and Transport (Bundesministerium für Digitales und Verkehr; BMDV, formerly the Federal Ministry of Transport and Digital Infrastructure (Bundesministerium für Verkehr und digitale Infrastruktur; BMVI)) and DB Group as well as the project and financing concept agreed between the Federal Government and DB Group for setting out the objectives of the Climate Action Program 2030.

The sensitivities shown in the following relate merely to an impairment test on the basis of the value in use. If a shortfall is identified in the course of the scenario analyses, this does not necessarily result in an impairment requirement. If the assumption set out in the respective scenario analysis materializes, a second step would be to analyze the coverage of carrying amounts via the fair values (fair value less costs of disposal). The scenario analyses detailed here do not make any statement regarding the development of the fair values or a risk in the development of fair values.

EBIT margin

For the scenario analysis of profit shortfalls, the risk of a 10% reduction in EBIT margin was considered. This model calculation identified a shortfall at the DB Long-Distance (€ –89 million), DB Regional (€ –825 million), DB Netze Track (€ –1,560 million) and DB Netze Stations (€ –613 million) CGUs; this means that the value in use for these CGUs no longer provides adequate cover for the carrying amount of the capital employed. The DB Long-Distance CGU can withstand a reduction of up to 9.7% in the EBIT margin; the corresponding figures applicable for other CGUs are up to 6.5% (DB Regional), up to 7.4% (DB Netze Track) and up to 3.4% (DB Netze Stations). The rest of the CGUs report stable surplus coverage even if the EBIT margin is reduced by 10%.

Average real growth rate of cash flows

A reduction of 10% in the long-term growth rate was simulated in order to assess the sensitivity of the impairment test result in relation to the assumed long-term growth rate of cash flows (1%). As was the case in the previous year, no impairment requirement was identified for any of the CGUs considered in this scenario.

Weighted average cost of capital

Risks relating to the assumptions of the capitalization rate, which is normally used for calculating the present value of the value in use, were analyzed by simulating the impairment of each CGU in conjunction with a capital cost markup of 10%. The basis for this simulation was the current weighted cost of capital (after taxes). This model calculation resulted in a shortfall for the DB Netze Stations CGU (€ –287 million). The maximum capital cost markup for which DB Netze Stations covers the carrying amount is 5%.

Useful life and residual value

With regard to the assumptions relating to useful life and residual value, the effect of a 10% reduction in the residual value at the end of useful life (terminal value) was analyzed. This model calculation resulted in a shortfall for the DB Netze Stations CGU (€ –112 million). DB Netze Stations shows surplus cover upon a reduction in the residual value at the end of the useful life of up to 7.4%. All other CGUs show stable surplus cover in the scenario analysis.

Depreciation was broken down as follows in the year under review:

€ million	2021	2020
Scheduled depreciation	3,881	3,828
Recognized impairments	14	1,558
Recognized reversals	- 91	- 14
Total	**3,804**	**5,372**
± Special items	35	1,467
± Effects from changes in scope of consolidation	- 6	0
± Exchange rate effects	- 6	-
Total - comparable	**3,827**	**3,905**

In the year under review, depreciation – even taking into account the complete write-down of the goodwill previously recognized by DB Arriva (€ 1,411 million) in the previous year – was below the previous year's figure and mainly related to property, plant and equipment used as rail infrastructure as well as rolling stock. It is shown in the statement of income less any reversals recognized in the reporting period. The recorded reversals of € 75 million related to write-ups of real estate in the DB Netze Track segment.

Further explanations on the development of property, plant and equipment or intangible assets can be found under Notes (13) 205 ff. and (14) 207 f.

(7) OTHER OPERATING EXPENSES

€ million	2021	2020
LEASING, RENT AND LEASES		
Leasing expenses [1]	741	751
Variable leasing expenses [1]	9	7
	750	**758**
Legal, consultancy and audit costs	222	219
Fees and contributions	212	221
Insurance expenses	171	159
Advertising and sales promotion expenses	148	115
Printing and stationery expenses	56	57
Travel and representation expenses	234	243
Research and non-capitalized development costs	44	40
OTHER PURCHASED SERVICES		
Purchased IT services	654	580
Other communication services	57	51
Other services	931	790
	1,642	**1,421**
Expenses for compensation for damages	358	239
Impairments recognized in relation to receivables and other assets [2]	76	91
Losses from the disposal of property, plant and equipment and intangible assets	270	217
Expenses from disposal of non-current financial instruments	3	0
Other operating taxes	87	73
OTHER EXPENSES		
Grants for third-party facilities	126	127
Concession fees for passenger transport	9	24
Other personnel-related expenses	230	260
Miscellaneous other expenses	1,078	971
	1,443	**1,382**
Total	**5,716**	**5,235**
± Special items	- 672	- 230
± Effects from changes in scope of consolidation	- 1	- 3
± Exchange rate effects	- 19	-
Total - comparable	**5,024**	**5,002**

[1] Previous year figure adjusted.
[2] Including payments for receivables written down in the previous year.

Other operating expenses rose by a total of € 481 million (+9.2%), particularly as a result of higher expenses for purchased services and compensation for damage.

The increase in other purchased services resulted from higher purchased IT services across almost all segments and a greater need for temporary employees in the DB Schenker segment as a result of the positive business development.

The increase in expenses for compensation for damages resulted from provisions in connection with an accident (DB Netze Track segment).

The increase in miscellaneous other expenses resulted, among other things, from additions to provision from the revaluation of ecological burdens (Subsidiaries/Other segment). This was offset by lower expenses for the creation of provisions for impending losses (DB Regional and DB Arriva segments). Adjusted for these circumstances, miscellaneous other expenses were at the same level as the previous year.

Expenses from leasing, rent and leases were at the same level as the previous year and, in addition to the service element of capitalized leasing arrangements, also related to short-term leases (€ 210 million; previous year: € 233 million) and also leased assets of minor value (€ 58 million; previous year: € 48 million).

Travel and representation expenses were at the low level of the previous year due to Covid-19-related factors and the increased use of Web and video conferences.

The concession fees for passenger transport declined because the contracting organizations of The Chiltern Railway Company Limited, Sunderland/United Kingdom, and XC Trains Limited, Sunderland/United Kingdom (both segments of DB Arriva) waived their entitlement to part of the concession fees in 2021 as a result of contractual adjustments relating to Covid-19.

The fees for the Group auditor amounted to € 22.1 million (previous year: € 20.9 million); this figure comprised auditing services of € 7.9 million (previous year: € 8.8 million), other certification services of € 7.9 million (previous year: € 7.3 million), tax advice services of € 0.2 million (previous year: € 0.3 million) as well as other services costing € 6.1 million (previous year: € 4.5 million). Of the figure shown for the other rendered services, € 3.5 million (previous year: € 2.8 million) were attributable to services provided by affiliated companies of the auditor of the consolidated financial statements.

(8) NET PROFIT FROM INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

The following contributions to profits are recognized in the statement of income as a result of shares in companies over which significant influence can be exercised or which are managed as joint ventures:

€ million	2021	2020
JOINT VENTURES		
Trieste Trasporti S.P.A., Trieste/Italy	1	1
Intercambiador de Transportes Principe PIO S. A., Madrid/Spain	2	2
Other	–	1
	3	**4**
ASSOCIATED COMPANIES		
EUROFIMA European Company for the Financing of Railroad Rolling Stock (EUROFIMA), Basel/Switzerland	4	6
Barraqueiro SGPS SA, Lisbon/Portugal	- 3	- 4
GHT Mobility GmbH, Berlin [1]	- 18	- 32
Other	4	5
	- 13	**- 25**
Total	**- 10**	**- 21**

[1] In the previous year, the cumulative losses (€ 32 million) in excess of the acquisition costs of the shares were deducted from the financial receivables due from GHT Mobility GmbH.

(9) NET INTEREST INCOME

€ million	2021	2020
INTEREST INCOME		
Net interest income from pension provisions	2	5
Other interest and similar income	29	25
Income from securities	1	1
Operating interest income	**32**	**31**
Interest income from the reversal of deferred items and other interest income	23	83
	55	**114**
INTEREST EXPENSES		
Other interest and similar expenses	- 430	- 427
Net interest expenses for pension provisions	- 28	- 65
Interest expenses for leasing liabilities	- 80	- 81
Operating interest expenses	**- 538**	**- 573**
Compounding of long-term provisions and liabilities	- 45	- 156
	- 583	**- 729**
Total	**- 528**	**- 615**
± Special items	42	1
± Effects from changes in scope of consolidation	0	0
± Exchange rate effects	1	–
Total - comparable	**- 485**	**- 614**
For information only:		
Operating interest balance	- 506	- 542

Interest income and interest expenses are recognized in the income statement using the effective interest method in the period in which the income arises.

The decline in interest income from the reversal of deferred items and other interest income is mainly attributable to the adjustment of the discount rate for provisions for ecological burdens in the previous year.

The decline in net interest expenses for pension provisions resulted from the adjustment of the discount rate. Both the net pension provisions in the year under review and the previous year's interest rate applicable to the respective net interest expense fell.

The reduction in the expenses for the compounding of long-term provisions and liabilities was mainly attributable to the adjustment to the discount rate for the provision for the rectification of ecological burdens as well as the discontinuation of the effects from a provision for the pro rata costs relating to the decommissioning of a joint power generation plant in the previous year.

(10) OTHER FINANCIAL RESULT

€ million	2021	2020
Result from subsidiaries	2	1
Result from exchange rate effects	- 268	120
Result from currency-related derivatives	295	- 145
Result from other derivatives	9	- 2
Result from disposal of financial instruments	0	0
Fair value change of financial instruments	32	- 11
Impairments on financial instruments	–	- 45
Other financial result	- 22	- 9
Total	**48**	**- 91**
± Special items	–	–
± Effects from changes in scope of consolidation	0	0
± Exchange rate effects	2	–
Total - comparable	**50**	**- 91**

Dividend income is recognized at the point at which the right to receive the payment arises.

The result from exchange rate effects was attributable to the conversion of foreign currency liabilities and receivables with an impact on the income statement using the spot rate applicable on the balance sheet date (IAS 21). The result from exchange rate effects has to be netted with the result from currency-related derivatives. The strong exchange rate fluctuations in the year under review are mainly attributable to the development of the exchange rate between the euro and the British pound and the Swiss franc. The result from currency-related derivatives comprises reclassifications of currency-related changes in the market value of cash flow hedges recognized under shareholders' equity with no impact on profit and loss. The result from other derivatives relates to the development in the market value of derivatives that are not classified as effective hedges in accordance with IFRS 9 (Financial Instruments).

The changes in the fair value of financial instruments related to the positive performance from the fair value assessment of other investments.

(11) TAXES ON INCOME

€ million	2021	2020
Actual tax expense	-321	-213
Income due to discontinuation of tax obligations	19	33
Actual taxes on income	**-302**	**-180**
Deferred tax income (previous year: deferred tax expense)	179	-43
Taxes on income	**-123**	**-223**

The actual taxes on income in the year under review were incurred mainly at foreign Group companies. The increase compared with the previous year is attributable to higher contributions to profits made by some international Group companies as well as lower income from the discontinuation of tax obligations. Deferred taxes resulted in income (previous year: expense). This is due to the increased anticipated future utilization of tax losses carried forward, whereas deferred tax income from the extension of the planning horizon was reported in the previous year.

Starting with the net profit/loss of DB Group before taxes on income and the imputed taxes on income calculated using an imputed tax rate of 30.5%, the tax reconciliation to the actual income taxes is presented below:

€ million	2021	2020
Loss before taxes on income	-788	-5,484
Group tax rate (%)	30.5	30.5
Anticipated tax income	**240**	**1,673**
Adjustment of the expected future use of loss carry-forwards and new temporary differences that have arisen and loss carry-forwards	-411	-1,398
Income not subject to tax	34	24
Tax effects related to IAS 12.33	40	40
Expenses not deductible for tax purposes	-35	-372
Differences in tax rates for foreign companies	63	-154
Other effects	-54	-36
Taxes on income as reported	**-123**	**-223**
Effective tax rate (%)	-15.6	-4.1

In the year under review, there were new tax loss carryforwards for which deferred tax assets were not recognized in full, as at the time of the forecast period sufficient taxable income was not expected for the loss carryforwards and temporary differences that existed in the previous year.

The reconciliation amount as detailed in IAS 12.33 related exclusively to additional tax write-downs resulting from the fact that tax-free grants in the IFRS financial statements have been deducted directly from the asset acquisition costs. It is not permissible for deferred taxes to be created in relation to these temporary differences.

In the year under review, the other effects included in particular effects attributable to the difference in the assessment bases of different income tax bases, and additional local income taxes outside Germany.

(12) EARNINGS PER SHARE

Under IAS 33 (earnings per share), undiluted earnings per share are calculated by dividing the net profit/loss of DB Group attributable to the shareholders of DB AG by the weighted average number of shares in issue during the year under review. Undiluted earnings per share correspond to diluted earnings per share.

€ million	2021	2020
Net loss for the year	-911	-5,707
thereof due to shareholders of DB AG	-946	-5,710
thereof attributable to providers of hybrid capital	26	26
thereof attributable to non-controlling interests	9	-23
Number of issued shares as of Dec 31	430,000,000	430,000,000
EARNINGS PER SHARE (€/SHARE)		
Undiluted	-2.20	-13.28
Diluted	-2.20	-13.28

Notes to the balance sheet

(13) PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is measured at cost of purchase and cost of production in accordance with IAS 16 (Property, Plant and Equipment). Cost of production comprises individual costs as well as indirect costs which are directly allocatable.

If at least two years are required for manufacturing an asset in order to place it in its intended state in which it is capable of being used or sold, any directly attributable costs of debt are capitalized as costs of production of the asset. If a direct link cannot be established, the average cost of debt rate for the year under review is used. Value-added tax incurred in connection with the purchase or production of property, plant and equipment is only capitalized to the extent that authorization to deduct pre-tax is not given.

Subsequent costs are capitalized if the expenses enhance the economic benefit of the property, plant and equipment and if the costs can be reliably measured. Other repairs or maintenance, on the other hand, are generally recognized as an expense.

Components of property, plant and equipment that are significant in relation to the total cost of purchase and cost of production are recognized separately and written down over their useful life using the straight-line method.

Investment grants are deducted directly from the cost of purchase and cost of production of the subsidized assets.

Rights of use from leasing contracts

In the case of rented or leased assets, if they fall under the scope of IFRS 16, a right of use (in accordance with IFRS 16.24) and a lease liability are recognized as soon as the assets are available for use by DB Group. Depreciation is recognized using the straight-line method over the economic useful life of the asset or the shorter duration of the lease. This is not applicable for leasing contracts for minor-value assets (up to and including € 5,000) and short-term leasing contracts with a duration of 12 months or less, the costs of which are recognized on a linear basis in the statement of income. Components of lease payments that do not relate to the use of the asset are not included in the measurement of the right of use and the lease liability.

Critical estimations and assessments

With regard to defining the duration of the lease, management takes account of all facts and circumstances that have an influence on the possible exercising of a extension option or termination option. This assessment is reviewed regularly.

Leased assets

DB Group classifies every lease for which it is the lessor as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers essentially all risks and opportunities associated with the ownership. If this is not the case, the lease is classified as an operating lease.

PROPERTY, PLANT AND EQUIPMENT / € million	Land	Commercial, operating and other buildings	Permanent way structures	Track infrastructure, signaling and control equipment	Vehicles for passenger and freight transport	Technical equipment and machinery	Other operating and business equipment	Advance payments and assets under construction	Total
COST OF PURCHASE AND COST OF PRODUCTION									
As of Jan 1, 2021	4,579	12,748	15,788	17,007	36,431	2,214	5,723	5,623	**100,113**
Changes in the scope of consolidation	1	23	–	–	13	1	4	0	**42**
thereof additions in scope of consolidation	1	27	–	–	13	1	4	0	**46**
thereof disposals in scope of consolidation	–	-4	–	–	–	–	0	–	**-4**
Additions	122	1,109	806	1,435	2,219	122	524	8,811	**15,148**
Addition of cost of debt	–	–	–	–	–	–	–	50	**50**
Investment grants	0	-176	-752	-1,380	-42	-39	-70	-6,579	**-9,038**
Transfers	12	171	101	-214	403	48	97	-620	**-2**
Changes with no impact on profit and loss	–	3	–	–	–	–	–	–	**3**
Disposals	-59	-200	-19	-246	-852	-58	-387	-34	**-1,855**
Currency translation differences	20	62	4	0	128	6	31	6	**257**
As of Dec 31, 2021	**4,675**	**13,740**	**15,928**	**16,602**	**38,300**	**2,294**	**5,922**	**7,257**	**104,718**
ACCUMULATED DEPRECIATION									
As of Jan 1, 2021	-717	-5,218	-5,831	-12,913	-22,517	-1,442	-3,755	-16	**-52,409**
Changes in the scope of consolidation	–	2	–	–	0	0	-2	–	**0**
thereof additions in scope of consolidation	–	-2	–	–	0	0	-2	–	**-4**
thereof disposals in scope of consolidation	–	4	–	–	–	–	0	–	**4**
Depreciation	-45	-890	-203	-346	-1,580	-128	-496	–	**-3,688**
impairments	-1	-2	0	0	-7	0	-2	0	**-12**
Reversals	75	0	–	14	2	–	0	–	**91**
Transfers	-1	-20	0	0	2	16	-14	7	**-10**
Disposals	17	141	13	233	755	54	326	1	**1,540**
Currency translation differences	-5	-21	-3	0	-73	-5	-23	0	**-130**
As of Dec 31, 2021	**-677**	**-6,008**	**-6,024**	**-13,012**	**-23,418**	**-1,505**	**-3,966**	**-8**	**-54,618**
Carrying amount as of Dec 31, 2021	**3,998**	**7,732**	**9,904**	**3,590**	**14,882**	**789**	**1,956**	**7,249**	**50,100**
Carrying amount as of Dec 31, 2020	3,862	7,530	9,957	4,094	13,914	772	1,968	5,607	**47,704**

PROPERTY, PLANT AND EQUIPMENT / € million	Land	Commercial, operating and other buildings	Permanent way structures	Track infrastructure, signaling and control equipment	Vehicles for passenger and freight transport	Technical equipment and machinery	Other operating and business equipment	Advance payments and assets under construction	**Total**
COST OF PURCHASE AND COST OF PRODUCTION									
As of Jan 1, 2020	4,511	11,575	15,690	16,962	35,670	2,220	5,613	4,693	**96,934**
Changes in the scope of consolidation	11	11	0	–	24	1	8	–	**55**
thereof additions in scope of consolidation	11	11	0	–	24	1	18	1	**66**
thereof disposals in scope of consolidation	–	0	–	–	–	–	- 10	- 1	**- 11**
Additions	106	1,314	909	1,601	1,919	135	530	7,654	**14,168**
Addition of cost of debt	–	–	–	–	–	–	–	44	**44**
Investment grants	0	- 167	- 886	- 1,459	- 78	- 39	- 59	- 5,825	**- 8,513**
Transfers	4	183	89	151	316	55	96	- 904	**- 10**
Changes with no impact on profit and loss	–	0	–	–	–	–	0	–	**0**
Disposals	- 33	- 102	- 11	- 247	- 1,260	- 145	- 429	- 34	**- 2,261**
Currency translation differences	- 20	- 66	- 3	- 1	- 160	- 13	- 36	- 5	**- 304**
As of Dec 31, 2020	**4,579**	**12,748**	**15,788**	**17,007**	**36,431**	**2,214**	**5,723**	**5,623**	**100,113**
ACCUMULATED DEPRECIATION									
As of Jan 1, 2020	- 702	- 4,413	- 5,634	- 12,797	- 21,708	- 1,404	- 3,676	- 9	**- 50,343**
Changes in the scope of consolidation	- 4	- 5	0	–	- 22	- 1	- 11	–	**- 43**
thereof additions in scope of consolidation	- 4	- 5	0	–	- 22	- 1	- 15	–	**- 47**
thereof disposals in scope of consolidation	–	0	–	–	–	–	4	–	**4**
Depreciation	- 42	- 845	- 201	- 360	- 1,569	- 130	- 472	- 1	**- 3,620**
impairments	0	- 6	- 4	- 2	- 14	- 1	0	0	**- 27**
Reversals	–	0	–	13	1	–	0	0	**14**
Transfers	12	- 29	0	0	9	0	9	- 6	**- 5**
Disposals	13	59	6	233	707	86	371	0	**1,475**
Currency translation differences	6	21	2	0	79	8	24	0	**140**
As of Dec 31, 2020	**- 717**	**- 5,218**	**- 5,831**	**- 12,913**	**- 22,517**	**- 1,442**	**- 3,755**	**- 16**	**- 52,409**
Carrying amount as of Dec 31, 2020	**3,862**	**7,530**	**9,957**	**4,094**	**13,914**	**772**	**1,968**	**5,607**	**47,704**
Carrying amount as of Dec 31, 2019	3,809	7,162	10,056	4,165	13,962	816	1,937	4,684	**46,591**

The additions to the cost of debt contain an average cost of debt rate of 1.44% (previous year: 1.71%).

The impairments of € 12 million (previous year: € 27 million) mainly related to vehicles for passenger and freight transport.

Reversals of € 91 million (previous year: € 14 million) were mainly attributable to real estate and rights equivalent to real property.

In the year under review, the carrying amount disposals for assets under construction included positive carrying amount disposals of € 7 million (previous year: € 20 million). These were attributable to the repayment of investment grants that had been received in previous years and deducted from assets.

Restrictions to rights of disposal over property, plant and equipment (as of December 31, 2021: € 34 million; as of December 31, 2020: € 35 million) existed mainly in Arriva Italia s.r.l., Milan/Italy.

Rights of use from leases (IFRS 16)

DB Group leases mainly consist of real estate. Compared with a solution involving purchasing of such assets, leasing provides much greater flexibility and results in lower amounts of capital being tied up. DB Group simultaneously participates in positive market developments by way of regularly agreeing extension options. In addition, DB Group rents rolling stock particularly if the economic useful life considerably exceeds the duration of the transport contract for which the rolling stock is intended.

Property, plant and equipment contains rights-of-use from leases that are shown separately in the following overview:

€ million	Rights of use for: Land	Commercial, operating and other buildings	Permanent way structures	Track infra-structure, signaling and control equipment	Vehicles for passenger and freight transport	Technical equip-ment and machinery	Other operating and business equipment	Total
AS OF DEC 31, 2021								
Additions	51	788	0	14	199	18	20	**1,090**
Depreciation	- 38	- 655	- 4	- 1	- 196	- 33	- 16	**- 943**
Carrying amount	377	3,494	2	15	534	165	32	**4,619**
AS OF DEC 31, 2020								
Additions	58	988	1	0	239	14	16	**1,316**
Depreciation	- 33	- 630	- 3	- 1	- 230	- 36	- 18	**- 951**
Carrying amount	359	3,380	5	2	631	181	27	**4,585**

Further details of leasing-related liabilities, expenses and other financial obligations are set out in the Notes (6) 200ff., (7) 202f., (9) 203, (28) 216ff., and (35) 235f., as well as the Notes to the statement of cash-flows 229f.

The decrease in carrying amounts for vehicles for passenger and freight transport mainly resulted from the DB Arriva segment. In the case of commercial, operational and other buildings, higher additions as well as term extensions in connection with real estate contracts resulted in an increase in the carrying amounts.

Rented assets

The rental activities of DB Group related mainly to premises in stations as well as the leasing of excess locomotive and rail car capacities. Agreements are not normally made with regard to assuring any residual values.

Subletting activities are carried out to a minor extent mainly at DB Schenker. Where appropriate, storage facilities are rented only for the purpose of fulfilling a logistics contract with a specific customer. If these customers take on the economic opportunities and risks with regard to the leased premises, the subletting income is not recognized in the income statement; instead, this is recognized as a sub-financing lease. Revenues from subletting amounted to € 35 million (previous year: € 23 million).

The assets which in certain cases are determined on the basis of retrospective calculations and completed surveys and which are leased by way of operating leases have the following residual carrying amounts:

RENTED ASSETS CLASSIFIED AS OPERATING LEASES / € million	Real estate	Mobile assets
Cost of purchase and cost of production	1,393	6,889
Accumulated depreciation	- 481	- 4,580
Carrying amount as of Dec 31, 2021	**912**	**2,309**
Cost of purchase and cost of production	1,349	7,059
Accumulated depreciation	- 448	- 4,845
Carrying amount as of Dec 31, 2020	**901**	**2,214**

In the case of real estate which is leased on a pro rata basis, the carrying amounts are also recognized on a pro rata basis. The carrying amount of the leased mobile assets related to all assets leased in the year under review irrespective of the lease duration. The residual carrying amounts and the accumulated depreciation of the mobile assets (mainly rolling stock) increased, particularly at DB Long-Distance, due to capital expenditures in new vehicles. The process of renting the assets is expected to generate rental and leasing inflows in future years as shown in the following overview:

EXPECTED RENTAL AND LEASING INCOME (NOMINAL VALUES) / € million	Residual maturity: Up to 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	More than 5 years	Total more than 1 year	Total
AS OF DEC 31, 2021								
Minimum lease payments	357	211	178	161	121	518	**1,189**	**1,546**
AS OF DEC 31, 2020								
Minimum lease payments	356	184	158	143	129	594	**1,208**	**1,564**

(14) INTANGIBLE ASSETS

Purchased intangible assets are shown with their acquisition cost in accordance with IAS 38 (Intangible Assets). Intangible assets manufactured in-house are recognized with their cost of production, and consist mainly of software.

Costs of production mainly comprise costs for material and services, wage and salary costs as well as relevant indirect costs.

Intangible assets (excluding goodwill and the Arriva brand) are subsequently valued at cost of purchase and cost of production less scheduled depreciation and impairments plus any reversals of previous impairments.

INTANGIBLE ASSETS / € million	Capitalized development costs for products in use		Capitalized development costs for products under development		Purchased intangible assets [1]		Goodwill		Advance payments		**Total**	
	2021	2020	**2021**	2020	**2021**	2020	**2021**	2020	**2021**	2020	**2021**	**2020**
COST OF PURCHASE AND COST OF PRODUCTION												
As of Jan 1	766	564	369	447	2,196	2,260	3,003	3,106	1	0	**6,335**	**6,377**
Changes in the scope of consolidation	2	5	–	–	26	2	17	13	–	–	**45**	**20**
thereof additions in scope of consolidation	2	5	–	–	28	4	17	13	–	–	**47**	**22**
thereof disposals in scope of consolidation	–	–	–	–	- 2	- 2	–	0	–	–	**- 2**	**- 2**
Additions	44	54	174	162	21	17	–	–	0	1	**239**	**234**
Investment grants	- 6	- 2	–	–	- 1	- 1	–	–	–	–	**- 7**	**- 3**
Transfers	138	222	- 100	- 212	- 36	0	–	–	–	0	**2**	**10**
Changes with no impact on profit and loss	–	–	–	–	0	0	–	–	–	–	**0**	**0**
Disposals	- 52	- 73	- 17	- 28	- 41	- 46	0	–	–	–	**- 110**	**- 147**
Currency translation differences	5	- 4	- 1	0	28	- 36	124	- 116	–	0	**156**	**- 156**
As of Dec 31	**897**	**766**	**425**	**369**	**2,193**	**2,196**	**3,144**	**3,003**	**1**	**1**	**6,660**	**6,335**
ACCUMULATED DEPRECIATION												
As of Jan 1	- 298	- 178	0	- 1	- 1,889	- 1,818	- 1,858	- 486	–	–	**- 4,045**	**- 2,483**
Changes in the scope of consolidation	- 2	–	–	–	- 1	–	–	–	–	–	**- 3**	**–**
thereof additions in scope of consolidation	- 2	–	–	–	- 3	- 1	–	–	–	–	**- 5**	**- 1**
thereof disposals in scope of consolidation	–	–	–	–	2	1	–	–	–	–	**2**	**1**
Depreciation	- 81	- 76	–	–	- 112	- 132	–	–	–	–	**- 193**	**- 208**
Impairments	- 2	- 78	–	- 27	0	- 15	–	- 1,411	–	–	**- 2**	**- 1,531**
Reversals	–	–	–	–	–	0	–	–	–	–	**–**	**0**
Transfers	- 26	- 7	–	–	36	12	–	–	–	–	**10**	**5**
Disposals	22	40	–	28	34	36	–	–	–	–	**56**	**104**
Currency translation differences	- 3	1	–	–	- 26	28	- 67	39	–	–	**- 96**	**68**
As of Dec 31	**- 390**	**- 298**	**0**	**0**	**- 1,958**	**- 1,889**	**- 1,925**	**- 1,858**	**–**	**–**	**- 4,273**	**- 4,045**
Carrying amount as of Dec 31	**507**	**468**	**425**	**369**	**235**	**307**	**1,219**	**1,145**	**1**	**1**	**2,387**	**2,290**
Carrying amount as of Dec 31 of previous year	468	386	369	446	307	442	1,145	2,620	1	0	**2,290**	**3,894**

[1] This includes intangible assets with indefinite useful lives (carrying amount: € 5 million), which were reported separately as of December 31, 2020 and derecognized in 2021.

The purchased intangible assets mainly included software (carrying amount as of December 31, 2021: € 103 million; as of December 31, 2020: € 129 million), concessions and rights (carrying amount as of December 31, 2021: € 51 million; as of December 31, 2020: € 61 million) and acquired customer and franchise contracts (carrying amount as of December 31, 2021: € 79 million; as of December 31, 2020: € 110 million).

For the acquired Arriva brand (carrying amount as of December 31, 2021: € 32 million; as of December 31, 2020: € 31 million), there are no other legal, regulatory, contractual, competitive, economic or other factors that limit the useful life.

The impairments of € 2 million (previous year: € 1,531 million) were in the DB Schenker and Subsidiaries/Other segments.

The allocation of the reported goodwill to the segments is shown in Segment information according to segments 190f.

(15) INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Shares in associated companies and joint ventures are accounted for using the equity method in accordance with IAS 28. The carrying amount, based on the Group costs of purchase at the time of the purchase, is updated according to the DB Group share of changes in equity position of the company accounted for using the equity method.

The shares in the investments accounted for using the equity method developed as follows:

€ million	**2021**	2020
As of Jan 1	458	501
Additions	0	1
Disposals	0	- 5
Share of DB Group in profit	8	11
Capital increase	1	–
Other movements in capital	–	0
Dividends received	- 9	- 7
Impairments	–	- 44
Currency translation differences	0	0
Other valuation	3	1
As of Dec 31	**461**	**458**

The figure shown in the balance sheet as of December 31, 2021, was mainly attributable to the shares held in the associated companies EUROFIMA European Company for the Financing of Railroad Rolling Stock (EUROFIMA), Basel/Switzerland and Trieste Trasporti S.P.A., Trieste/Italy. The shares in EUROFIMA are subject to restrictions in terms of being sold; new shareholders must be railway administration entities which also require a guarantee from their respective state guaranteeing their obligations.

(16) DEFERRED TAXES

Deferred taxes are calculated in accordance with IAS 12 (Income Taxes).

The theoretical income tax rate for corporations of 30.5% is used as the basis for calculating deferred taxes for domestic companies. The income tax rate comprises the corporation tax rate plus solidarity surcharge and an average trade tax rate. Foreign subsidiaries use their relevant local tax rates for calculating deferred taxes.

A deferred tax asset is recognized in accordance with IAS 12.24 or IAS 12.34 if, after corresponding deferred tax liabilities have been deducted, it is likely that adequate taxable income is available. This is based on the medium-term planning and a further two years, taking into account supplementary estimates for domestic companies. The international companies use medium-term planning as the basis. Deferred tax assets relating to income which can be generated after the forecast period are not recognized, on the grounds that they cannot be reliably determined.

Deferred taxes are established on the basis of the tax rates that can be expected for the period in which the deferred tax is realized on the basis of existing laws or laws that have in essence been adopted.

Critical estimations and assessments

The calculation of deferred tax assets is based on the medium- and long-term planning. If the sum of net profits planned in the medium-term planning were to decline by 10% in conjunction with otherwise unchanged tax parameters, deferred tax assets would have to be reduced by € 100 million (previous year: € 97 million).

Deferred tax assets are broken down as follows:

AS OF DEC 31 / € million	2021	2020
Deferred tax assets in respect of temporary differences	443	412
Deferred tax assets in respect of tax losses carried forward	862	752
Total	**1,305**	**1,164**

No deferred tax assets have been created in relation to the following losses carried forward and temporary differences:

AS OF DEC 31 / € million	2021	2020
Tax loss carry-forwards for which no deferred tax asset has been created	20,514	18,735
Temporary differences for which no deferred tax asset has been created	5,653	5,998
Temporary differences that are not permitted to be recognized in accordance with IAS 12.24b in conjunction with 12.33	1,868	1,981
Total	**28,035**	**26,714**

The losses carried forward are mainly attributable to the tax law treatment of Federal grants paid in the past to DB AG in accordance with section 21 (5) and section 22 (1) Deutsche Bahn Foundation Act (Deutsche Bahn Gründungsgesetz; DBGrG) as a contribution as well as the tax losses of the year under review that were incurred as a consequence of the impact of the Covid-19 pandemic.

On the basis of current law, the domestic losses carried forward are fully permissible in accordance with current legislation (in terms of the actual amount and justification).

The temporary differences which are not permitted to be recognized in accordance with IAS 12.33 relate exclusively to additional tax depreciation from previously received tax-free investment grants.

The following deferred tax assets and deferred tax liabilities shown in the balance sheet were due to statement and valuation differences for the individual balance sheet items and tax losses carried forward:

	Deferred tax assets		Deferred tax liabilities	
AS OF DEC 31 / € million	2021	2020	2021	2020
NON-CURRENT ASSETS				
Property, plant and equipment [1]	108	61	153	162
Intangible assets	0	0	34	29
Investment property [1]	–	–	–	–
CURRENT ASSETS				
Trade receivables	11	8	4	6
NON-CURRENT LIABILITIES				
Financial debt	2	0	0	0
Derivative financial instruments	7	9	0	0
Pension obligations	140	190	3	0
Other provisions	177	125	131	68
Deferred income	0	0	0	7
CURRENT LIABILITIES				
Trade liabilities	68	50	0	0
Other liabilities	32	75	0	18
Other provisions	67	30	12	0
Losses carried forward	862	752	0	0
Subtotal	**1,474**	**1,300**	**337**	**290**
Balancing [2]	-169	-136	-169	-136
Amount stated in the balance sheet	**1,305**	**1,164**	**168**	**154**

[1] Previous year's figure adjusted for deferred tax liabilities.
[2] To the extent permitted by IAS 12 (income taxes).

Tax assets and liabilities are netted if they exist in relation to the same tax authority, if they are of identical maturity and if they relate to the same tax subject.

Of the deferred tax liabilities of € 1,474 million (as of December 31, 2020: € 1,300 million), a figure of € 177 million (as of December 31, 2020: € 163 million) will probably be realized in the course of the next 12 months. Of the deferred tax liabilities of € 337 million (as of December 31, 2020: € 290 million), a figure of € 16 million (as of December 31, 2020: € 24 million) will probably be realized in the course of the next 12 months.

Deferred tax assets of € 222 million (as of December 31, 2020: € 183 million) shown directly in equity and deferred tax liabilities of € 7 million (as of December 31, 2020: € 10 million) shown directly in equity are included in the deferred taxes shown in the balance sheet.

(17) OTHER INVESTMENTS AND SECURITIES

Other investments are shown with their fair value.

Long- or short-term securities are recognized with their fair values as of the balance sheet date – where such values exist. Changes in fair value are recognized directly in equity in the reserve from the fair value measurement of securities.

Other investments and securities developed as follows:

	Other investments		Securities		**Total**	
€ million	**2021**	2020	**2021**	2020	**2021**	**2020**
As of Jan 1	55	42	3	3	**58**	**45**
Currency translation differences	0	0	0	0	**0**	**0**
Additions	18	24	–	–	**18**	**24**
Disposals	-7	0	0	–	**-7**	**0**
Change in fair value	31	-11	0	0	**31**	**-11**
Other	0	0	–	–	**0**	**0**
As of Dec 31	**97**	**55**	**3**	**3**	**100**	**58**
thereof at cost/acquisition cost	–	–	1	0	**1**	**0**
thereof fair value (with no impact on profit and loss)	29	25	2	3	**31**	**28**
thereof fair value (recognized in the income statement)	68	30	–	–	**68**	**30**
Non-current portion	97	55	2	2	**99**	**57**
Current portion	–	–	1	1	**1**	**1**

As of December 31, 2021 changes in the fair value of other investments amounted to a total of € 31 million (previous year: € –11 million). At € 38 million, this increase was mainly due to the revaluation of shares in Volocopter GmbH, Bruchsal.

The additions mainly related to a € 6 million investment in Gideon Brothers, City of Dover/USA, € 4 million investment in InstaDeep Limited, London/United Kingdom, € 3 million increased investment in Volocopter GmbH, Bruchsal, and a € 2 million investment in VA450 Beteiligungs GmbH&Co. KG, Bonn/Germany.

(18) INVENTORIES

All costs which are directly related to the procurement process are capitalized as the acquisition costs of the inventories. The average method is used as the basis for establishing the acquisition cost of fungible and homogeneous raw materials and supplies. The costs of production comprise the individual costs and also the directly attributable indirect costs; borrowing costs and idle costs are not capitalized, and instead are recognized as expense in the period in which they are incurred.

As of the balance sheet date, inventories are measured with the lower of cost or net realizable value.

Inventories are broken down as follows:

AS OF DEC 31 / € million	**2021**	2020
Raw materials, consumables and supplies	2,062	1,849
Unfinished goods, unfinished services	128	122
Finished goods and products	413	365
Advance payments	11	41
Impairments	-459	-440
Total	**2,155**	**1,937**

The increase in raw materials, consumables and supplies was attributable, among other things, to price increases for CO_2 certificates.

The increase in finished goods and products in addition to merchandise in the DB Schenker segment mainly related to rolling stock that had only been provisionally accepted and that had not yet been transferred to the customer and contracting organizations as of the balance sheet date. Corresponding long-term trade liabilities were also reported.

(19) RECEIVABLES AND OTHER ASSETS

In general, receivables and other financial assets are measured at amortized acquisition cost. Finance lease receivables, advance payments made and plan assets in accordance with IAS 19 (Employee Benefits) are not allocated to any category of IFRS 9. With regard to the measurement categories according to IFRS 9, please refer to the section Additional disclosures relating to the financial instruments 213 ff.

Receivables for which there are substantial objective indications of an impairment are adjusted appropriately. Portfolio-based impairments are recognized in relation to groups of assets also on the basis of historical default rates. In DB Group, the maturities of the receivables and default risks are monitored constantly.

Some transport contracts include a handover obligation specifying that the deployed assets owned by DB Group have to be handed over at the end of the contract. Other transport contracts include a clause specifying that the deployed assets have to be rented from the contracting organization or a capital service guarantee is to be provided by the contracting organization for leasing from independent financial service providers. In accordance with IFRIC 12 (Service Concession Arrangements), the corresponding capital expenditures are capitalized as receivables from transport concession arrangements at the end of the contract, with the guaranteed residual values being separated. The receivables are redeemed out of the concession fees, which means that not all of the concession fees result in revenues. The residual value receivables are disclosed at their present value under the financing receivables.

Critical estimations and assessments

The impairment of doubtful receivables to a considerable extent comprises assessments and appraisals of individual receivables that are based on the creditworthiness of the particular customer, current economic developments as well as an analysis of historical bad debts at the portfolio level. If the impairment is derived on the basis of historical default rates at the portfolio level, any decline in the overall volume of receivables results in a corresponding decrease in such provisions (and vice versa).

The receivables and other assets are broken down as follows:

€ million	Trade receivables	Financial receivables and ear-marked bank balances	Receivables from transport concessions	Advance payments	Other assets	Total
AS OF DEC 31, 2021						
Gross value	6,681	875	682	304	1,972	**10,514**
Impairments	- 182	- 11	–	–	- 46	**- 239**
Net value	**6,499**	**864**	**682**	**304**	**1,926**	**10,275**
thereof due to related parties	38	2	–	0	310	**350**
AS OF DEC 31, 2020						
Gross value	5,045	867	626	270	1,608	**8,416**
Impairments	- 164	- 11	–	–	- 47	**- 222**
Net value	**4,881**	**856**	**626**	**270**	**1,561**	**8,194**
thereof due to related parties	37	2	–	–	305	**344**

DB Group concluded factoring agreements with a bank; according to the terms of this agreement, the bank is obliged to purchase on a revolving basis current trade receivables (denominated in euro and Swedish krona) in companies of the DB Schenker segment up to a maximum volume of € 703 million and under which the rights and obligations remain with DB Group. The agreement has been concluded for an indefinite period of time. DB Group will continue to be responsible for sales ledger accounting and the dunning system on behalf of the bank until further notice. The risks relating to the receivables that are sold and that are relevant for the risk assessment are the credit risk and the risk of late payment. The purchase price is equivalent to the nominal amount. DB Group bears credit-risk-related default and late payment risks from the various tranches up to a certain amount in each case. The other bad debts related to the credit risk are borne by the bank. Virtually none of the opportunities and risks associated with the receivables have been transferred or retained (breakdown of major risks between DB Group and bank).

For some of the receivables, the right of disposal over the receivables that have been sold has been transferred to the bank as the bank has the actual ability to sell on the receivables. These receivables have been completely derecognized.

Disclosures on DB Group's continuing involvement in fully derecognized trade receivables:

€ million	2021	2020
Receivables sold as of Dec 31	260	224
Carrying amount of liabilities recorded in the balance sheet, which represent the sustained exposure [1] as of Dec 31	0	0
Maximum risk of loss from sustained exposure to credit and late payment risks as of Dec 31	63	63
EFFECTS ON THE CONSOLIDATED STATEMENT OF INCOME		
Expenses in the year under review	2	4
Expenses accumulated since the start of the contract	14	12
Expenses from the transfer within the scope of the factoring agreement	3	3

[1] Essentially corresponds to the fair value.

DB Group continues to account for the remaining portion of trade receivables transferred under factoring agreements in the amount of its sustained exposure and recognizes a corresponding commitment within other liabilities.

The receivables and the associated liabilities are derecognized to the extent that DB Group's sustained exposure is reduced due to the receipt of payments from customers.

Disclosures on DB Group's sustained exposure in partially derecognized trade receivables:

AS OF DEC 31 / € million	2021	2020
Receivables sold	443	388
Remaining carrying amount of transferred receivables [1]	97	96
Carrying amount of the associated liabilities [1]	107	102

[1] The fair values of the receivables and the associated liabilities essentially correspond to their carrying amounts.

Purchase price payments received by the bank increased the cash flow from operating activities.

The financial receivables and earmarked bank deposits include residual values of € 321 million (as of December 31, 2020: € 257 million) agreed with the awarding authorities of the public transport authorities. These residual value receivables mainly relate to rolling stock that is sold for a fixed price at the end of the transport contract to the public transport authority or to a third party designated by the public transport authority. In addition, financial receivables and earmarked bank deposits also disclosed a figure of € 323 million for finance lease receivables (as of December 31, 2020: € 231 million) as well as a figure of € 35 million for earmarked funds (as of December 31, 2020: € 38 million) which can be used only as contributions for certain retirement benefit plans. A further € 83 million (as of December 31, 2020: € 271 million) relate to cash guarantees in the form of credit support agreements.

The other assets include contract fulfillment costs of € 13 million (as of December 31, 2020: € 16 million).

The recognized impairments for the financial instruments classified in accordance with IFRS 7 have developed as follows:

€ million	Trade receivables	Financial receivables and earmarked bank deposits	Receivables from transport concessions	Other assets	Total
As of Jan 1, 2021	-164	-11	0	-47	**-222**
Additions	-55	–	–	-5	**-60**
Reversals	28	0	0	3	**31**
Amounts used	8	–	–	2	**10**
Changes in the scope of consolidation	0	–	–	–	**0**
Currency translation differences	1	–	–	1	**2**
As of Dec 31, 2021	**-182**	**-11**	**–**	**-46**	**-239**
As of Jan 1, 2020	-145	-9	0	-46	**-200**
Additions	-42	-2	–	-7	**-51**
Reversals	17	–	–	3	**20**
Amounts used	3	0	–	2	**5**
Changes in the scope of consolidation	1	0	–	0	**1**
Currency translation differences	2	0	–	1	**3**
As of Dec 31, 2020	**-164**	**-11**	**0**	**-47**	**-222**

Receivables for which there are substantial objective indications of an impairment are adjusted appropriately. Risk provisioning for anticipated credit losses is also created for equivalent receivables (portfolios of receivables) which cannot individually be identified as impaired. Any impairments that are recognized are deducted from financial assets on the assets side of the balance sheet. Previous impairments are reversed if the reasons for the original impairments are no longer applicable.

Expenses decreased to € 51 million in the year under review for the complete derecognition of receivables and other assets (previous year: € 66 million).

Income of € 5 million was reported for payments received in relation to previously derecognized receivables and other assets (previous year: € 5 million).

For trade receivables, DB Group uses the simplified approach according to IFRS 9 in order to measure the expected loan losses. Accordingly, for all trade receivables, the loan losses expected over the life of the receivables are used for this purpose. For measuring the expected loan losses, trade receivables are pooled on the basis of common credit risk features. The expected loan losses are determined on a collective basis using impairment matrices. These are determined on the basis of the individual segments within DB Group. During the Covid-19 pandemic, the credit risk markups traded on the market have been updated. The expected loan losses amounted to € 31 million as of December 31, 2021 (as of December 31, 2020: € 29 million).

AS OF DEC 31 / € million	Net carrying amount	Expected loss rate (%)	Risk provisioning	thereof risk provisioning for overdue receivables	thereof risk provisioning for receivables not overdue
Trade receivables	6,499	0.48	31	16	15

For receivables from financing as well as other financial receivables, the expected impairment requirement for major items was determined in relation to specific receivables. Risk provisioning totaling € 3 million was created for this purpose as of December 31, 2021 (as of December 31, 2020: € 6 million).

The following overview shows the maturity structure of the receivables for the financial instruments classified in accordance with IFRS 7 and the advance payments that have been made:

	Residual maturity							
€ million	Up to 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	More than 5 years	Total more than 1 year	Total
AS OF DEC 31, 2021								
Trade receivables	6,476	14	4	4	1	0	**23**	**6,499**
Financial receivables and earmarked bank deposits	341	84	37	32	27	343	**523**	**864**
Receivables from transport concessions	68	65	61	59	58	371	**614**	**682**
Advance payments	243	61	–	–	–	–	**61**	**304**
Other assets	1,706	60	32	19	2	107	**220**	**1,926**
Total	**8,834**	**284**	**134**	**114**	**88**	**821**	**1,441**	**10,275**
thereof non-financial assets	633	68	2	3	1	106	**180**	**813**
AS OF DEC 31, 2020								
Trade receivables	4,849	13	10	5	4	0	**32**	**4,881**
Financial receivables and earmarked bank deposits	426	86	56	12	8	268	**430**	**856**
Receivables from transport concessions	76	56	54	53	52	335	**550**	**626**
Advance payments	212	58	–	–	–	–	**58**	**270**
Other assets	1,491	17	21	1	2	29	**70**	**1,561**
Total	**7,054**	**230**	**141**	**71**	**66**	**632**	**1,140**	**8,194**
thereof non-financial assets	584	73	1	1	1	29	**105**	**689**

The trade receivables increased significantly compared with the previous year. This increase was mainly in the DB Schenker segment.

The current other assets also included increased customs receivables of the DB Schenker segment compared to the previous year. Other assets increased in almost all segments, though there was a decline in the DB Cargo and DB Netze Energy segments.

As a result of the large number of customers in the various operating segments, there is no evidence of concentration of credit risks with trade receivables.

The fair values of the balance sheet items receivables and other assets, trade receivables, as well as other receivables and assets essentially correspond to the carrying amounts.

The maximum default risk is essentially equivalent to the carrying amount in each case. Collateral is not regularly held.

As of the balance sheet date, there were no indications that debtors of the receivables that are neither impaired nor overdue will not meet their payment obligations.

(20) INCOME TAX RECEIVABLES

The income tax receivables relate to advance payments that have been made as well as allowable withholding taxes.

(21) DERIVATIVE FINANCIAL INSTRUMENTS

Upon conclusion of a contract, derivative financial instruments are generally classified as hedging instruments for hedging the cash flows from contractual obligations or anticipated transactions (cash flow hedge).

Cash flow hedges

Cash flow hedges are used to provide protection against fluctuations in the cash flows of financial assets or liabilities or anticipated transactions. When future cash flows are hedged, the hedging instruments are also recognized with their fair value. Changes in value are initially recognized in shareholders' equity with no impact on profit and loss, and are only recognized in the statement of income at the point at which the corresponding losses or profits from the underlying transaction have an impact on the statement of income or the transactions expire. Any ineffectiveness is recognized in the statement of income in accordance with IFRS 9.

Derivative financial instruments that do not satisfy the requirements for recognizing hedges in accordance with IFRS 9

If hedges that in economic terms are used for interest, currency or price hedging do not satisfy the requirements of IFRS 9 for being recognized as a hedge, the changes in fair value are immediately recognized in the statement of income.

Calculation of the fair value

The fair value of financial instruments that are traded in an active market is derived from the share price applicable on the balance sheet date. Common valuation methods such as option price or present value models are used for determining the fair value of financial instruments that are not traded in an active market. If valuation-relevant parameters are not directly observable on the market, forecasts are used based on comparable financial instruments that are traded in an active market; these forecasts are then adjusted by premiums or discounts on the basis of historical data. The mean value of bid and offer rates is used. DB AG operates with long-dated financial derivatives on a hedged basis, and does not perform any credit risk adjustment for the fair value for hedged transactions. For considerations of materiality, no credit risk adjustment is used for short-term derivatives. If credit risk adjustment is used, the relevant discounts are derived from the credit default swap (CDS) figures observable on the market.

All derivatives used in DB Group are measured using common methods such as option price or present value models, because their fair values are not traded on an active market. No parameters from non-observable markets are used for assessment purposes.

The volume of hedges that have been taken out is shown in the following overview of nominal values:

AS OF DEC 31 / € million	Nominal value of hedging instrument		Residual maturity up to 1 year		Residual maturity more than 1 year	
	2021	2020	**2021**	2020	**2021**	2020
INTEREST-BASED CONTRACTS						
Interest swaps	–	74	–	74	–	0
	–	**74**	**–**	**74**	**–**	**0**
CURRENCY-BASED CONTRACTS						
Currency swaps	803	592	803	585	0	7
Currency forwards	2,365	1,762	2,334	1,722	31	40
Cross-currency swaps	8,181	6,290	176	230	8,005	6,060
	11,349	**8,644**	**3,313**	**2,537**	**8,036**	**6,107**

AS OF DEC 31 / 1,000 t	Volume		Residual maturity up to 1 year		Residual maturity more than 1 year	
	2021	2020	**2021**	2020	**2021**	2020
OTHER CONTRACTS						
Diesel	364	638	26	78	338	561
Hard coal	1,408	2,782	928	1,054	480	1,728

There were no interest rate swaps as of December 31, 2021 – the last transaction expired during the year under review, and no new transactions were entered into. The changes in holdings of currency swaps and forwards vary in line with the corresponding hedging requirements of the subsidiaries. The nominal value of the cross-currency interest rate swaps rose by € 1,891 million, mainly due to the issue of foreign currency bonds in the year under review, the cash flows of which were exchanged for euros.

The volume of diesel hedges declined by 0.2 million t to 0.4 million t, as the volume of expiring transactions exceeded that of the new transactions concluded. The volume of coal hedges decreased as of December 31, 2021, by 1.4 million t to 1.4 million t and results from a decline in expected consumption.

The implementation of the European Union's Benchmark Regulation, which provides for a new regulation on the use of benchmark interest rates, did not have a direct impact on DB AG's derivatives, as there were no transactions in the portfolio that referenced the no longer published benchmark interest rates. In the year under review, the interest rate on cash collateral for collateralized derivatives was changed from the EONIA to the euro short-term rate (€ STR).

The following table shows the average hedging prices/hedging rates for the main derivative hedging instruments of DB Group (per currency):

Currency	Hedging price per 1,000 t		Hedging rate			
	Diesel	Hard coal	Cross-currency swaps (CCS)	Interest rate swaps (IRS)	Currency swaps	Currency forwards
EUR	468.18	60.40	–	–	–	–
USD	–	–	1.18	–	1.17	1.14
GBP	390.60	–	0.87	–	0.84	0.85
CHF	–	–	1.17	–	–	1.04
JPY	–	–	119.66	–	–	128.85
NOK	–	–	9.12	–	–	10.16
SEK	–	–	10.11	–	–	10.26
DKK	3,010.00	–	7.45	–	–	7.44
CAD	–	–	–	–	–	1.44
AUD	–	–	1.54	–	–	1.58
NZD	–	–	1.65	–	–	1.67
HKD	–	–	–	–	–	8.82
MXN	–	–	–	–	–	24.42
SGD	–	–	1.56	–	1.56	1.54
PLN	1,348.61	–	4.40	–	–	4.61
CZK	10,425.42	–	26.11	–	25.71	25.50
HUF	–	–	–	–	–	365.34
RON	–	–	4.51	–	–	4.96
HRK	–	–	7.43	–	–	7.53
CNY	–	–	–	–	7.24	7.36
ILS	–	–	–	–	–	3.55
SAR	–	–	4.29	–	–	4.23
AED	–	–	4.25		4.38	4.14
ZAR	–	–	–		–	18.19
RUB	–	–	–	–	–	83.83

All derivative financial instruments are marked-to-market on the reporting date. The following overview shows the structure of the item stated in the balance sheet depending on the type of underlying hedge:

	Assets		Liabilities	
AS OF DEC 31 / € million	**2021**	2020	**2021**	2020
INTEREST-BASED CONTRACTS				
Interest swaps	–	–	–	0
Interest forwards	–	0	–	–
	–	**0**	**–**	**0**
CURRENCY-BASED CONTRACTS				
Currency swaps	6	0	1	13
Currency forwards	15	9	7	11
Other currency derivatives	0	0	0	0
Cross-currency swaps	313	150	209	283
thereof effects from currency hedges	375	85	128	142
	334	**159**	**217**	**307**
OTHER CONTRACTS				
Energy price derivatives	72	5	2	72
	72	**5**	**2**	**72**
Total	**406**	**164**	**219**	**379**
Non-current portion	356	151	200	319
Interest-based contracts	–	–	0	0
Currency-based contracts	314	148	198	263
Other contracts	42	3	2	56
Current portion	50	13	19	60

Cash flow hedges

In order to minimize the interest rate and exchange rate risk, foreign currency issues as well as intra-Group foreign currency loans are converted into euros as a matter of principle, and floating-rate financial liabilities are generally converted into fixed-interest financial liabilities. Energy price hedging served to reduce price fluctuations attributable to energy sourcing.

As of December 31, 2021, there were no interest-related transactions in the portfolio. The performance of the cross-currency interest rate swaps was predominantly due to the depreciation of the euro against the Swiss franc, the British pound and the Norwegian krone, as well as the expiry of old transactions.

The positive market value of the energy price derivatives reflected the development on the underlying raw materials markets.

The fair values of the cash flow hedges are shown as follows under assets and liabilities:

	Assets		Liabilities	
AS OF DEC 31 / € million	**2021**	2020	**2021**	2020
INTEREST-BASED CONTRACTS				
Interest swaps	–	–	–	0
	–	**–**	**–**	**0**
CURRENCY-BASED CONTRACTS				
Currency swaps	6	0	1	13
Cross-currency swaps	313	150	189	258
	319	**150**	**190**	**271**
OTHER CONTRACTS				
Energy price derivatives	72	5	2	72
Miscellaneous/other derivatives	–	–	0	0
	72	**5**	**2**	**72**
Total	**391**	**155**	**192**	**343**
Non-current portion	355	151	179	292
Interest-based contracts	–	–	0	0
Currency-based contracts	313	148	177	236
Other contracts	42	3	2	56
Current portion	36	4	13	51

Cash flow hedges are not classified under any category of IFRS 9.

The hedged cash flows of the underlying transactions will probably materialize, and have an impact on the income statement, in the years 2022 to 2041 (interest payments and payments of principal) or in the years 2022 to 2025 (payments for energy).

Disclosures for hedges and underlying transactions in accordance with IFRS 9

Currency	2021		As of Dec 31, 2021	2020		As of Dec 31, 2020
	Changes in hedges and underlying transactions	thereof ineffective (with impact on income statement)	Status of the hedging reserve cash flow hedges	Changes in hedges and underlying transactions	thereof ineffective (with impact on income statement)	Status of the hedging reserve cash flow hedges
INTEREST-BASED CONTRACTS						
Interest swaps	–	–	–	+ 5	–	+ 1
CURRENCY-BASED CONTRACTS						
Currency swaps	+ 18	–	–	+ 2	–	–
Cross-currency swaps	+ 232	- 7	- 153	- 123	- 6	- 107
OTHER CONTRACTS						
Energy price hedges	+ 137	–	+ 66	- 50	–	- 71

In the case of interest and cross-currency hedges, the effectiveness of the hedge is assessed using the critical terms match method. This method is used because the major valuation parameters of the underlying transaction and hedges are identical. Ineffectiveness is measured as of every balance sheet date by means of the hypothetical derivative method. In this method, the development in value of the hedge which is actually taken out is compared with the development in value of a theoretical hedge in which all valuation-relevant parameters are identical to those of the underlying transaction. In the case of energy price derivatives, the effectiveness of the hedge is assessed using the linear regression. The ineffectiveness is calculated using the dollar-offset method. In this method, the changes in the fair values of the underlying transaction are compared with the changes in the fair value of the hedging instrument. The resultant quotient determines the ineffectiveness.

As in the previous year, in the year under review the inefficiencies of cash flow hedges of the energy price derivatives recognized in the income statement were immaterial.

Non-hedge derivatives

Currency forwards taken out to hedge operations are normally classified as non-hedge derivatives.

The fair values of the non-hedge derivatives are shown under assets and liabilities as follows:

AS OF DEC 31 / € million	Assets 2021	Assets 2020	Liabilities 2021	Liabilities 2020
INTEREST-BASED CONTRACTS				
Interest forwards	–	0	–	–
	–	**0**	**–**	**–**
CURRENCY-BASED CONTRACTS				
Currency forwards	15	9	7	11
Other currency derivatives	0	0	0	0
Cross-currency swaps	–	–	20	25
	15	**9**	**27**	**36**
OTHER CONTRACTS				
Energy price derivatives	–	0	–	–
	–	**0**	**–**	**–**
Total	**15**	**9**	**27**	**36**
Non-current portion	1	0	21	27
Currency-based contracts	1	0	21	27
Current portion	14	9	6	9

The cross-currency swaps are based on a redesignation of hedges as a result of the transfer of transactions between banks. The conditions including the cash flows of the derivatives were unchanged and the economic hedge is thus still in place. The decline was attributable to the reversal of the redesignated amounts in line with the remaining maturities of the swaps.

The non-hedge derivatives are classified under the “held-for-trading” category of IFRS 9.

The financial instruments recognized at fair value are classified under valuation level 2 and to a lesser extent under valuation level 1.

AS OF DEC 31 / € million	2021 Level 1	2021 Level 2	2021 Level 3	2021 Total	2020 Level 1	2020 Level 2	2020 Level 3	2020 Total
ASSETS								
Financial assets (securities at fair value)	3	–	–	**3**	3	–	–	**3**
Derivatives – non-hedging	–	15	–	**15**	–	9	–	**9**
Derivatives – hedging	–	391	–	**391**	–	155	–	**155**
Total	**3**	**406**	**–**	**409**	**3**	**164**	**–**	**167**
LIABILITIES								
Derivatives – non-hedging	–	27	–	**27**	–	36	–	**36**
Derivatives – hedging	–	192	–	**192**	–	343	–	**343**
Total	**–**	**219**	**–**	**219**	**–**	**379**	**–**	**379**

There have been no reclassifications between the valuation levels in the year under review.

For establishing the fair values of the derivative financial instruments, contractually agreed or most probable cash flows are discounted using the appropriate market interest rate, whereby due consideration is given to the credit risk by means of credit spreads. No credit risk markdowns have been recognized in the case of secured exposures. The credit risk resulting from the derivative portfolio is treated on a net basis. Credit support annexes, which are subject to daily security settlement with a threshold value of € 0, were concluded to minimize the credit risk of long-term interest and cross-currency transactions.

(22) CASH AND CASH EQUIVALENTS

This item comprises cash in hand and checks, deposits at banks that are due on sight, as well as time deposits with a maturity of up to three months.

Cash and cash equivalents are recognized with their nominal value (at amortized cost).

Cash and cash equivalents are broken down as follows:

AS OF DEC 31 / € million	2021	2020
Cash in hand and bank deposits	4,591	3,411
Cash equivalents	0	0
Total	**4,591**	**3,411**

The interest rates for short-term bank deposits were in a range of between −0.67% to 0.01% (previous year: −0.60% to 0.05%) and relate to euro-denominated cash investments. The durations of the investments are between one day and three months.

For a definition of cash and cash equivalents, please refer to section Notes to the statement of cash flows 229f.

(23) HELD-FOR-SALE ASSETS

Under IFRS 5, non-current assets are classified as held-for-sale non-current assets if their carrying amount is to be realized by way of sale and not by way of continued use. This can be an individual asset, a disposal group or part of a company. Non-current held-for-sale assets are measured at the lower of the carrying amount or the fair value, less costs incurred.

As of December 31, 2021, no held-for-sale assets were shown in the balance sheet.

(24) SUBSCRIBED CAPITAL

The share capital of DB AG is € 2,150 million. It consists of 430,000,000 no-par-value bearer shares. All shares are held by the Federal Republic of Germany.

(25) RESERVES

a) Capital reserves

Capital reserves comprise reserves that have not been part of profits. In the year under review, the Annual General Meeting of DB AG decided to make an additional payment to the capital reserve of € 2.675 billion. This included € 550 million from the damage compensation for Covid-19 damage at DB Long-Distance in the period from March to June 2020, which was approved by the EU Commission on August 10, 2021, and € 2.125 billion from the 2030 Climate Action Program for the years 2020 and 2021.

b) Reserve resulting from valuation with no impact on profit or loss

RESERVE FOR CURRENCY TRANSLATION DIFFERENCES

The currency translation differences resulting from the method of functional currency (IAS 21) are shown separately as part of consolidated shareholders' equity.

RESERVE FOR MARKET VALUATION OF SECURITIES

The reserve includes the changes in the fair value of financial instruments to be recognized directly in equity. The reserve is to be released to or derecognized from profit or loss upon disposal or disposal/maturity or reclassification of a financial instrument.

RESERVE ATTRIBUTABLE TO THE MARKET VALUATION OF CASH FLOW HEDGES

The development of the reserve is shown in the following:

€ million	**2021**	2020
As of Jan 1	-171	-149
Change in fair value	463	-244
RECLASSIFICATIONS		
Financial result	-295	145
Net interest income	-26	-2
Cost of materials	-51	78
Changes in deferred taxes	-7	1
As of Dec 31	**-87**	**-171**

RESERVE FOR THE REVALUATION OF PENSIONS

The effects resulting from the revaluation of defined benefit plans in accordance with IAS 19 (Employee Benefits) are recognized directly in equity.

OTHER CHANGES IN THE RESERVES

This item mainly shows amounts resulting from transactions in relation to reductions or increases in non-controlling interests between the shareholders of DB AG and the non-controlling interests.

(26) GENERATED PROFITS

The generated shareholders' equity comprises the entire net profits generated since January 1, 1994 less the goodwill offset under HGB up to December 31, 2002 as well as the dividends paid to the shareholders.

This item also shows the impact on shareholders' equity attributable to the first-time adoption of IFRS if they are not included in the reserves attributable to valuation with no impact on profit and loss.

(27) NON-CONTROLLING INTERESTS AND HYBRID CAPITAL

Non-controlling interests comprise the share of third parties in the net assets of consolidated subsidiaries. Third-party interests in the currency reserve amounted to € −13 million (as of December 31, 2020: € −12 million).

In October 2019, Deutsche Bahn Finance GmbH (DB Finance) issued two junior hybrid bonds with a total volume of € 2 billion. The hybrid bonds have undated durations with an initial termination right for the issuer after 5.5 years (coupon: 0.95%) and ten years (coupon: 1.6%) respectively; the issue proceeds amounted to € 997 million and € 995 million respectively. The two hybrid bonds do not have a repayment obligation and do not have a termination right for the creditor. In addition, any retained interest payments only have to be made when a dividend is paid. According to IAS 32 (Financial Instruments), the hybrid bonds have to be classified entirely as equity as there is no regular repayment obligation for the hybrid bonds, nor is there any termination right for the bond holders. Interest payments to be made to the bond holders (less the taxes on income) are recognized directly in equity. Interest payments of € 26 million were made in the year under review (previous year: € 21 million).

(28) FINANCIAL DEBT

Liabilities are normally recognized in accordance with IFRS 9 with their nominal amount, which corresponds to the fair value at the point at which the liability is initially recognized and the amortized acquisition costs up to the date at which the liability is settled. Financial debt and other non-current liabilities, when initially recognized, are stated with the amount which corresponds to the fair value of the received assets, where appropriate less transaction costs. Subsequently, they are stated using amortized acquisition costs using the effective interest method. The differences between the amount paid out less transaction costs and the amount repaid are recognized in the income statement over the life of the liability.

Interest-free loans that are related to infrastructure capital expenditures are recognized with the present value of the amounts to be repaid, and are adjusted to their nominal repayment amount over their life. The difference between the nominal amount of the loan and the present value is recognized as an interest benefit under accruals. The income from pro rata reversal of these accruals is shown as other operating income.

Liabilities from lease contracts for which a right of use has to be recognized in accordance with IFRS 16 are shown as liabilities at the beginning of the contract duration with the lower of fair value and the present value of the following lease payments: fixed payments less payments of the lessor that are received, variable payments based on an index, expected payments *for residual value guarantees, the purchase price for probably exercised purchase options, probable compensation payments in the event of early termination. The assessment of the lease liability also includes lease payments in relation to adequately certain utilization of extension options. The leasing installments are broken down into an interest component and a redemption component. The interest component of the leasing installment is recognized in the statement of income. The interest rate used corresponds to the implied interest rate of the lease contract or, if this is not known, the maturity-related marginal borrowing rate. Liabilities arising from leases are not classified under any category of IFRS 9.*

Some transport contracts comprise the leasing particularly of rail vehicles from transport authorities or from independent financial service providers, whereby the latter receive a capital service guarantee, a redeployment guarantee or similar from the public transport authority. The present value of these payment obligations is shown under the financing liabilities from transport concessions.

The financial debt comprises all interest-bearing liabilities including the interest-free loans stated with their present values. The maturity structure of financial debt is as follows:

	Residual maturity							
€ million	Up to 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	More than 5 years	Total more than 1 year	Total
AS OF DEC 31, 2021								
Interest-free loans	154	146	141	–	–	5	**292**	**446**
Senior bonds	1,575	1,958	1,948	1,983	2,288	17,651	**25,828**	**27,403**
Bank borrowings	1,315	1	0	0	–	4	**5**	**1,320**
EUROFIMA loan	–	–	–	–	–	–	**-**	**-**
Leasing liabilities	1,031	812	595	480	376	1,765	**4,028**	**5,059**
Financing liabilities from transport concessions	19	19	19	19	18	86	**161**	**180**
Other financial liabilities	70	5	0	0	1	2	**8**	**78**
Total	**4,164**	**2,941**	**2,703**	**2,482**	**2,683**	**19,513**	**30,322**	**34,486**
thereof due to related companies	161	146	141	–	–	5	**292**	**453**
AS OF DEC 31, 2020								
Interest-free loans	153	147	139	136	–	5	**427**	**580**
Senior bonds	1,809	1,543	1,937	1,925	1,942	14,865	**22,212**	**24,021**
Bank borrowings	2,900	402	0	0	0	2	**404**	**3,304**
EUROFIMA loan	200	–	–	–	–	–	**-**	**200**
Leasing liabilities	1,078	739	611	434	356	1,713	**3,853**	**4,931**
Financing liabilities from transport concessions	27	27	27	26	25	59	**164**	**191**
Other financial liabilities	87	2	6	0	0	2	**10**	**97**
Total	**6,254**	**2,860**	**2,720**	**2,521**	**2,323**	**16,646**	**27,070**	**33,324**
thereof due to related companies	360	147	139	136	–	5	**427**	**787**

The following fair values are summarized in comparison with the carrying amounts:

	2021		2020	
AS OF DEC 31 / € million	**Carrying amount**	**Fair value**	Carrying amount	Fair value
Interest-free loans	446	476	580	633
Senior bonds	27,403	28,269	24,021	26,113
Bank borrowings	1,320	1,321	3,304	3,305
EUROFIMA loan	–	–	200	207
Leasing liabilities	5,059	5,247	4,931	5,349
Financing liabilities from transport concessions	180	196	191	208
Other financial liabilities	78	78	97	97
Total	**34,486**	**35,587**	**33,324**	**35,912**

The differences between the carrying amounts and the fair values of the financial debt are due to the mostly changed market interest rates for financial debt with a comparable risk profile. In view of the short maturities involved and also in view of the fact that interest charged is closely linked to market rates, there are no significant differences between the carrying amounts and the fair values of other financial liabilities.

Interest-free loans were also attributable almost exclusively to financing provided by the Federal Government for capital expenditures in expanding and replacing track infrastructure. This is based on the responsibility for the transport needs of the public which is anchored in section 87e (4) of the German Basic Constitutional Law (Grundgesetz; GG) and specified in the Federal Rail Infrastructure Extension Act (Bundesschienenwegeausbaugesetz; BSWAG).

The repayment of the loans is regulated in individual and collective financing agreements. In general, the loans are repaid in equal annual installments, which are based on the corresponding annual depreciation applicable for the financed assets.

Interest-free loans have developed as follows:

€ million	**2021**	2020
As of Jan 1	580	707
Addition	0	8
Redemption	– 157	– 163
Compounding	23	28
As of Dec 31	**446**	**580**

The issued senior bonds consist of the following transactions:

SENIOR BONDS AS OF DEC 31 / € million	Issue volume	Issue currency	Residual maturity (years)	Effective interest rate (%)	2021		2020	
					Carrying amount	Fair value	Carrying amount	Fair value
UNLISTED SENIOR BONDS								
DB Finance	1,185	AUD, JPY, EUR	2.4–10.8		1,192	1,262	1,178	1,318
Total					**1,192**	**1,262**	**1,178**	**1,318**
LISTED SENIOR BONDS OF DB FINANCE								
Bond 2009–2021	600	EUR	0.0	4.445	–	–	600	621
Bond 2010–2025	500	EUR	3.5	3.870	498	567	498	589
Bond 2010–2022	500	EUR	0.8	3.464	500	515	499	533
Bond 2011–2021	700	EUR	0.0	3.797	–	–	700	712
Bond 2012–2022	496	GBP	0.5	2.821	476	481	444	462
Bond 2012–2023	400	EUR	1.1	2.116	399	411	399	419
Bond 2012–2024	83	CHF	2.1	1.586	97	101	92	98
Bond 2012–2024	500	EUR	2.2	3.119	498	536	498	550
Bond 2012–2072	75	GBP	50.9	4.524	71	129	66	130
Bond 2013–2028	50	EUR	6.1	2.707	50	57	50	59
Bond 2013–2025	202	NOK	3.2	4.017	150	158	143	156
Bond 2013–2023	386	CHF	1.6	1.425	460	473	439	462
Bond 2013–2026	497	GBP	4.6	3.351	501	547	467	543
Bond 2013–2023	500	EUR	1.7	2.578	499	523	499	537
Bond 2014–2024	59	AUD	2.1	5.395	58	61	57	63
Bond 2014–2021	142	SEK	0.0	2.940	–	–	125	125
Bond 2014–2021	40	SEK	0.0	FRN	–	–	35	35
Bond 2014–2024	246	CHF	2.7	1.522	290	304	278	298
Bond 2014–2029	500	EUR	7.2	2.886	495	591	495	620
Bond 2014–2022	300	EUR	0.7	FRN	300	301	300	302
Bond 2014–2022	300	EUR	0.1	FRN	300	300	300	301
Bond 2015–2023	600	EUR	1.8	FRN	600	604	599	605
Bond 2015–2025	600	EUR	3.8	1.391	596	628	596	642
Bond 2015–2030	366	NOK	8.8	2.760	340	347	324	341
Bond 2015–2025	115	AUD	3.8	3.864	115	122	113	127
Bond 2015–2030	650	EUR	8.8	1.707	646	719	645	760
Bond 2015–2025	161	CHF	3.9	0.143	169	171	162	166
Bond 2016–2026	500	EUR	4.2	0.880	497	514	497	525
Bond 2016–2031	750	EUR	9.5	0.964	744	775	743	817
Bond 2016–2021	350	EUR	0.0	0.039	–	–	350	351
Bond 2016–2028	500	EUR	6.7	0.765	495	516	495	533
Bond 2016–2024	41	HKD	2.2	2.100	40	40	37	38
Bond 2017–2032	79	NOK	10.1	2.514	70	69	67	68
Bond 2017–2032	500	EUR	10.9	1.541	498	548	498	583
Bond 2017–2025	341	GBP	3.5	1.437	356	359	333	349
Bond 2017–2032	55	SEK	10.6	2.226	52	54	53	57
Bond 2017–2030	261	CHF	8.9	0.463	290	298	278	293
Bond 2017–2024	300	EUR	2.9	FRN	301	303	302	303
Bond 2018–2027	1,000	EUR	6.0	1.086	995	1,049	994	1,084
Bond 2018–2033	750	EUR	11.6	1.680	746	831	745	879
Bond 2018–2028	346	CHF	6.5	0.470	388	399	371	390
Bond 2018–2031	500	EUR	9.2	1.508	494	538	494	566
Bond 2018–2043	125	EUR	21.9	1.866	125	138	125	162
Bond 2019–2028	1,000	EUR	7.0	1.235	993	1,062	992	1,101
Bond 2019–2026	340	GBP	4.1	1.944	356	366	333	358
Bond 2019–2034	103	NOK	12.1	2.732	100	100	95	98
Bond 2019–2029	310	CHF	7.5	0.135	338	338	323	331
Bond 2019–2034	133	CHF	12.5	0.516	145	148	139	145
Bond 2019–2039	47	SEK	17.4	2.025	49	49	50	55
Bond 2020–2035	500	EUR	13.5	0.819	496	495	495	538
Bond 2020–2024	300	EUR	2.1	- 0.062	300	301	300	302
Bond 2020–2032	150	EUR	10.2	0.257	150	143	150	152
Bond 2020–2027	900	EUR	5.3	0.639	894	917	892	942
Bond 2020–2040	750	EUR	18.3	1.433	743	789	743	884
Bond 2020–2029	850	EUR	7.5	0.411	848	857	847	881
Bond 2020–2039	650	EUR	17.5	0.977	639	631	638	703
Bond 2020–2035	48	SEK	13.5	1.544	49	47	50	50
Bond 2020–2050	1,000	EUR	28.9	0.656	991	861	991	1,001
Bond 2021–2036	370	CHF	14.1	0.100	388	372	–	–
Bond 2021–2026	339	GBP	4.9	0.523	354	341	–	–
Bond 2021–2026	494	SEK	4.1	0.524	487	479	–	–
Bond 2021–2036	1,000	EUR	14.3	0.759	982	959	–	–
Bond 2021–2033	296	CHF	11.4	0.211	315	311	–	–
Bond 2021–2041	168	AUD	19.4	3.124	166	168	–	–
Bond 2021–2051	1,000	EUR	29.4	1.159	991	980	–	–
Bond 2021–2036	196	NOK	14.5	2.241	200	187	–	–
Bond 2021–2031	750	EUR	9.7	0.393	747	739	–	–
Bond 2021–2031	279	CHF	9.8	0.241	291	290	–	–
Total					**26,211**	**27,007**	**22,843**	**24,795**
Senior bonds, total amount					**27,403**	**28,269**	**24,021**	**26,113**

During the year under review, three fixed-interest listed senior bonds issued by DB Finance for € 600 million, € 700 million, and SEK 1,250 million (€ 142 million), a floating-rate listed senior bond for SEK 350 million (€ 40 million) and a listed zero-coupon senior bond for € 350 million were redeemed as scheduled, for a total of € 1,832 million.

In the year under review, DB Finance issued ten fixed-interest, listed senior bonds with a total value of € 4,892 million. These involve issues of CHF 400 million (€ 370 million), GBP 300 million (€ 339 million), SEK 5,000 (€ 494 million), € 1,000 million, CHF 325 million (€ 296 million), AUD 260 million (€ 168 million), € 1,000 million, NOK 2,000 million (€ 196 million), € 750 million and CHF 300 million (€ 279 million).

Bank borrowings are detailed in the following table:

BANK BORROWINGS AS OF DEC 31 / € million	Currency	Residual maturity (years)	Nominal interest rate (%)	2021 Carrying amount	2021 Fair value	2020 Carrying amount	2020 Fair value
Bank loan 2002-2022	EUR	0.7	FRN	200	200	200	200
Bank loan 2003-2022	EUR	0.7	FRN	200	200	200	200
Bank loan 2020-2021	EUR	0.0	FRN	–	–	1,000	1,000
Bank loan 2020-2021	EUR	0.0	FRN	–	–	1,000	1,000
Bank loan 2020-2021	EUR	0.0	FRN	–	–	500	500
Bank loan 2020-2021	EUR	0.0	FRN	–	–	350	350
Bank loan 2021-2022	EUR	0.2	FRN	500	500	–	–
Other				420	421	54	55
Total				**1,320**	**1,321**	**3,304**	**3,305**

The decrease in bank borrowing as of December 31, 2021 essentially resulted from the complete repayment of four short-term credit facilities for a total of € 3,000 million (as of December 31, 2020: € 3,000 million), which were designed to bridge liquidity until the measures planned by the Federal Government to strengthen the shareholders' equity of DB AG were implemented. These measures were mainly implemented in the year under review (see Note (25) 216).

The increase in other bank borrowings was mainly attributable to an increase in short-term collateral (as of December 31, 2021: € 272 million; as of December 31, 2020: € 18 million) resulting from collateral agreements within the framework of derivative transactions.

Liabilities are not secured in DB Group as a ground rule.

As of December 31, 2021, further guaranteed credit facilities with a total volume of € 4,577 million were available to DB Group (as of December 31, 2020: € 4,676 million). Of this figure, € 2,080 million was attributable to back-up lines for the € 3.0 billion commercial paper program of DB AG (as of December 31, 2020: € 2,080 million). None of these back-up lines had been drawn down as of December 31, 2021. Global credit facilities totaling € 2,497 million (as of December 31, 2020: € 2,596 million) are used for working capital and surety for payment financing of subsidiaries with operations worldwide, primarily in the DB Schenker and DB Arriva segments.

The liabilities due to EUROFIMA are detailed in the following:

LIABILITIES DUE TO EUROFIMA AS OF DEC 31 / € million	Currency	Residual maturity (years)	Nominal interest rate (%)	2021 Carrying amount	2021 Fair value	2020 Carrying amount	2020 Fair value
Loan 2010-2021	EUR	0.0	4.050	–	–	200	207
Total				**–**	**–**	**200**	**207**

There were no EUROFIMA loans as of December 31, 2021. In the year under review, the last outstanding EUROFIMA loan amounting to € 200 million was repaid on schedule.

Liabilities attributable to leasing (Note (13) 205 ff.) are secured by rights of the lessors in relation to the leased assets.

As of December 31, 2021, the leased assets have a carrying amount of € 4,619 million (as of December 31, 2020: € 4,585 million).

The nominal values of the leasing liabilities are broken down as follows:

LEASING LIABILITIES / € million	Residual maturity: Up to 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	More than 5 years	Total more than 1 year	Total
AS OF DEC 31, 2021								
Nominal values of lease payments	1,058	884	653	528	416	2,085	**4,566**	**5,624**
AS OF DEC 31, 2020								
Nominal values of lease payments	1,093	807	665	477	390	1,975	**4,314**	**5,407**

The financing liabilities from transport concessions in accordance with IFRIC 12 are detailed in the following:

AS OF DEC 31 / € million	Currency	Residual maturity (years)	2021 Carrying amount	2021 Fair value	2020 Carrying amount	2020 Fair value
Network West locomotives (2016)	EUR	4.0	–	–	26	27
Network West rail cars (2016)	EUR	4.0	–	–	6	7
Network West passenger cars (2019)	EUR	4.0	–	–	31	33
Diesel network Allgäu diesel traction units (2020)	EUR	8.0	40	43	44	49
S-Bahn (metro) Nuremberg electric traction units (2020)	EUR	9.0	66	73	74	81
S-Bahn (metro) Rhine-Neckar electric traction units (2020)	EUR	13.0	9	10	10	11
S-Bahn (metro) Rhine-Neckar electric traction units (2021)	EUR	13.0	65	70	–	–
Total			**180**	**196**	**191**	**208**

In order to fulfill the regional rail passenger transport services in the Schleswig-Holstein network, various locomotives, rail cars and (since 2019) also passenger cars were leased from the responsible contracting organization until the end of the service contract in 2025.

In the year under review, the second operational stage for the Rhine-Neckar S-Bahn (metro) was added with a term until 2034. Financial liabilities from transport concessions are opposed by receivables from transport concessions (Note (19) 210ff.).

The fair values of the long-term financial debt are allocated to the following valuation categories:

AS OF DEC 31 / € million	2021 Level 1	2021 Level 2	2021 Level 3	2021 Total	2020 Level 1	2020 Level 2	2020 Level 3	2020 Total
NON-CURRENT FINANCIAL DEBT								
Interest-free loans	–	322	–	**322**	–	480	–	**480**
Senior bonds	5,332	21,342	–	**26,674**	4,949	19,322	–	**24,271**
Bank borrowings	–	6	–	**6**	–	405	–	**405**
EUROFIMA loan	–	–	–	**–**	–	207	–	**207**
Leasing liabilities	–	4,216	–	**4,216**	–	4,271	–	**4,271**
Financing liabilities from transport concessions	–	177	–	**177**	–	181	–	**181**
Other financial liabilities	–	8	–	**8**	–	10	–	**10**
Total	**5,332**	**26,071**	**–**	**31,403**	**4,949**	**24,876**	**–**	**29,825**

The interest-free loans shown at amortized acquisition cost are calculated by discounting the nominal values of the interest-free loans, which are broken down into maturity buckets using the DB interest curve (market interest curve plus current DB spread; source: Thomson Reuters or Bloomberg).

Market prices from an active market, multiplied by the foreign currency rates applicable on the balance sheet date, are used for senior bonds of DB Finance that are classified as level 1. Various sources are used for these prices, including Thomson Reuters and Bloomberg. The senior bonds for which the market activity does not meet the requirements of an active market have been allocated to level 2. For establishing the market prices of these senior bonds, binding offers were used from various sources, including Thomson Reuters and Bloomberg; these have been verified on the basis of the valuation models using the parameters that are observable on the market, such as interest rate curves and exchange rates.

The fair value of the leases and also of the financing liabilities from transport concessions is determined by discounting the outstanding lease payments with the corresponding DB interest rate curves (market interest curve plus current spread; source: Thomson Reuters or Bloomberg).

(29) OTHER LIABILITIES

Liabilities are normally recognized in accordance with IFRS 9 with their nominal amount, which corresponds to the fair value at the point at which the liability is initially recognized and the amortized acquisition cost up to the date at which the liability is settled, where applicable less transaction costs. Subsequently, non-current liabilities are stated using amortized acquisition cost using the effective interest method. The differences between the disbursement amount less transaction costs and the repayment amount are recognized in profit or loss over the term.

The fair values of the balance sheet items miscellaneous liabilities, trade liabilities and other liabilities essentially correspond to the carrying amounts.

Severance package obligations for agreements made as of the balance sheet date are recognized as other liabilities and – if they are not yet included in individual agreements and if they are part of a restructuring obligation in accordance with IAS 37 – are stated as other provisions.

Movements in other liabilities are shown in the following:

€ million	Up to 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	More than 5 years	Total more than 1 year	Total
	Residual maturity							
AS OF DEC 31, 2021								
Trade liabilities including prepayments received	8,097	98	7	6	4	11	**126**	**8,223**
Miscellaneous and other liabilities	3,883	15	8	6	16	170	**215**	**4,098**
Total	**11,980**	**113**	**15**	**12**	**20**	**181**	**341**	**12,321**
thereof non-financial liabilities	2,613	11	3	2	2	6	**24**	**2,637**
thereof prepayments received	280	2	2	1	1	6	**12**	**292**
thereof due to related parties	152	0	–	–	–	–	**0**	**152**
AS OF DEC 31, 2020								
Trade liabilities including prepayments received	6,312	478	71	6	4	12	**571**	**6,883**
Miscellaneous and other liabilities	3,308	6	6	6	6	139	**163**	**3,471**
Total	**9,620**	**484**	**77**	**12**	**10**	**151**	**734**	**10,354**
thereof non-financial liabilities	2,287	4	3	3	2	8	**20**	**2,307**
thereof advance payments received [1]	364	2	2	1	1	8	**14**	**378**
thereof due to related parties	245	–	–	–	–	–	**–**	**245**

[1] Value of all non-current liabilities and "Total" adjusted.

€ 1,092 million of the increase in trade liabilities (+ € 1,340 million) was attributable to the DB Schenker segment. Please also refer to Segment information according to segments 190f.

Non-financial liabilities and advance payments received are not classified under any category of IFRS 9.

The miscellaneous and other liabilities were broken down as follows:

AS OF DEC 31 / € million	**2021**	2020
PERSONNEL-RELATED LIABILITIES		
Unused holiday entitlements	314	292
Outstanding overtime	284	258
Social security	137	124
Severance payments	25	29
Christmas bonuses	14	11
Holiday pay	28	25
Other personnel obligations	1,129	799
OTHER TAXES		
Value-added tax	91	71
Payroll and church taxes, solidarity surcharge	207	176
Miscellaneous other taxes	117	143
Interest payable	160	164
Revenue discounts	60	46
Deferred investment grants	243	262
Liabilities in accordance with the Railroad Crossings Act	0	3
Miscellaneous other liabilities	1,289	1,068
Total	**4,098**	**3,471**

The increase in personnel-related liabilities resulted in particular from an increase in other personnel obligations in connection with the payment of pension obligations in Sweden and due to the increase in performance-related bonuses in the DB Schenker segment.

Other liabilities as of December 31, 2021, were unchanged at € 0 million.

The miscellaneous other liabilities included existing risks for factoring agreements.

(30) INCOME TAX LIABILITIES

Income tax liabilities as of December 31, 2021, related in particular to obligations to the tax authorities in China, the United Kingdom and India.

(31) PENSION OBLIGATIONS

DB Group grants post-employment benefits to its employees in numerous countries. The form of the pension commitments depends on the legal, economic and tax conditions applicable in the particular country.

In DB Group, there are defined benefit as well as defined contribution retirement pension systems. The defined benefit commitments are assessed and accounted for in accordance with IAS 19. Significant pension obligations only exist in Germany and in the United Kingdom. For this reason, only these pension obligations are described in greater detail in the following.

Germany

DB Group's pension obligations in Germany apply to both civil servants and employees.

After they retire, civil servants assigned to DB Group companies receive retirement benefits from the Federal Railroad Fund under the Civil Servants Benefits Act (Beamtenversorgungsgesetz).

Only while the assigned civil servants are actively working for DB Group are payments made to the Federal Railroad Fund as part of a pro forma settlement in the same way as for newly recruited employees (section 21 (1) DBGrG). This also includes theoretical amounts for contributions to statutory pension insurance schemes as well as theoretical costs in accordance with the collective bargaining agreements regarding the additional company pension scheme for employees of DB AG (Tarifvertrag über die betriebliche Zusatzversorgung; ZVersTV) and the company pension plan (Tarifvertrag über die betriebliche Altersvorsorge; bAV-TV) of the employees of DB AG. The payments made to the Federal Railroad Fund for retirement pensions of civil servants are defined contribution retirement schemes.

The pension obligations with regard to employees mainly relate to the following:

a) Employees who were employed by Deutsche Bundesbahn before DB AG was established (January 1, 1994) enjoy supplementary benefits in view of their former membership of the public sector. The employees are entitled to benefits from this additional pension insurance from Deutsche Rentenversicherung Knappschaft-Bahn-See (KBS). As an official authority, KBS has not only assumed responsibility for managing and paying the statutory pension for DB Group employees; it also continues the additional pension insurance for the transferred employees who are beneficiaries.

During the active phase of the employment agreement, a pro forma reimbursement of costs is also provided to the Federal Railroad Fund for these employees. When the employee retires, this payment is no longer made to the Federal Railroad Fund.

The Federal Railroad Fund bears the costs of these additional benefits, less the contribution made by the employees themselves (section 14 (2) DBGrG). Accordingly, DB AG does not set aside any provisions for these public sector benefits.

b) Employees of the former Deutsche Reichsbahn and the employees who have been recruited after January 1, 1994, receive an additional company pension from DB AG within the framework of the ZVersTV. This supplementary company pension is a defined benefit scheme, which is linked to salary and length of service. The current pension benefits are adjusted every year in line with the regulations of the Company Pensions Act (Betriebsrentengesetz). Retirement benefits, invalidity benefits and benefits to surviving dependents are provided in the form of a lifetime pension. No plan assets are created for this scheme.

In addition, the employees in most Group companies receive a monthly contribution to the company retirement benefit scheme in the amount of 3.3% of the employee's monthly standard salary as well as of most of the salary elements paid in the month. The monthly contribution is paid into a pension plan (DEVK-Pensionsfonds). It is not necessary for provisions to be created for this purpose.

c) Various defined benefit pension obligations exist with regard to senior executives in DB Group who were granted a senior executive commitment before January 1, 2007. The extent of the benefits depends on the length of service and the salary of the beneficiary. In general, retirement benefits, invalidity benefits and benefits to surviving dependents are provided in the form of a lifetime pension. With the exception of a small number of reinsurance policies, there are no plan assets.

d) Senior executives of DB Group who were granted a senior executive commitment after December 31, 2006, are provided with a retirement benefit scheme in the form of a defined contribution commitment. For this purpose, a benefit module is calculated in each year of service, depending on the salary and age of the beneficiaries. These benefits are financed by way of a contractual trust arrangement (CTA), namely Deutsche Bahn Pension Trust e.V. The extent of the benefits depends on the yield of the CTA, whereby a minimum return is guaranteed (guarantees up to and including 2014: 2.25% p.a.; guarantees from 2015 onwards: only maintenance of contribution). To avoid longevity risks, the benefits are granted in the form of a five-year installment. The assets of the CTA are classified as plan assets. The pension obligation is covered by the plan assets on the assumption that the CTA produces a corresponding performance, thus minimizing investment risks. There are no legal or regulatory obligations requiring Deutsche Bahn Pension Trust e.V. to make minimum payments into the scheme. The contributions are invested in line with the fundamental assumption that the benefit commitment is guaranteed by a corresponding guarantee element. For each payment relating to an individual beneficiary, an age-related amount is invested in prime zero bonds. The investment amount remaining after the payment has been made into the guarantee element is mainly invested in passively managed European equity and bond funds (or equivalent products) with the aim of optimizing returns.

e) Senior executives are able to participate in a deferred compensation program. This employee-financed form of company pension plan constitutes a defined benefit pension obligation.

United Kingdom

a) The company pension plan of DB Cargo (UK) Holdings Limited is essentially a defined benefit pension plan (linked to salary and length of service) within the British Railway Pension Scheme. The plan assets are managed by an independent trustee. The process of collating the data of members in the plan for the purpose of compliance with legal requirements in relation to the members of the plan is generally carried out every three years. As of the intermediate valuation dates, the commitments in the plan are measured on the basis of the correspondingly updated data. The pension plan is based on final salary, and lifetime pensions are provided as benefits. The pension obligations are essentially covered by plan assets. Capital is invested by the trustee of the plan assets following liaison with DB Group.

b) At DB Arriva, there are mainly defined benefit retirement benefit commitments. Important defined benefit plans (related to salary and length of service) relate to employees of DB Arriva within the Railway Pension Scheme in the United Kingdom. These are sections other than the DB Cargo UK plan within the Railway Pension Scheme. The costs of the pension plans are shared between the employer and the employee in the ratio 60:40 and accordingly recognized in the balance sheet. The pension plans are based on final salary, and lifetime pensions are provided as benefits. The pension obligations are essentially covered by plan assets. Capital is invested by the trustee of the plan assets following liaison with DB Group.

Some companies pay contributions within the framework of a franchise agreement to the British Railway Pension Scheme for employees employed for the duration of the agreement (franchise period). The obligations to these employees as well as the plan assets are completely disclosed after deduction of the element financed by the employees (40%). Within the framework of recognizing the effect of franchise agreements, the present value of the contributions payable for the duration of the franchise agreements for reducing a scheme deficit remains as a net liability recognized in the balance sheet. The current contributions to the benefit scheme are shown as personnel expenses.

In addition, individual companies of DB Arriva also issued defined contribution retirement benefit commitments to their employees. Under such arrangements, the employer does not enter into any commitments apart from paying contributions to an external benefit scheme. The extent of the future pension benefits depends exclusively on the amount of contributions paid to the external benefit scheme, including the income generated by investing these contributions.

In addition, some contributions have also been paid to social pension funds within the context of statutory regulations (government schemes).

Critical estimations and assessments

In the case of the defined benefit pension obligations in Germany and abroad, the actuarial risks are borne by DB Group. Actuarial methods have been used for measuring defined benefit pension commitments as well as benefit commitments which are similar to pensions and the resultant expenses and income. The valuations are based on actuarial assumptions. There are the following actuarial risks which are considered to be typical for companies with defined benefit schemes:

- ***Interest risk:*** *The discount factors which are used reflect the interest rates (giving due consideration to the duration of the underlying obligation) which are achieved on the balance sheet date for high-quality fixed-interest senior bonds with a corresponding duration. A change in the discount rate results in a change in the present value of the total obligation (DBO).*
- ***Inflation risk:*** *Part of the pension obligations, particularly as a result of adjustments to current pensions, is linked to the development of inflation.*
- ***Longevity risk:*** *A longevity risk may occur in the form of extended periods in which pensions are paid out as a result of an increase in life expectancy in future.*
- ***Investment risk:*** *In the case of externally financed pension plans, the values of the corresponding plan assets or the refund claims are based on the fair values as of the balance sheet date. The capital investment is exposed to numerous risks, which may have an impact on the present value recognized for the plan assets. In the case of pension plans with an obligation to pay into the scheme, the amount of future contributions may be affected by the investment risk.*

Key assumptions for expenses and income attributable to pension commitments and benefit commitments similar to pensions are to some extent based on current market conditions. Expenses and income relating to pension commitments and benefit commitments similar to pensions may change as a result of changes to these underlying key assumptions.

The figures stated for pension provisions in the balance sheet are detailed in the following table:

	Germany		Europe (excluding Germany)		Rest of world		Total	
AS OF DEC 31 / € million	**2021**	2020	**2021**	2020	**2021**	2020	**2021**	**2020**
Commitments for funded benefits	424	427	6,586	6,511	62	66	**7,072**	**7,004**
Commitments for unfunded benefits	4,371	5,103	73	398	14	13	**4,458**	**5,514**
Total obligations	**4,795**	**5,530**	**6,659**	**6,909**	**76**	**79**	**11,530**	**12,518**
Fair value of plan assets	-328	-314	-5,207	-4,503	-40	-37	**-5,575**	**-4,854**
Effects due to cost sharing	–	–	-420	-477	–	–	**-420**	**-477**
Effects due to franchise agreements	–	–	-604	-690	–	–	**-604**	**-690**
Amount not recognized as an asset as a result of the restriction of IAS 19.58	–	–	0	0	–	–	**0**	**0**
Assets recognized in the balance sheet as pension assets	–	–	100	20	–	–	**100**	**20**
Net obligations recognized in the balance sheet	**4,467**	**5,216**	**528**	**1,259**	**36**	**42**	**5,031**	**6,517**

The total pension commitment has developed as follows:

	Germany		Europe (excluding Germany)		Rest of world		Total	
€ million	**2021**	2020	**2021**	2020	**2021**	2020	**2021**	**2020**
Commitments as of Jan 1	5,530	4,671	6,909	7,997	79	81	**12,518**	**12,749**
Service cost, excluding employee contributions	228	178	72	68	4	4	**304**	**250**
Employee contributions	3	2	31	33	0	0	**34**	**35**
Interest expense	16	51	67	84	0	1	**83**	**136**
Payments	-85	-87	-458	-173	-3	-5	**-546**	**-265**
thereof pension payments	-85	-87	-170	-173	-3	-5	**-258**	**-265**
thereof payments for settlements	0	0	-288	–	0	0	**-288**	**0**
Past service costs and profit or losses from settlements	3	7	-60	0	-1	0	**-58**	**7**
Transfers [1]	2	2	0	-2,009	–	2	**2**	**-2,005**
Changes in scope of consolidation	3	–	–	–	–	–	**3**	**–**
thereof additions in scope of consolidation	3	1	–	–	–	–	**3**	**1**
thereof disposals in scope of consolidation	–	-1	–	–	–	–	**–**	**-1**
Actuarial gains (-)/losses (+)	-905	706	-338	1,289	-8	1	**-1,251**	**1,996**
Revaluations based on experience	-31	5	128	14	1	-8	**98**	**11**
Due to change in demographic assumptions	-3	-4	-22	-18	0	0	**-25**	**-22**
Due to change in financial assumptions	-871	705	-444	1,293	-9	9	**-1,324**	**2,007**
Exchange rate effects	–	–	436	-380	5	-5	**441**	**-385**
Scope of commitments as of Dec 31	**4,795**	**5,530**	**6,659**	**6,909**	**76**	**79**	**11,530**	**12,518**

[1] The values in the previous year are largely related to the cessation of the Rail North franchise in the previous year.

The payments for settlements take account of the payment of pension obligations at Arriva plc, Sunderland / United Kingdom, totaling € 83 million. Moreover, during the financial year, the assumption of pension obligations in Sweden was agreed in return for a payment of € 205 million. Pending the completion of this payment in 2022, this commitment will be recognized under liabilities as of December 31, 2021.

The development of the plan assets is detailed in the following overview:

	Germany		Europe (excluding Germany)		Rest of world		**Total**	
€ million	**2021**	2020	**2021**	2020	**2021**	2020	**2021**	**2020**
Fair value of plan assets as of Jan 1	314	273	4,503	5,722	37	39	**4,854**	**6,034**
Employer contributions	31	30	85	84	1	4	**117**	**118**
Employee contributions	1	1	31	33	0	0	**32**	**34**
Expected return from plan assets	1	3	56	72	0	1	**57**	**76**
Payments	- 5	- 10	- 241	- 161	- 2	- 4	**- 248**	**- 175**
thereof pension payments	- 5	- 10	- 158	- 161	- 2	- 4	**- 165**	**- 175**
thereof payments for settlements	–	–	- 83	–	–	–	**- 83**	**-**
Transfers [1]	–	0	–	- 1,210	–	–	**–**	**- 1,210**
Changes in scope of consolidation	1	0	–	–	–	–	**1**	**0**
Revaluation	- 15	17	463	263	2	1	**450**	**281**
Administrative costs: costs of pension assurance	–	–	- 10	- 9	- 1	- 1	**- 11**	**- 10**
Exchange rate effects	–	–	320	- 291	3	- 3	**323**	**- 294**
Fair value of plan assets as of Dec 31	**328**	314	**5,207**	**4,503**	**40**	**37**	**5,575**	**4,854**

[1] The values in the previous year are largely related to the cessation of the Rail North franchise in the previous year.

The reported plan assets are broken down as follows:

	Germany		Europe (excluding Germany)		Rest of world		**Total**	
AS OF DEC 31 / € million	**2021**	2020	**2021**	2020	**2021**	2020	**2021**	**2020**
Stocks and other securities	12	10	2,288	2,334	12	14	**2,312**	**2,358**
thereof with market price listing	12	10	2,288	2,334	12	14	**2,312**	**2,358**
Interest-bearing securities	213	202	2,115	1,482	24	19	**2,352**	**1,703**
thereof with market price listing	213	202	2,115	1,482	24	19	**2,352**	**1,703**
Reinsurance	69	70	121	192	–	–	**190**	**262**
thereof with market price listing	69	70	103	174	–	–	**172**	**244**
thereof without market price listing	–	–	18	18	–	–	**18**	**18**
Private equity	–	–	220	173	–	–	**220**	**173**
thereof without market price listing	–	–	220	173	–	–	**220**	**173**
Investments in infrastructure	–	–	210	178	–	–	**210**	**178**
thereof with market price listing	–	–	210	178	–	–	**210**	**178**
Cash and other assets	34	32	253	144	4	4	**291**	**180**
thereof with market price listing	34	32	77	62	2	2	**113**	**96**
thereof without market price listing	–	–	176	82	2	2	**178**	**84**
	328	**314**	**5,207**	**4,503**	**40**	**37**	**5,575**	**4,854**
thereof assets classified as pension assets	–	–	- 100	- 20	–	–	**- 100**	**- 20**
	328	**314**	**5,107**	**4,483**	**40**	**37**	**5,475**	**4,834**

Changes in the net pension provisions are detailed in the following:

€ million	Germany 2021	Germany 2020	Europe (excluding Germany) 2021	Europe (excluding Germany) 2020	Rest of world 2021	Rest of world 2020	Total 2021	Total 2020
Provisions as of Jan 1	5,216	4,398	1,259	914	42	42	**6,517**	**5,354**
Pension expenses	248	234	33	89	4	5	**285**	**328**
thereof service cost	230	179	72	68	4	4	**306**	**251**
thereof interest income and interest expenses	15	48	11	12	0	0	**26**	**60**
thereof administrative expenses	–	–	10	9	1	1	**11**	**10**
thereof past service costs and profits or losses from settlements	3	7	- 60	0	- 1	0	**- 58**	**7**
Employer contributions	- 31	- 30	- 85	- 84	- 1	- 4	**- 117**	**- 118**
Payments	- 80	- 77	- 217	- 12	- 1	- 1	**- 298**	**- 90**
thereof pension payments	- 80	- 77	- 12	- 12	- 1	- 1	**- 93**	**- 90**
thereof payments for settlements	0	0	- 205	–	0	0	**- 205**	**0**
Transfers [1]	2	2	0	- 4	–	2	**2**	**–**
Changes in scope of consolidation	2	–	–	–	–	–	**2**	**–**
thereof additions in scope of consolidation	2	1	–	–	–	–	**2**	**1**
thereof disposals in scope of consolidation	–	- 1	–	–	–	–	**–**	**- 1**
Revaluation	- 890	689	- 582	378	- 10	0	**- 1,482**	**1,067**
Revaluations based on experience	- 31	5	83	- 42	1	- 8	**53**	**- 45**
Due to change in demographic assumptions	- 3	- 4	- 20	- 13	0	0	**- 23**	**- 17**
Due to change in financial assumptions	- 871	705	- 270	682	- 9	9	**- 1,150**	**1,396**
Difference between actual income and theoretical income from plan assets	15	- 17	- 375	- 249	- 2	- 1	**- 362**	**- 267**
Exchange rate effects	–	–	42	- 18	2	- 2	**44**	**- 20**
Change in recognized assets	–	–	78	- 4	–	–	**78**	**- 4**
Provisions as of Dec 31	**4,467**	**5,216**	**528**	**1,259**	**36**	**42**	**5,031**	**6,517**

[1] The values in the previous year are largely related to the cessation of the Rail North franchise in the previous year.

The effects of cost splitting and franchise agreements decreased by € 219 million as of December 31, 2021, as a result of revaluations (as of December 31, 2020: increase of € 648 million). The interest expense and expected income from the plan assets were recorded under interest income.

All other items were recognized under personnel expenses.

The actuarial parameters used for assessing the value of most of the pension provision are set out in the following:

%	2021	2020
INTEREST RATE		
Germany and abroad (excluding United Kingdom)	1.10	0.30
United Kingdom	1.90	1.30
EXPECTED RATE OF SALARY INCREASES		
Germany and abroad (excluding United Kingdom)	3.10	3.10
United Kingdom	3.50	3.10
EXPECTED RATE OF PENSION INCREASE (DEPENDING ON GROUP OF PERSONNEL)		
Germany and abroad (excluding United Kingdom)	1.75	1.75
United Kingdom	2.50	2.10

The 2018 G mortality tables of Professor Dr. Klaus Heubeck have been used without changes for valuing the pension obligations for the German Group companies. Country- or benefit-scheme-specific mortality tables have been used for valuing the pension obligations of the other Group companies.

Sensitivities and additional information:

AS OF DEC 31 / € million	2021	2020
Total obligation for an interest rate increased by 1 percentage point	9,528	10,252
Total obligation for an interest rate reduced by 1 percentage point	14,186	15,563
Total obligation with salary growth increased by 0.5%	11,673	12,678
Total obligation for pensions increased by 0.5%	12,288	13,393
Total obligation for life expectancy increased by 1 year	11,876	12,935
Total obligations	11,530	12,519
thereof active beneficiaries	5,308	6,322
thereof former employees	2,252	2,052
thereof pensioners	3,970	4,145
Payments into plan assets expected for next year	107	109
Direct pension payments for next year	116	89
Duration of benefit obligation (years)	20.2	20.5

The sensitivity figures have been established using the method which was used for calculating the extent of the commitment. One assumption was modified while the other assumptions were retained, which means that interdependencies between the individual assumptions were disregarded.

(32) OTHER PROVISIONS

Other provisions are recognized if a legal or constructive commitment exists as a result of a past event, the probability of its utilization is greater than 50% and it will lead to an outflow of resources, and if a reliable estimate of the extent of the commitment can be made (IAS 37 (Provisions, Contingent Liabilities and Contingent Assets)).

Non-current provisions are discounted using market interest rates. Environmental protection provisions for the remediation of existing ecological damage are discounted on the basis of real interest rates that are adjusted to reflect the risk and the period until fulfillment. A difference between the nominal value of the expected outflows and the present value recognized for the environmental protection provisions of DB AG for transferred commitments for the elimination of legacy issues from the time previous to the foundation of DB AG would be stated under deferred items, and would thus represent the interest benefit resulting from the longer-term liquidation of the provision. The compounding expense attributable to other provisions is recognized in net interest income. Provisions for impending losses are measured as the lower of the amount of the expected costs for fulfilling the agreement and the expected costs for terminating the agreement.

Critical estimations and assessments

The process of determining all types of provisions is associated with estimates regarding the extent and/or timing of obligations.

The provisions for environmental protection relate primarily to the commitment of DB AG to remedy the ecological burdens which arose before January 1, 1994, on the land of the former Deutsche Bundesbahn and the former Deutsche Reichsbahn. Ecological burdens are defined as contamination of soil and groundwater that requires rehabilitation and that pose risks, considerable disadvantages or considerable problems for private individuals or society at large. The legal basis for deriving remediation obligations are summarized in the soil and water laws of the Federal Government and the Federal states. The process of dealing with ecological burdens also comprises necessary remediation measures for existing sewers, in order to avoid soil and groundwater contamination caused by leaks from the sewer system, as well as measures for shutting down old landfill sites.

The provision has been calculated on the basis of a discounting method using the present value, where remediation measures are probable, the remediation costs can be reliably estimated and no future benefit is expected to be derived from these measures.

The estimation of future remediation costs is subject to various factors. Major drivers in this respect can be the application of innovative remediation measures, changes in legal conditions and also the development in market prices for disposing of legacy issues. In order to make a realistic assessment of the remediation costs in individual cases, the working programs have included adjustments to cost estimates as a result of greater knowledge and official agreements in the successive processing stages.

For the valuation of provisions as of the balance sheet date, the investigation and rehabilitation obligations which are currently known have been used as the basis for estimating the expected costs in relation to the current price level. The provision is discounted on the basis of expected cash outflows, using a risk-adjusted rate of 0.00% as in the previous year.

Provisions for impending losses from pending transactions are created if a loss is probable and can be reliably estimated. In view of the uncertainty associated with this assessment, the actual losses may differ from the original estimations and may thus also differ from the amount of the provision. In DB Group, such uncertainty results particularly from the estimation of future income from transport contracts, the associated material- and personnel-related expenses as well as any penalty payments. Changes in the estimations of these impending losses from pending transactions may have a considerable impact on the future results of operations.

The provisions for decommissioning are measured mainly on the basis of estimations that, for decommissioning and disposal costs, are derived mainly from sector-specific appraisals. The provisions are shown with their discounted settlement amount at the point at which they originate.

Movements in other provisions are shown in the following:

	Personnel-related provisions		Revenue reductions		Provisions for impending losses		Decommissioning commitments		Environmental protection		Other provisions		**Total**	
€ million	**2021**	2020	**2021**	2020	**2021**	2020	**2021**	2020	**2021**	2020	**2021**	2020	**2021**	**2020**
As of Jan 1	942	941	1,785	1,356	604	405	409	368	985	971	1,316	1,057	**6,041**	**5,098**
Currency translation differences	1	-1	0	0	5	-11	–	–	0	0	9	-10	**15**	**-22**
Changes in scope of consolidation	1	0	1	–	–	1	–	–	–	–	1	2	**3**	**3**
thereof additions in scope of consolidation	1	–	1	–	–	1	–	–	–	–	1	2	**3**	**3**
thereof disposals in scope of consolidation	–	0	–	–	–	–	–	–	–	–	–	0	**–**	**0**
Amounts used	-295	-281	-371	-321	-204	-234	-18	-37	-51	-48	-193	-180	**-1,132**	**-1,101**
Reversals	-52	-39	-138	-58	-35	-12	-10	–	0	0	-167	-70	**-402**	**-179**
Reclassifications	-6	14	5	1	-2	0	–	–	–	0	-1	6	**-4**	**21**
Additions	319	304	972	807	222	453	19	5	509	1	903	502	**2,944**	**2,072**
Compounding and discounting	0	4	–	–	0	2	33	73	–	61	-2	9	**31**	**149**
As of Dec 31	**910**	**942**	**2,254**	**1,785**	**590**	**604**	**433**	**409**	**1,443**	**985**	**1,866**	**1,316**	**7,496**	**6,041**

The following table breaks down the other provisions into current and non-current amounts, and also details their estimated residual maturity:

€ million	Residual maturity							
	Up to 1 year	1 to 2 years	2 to 3 years	3 to 4 years	4 to 5 years	More than 5 years	Total more than 1 year	Total
AS OF DEC 31, 2021								
Personnel-related provisions	356	143	101	65	49	196	**554**	**910**
Revenue discounts	2,254	–	–	–	–	–	**–**	**2,254**
Provisions for anticipated losses	255	97	100	72	31	35	**335**	**590**
Decommissioning commitments	37	45	44	44	44	219	**396**	**433**
Environmental protection	58	63	68	71	80	1,103	**1,385**	**1,443**
Other provisions	1,373	94	88	51	62	198	**493**	**1,866**
Total	**4,333**	**442**	**401**	**303**	**266**	**1,751**	**3,163**	**7,496**
AS OF DEC 31, 2020								
Personnel-related provisions	369	143	101	65	50	214	**573**	**942**
Revenue discounts	1,785	–	–	–	–	–	**–**	**1,785**
Provisions for anticipated losses	296	84	63	65	51	45	**308**	**604**
Decommissioning commitments	30	35	37	37	37	233	**379**	**409**
Environmental protection	58	58	58	57	57	697	**927**	**985**
Other provisions	927	38	30	29	39	253	**389**	**1,316**
Total	**3,465**	**358**	**289**	**253**	**234**	**1,442**	**2,576**	**6,041**

Personnel-related provisions

Benefits arising on the occasion of the termination of employment agreements (severance packages) become payable if employees are released from their duties under the terms of an early retirement or semi-retirement scheme before the regular retirement age (which would not involve any reduction of retirement benefits) or if employees voluntarily terminate their employment contract in return for a severance package. Severance payments are recognized if there is a demonstrable commitment either to terminate the employment agreements of current employees in accordance with a detailed formal plan that cannot be reversed or to make severance payments if the employment contract is voluntarily terminated by employees within the framework of employment contract termination agreements.

Severance package commitments for agreements made as of the balance sheet date are recognized as other liabilities and – if they are not yet included in individual agreements and if they are part of a restructuring commitment in accordance with IAS 37 – are stated as other provisions.

Semi-retirement agreements are based on the so-called block model. The top-up amounts paid in addition to salary by DB Group during the semi-retirement period as well as additional contributions to the statutory pension insurance scheme are collected in installments up to the end of the active phase of the semi-retirement period and are recognized as provisions in accordance with IAS 19. The compensation backlog (plus the employer's contributions to social security insurance) for the additional work performed during the employment phase is also shown with the present pro rata present value as another non-current employee benefit.

If certain conditions are satisfied, DB Group offers its employees the opportunity to reduce their working hours to a level below their regular working hours (special semi-retirement arrangement). In these cases, the number of working hours is reduced to 81% of the reference or regular working hours, whereby the employees' remuneration is topped up to 90%. Payments into the company retirement benefit scheme are granted on the basis of 100% of the reference or regular working hours.

The personnel-related provisions were structured as follows:

AS OF DEC 31 / € million	2021	2020
Personnel contractual commitments	431	442
Early retirement and semi-retirement obligations	187	202
Service anniversary provisions	114	123
Other	178	175
Total	**910**	**942**

The personnel-related provisions include commitments arising from employment agreements that result from the entitlement of many employees under labor law and the willingness of DB AG not to terminate employment contracts for operational reasons. In such cases, DB Group will incur losses in the form of personnel expenses which will have to be borne until the employment contract is terminated or the employee is placed with another company; no reciprocal benefit will be provided in return for these costs (commitment surpluses relating to employment agreements). The personnel contractual commitments also include restructuring provisions.

A figure of about € 395 million was allocated to the provision for commitment surpluses from employment arrangements as of December 31, 2021 (as of December 31, 2020: € 374 million); this item accounted for a considerable percentage of the personnel-related provisions in DB Group. This provision recognizes the personnel-related commitments of DB AG for the employment guarantee included in the collective bargaining agreement designed to address demographic change (Demografietarifvertrag; DemografieTV).

In the DB Schenker segment, there were personnel-related restructuring provisions of € 7 million as of December 31, 2021 (as of December 31, 2020: € 36 million), mainly for the global restructuring program Boost designed to enhance profitability.

The provisions for semi-retirement and early retirement commitments take into account the commitments arising from collective bargaining agreements, and have mostly been calculated on the basis of actuarial reports. In the regulations of the DemografieTV, this includes an amount of € 82 million (as of December 31, 2020: € 87 million) for the entitlement of employees with many years of service and also many years of shift working to enjoy special semi-retirement benefits.

Revenue discounts

The considerable increase in the revenue discounts was mainly attributable to reductions at DB Regional in connection with concession fees due to the impact of the Covid-19 pandemic as well as repayment risks from the sector support for local public transport which is intended to alleviate the impact of the Covid-19-related consequences for the sector.

Provisions for impending losses

The provisions for impending losses mainly relate to transport contracts in which commitment surpluses build up over the duration of the contracts. The additions related mainly to DB Regional and DB Arriva.

As of December 31, 2021, amounts of € 183 million (DB Regional) and € 17 million (DB Arriva) were allocated to these provisions. This was due to various factors, including assumptions regarding reduced revenues from fares in future as well as higher maintenance expenses and higher energy prices. In particular, the estimates regarding the development of future revenues from fares are subject to particular uncertainty due to the Covid-19 crisis.

Decommissioning provisions

The provisions for decommissioning commitments referred to the company's pro rata decommissioning commitment in relation to a joint power generation plant. Similarly to the situation in the previous year, the provision was valued on the basis of a cost increase rate of 2.50 %, as is standard for this sector, and a nominal interest rate of 2.50 %.

Provisions for environmental protection

Of the figure stated for provisions for environmental protection, as of December 31, 2021, € 1,434 million (as of December 31, 2020: € 976 million) relate to remedial action commitments of DB AG. A new valuation of the provision requirement was carried out in the year under review. This showed, among other things, a need to adjust the assumptions that had previously been applied regarding the financing of own contributions with revenues, the development of construction costs, capacity requirements and the level of in-house production. As a result, there was an additional provision requirement of € 508 million and an associated term extension by five years until 2047. The addition to provisions and the term extension were implemented accordingly as of December 31, 2021. In order to take account of the remedial action commitments recognized in the provisions for environmental protection, DB AG has set up various programs, including the following:

- the 4-phase program for soil remediation
- the 3-stage sewerage network program
- the 2-stage landfill shut-down program

The structured processing ensures that the procedure for recognizing, assessing the risk and taking appropriate remedial action is consistent with all legal requirements and optimized in terms of costs.

In the 4-stage soil decontamination program, existing soil and / or groundwater contamination is localized via the stages "historic exploration," "orienting investigation" and "detail investigation," and is assessed on the basis of the relevant statutory testing criteria. If any negative change in soil conditions or ecological burdens is identified, implementation of the necessary remedial action is planned by the steps feasibility study, model planning and approval planning. The process of carrying out the remedial action is supported by a binding remedial action plan or a public-sector agreement with defined remedial action objectives.

The 3-stage sewerage network program aims to remedy any contamination of soil and / or groundwater resulting from leaks. The program also involves a plan to optimize the existing sewerage network to ensure that it is capable of meeting future requirements and to ensure that the need to take remedial action can be limited to this future network. The network that is not necessary for operation will be decommissioned. The sewerage program will be carried out via the stage 1 "recording," stage 2 "inspection" and stage 3 "remedial action / decommissioning." Legal requirements are set out in the Water Resources Accounting Act (Wasserhaushaltsgesetz; WHG), the Water Acts of the Federal states and the in-house control regulations.

The 2-stage program "shut-down of landfill sites" systematically records all legacy landfill sites operated by DB Group (stage 1). The requirements resulting from the Recycling Accounting Act (Kreislaufwirtschaftsgesetz; KrWG) and the Landfill Site Regulation (Deponieverordnung; DepV) are used as the basis for planning and implementing the processes of decommissioning and recultivating the areas (stage 2a) and the subsequent maintenance (stage 2b).

Other provisions

As of December 31, 2021, € 276 million (DB Netze Track) was allocated to the restoration of a railway tunnel on the new construction line Karlsruhe—Basel near to Rastatt. Because the expenditures necessary in order to fulfill the provision commitment are expected to be reimbursed in part by another party, a reimbursement claim for the amount of € 149 million has been activated to offset this.

The other provisions comprise additional provisions for claims for compensation for damage, litigation risks, decommissioning and demolition obligations, real estate risks, guarantee and warranty commitments, liability pensions, project risks and insurance, third-party commitments for maintenance and other tax risks, as well as numerous other issues that individually are of minor significance.

(33) DEFERRED ITEMS

DB Group receives various public-sector grants, which are provided in relation to specific assets or on the basis of a specific performance. The grants are recognized in the balance sheet as soon as it is certain that they will be provided and as soon as the conditions necessary for receiving the grants have been satisfied. The grants related to assets, and in particular investment grants, are deducted directly from the assets for which the grants have been received. The interest benefit (spread between nominal value and present value) of interest-free loans is deferred on the basis of the contractual grant conditions. The income from pro rata reversal of these accruals is shown as other operating income.

The deferred items contained the following:

AS OF DEC 31 / € million	2021	2020
Deferred public-sector grants	145	271
Deferred revenues	724	648
Other	380	286
Total	**1,249**	**1,205**
Non-current share	406	316
Current share	843	889

The change in the deferred revenues is attributable to various factors, including the lower net deferrals for special offerings for specific periods (mainly BahnCards, flexible tickets as well as discount tickets) in the DB Long-Distance segment despite higher opposite deferrals for vouchers.

The deferred public-sector grants included the interest benefit (difference between the nominal value and present value) attributable to the interest-free loans; this has developed as follows during the year under review:

€ million	2021	2020
As of Jan 1	67	211
Reversals	- 67	- 144
As of Dec 31	**-**	**67**

Of the figure shown for reversals in the year under review, € 30 million (previous year: € 59 million) was attributable to the annual reversal of deferred items. The remainder was attributable to the reversal of amortized deferrals relating to premature one-off repayments at the present value in 1999, 2004 and 2011.

Deferred revenues constituted that part of compensation that is attributable to the period after the balance sheet date.

Notes to the statement of cash flows

The statement of cash flows shows the changes in cash and cash equivalents in the year under review, and was prepared in accordance with IAS 7 (Cash Flow Statements). The indirect method has been used for showing cash flow from operating activities.

Interest income and interest payments, dividend income as well as tax payments are stated under operating activities.

Cash and cash equivalents include the cash and cash equivalents stated in the balance sheet with a residual maturity of up to three months (cash in hand, cash at banks as well as security investments). As of December 31, 2021, of the total figure stated for cash and cash equivalents, € 1,162 million (as of December 31, 2020: € 981 million) was subject to restrictions mainly as a result of provisions of the rail franchises in the United Kingdom as well as country-specific and contractual restrictions particularly in the international logistics business.

Current receivables due from banks (as of December 31, 2021: € 83 million; as of December 31, 2020: € 271 million), resulting from collateral agreements in connection with financial futures, are shown under current other receivables and assets. Because it is becoming increasingly difficult to predict the development in the value of the financial futures, it can only be assumed to a limited extent that such hedges represent current liquidity. See Comparability with the previous year 193 ff.

CASH FLOW FROM OPERATING ACTIVITIES

The cash flow from operating activities is calculated by adjusting the net profit/loss for the period before taxes by items that are not cash-effective (in particular additions to and reversals of other provisions) and by adding other changes in current assets, in liabilities (excluding financial debt) and provisions. The cash flow from operating activities is then established after due consideration is given to interest and tax payments.

In accordance with IFRS 16, outflows related to leases are recognized in cash flow from financing activities if they are redemption payments, and are recognized in cash flow from operating activities if they are payments of interest.

The cash flow from operating activities has increased considerably in the year under review. This was primarily due to a significantly lower net loss for the year, adjusted for a reduction in depreciation recognized in relation to property, plant and equipment and intangible assets (discontinuation of the full amortization of goodwill previously recognized by DB Arriva in the previous year of € 1,411 million), higher trade receivables and higher non-cash-effective expenses.

Non-cash-effective expenses and income increased in the year under review, particularly as a result of a significantly higher balance of expenses from additions to and reversals of other provisions (€ +553 million).

CASH FLOW FROM INVESTING ACTIVITIES

The cash flow from investing activities is calculated as the cash flow provided by the disposal of property, plant and equipment and intangible assets as well as by investment grants, and the cash outflow for capital expenditures in property, plant and equipment and intangible assets as well as cash flow from the addition and disposal of non-current financial assets.

Payments received from investment grants are shown under investing activities due to the close connection between investment grants received and the payments made for capital expenditures in property, plant and equipment assets.

The slight increase in outflows of cash from investing activities was mainly attributable to higher outflows for capital expenditures in property, plant and equipment (€ +898 million; +6.8 %). On the other hand, net inflows of cash from investment grants increased (€ +534 million; +6.3 %). The outflows for the acquisition of shares in consolidated companies (year under review: € 45 million; previous year: € 40 million) have only increased slightly compared with the previous year and were attributable to the acquisitions and also to subsequent purchase price payments for ESE Engineering und Software-Entwicklung GmbH, Brunswick. On balance, inflows and outflows for investments in financial assets included outflows of € 107 million to pay for investments from the acquisition of transport concessions (IFRIC 12).

When changes take place in the scope of consolidation as a result of the acquisition or sale of companies, the acquisition price paid (excluding any liabilities that are transferred) less the acquired or sold financial resources are stated as cash flow from investing activities.

CASH FLOW FROM FINANCING ACTIVITIES

The cash flow from financing activities is due to additions to capital, the net inflows and outflows attributable to senior bonds issued, changes in bank borrowings and loans as well as outflows for the redemption of finance leasing liabilities and interest-free loans.

The cash inflow from financing activities decreased by € 397 million. This was primarily made up of a net outflow from the raising and repayment of funds (previous year: net inflow), primarily from the repayment of bank borrowings, reduced net inflows from the issue and redemption of senior bonds and increased redemption payments for leases, combined with higher inflows from additions to capital and the absence of the dividend payment to the Federal Government (previous year: € 650 million).

INFORMATION REGARDING THE CHANGES IN FINANCIAL LIABILITIES (IAS 7)

€ million	As of Jan 1, 2021	Cash-effective changes (inflow [+]/ outflow [–])	Non-cash-effective changes: Acquisition (+)/ sale (–) of companies	Non-cash-effective changes: Currency effects	Non-cash-effective changes: Addition (+)/ disposal (–) of leasing liabilities and financial receivables [1]	Non-cash-effective changes: Compounding [1]	As of Dec 31, 2021
Financial receivables [1]	- 856	187	–	–	586	–	- 83
LIABILITIES FROM FINANCING							
Interest-free loans	580	- 157	–	–	–	23	446
Senior bonds	24,021	3,028	–	337	–	17	27,403
Commercial paper	–	–	–	–	–	–	–
Bank borrowings	3,304	- 1,986	–	2	–	–	1,320
EUROFIMA loan	200	- 200	–	–	–	–	–
Leasing liabilities [2]	4,931	- 1,164	35	55	1,202	0	5,059
Liabilities from transport concessions	191	- 25	–	–	14	–	180
Other financial liabilities	97	- 16	1	0	- 4	–	78
Liabilities from financing	**33,324**	**- 520**	**36**	**394**	**1,212**	**40**	**34,486**
Total	**32,468**	**- 333**	**36**	**394**	**1,798**	**40**	**34,403**

[1] The disposals from financial receivables follow the changes of presentation in the statement of cash flows.
[2] The outflows for leasing liabilities including interest paid amounted to € 1,244 million as of December 31, 2021. This interest element is netted under compounding.

€ million	As of Jan 1, 2020	Cash-effective changes (inflow [+]/ outflow [–])	Non-cash-effective changes: Acquisition (+)/ disposal (–) of companies	Non-cash-effective changes: Currency effects	Non-cash-effective changes: Addition (+)/ Disposal (–) Liabilities and financial receivables	Non-cash-effective changes: Compounding [1]	As of Dec 31, 2020
Financial receivables and earmarked bank deposits	- 393	- 511	7	- 10	51	–	- 856
LIABILITIES FROM FINANCING							
Interest-free loans	707	- 155	–	–	–	28	580
Senior bonds	20,966	3,249	–	- 209	–	15	24,021
Commercial paper	890	- 890	–	–	–	–	–
Bank borrowings	626	2,678	3	- 3	–	–	3,304
EUROFIMA loan	200	–	–	–	–	–	200
Leasing liabilities [1]	5,015	- 995	–	- 60	972	- 1	4,931
Liabilities from transport concessions	77	114	–	–	–	–	191
Other financial liabilities	212	- 105	10	- 2	- 18	–	97
Liabilities from financing	**28,693**	**3,896**	**13**	**- 274**	**954**	**42**	**33,324**
Total	**28,300**	**3,385**	**20**	**- 284**	**1,005**	**42**	**32,468**

[1] The outflows for leasing liabilities including interest paid amounted to € 1,076 million as of December 31, 2020. This interest element is netted under compounding.

Notes to the segment reporting

The segment reporting of DB Group has been prepared in accordance with IFRS 8 (Operating Segments). The operating segments of DB Group result from the aggregation of fully consolidated legal entities; these legal entities have been allocated to specific segments on the basis of the company-specific operational performance on a defined market. The Management Board takes its decisions and carries out economic analyses as well as assessments at the level of the operating segments ("management approach").

The allocation of legal entities to operating segments in external accounting is consistent with the allocation in internal management reporting. This means that the management and legal structure of DB Group are congruent. As a result of this allocation principle, there are no partial balance sheets or partial income statements within a legal entity that are allocated to different segments.

In this connection, management reporting is addressed to the Management Board in its function as the primary decision maker. Management reporting in DB Group is based on the accounting principles in accordance with IFRS. When reconciling the segment data to the corresponding company data, consolidation effects must therefore be taken into account. For this reason, a consolidation column is used for reconciliation purposes. The operations of the business segments are covered in the reporting format in line with the corporate and organizational structure of DB Group.The main regions covered by DB Group are detailed in the segment information by regions.

DB Group uses the following primary segments of the Integrated Rail System:

- **DB Long-Distance:** The DB Long-Distance segment comprises all cross-regional transport and service operations and other passenger transport services. Most of these transport services are provided in Germany.
- **DB Regional:** The DB Regional segment combines the activities for German transport and services in regional passenger transport by rail and road. These activities also comprise the S-Bahn (metro) services in Berlin and Hamburg.
- **DB Cargo:** All European rail freight transport activities are pooled in the DB Cargo segment. It operates primarily in Germany, Denmark, the Netherlands, Italy, the United Kingdom, France, Poland and Spain.
- **DB Netze Track:** The DB Netze Track segment is responsible for installing, maintaining and operating our track-related rail infrastructure in Germany.
- **DB Netze Stations:** The DB Netze Stations segment comprises the operation, development and marketing of passenger stations and retail facilities in stations in Germany.
- **DB Netze Energy:** The DB Netze Energy segment provides all standard energy products in the fields of transport energy and stationary energy.
- **Subsidiaries/Other:** DB AG with its numerous management, financing and service functions in its capacity as the management holding of DB Group is shown in this segment. This also includes the service companies, which provide their services mainly within DB Group in the areas of transport, logistics, information technology and telecommunications. The other subsidiaries and remaining activities are classified under Subsidiaries/Other as well.

In addition to the Integrated Rail System, there are the following segments:

- **DB Schenker:** All global logistics activities of DB Group are managed in the DB Schenker segment. These comprise the freight forwarding, transport and other services in commodity and goods transport.
- **DB Arriva:** All European local transportation activities (rail and bus) outside Germany are pooled in the DB Arriva segment.

The data concerning the segments are shown after intra-segment relations have been eliminated. The transactions between the segments (inter-segment relations) are eliminated in the column consolidation.

The income and expenses presented in the segment information by business segment have been adjusted for issues that are exceptional in nature and/or amount. A general adjustment is recognized for book profits and losses attributable to transactions with investments/financial investments and in the amount of the depreciation on long-term customer contracts that have been capitalized as part of the purchase price allocation process of company acquisitions. In addition, an adjustment is recognized for individual issues if they are of an exceptional nature, if they are definable for accounting purposes, if they can be measured and if the amount involved is material. They are shown in the reconciliation column. This column also reconciles the balance sheet items of capital employed (contents allocated in accordance with management reporting) and the external presentation in accordance with the consolidated balance sheet of DB Group.

Segment reporting is based on the key business figures used for the internal management of the operating segments. These key figures form the basis of the value-oriented management concept (see Capital management in DB Group 195f.).

The external revenues and other income consist exclusively of income generated by the segments with non-Group parties. The internal revenues and other income show the income with other segments (inter-segment income). The intercompany prices for intra-Group transactions are determined on a market-related basis.

EBITDA (earnings before interest, taxes, depreciation and amortization) is used for assessing the pure earning power of the operating segments. It does not include any costs of capital employed in the form of depreciation and interest. Accordingly, EBITDA is not influenced by segment-specific financing structures and long-term capital expenditures cycles (in particular in the infrastructure segments); consequently, depreciation is incurred sooner than the positive returns generated by these capital expenditures. EBITDA thus has the character of pre-tax cash flow.

On the other hand, EBIT additionally comprises depreciation recognized in relation to fixed assets (property, plant and equipment and intangible assets). EBIT represents the operating profit generated that is available to satisfy the interest yield claims on the investor side.

The costs of financing that are incurred as a result of the (in certain cases) very high amounts of capital tied up in the operating segments of DB Group (particularly in the infrastructure segments) are also relevant for a long-term assessment of results. This is the reason why the operating interest balance is also taken into consideration in the key figure operating income after interest.

The essential assets that are used (capital employed) also have to be taken into consideration in addition to the above-mentioned parameters for internal management of the operating segments. The capital employed comprises the essential capital that is used by providers of equity and debt investors and for which interest has to be paid; unlike in the previous year, it no longer includes receivables from plan assets.

Net financial debt is defined as the balance of interest-bearing external liabilities as well as cash and cash equivalents and interest-bearing external receivables. The net financial debt of the segments also comprises the receivables and liabilities attributable to Group financing as well as profit and loss transfer agreements.

Gross capital expenditures consist of capital expenditures in property, plant and equipment and intangible assets excluding capitalized borrowing costs. Net capital expenditures are calculated by deducting the participation of third parties in the financing of specific capital expenditure projects (essentially the investment grants of the Federal Government and the Federal states).

Additions from changes in the scope of consolidation are shown as part of segment gross capital expenditures, and comprise exclusively the capital expenditures in property, plant and equipment and intangible assets, including the goodwill acquired as part of company acquisitions or included in the consolidated financial statements for the first time.

The number of employees comprises the workforce, excluding trainees and dual degree students, at the end of the reporting period (part-time employees have been converted to full-time equivalents).

The segments are subject to the same accounting principles which are described in the section Basic principles and methods 192ff. and which are applicable for the remainder of the consolidated financial statements. Intra-Group segment transactions are generally conducted at market prices.

EXPLANATIONS CONCERNING THE INFORMATION BY REGIONS

External revenues are stated on the basis of the registered offices of the Group company providing the service.

Non-current assets are also allocated on the basis of the location of the company. The non-current assets comprise intangible assets, property, plant and equipment as well as non-current receivables and other assets (excluding financial instruments, deferred tax assets, rights from insurance policies as well as assets in conjunction with benefits after termination of the employment agreement).

INFORMATION CONCERNING MAJOR CUSTOMERS

In the year under review and the previous year, no single customer accounted for more than 10% of overall revenues of DB Group.

Risk management and derivative financial instruments

MANAGEMENT OF FINANCIAL AND ENERGY PRICE RISKS

As a mobility, transport and logistics group with international operations, DB Group is exposed to financial risks in the form of changes in interest rates and exchange rates. In addition, there are also energy price risks on the procurement side as a result of fluctuations in the prices of diesel fuel and electricity. One of the aspects of corporate policy is to actively manage and thus limit these risks by means of the use of derivative financial instruments.

DB AG is responsible for all financing and hedging transactions of DB Group with its central Group Treasury, and operates in close cooperation with the subsidiaries, where the risk positions primarily arise. Group Treasury follows the relevant regulations for risk management (Minimum requirements for risk management [Mindestanforderungen an das Risikomanagement; MaRisk], Corporate Sector Supervision and Transparency Act [Gesetz zur Kontrolle und Transparenz im Unternehmensbereich; KonTraG]). Speculation is not permitted. Ongoing market and risk assessment takes place as part of risk management.

Derivative financial instruments are used exclusively for hedging interest, currency and energy price risks. All individual transactions correspond to on-balance-sheet or anticipated underlying transactions (for example senior bonds, purchasing of diesel fuel and electricity). The aim is to achieve qualification as an effective hedge in accordance with IFRS 9.

INTEREST RATE RISKS

The interest rate risks are attributable to borrowings at variable interest rates.

In accordance with IFRS 7, the effects of theoretical changes in market interest rates on net profit and loss and shareholders' equity are investigated by means of a sensitivity analysis. For this purpose, the following financial instruments are considered:

- Derivatives designated in cash flow hedges (interest hedges and cross-currency hedges) have an impact on the hedge reserve in shareholders' equity and are therefore taken into consideration in the sensitivity calculations relating to shareholders' equity.
- The sensitivity calculations for net interest income include financial instruments with variable interest (bank deposits, short-term borrowings/investments, cross-currency swaps, loans).

If the level of market interest rates for the exposure had been 100 basis points higher (lower) as of the balance sheet date, the comprehensive income would have been affected as follows:

	2021		2020	
	Changes in market level of interest rates			
€ million	+ 100 BP [1]	- 100 BP [1]	+ 100 BP [1]	- 100 BP [1]
Impact on comprehensive income	-6	+5	+13	-14
thereof net profit/loss for the year	-12	+12	-4	+4
thereof covered directly in equity	+6	-7	+17	-18

[1] Basis points.

FOREIGN CURRENCY RISKS

The foreign currency risks are attributable to financing measures and operating activities.

In order to avoid interest rate and foreign currency risks, the foreign currency bonds issued and loans within the framework of DB Group treasury are converted into euro liabilities and receivables by means of cross-currency swaps. However, it is not necessary for such bonds to be converted in individual cases if there is a guarantee that the bond can be serviced out of inflows of foreign currency payments.

Subsidiaries hedge all significant foreign currency positions in their functional currency via Group Treasury. In exceptional cases and to a limited extent, subsidiaries are permitted to hedge foreign currency positions with banks themselves.

The currency sensitivity analysis in accordance with IFRS 7 is based on the following assumptions:

- The cross-currency swaps that are concluded and the current currency transactions are always allocated to original underlying transactions.
- All major foreign currency positions arising from business operations are always 100% hedged. If exchange rate changes are 100% hedged, they do not have any impact on profits or equity capital.
- Foreign currency risks can only occur if a 100% hedge does not exist in justified exceptional cases; for instance if a conservative estimate is made for hedge volumes for anticipated foreign currency cash flows in order to avoid overhedging.
- On-balance-sheet foreign currency risks may result from energy price hedging which is not denominated in the respective functional currency.

If the following foreign currencies for currency hedges had weakened (or strengthened) by 10% as of the balance sheet date, comprehensive income would not have been significantly affected:

	2021		2020	
	Percentage change in foreign currency exchange rates			
€ million	+ 10%	- 10%	+ 10%	- 10%
USD	+13	-13	+9	-9
CNY	+3	-4	+5	-6
CZK	-1	+2	0	0
SAR	0	0	-2	+2
SGD	-4	+4	-3	+3
HKD	+1	-1	-8	+8
HUF	0	0	-2	+2
RON	0	0	+5	-7
TWD	-5	+6	-2	+3
KRW	0	0	-1	+1
TRY	-3	+3	-2	+3

DB Group has numerous equity investments in foreign subsidiaries whose net assets are exposed to a translation risk. This translation risk is not perceived to be a foreign currency risk for the purposes of IFRS 7, and is not hedged.

ENERGY PRICE RISKS

The Energy Price Risk Management Committee (ERMC) is responsible for managing and minimizing energy price risks; this committee is responsible for ensuring the implementation of the risk policy of DB Group specifically with regard to energy price risks (in particular for procurement of diesel and electricity). The ERMC takes decisions with regard to specific hedging strategies and measures in which financial and energy derivatives are used.

Swaps relating to the commodities underlying the price formulae are used as hedges for the risks of price changes for sourcing electricity.

Diesel price risks are for instance limited by the conclusion of diesel swaps (usually by means of hybrid hedging of diesel price and currency risks).

The following assumptions have been made for performing the sensitivity analyses in accordance with IFRS 7:

- In the case of energy price swaps, the effective part is recognized in shareholders' equity, and the ineffective part is recognized in the statement of income.
- If options are used (collars), the intrinsic value constitutes the effective part of the hedge, so that the intrinsic value is shown in shareholders' equity. On the other hand, the fair value is not part of the hedge, and is shown in the statement of income.

If the energy prices at the end of the year had been 10% lower (or higher), comprehensive income would have been affected as follows:

	2021		2020	
	Changes in market prices			
€ million	+10%	-10%	+10%	-10%
Impact on comprehensive income	+32	-32	+38	-38
thereof covered directly in equity	+32	-32	+38	-38
Diesel	+20	-20	+22	-22
Hard coal	+12	-12	+16	-16

COUNTERPARTY DEFAULT RISK OF THE INTEREST, CURRENCY AND ENERGY DERIVATIVES

The counterparty default risk is actively managed by way of strict requirements relating to the creditworthiness of the counterparty at the point at which the transactions are concluded and also throughout the entire duration of the transactions, and also by way of defining risk limits.

In order to minimize the counterparty default risk of derivatives, DB Group has concluded credit support agreements (CSAs) with its core banks. In the CSAs, it was agreed that both parties would mutually provide cash securities for interest and cross-currency swaps as well as energy derivatives. Securities are exchanged daily with all relevant banks.

Related amounts that are not netted in the balance sheet:

	Financial assets/ liabilities shown in the balance sheet		Related amounts which are not netted in the balance sheet: Financial instruments		Cash securities received/provided		Net amounts	
AS OF DEC 31 / € million	2021	2020	2021	2020	2021	2020	2021	2020
Derivative financial instruments - assets	406	164	-134	-108	-272	-18	-	38
Derivative financial instruments - liabilities	219	379	-134	-108	-83	-271	2	-

The assets of financial derivatives and thus the maximum counterparty default risk have increased as a result of exchange rate fluctuations of the euro against other currencies, particularly against the Swiss franc, the British pound sterling and the Norwegian krone. At the same time, the liabilities of derivative financial instruments have decreased. The cash securities received were predominant. The maximum individual risk (default risk in relation to individual contract partners) was € 68 million (as of December 31, 2020: € 31 million) and existed in relation to a bank with a Moody's rating of Aa3. As of December 31, 2021, all contract partners that are exposed to a credit risk had a Moody's rating of at least Baa1 for transactions with terms of more than one year.

Liquidity risk

Liquidity management involves maintaining adequate cash and cash equivalents, constantly checking the commercial paper market to ensure adequate market liquidity and depth, and the constant availability of financial resources via guaranteed credit facilities of banks (Note (28) 216ff.).

The following table shows the contractually agreed undiscounted interest payments and redemption payments relating to the original financial liabilities as well as the derivative financial instruments with a positive and negative fair value of DB Group:

MATURITY ANALYSIS OF FINANCIAL LIABILITIES AS OF DEC 31, 2021 / € million	**2022** Fixed/variable interest	**2022** Redemption	**2023** Fixed/variable interest	**2023** Redemption	**2024–2026** Fixed/variable interest	**2024–2026** Redemption	**2027–2031** Fixed/variable interest	**2027–2031** Redemption	**2032 ff.** Fixed/variable interest	**2032 ff.** Redemption
ORIGINAL FINANCIAL LIABILITIES										
Interest-free loans	–	157	–	156	–	157	–	5	–	–
Senior bonds	364	1,576	336	1,960	811	6,238	774	9,543	829	8,222
Bank borrowings	0	1,315	0	1	–	–	0	4	–	–
EUROFIMA loan	–	–	–	–	–	–	–	–	–	–
Leasing liabilities	75	983	60	824	125	1,472	110	1,076	183	716
Financing liabilities from transport concessions	3	19	3	19	7	56	4	72	0	14
Other financial liabilities	–	70	–	5	–	1	–	2	–	–
Trade liabilities	–	7,817	–	96	–	13	–	5	–	–
Other and miscellaneous liabilities	–	1,550	–	6	–	27	–	170	–	–
DERIVATIVE FINANCIAL LIABILITIES (NET/GROSS SETTLED)										
Interest rate/currency derivatives in connection with cash flow hedges	33	325	32	124	78	692	58	576	2	134
Interest derivatives in connection with cash flow hedges	0	–	–	–	–	–	–	–	–	–
Currency derivatives in connection with cash flow hedges	–	28	–	–	–	–	–	–	–	–
Currency derivatives without connection to hedges	–	1,189	–	9	–	0	–	–	–	–
Energy price derivatives	0	–	0	–	1	–	0	–	–	–
DERIVATIVE FINANCIAL ASSETS (GROSS SETTLED)										
Interest rate/currency derivatives in connection with cash flow hedges	69	14	68	417	145	2,820	109	1,715	53	1,553
Currency derivatives in connection with cash flow hedges	–	784	–	–	–	–	–	–	–	–
Currency derivatives without connection to hedges	–	1,335	–	16	–	5	–	–	–	–
VOLUNTARY DISCLOSURES ABOUT DERIVATIVES										
DERIVATIVE FINANCIAL ASSETS (NET SETTLED)										
Energy price derivatives	-51	–	-23	–	-6	–	–	–	–	–
INFLOW OF FUNDS FROM DERIVATIVE FINANCIAL INSTRUMENTS (GROSS SETTLED)										
Interest rate/currency derivatives in connection with cash flow hedges	-130	-328	-129	-618	-306	-3,558	-222	-2,376	-109	-1,725
Currency derivatives in connection with cash flow hedges	–	-818	–	0	–	–	–	–	–	–
Currency derivatives without connection to hedges	–	-2,532	–	-26	–	-5	–	–	–	–
FINANCIAL WARRANTIES										
Financial warranties	–	18	–	–	–	–	–	–	–	–

MATURITY ANALYSIS OF FINANCIAL LIABILITIES AS OF DEC 31, 2020 / € million	2021 Fixed/variable interest	2021 Redemption	2022 Fixed/variable interest	2022 Redemption	2023–2025 Fixed/variable interest	2023–2025 Redemption	2026–2030 Fixed/variable interest	2026–2030 Redemption	2031 ff. Fixed/variable interest	2031 ff. Redemption
ORIGINAL FINANCIAL LIABILITIES										
Interest-free loans	–	157	–	157	–	313	–	5	–	–
Senior bonds	381	1,809	325	1,545	800	5,816	722	8,583	567	6,384
Bank borrowings	-2	2,900	–	402	–	–	–	2	–	–
EUROFIMA loan	8	200	–	–	–	–	–	–	–	–
Leasing liabilities	69	1,024	54	753	109	1,423	101	1,061	143	670
Financing liabilities from transport concessions	3	27	3	27	6	78	3	56	0	3
Other financial liabilities	–	87	–	2	–	6	–	2	–	–
Trade liabilities [1]	–	5,948	–	476	–	77	–	4	–	–
Other and miscellaneous liabilities [1]	–	1,385	–	4	–	14	–	139	–	–
DERIVATIVE FINANCIAL LIABILITIES (NET/GROSS SETTLED)										
Interest rate/currency derivatives in connection with cash flow hedges	55	244	46	201	130	609	106	1,631	8	212
Interest derivatives in connection with cash flow hedges	0	–	–	–	–	–	–	–	–	–
Currency derivatives in connection with cash flow hedges	–	91	–	1	–	–	–	–	–	–
Currency derivatives without connection to hedges	–	2,438	–	1	–	0	–	–	–	–
Energy price derivatives	37	–	20	–	17	–	0	–	–	–
DERIVATIVE FINANCIAL ASSETS (GROSS SETTLED)										
Interest rate/currency derivatives in connection with cash flow hedges	47	63	45	28	100	1,611	60	1,208	22	447
Currency derivatives in connection with cash flow hedges	–	0	–	–	–	–	–	–	–	–
Currency derivatives without connection to hedges	–	40	–	0	–	0	–	–	–	–
VOLUNTARY DISCLOSURES ABOUT DERIVATIVES										
DERIVATIVE FINANCIAL ASSETS (NET SETTLED)										
Energy price derivatives	-3	–	-2	–	0	–	–	–	–	–
INFLOW OF FUNDS FROM DERIVATIVE FINANCIAL INSTRUMENTS (GROSS SETTLED)										
Interest rate/currency derivatives in connection with cash flow hedges	-117	-289	-109	-231	-287	-2,234	-208	-2,821	-47	-642
Currency derivatives in connection with cash flow hedges	–	-24	–	0	–	–	–	–	–	–
Currency derivatives without connection to hedges	–	-2,581	–	0	–	-39	–	–	–	–
FINANCIAL WARRANTIES										
Financial warranties	–	16	–	–	–	–	–	–	–	–

[1] Figure adjusted.

This includes all instruments which were held as of December 31, 2021 and for which payments had already been agreed. Foreign currency amounts have been translated using the spot rate applicable as of the balance sheet date. The variable interest payments attributable to the financial instruments have been calculated on the basis of the interest rates applicable on December 31, 2021 (previous year on December 31, 2020). Financial liabilities that can be repaid at any time are allocated to the earliest possible time segment.

The financial liabilities were opposed by cash and cash equivalents of € 4,591 million as of December 31, 2021 (as of December 31, 2020: € 3,411 million), consisting of positive account balances and current fixed-term deposits.

Additional disclosures relating to the financial instruments

If covered by the scope of IFRS 9, the financial assets and liabilities are categorized and measured in accordance with IFRS 9. Financial assets and liabilities not covered by the scope of IFRS 9 are valued in accordance with the relevant standards and not allocated to any of the valuation categories of IFRS 9.

The carrying amounts as well as the net result per valuation category of IFRS 9 are shown in the following. The fair values and the details of individual classes of financial instruments are shown within the notes to the respective balance sheet items.

In DB Group, financial assets that are allocated to a valuation category according to IFRS 9 mainly comprise trade receivables and cash and cash equivalents.

In DB Group, financial liabilities that are allocated to a valuation category according to IFRS 9 mainly comprise senior bonds, EUROFIMA loans, bank borrowings, trade liabilities and other liabilities.

Classification of financial assets

The valuation categories of IFRS 9 are set out in the following:

	Fair value (recognized in statement of income)		Fair value (recognized directly in equity) with recycling		Fair value (recognized directly in equity) without recycling		Derivatives in hedges		At amortized cost		Not in scope of IFRS 7		**Total**	
AS OF DEC 31 / € million	**2021**	2020	**2021**	2020	**2021**	2020	**2021**	2020	**2021**	2020	**2021**	2020	**2021**	**2020**
CARRYING AMOUNT														
Non-current financial assets	69	30	2	2	29	25	355	151	1,085	902	356	238	**1,896**	**1,348**
Current financial assets	14	9	1	1	–	–	36	4	12,645	9,781	780	684	**13,476**	**10,479**
Non-current financial liabilities	21	27	–	–	–	–	179	292	26,610	23,931	4,053	3,873	**30,863**	**28,123**
Current financial liabilities	6	9	–	–	–	–	13	51	12,501	12,509	3,643	3,365	**16,163**	**15,934**
Net result	8	- 2	–	–	–	–	–	–	38	- 5	- 510	- 543	**- 464**	**- 550**

The net result according to valuation categories in particular contains interest income of € 16 million (previous year: € 20 million) and interest expenses of € 449 million (previous year: € 429 million) from the financial assets or liabilities that are not recognized in the statement of income at fair value.

Other disclosures

(34) CONTINGENT RECEIVABLES AND LIABILITIES, AND GUARANTEE OBLIGATIONS

Contingent receivables (as of December 31, 2021: € 26 million, as of December 31, 2020: € 33 million) mainly comprised a recovery claim in conjunction with construction grants provided but that had not been sufficiently determined as of the balance sheet date in terms of the specific amount and the time at which the claim would become due. Potential further compensation payments by the public authorities in connection with the Covid-19 pandemic are not included in the contingent receivables as the absence of a legal basis means that neither their timing nor their extent can be estimated.

As of the balance sheet date, no contingent receivables had been recognized for all injunction proceedings in view of the high level of uncertainty relating to refund claims, the timing of refunds and the probability of refunds.

The contingent liabilities were broken down as follows:

AS OF DEC 31 / € million	**2021**	2020
Negotiation and transfer of bills of exchange	2	–
Provisions of warranties	0	–
Other contingent liabilities	109	132
Total	**111**	**132**

Other contingent liabilities also comprise risks arising from litigation that had not been stated as provisions because the expected probability of occurrence is less than 50 %. This relates to numerous individual cases of minor significance.

There are also contingencies of € 18 million from guarantees as of December 31, 2021 (as of December 31, 2020: € 16 million). Property, plant and equipment with carrying amounts of € 5 million (as of December 31, 2020: € 19 million) were also used as security for loans. The reported figure related to rolling stock used at the operating companies in the DB Arriva segment.

DB Group acts as guarantor mainly for equity participations and consortiums, and is legally subject to joint and several liability for all consortiums in which it is involved.

Potential claims for compensation that are not recognized in the balance sheet are not included in contingent liabilities as they cannot currently be quantified.

(35) OTHER FINANCIAL COMMITMENTS

Capital expenditures in relation to which DB Group has entered into contractual commitments as of the balance sheet date, but for which no consideration has yet been received, were broken down as follows:

AS OF DEC 31 / € million	**2021**	2020
PURCHASE COMMITMENT FOR THE ACQUISITION OF		
Property, plant and equipment	21,196	18,499
Intangible assets	35	32
Acquisition of financial assets	455	435
Total	**21,686**	**18,966**
Order commitment for leasing property, plant and equipment	212	370
Possible but unlikely lease payments	2,204	2,648

The increase in the order commitment in property, plant and equipment was particularly due to the planned capital expenditure projects relating to own construction services and the procurement of new vehicles. In the case of some supply arrangements, there are independent admissions of guilt with regard to fulfilling the purchase commitment; these are opposed by claims of the same amount, backed by bank guarantees and insurance policies with very good ratings. The order commitment for the acquisition of property, plant and equipment also contains future obligations for vehicles in connection with transport contracts to be recognized in accordance with IFRIC 12.

The order commitment for leasing property, plant and equipment relates to leases that had been concluded as of the balance sheet date but for which the duration has not yet commenced. Possible lease payments for unlikely lease extensions or for periods in which the leased asset will not be used as a result of a likely termination have not been included in the measurement of leasing liabilities.

The figure of € 455 million shown for the acquisition of financial assets (as of December 31, 2020: € 435 million) related to outstanding contributions at EUROFIMA that have not been called in.

(36) STRUCTURED COMPANIES

DB AG holds 100 % of the shares in DB Barnsdale AG and DB Competition Claims GmbH. The purpose of these structured companies is to enforce claims for compensation from cartel operations; they are included as subsidiaries in the consolidated financial statements. There are profit and loss transfer agreements with DB AG.

(37) INFRASTRUCTURE AND TRANSPORT CONTRACTS

The following notes and information refer to the requirements of SIC-29 (Disclosure – Service Concession Arrangements).

GRI 203-1

Infrastructure contracts

The main rail infrastructure companies (RIC) of DB Group are DB Netz AG, DB Station&Service AG and DB Energie GmbH.

On the basis of section 6 of the General Railways Act (Allgemeines Eisenbahngesetz; AEG), the RIC that operate track, control and security systems or platforms require approval for such operations. This is applicable particularly for DB Netz AG and DB Station&Service AG, whose approvals are valid until the end of December 31, 2048.

The rights of the RIC to operate the rail infrastructure is connected to various commitments. In particular, they are obliged to ensure that their operations are managed safely and that all rail infrastructure is constructed safely and maintained in a safe condition (section 4 (3) AEG). With regard to compliance with this regulation, the RIC of DB Group are regulated by the Federal Railway Authority (EBA).

In addition, the RIC also have to observe statutory duties in the case of any new projects or expansion projects, for instance with regard to noise abatement. DB Group voluntarily participates in the rail noise abatement program of the Federal Government with regard to existing lines.

The RIC provide non-discriminatory access to the rail infrastructure in accordance with sections 10ff. Railway Regulation Act (Eisenbahnregulierungsgesetz; EReG) and charge the train operating companies (TOCs) for this access. The fees of DB Netz AG and DB Station&Service AG must comply with the requirements of the EReG. The fees for the usage of traction current lines of DB Energie GmbH have to comply with the requirements of the Energy Industry Law (Energiewirtschaftsgesetz; EnWG).

In the year under review, DB Netz AG, DB Station&Service AG and DB Energie GmbH generated overall revenues of € 10,268 million (previous year: € 9,468 million); thereof € 4,052 million (previous year: € 3,561 million) was generated with non-Group customers.

The assets of the rail infrastructure are the legal and economic property of the companies.

Transport contracts

DB Regio AG and its subsidiaries provide transport services on the basis of ordered services of the contracting organizations. These so-called transport contracts for regional rail passenger transport services are signed with the public transport authority of the transport services authorized by the Federal states (for example special purpose association, local transport company); these contracts determine the volume and the quality level of the transport service, the future development as well as the payment (concession fees).

The funds necessary for this purpose are made available to the Federal states by the Federal Government in accordance with the regulations of the Regionalization Act (Regionalisierungsgesetz; RegG). The total concession fees received by DB Regio AG and by the subsidiaries of the DB Regional segment for rail transport amounted to € 5,824 million in the year under review (previous year: € 5,292 million) (Note (1) 197f.). This amount included a figure of € 1,392 million in the year under review (previous year: € 1,294 million) for revenues from fares which had to be netted against the claims for concession fees within the framework of gross contracts.

In addition, there are similar transport contracts with international contracting organizations in the DB Arriva segment, with a volume of € 1,386 million in the year under review (previous year: € 1,237 million) (Note (1) 197f.).

About 74 % of all secured transport contracts have a duration up to at least 2025; about 40 % have a duration until at least 2030, and about 28 % have a duration until at least 2033. The transport contracts can only be terminated by the contracting organization during the term of the contract for a compelling reason.

In many cases, the companies enjoy legal and beneficial ownership of the assets necessary for providing the services, and in particular the rolling stock. Some transport contracts include commitments whereby the assets that are deployed have to be handed over at the end of the life of the contract. In addition, DB Group is recording an increasing share of transport contracts in which the rolling stock are either leased by the contracting organization or for which the leasing arrangement is supported by capital service guarantees by the contracting organization.

(38) RELATED-PARTY DISCLOSURES

The following parties are deemed to be related parties of DB Group in accordance with IAS 24 (Related-Party Disclosures):

- the Federal Government in its capacity as the owner of all shares in DB AG,
- companies controlled and jointly controlled by the Federal Government, as well as companies over which the Federal Government can exert significant influence,
- affiliated, non-consolidated and associated companies as well as joint ventures of DB Group, as well as
- the members of the Management Board and the Supervisory Board of DB AG and their close relatives.

Transactions with related parties are conducted on an arm's length basis.

The figures attributable to related companies and persons are stated under the corresponding items of the notes to the balance sheet with the designation "thereof." Individual figures are set out in the Notes (19) 210ff., (28) 216ff. and (29) 220f.

Notes and explanations of transactions between DB Group and the Federal Government are set out in the Notes (3) 198, (5) 199, (9) 203, (13) 205ff., (31) 221ff., (35) 235f. and (37) 236.

Significant economic relations that need to be reported separately between DB Group and related companies and persons are explained in the following:

Relations with the Federal Government

	Federal Government	
AS OF DEC 31 / € million	2021	2020
SERVICES RECEIVED BY DB GROUP		
Purchase of goods and services	1,079	1,230
Rents and leases	0	1
Other services	1	0
Investment grants [1]	8,055	7,282
Other income grants	2,777	422
	11,912	**8,935**
SERVICES RENDERED BY DB GROUP		
Sale of goods and services	362	318
Rents and leases	16	14
Other services	47	53
Repayment of loans	157	163
Repayment of investment grants	22	18
	604	**566**
OTHER DISCLOSURES		
Unsecured receivables [2]	310	305
Unsecured liabilities [2]	589	816
Current total of guarantees received [2]	2,024	1,179

[1] Including € 52 million EU subsidies paid out via the Federal Government (previous year: € 136 million).
[2] As of the balance sheet date.

Purchases of goods and services mainly comprise the fees paid to the Federal Government within the framework of the pro forma billing of the allocated civil servants as well as refund of expenses for staff secondments in the service provision field.

With the Law for Improving the Opportunities for Reintegration on the Labor Market, the corresponding regulations in the Social Security Code (Sozialgesetzbuch; SGB) III were revised. In accordance with section 54 SGB III, the Federal Employment Agency provides a grant of up to € 247 per month for career opportunity qualifications (since August 1, 2020, previously: € 243/month). In the year under review, about 180 young persons at DB Group were offered a training opportunity within the framework of the career preparation program "Chance plus."

Since 2009, financing for the existing network has been governed between DB AG, the RIC and the Federal Government by way of so-called Performance and Financing Agreements (Leistungs- und Finanzierungsvereinbarung; LuFV). The use of Federal funds within the framework of the LuFV has been managed in a quality-oriented manner since that time. The LUFV improved the planability, efficiency and transparency of funding for maintaining the infrastructure.

The third agreement of this type, namely LuFV III, came into force as of January 1, 2020. The agreement has a volume of € 86.2 billion and, for the first time, has a duration of ten years – twice as long as that of the previous agreement LuFV II.

The infrastructure contribution of the Federal Government increased to an average of € 5.143 billion per calendar year (LuFV II: an average of € 3.316 billion calendar year). There was also an increase agreed of the maintenance expenses to be provided by the RIC to an average of € 2.278 billion per calendar year. The RIC's own contribution increased to an average of € 137.5 million per calendar year.

Within the framework of the bridge program, it was agreed that a total of 2,000 bridges would be comprehensively modernized in the period 2020 to 2029.

In addition, resources are provided for requirements that go beyond the technical need, for instance for improving accessibility and weather protection as well as additional funds for customer-friendly construction. In addition, the LuFV III provides a total of € 7 billion for earmarked capital expenditure in signaling equipment for the years 2020 to 2029.

The LuFV III also for the first time contains a contractual regulation regarding the reduction of backlog demand. Although the considerably increased volume of resources of the LuFV III does not yet enable the backlog demand to be completely reduced, the total of € 4.506 billion means that there is a defined sum available, at least two-thirds of which must be used for reducing the backlog of particularly critical aspects (track, switches, railway bridges, tunnels, culverts, signaling equipment and pedestrian underpasses). A new parameter for substance value (not subject to any penalties) is to be used as an indicator for the development of backlog demand.

With regard to the ten-year duration, the LuFV III also includes a provision for the application renegotiation clause which can trigger discussions for adjusting the LuFV III in the event of major changes, for instance considerable price increases for construction services in the rail infrastructure.

During the life of the LuFV III, the parties to the agreement will investigate whether different or additional quality parameters can be used for the LuFV III (starting January 1, 2025) or for the succeeding LuFV IV (starting January 1, 2030) in order to bring about an improvement in the informative value in terms of the status of the track.

In addition, at DB Netz AG and DB Station&Service AG, the cause and effect correlation between available funds and the attainable quality for agreeing the quality objectives is to be established and subsequently implemented by no later than December 31, 2022, in order to replace the previously applied generation approach.

If the parties to the agreement fail to reach agreement regarding the application of other or additional quality parameters by no later than June 30, 2024, or if there is no robust cause and effect correlation on the basis of the mutually agreed model, the Federal Government is authorized to terminate the LuFV III at the end of the calendar year 2024.

On July 25, 2017, the RIC and the Federal Government signed the Requirement Plan Implementation Agreement (Bedarfsplanumsetzungsvereinbarung; BUV). This entered into force on January 1, 2018, and regulates the financing of requirement plan projects. Key elements include a readjustment of planning costs, a stipulation of the RIC's own contribution to the projects as well as an agreement regarding binding commissioning dates which are subject to penalties if not met.

The Federal Government covers all the costs of the projects, including the entire planning costs. The previous regulation in the form of a fixed amount for planning costs equivalent to 18% of the construction costs has been canceled.

The RIC contribute to all costs of the project in accordance with their own economic benefit, i.e. including the total construction costs. This provides a powerful incentive to avoid increases in construction costs.

The RIC give the Federal Government a commitment for milestones and binding commissioning dates for the projects. The penalties in the event of failure to meet these deadlines provide an incentive for complying with the deadlines.

On August 25, 2020, the Federal Government and RIC concluded a new framework agreement regarding the financing and implementation of capital expenditure in the rail infrastructure of the Federal railways (Rahmenvereinbarung über die Finanzierung und Durchführung von Investitionen in die Schienenwege der Eisenbahnen des Bundes). It governs the financing and implementation of capital expenditure projects of the Federal Government regarding expansion of the rail network, if not covered under the scope of the LuFV, the BUV or the previous agreement (framework agreement 1999). With the exception of the so-called starter package, the framework agreement is not applicable for financing agreements that relate to the Digital Rail for Germany project. In the case of measures covered by the framework agreement, the RICs agree to cofinance the eligible costs. The extent of such cofinancing depends on the effectiveness of the measure for the infrastructure companies. Four different categories with a percentage contribution of 0–15% have been agreed for this purpose.

Further investment grants are provided under the Municipal Transport Financing Act (Gemeindeverkehrsfinanzierungsgesetz; GVFG) for measures of the transport program, in accordance with the noise abatement program of the Federal Government in relation to existing railway tracks and within the framework of the ERTMS (European Rail Traffic Management System) – equipping German sections of the trans-European rail network.

For infrastructure projects within the framework of priority measures for the expansion of the trans-European network (Connecting Europe Facility; CEF funds), DB Netz AG has received subsidies from the European Union.

The grants recognized in the income statement also relate to payments provided by the Federal Government for covering excessive charges borne by DB Group as a result of operating and maintaining level crossings with roads of all construction authorities.

Sales of products and services also comprise services for carrying severely disabled persons, and German Armed Forces soldiers and traffic.

During the year under review, interest-free loans in accordance with the BSWAG of € 157 million (previous year: € 163 million) were repaid to the Federal Government within the framework of the agreed annual standard redemption payment.

The liabilities due to the Federal Government comprised the extended loans, which are shown here with their present values, and other liabilities of € 143 million (as of December 31, 2020: € 236 million).

The guarantees received from the Federal Government primarily relate to the loans received from EUROFIMA as well as the outstanding contributions and liabilities arising from the collective liability of DB AG with EUROFIMA. The guarantees that have been received include a maximum commitment of € 1,153 million from the Federal Government for EUROFIMA loans. The loan volume as of December 31, 2021, was € 0 due to timely redemption (as of December 31, 2020: € 200 million).

Sixteen new financing contracts were concluded in the year under review in addition to the Adjustment Agreement 2020 (Anpassungsvereinbarung; APV). The Federal Government has provided finance totaling about € 2,646 million for the new agreements. The financing agreements have different durations, which in certain cases extend to the year 2030. Financing is provided entirely in the form of investment grants that do not have to be repaid.

The joint implementation of the Deutsche Bahn Foundation Act (Deutsche Bahn Gründungsgesetz; DBGrG) is based on an agreement in accordance with section 21 (8) DBGrG in relation to section 21 (5) No. 2 and (6) DBGrG of June 10/17, 2015, between the BEV on the one hand and DB AG on the other. On June 24/July 28, 2015, the Federal Ministry of Transport and Digital Infrastructure (Bundesministerium für Verkehr und digitale Infrastruktur; BMVI, now the Federal Ministry for Digital and Transport (Bundesministerium für Digitales und Verkehr; BMDV)) and the Federal Ministry of Finance (Bundesministerium der Finanzen; BMF) gave their consent to this agreement. The agreement states that DB AG shall provide evidence (with documentation of each individual case) that an employee of DB JobService GmbH (a civil servant or tariff employee satisfying certain criteria at the foundation in 1994) was affected by a rationalization measure and employment elsewhere is not possible. The personnel expenses plus an additional amount of 10% of the personnel expenses to cover costs shall be reimbursed only after each individual case has been reviewed by the BEV.

As of June 3, 2021, the Act Amending the Provisions of the DBGrG on the Reimbursement of Staff Costs for Allocated Civil Servants (Gesetz zur Änderung der Vorschriften des Deutsche Bahn Gründungsgesetzes über die Personalkostenerstattung für zugewiesene Beamtinnen und Beamte; DBGrGÄndG) entered into force. Under this, the Federal Government will only reimburse the costs for rationalization measures completed before January 1, 2020.

The annual financial statements 2021 of DB JobService GmbH disclosed reimbursement claims of DB AG against the Federal Government in the total amount of € 38.2 million (including 10% reimbursement of costs) on the basis of section 21 (5) and (6) DBGrG.

Due to the repercussions of the new law, DB AG paid reimbursements to the BEV for 2020 and 2021 amounting to € 1.0 million in the year under review.

The Climate Action Program 2030 adopted by the German Federal Cabinet on October 9, 2019 came into force on January 1, 2020. The aim of the measures agreed in the Climate Action Program is to ensure that the national climate protection targets for 2030 (55% less greenhouse gas emissions compared with the year 1990) are achieved. The measures include the introduction of CO_2 pricing as well as an extensive range of measures in the transport sector.

On the basis of the Federal Government's Climate Action Program 2030, additional Federal funds totaling € 11 billion will be made available by 2030 to strengthen the rail system. At the end of January 2020, the BMF and the BMVI, now BMDV, and DB AG, DB Netz AG, DB Station&Service AG and DB Energie GmbH, agreed on the inflow and use of the funds in a joint letter of intent. The funds will be used exclusively for infrastructure; half will be paid as equity and half as grants to DB Netz AG and DB Station&Service AG. In terms of content, the funds will be used in the categories of a robust network, digital rail, attractive railway stations and infrastructure measures operated on a purely commercial basis. Following the coordination with the European Commission with respect to state aid law, in November 2021 the Federal Government paid out the tranches for 2020 and 2021 in the amount of € 2.125 billion in total to DB AG, which passed the funds directly to DB Netz AG (€ 1.125 billion) and DB Station&Service AG (€ 1 billion).

In June 2020, the Federal Government agreed on comprehensive measures in relation to the topic of "Tackling the Covid-19 impact, securing prosperity, strengthening readiness for the future." These measures included numerous general relief measures for the German economy and at the same time provided sector-specific stimuli in 2020 and 2021. Progress was made in this area in 2021, particularly with regard to the compensation measures related to Covid-19: as partial compensation for its losses, the 2020 supplementary budget included a bolstering of DB AG's equity in the amount of € 5 billion. This sum was carried over to 2021 in the 2021 Federal budget because the coordination with the European Commission with respect to state aid law had not yet been completed in 2020. Based on the progress made in the negotiations with the European Commission, the 2021 supplementary budget adopted by the German Parliament in April 2021 reduced the funds that had been intended for the equity increase by just under € 3.1 billion and reallocated that amount:

- The Federal funds intended for the maintenance of tracks of Federal railways were increased by € 650 million to compensate for the omission of DB AG's dividend payment for the 2020 financial year.
- Expenditures to subsidize train-path prices in rail freight transport were increased by € 600 million, and a further € 27 million was allocated as part of a commitment appropriation for 2022 to pay for services provided in December 2021. To subsidize train-path prices in long-distance rail passenger transport, about € 1.8 billion was also included in the Federal budget, plus a commitment appropriation for 2022 totaling € 279 million to pay for services provided in December 2021 and to continue subsidizing train-path prices in long-distance rail passenger transport until May 2022.

The coordination with the European Commission with respect to state aid law on subsidizing train-path prices in long-distance rail passenger transport and rail freight transport was successfully adopted in 2021 with retroactive effect from March 2020, as was the compensation for losses in long-distance rail passenger transport for the first shutdown in spring 2020. The coordination with the European Commission regarding additional compensation for losses is still ongoing.

The Act on Accompanying Measures for the Implementation of the Economic Stimulus and Crisis Management Package (Gesetz über begleitende Maßnahmen zur Umsetzung des Konjunktur- und Krisenbewältigungspakets; BeglMaßG) implemented the additional, one-time increase of € 2.5 billion in regionalization funds in 2020, a 50 % investment by the Federal Government in the public transport rescue fund. In 2021, the German Federal Government also made a further contribution in the amount of € 1 billion for the continuation of the industry solution, provided that the Federal states contribute the same amount of financing as in 2020. The industry solution for local public transport is also to be continued in 2022.

Relations with Federal companies

Most of the transactions carried out in accordance with IAS 24 in the year under review and in the previous year related to operations, and were of minor overall significance for DB Group. The receivables and liabilities incurred had been settled almost in full as of the end of the balance sheet date.

Relations with affiliated, non-consolidated companies, associated companies and joint ventures

In the year under review, DB Group purchased goods and services worth € 130 million (previous year: € 112 million), mainly for purchasing passenger transport and freight services. At € 84 million (previous year: € 80 million), most of the total figure was attributable to transactions with associated companies. Rental and leasing payments of € 6 million were also made (previous year: € 6 million).

In addition, interest payments of € 7 million (previous year: € 8 million) were made in the year under review. This figure relates almost exclusively to interest payments for the loan extended by EUROFIMA (Note (28) 216 ff.).

In the year under review, DB Group generated an income of € 337 million from the sale of goods and services (previous year: € 345 million). The income was generated mainly in the DB Cargo segment and related to income generated by transport services provided.

As of December 31, 2021, guarantees totaling € 3 million (as of December 31, 2020: € 4 million) have been extended; thereof € 3 million (as of December 31, 2020: € 4 million) to joint ventures. Transactions with related companies were carried out to a comparable extent in the previous year.

Relations with the Management Board and Supervisory Board of DB AG

The following section sets out the transactions between DB Group and the members of the Management Board and the Supervisory Board, as well as the companies in which members of the Management Board or the Supervisory Board hold a majority interest.

€ thousand	2021	2020
DB GROUP BENEFICIARIES		
Purchase of goods and services	674	665

The figures relate to the amounts received by the employees' representatives on the Supervisory Board.

Compensation of the Management Board

€ thousand	2021	2020
Benefits due in the short term	4,129	3,881
Post-employment benefits	1,880	1,633
Other benefits due in the long term [1]	1,894	-1,079
Total compensation of the Management Board according to IFRS	**7,903**	**4,435**
Fixed	6,009	5,514
Variable [1]	1,894	-1,079
Pension provisions for active Management Board members [2] as of Dec 31	26,575	28,000
Provisions for long-term incentives (LTI) as of December 31	3,842	1,873
Total compensation of the Management Board according to HGB	4,102	3,855
Compensation of former Management Board members and their surviving dependents	9,619	10,123
Pension provisions for former Management Board members and their surviving dependents [2] as of Dec 31	164,086	181,297

[1] The long-term variable compensation relates to the additions to / reversals of provisions for long-term incentives (LTI). All Management Board members waived the variable portion of their compensation for 2021.
[2] Defined benefit obligation.

Apart from the aforementioned provisions, there are no other receivables and liabilities with respect to the Management Board members as of the reporting date. Nor did the company take on any contingencies for the benefit of Management Board members. In addition, due to plan changes for retirement benefit commitments in the year under review, there is a service cost of € 1,604 thousand (previous year: € 0 thousand).

The total compensation for Management Board members consists of a fixed salary, a performance-linked annual director's fee and a long-term incentive (LTI) plan based on multi-year figures. Total compensation also includes benefit commitments, other commitments and ancillary benefits.

The fixed salary is cash compensation linked to the financial year. It is based on the scope of responsibility and the experience of each Management Board member.

The performance-linked annual director's fee is calculated using a factor linked to the achievement of business targets (director's fee factor) and the achievement of individual targets (performance factor).

The business and personal targets of the Management Board members are determined by the Supervisory Board annually based on recommendations from the Personnel Committee, and are then agreed in writing with the Management Board members. The LTI for the Management Board also focuses on long-term transport and climate policy targets and the sustainable creditworthiness and profitability of DB Group. After the end of the respective plan term of four years, the extent to which LTI targets have been achieved at the end of the tranche is measured using the average target achievement for the individual years.

After leaving the company, Management Board members are entitled to pension payments. The system governing benefit commitments to Management Board members was amended in 2017. Members appointed to the Management Board for the first time in 2017 and thereafter receive a defined benefit commitment under which a capital stock is saved up for the Board member for the duration of their employment and paid out when they reach retirement age. The commitment is granted in the form of a capital account plan with an annual contribution derived as a fixed percentage rate of the fixed salary. Company pension commitments for Management Board members already in office beforehand are based on a percentage of the basic salary depending on the length of time that the Management Board member has been with the company. Pension commitments include lifelong retirement and surviving dependent benefits.

Compensation of the Supervisory Board

€ thousand	2021	2020
Total compensation of the Supervisory Board	1,010	746
thereof short-term	1,010	746
thereof fixed	496	517
thereof performance-related share [1]	323	–
thereof attendance fees	45	48
thereof benefits in kind from discounted travel	54	61
thereof compensation for membership of supervisory board/advisory boards of DB Group subsidiaries (including attendance fees)	92	120

[1] All Supervisory Board members waived the variable remuneration due to them for 2021.

No compensation was incurred for former members of the Supervisory Board and their surviving dependents. There are no pension obligations for former Supervisory Board members and their surviving dependents as of December 31, 2021. The members of the Supervisory Board only receive benefits due in the short term.

No loans and advances were extended to members of the Supervisory Board in the year under review. Nor did the company take on any contingencies for the benefit of members of the Supervisory Board.

The total amount of compensation for the Management Board and Supervisory Board in the year under review was € 8,913 thousand (previous year: € 5,181 thousand). Individual details as well as further details concerning the payments to the members of the Management Board and Supervisory Board are included in the Corporate Governance report in the Group management report.

(39) EVENTS AFTER THE BALANCE SHEET DATE

Senior bond issues

Up to the point at which the consolidated financial statements were prepared, the following senior bonds were issued by DB Finance in 2022:

VOLUME OF ISSUE	Duration in years	Coupon (%)	Placing
AUD 300 million (about € 191 million)	20.0	3.350	Institutional investors, primarily in Asia
€ 200 million	5.0	0.791	Private placement
€ 750 million	12.0	1.375	Institutional investors, primarily in Europe

EU Commission initiates investigation into support measures in favor of DB Cargo

In its decision of January 31, 2022, the EU Commission initiated a formal investigation into the Federal Republic of Germany in relation to support measures in favor of DB Cargo AG. The investigation is based on a complaint from a competitor. The competitor believes the profit transfer agreement between DB Cargo AG and DB AG as well as certain other measures in favor of DB Cargo AG represents competition-distorting state aid. The purpose of the investigation that has now been initiated is to clarify the issues raised. The EU Commission is expressly conducting the examination without prejudging the outcome. The Federal Republic of Germany and DB Group had already rejected the allegations during the preliminary investigation. In their view, the measures did not in fact contain any state aid.

Intensification of the Ukraine crisis

On February 24, 2022, the Russian Federation's armed forces launched an invasion of Ukraine. The specific effects of the Ukraine crisis on DB Group are currently not fully foreseeable or quantifiable. The effects will include those resulting from sanctions against Russia. In addition, the increase in energy and raw material prices will have an impact on DB Group.

Changes in the Management Board

Mr. Ronald Pofalla (Infrastructure division) is leaving DB AG and terminating his Management Board contract early on April 30, 2022.

(40) EXEMPTION OF SUBSIDIARIES FROM THE DISCLOSURE REQUIRMENTS OF THE GERMAN COMMERCIAL CODE (HGB)

The following subsidiaries intend to utilize the simplification provisions of section 264 (3) and section 264b HGB and to exempt themselves from the disclosure provisions of sections 325 to 329 HGB:

- Autokraft GmbH, Hamburg
- BRN Busverkehr Rhein-Neckar GmbH, Ludwigshafen am Rhein
- BVO Busverkehr Ostwestfalen GmbH, Bielefeld
- BVR Busverkehr Rheinland GmbH, Düsseldorf
- DB Barnsdale AG, Berlin
- DB broadband GmbH, Frankfurt am Main
- DB Cargo BTT GmbH, Mainz
- DB Cargo Eurasia GmbH, Berlin
- DB Cargo Logistics GmbH, Kelsterbach
- DB Cargo Vermögensverwaltungs-Aktiengesellschaft, Mainz
- DB Competition Claims GmbH, Berlin
- DB Dialog GmbH, Berlin
- DB Engineering&Consulting GmbH, Berlin
- DB Gastronomie GmbH, Frankfurt am Main
- DB Intermodal Services GmbH, Mainz
- DB JobService GmbH, Berlin
- DB Kommunikationstechnik GmbH, Eschborn
- DB Projekt Stuttgart–Ulm GmbH, Stuttgart
- DB Regio Bus Bayern GmbH, Ingolstadt
- DB Regio Bus Mitte GmbH, Mainz
- DB Regio Bus Nord GmbH, Hamburg
- DB Regio Bus Ost GmbH, Potsdam
- DB Regionalverkehr Bayern GmbH, Ingolstadt
- DB SEV GmbH, Berlin
- DB Sicherheit GmbH, Berlin
- DB Systel GmbH, Frankfurt am Main
- DB Systemtechnik GmbH, Minden
- DB Vertrieb GmbH, Frankfurt am Main
- DB Zeitarbeit GmbH, Berlin
- Deutsche Bahn Connect GmbH, Frankfurt am Main
- Deutsche Bahn Digital Ventures GmbH, Berlin
- Deutsche Bahn International Operations GmbH, Berlin
- DSD Digitale Schiene Deutschland GmbH, Berlin
- DVA Deutsche Verkehrs-Assekuranz-Vermittlungs-GmbH, Bad Homburg v. d. Höhe
- ELAG Emder Lagerhaus und Automotive GmbH, Emden
- ESE Engineering und Software-Entwicklung GmbH, Brunswick
- EVAG Emder Verkehrs und Automotive Gesellschaft mbH, Emden
- Friedrich Müller Omnibusunternehmen GmbH, Schwäbisch Hall
- Haller Busbetrieb GmbH, Walsrode
- infraView GmbH, Mainz
- ioki GmbH, Frankfurt am Main
- MTS MarkenTechnikService GmbH&Co. KG, Rülzheim
- NVO Nahverkehr Ostwestfalen GmbH, Münster
- Omnibusverkehr Franken GmbH (OVF), Nuremberg
- ORN Omnibusverkehr Rhein-Nahe GmbH, Mainz
- Railway Approvals Germany GmbH, Minden
- RBO Regionalbus Ostbayern GmbH, Regensburg
- Regional Bus Stuttgart GmbH RBS, Stuttgart
- Regionalbus Braunschweig GmbH – RBB –, Hamburg
- Regionalverkehr Alb-Bodensee GmbH (RAB), Ulm
- Regionalverkehr Allgäu GmbH (RVA), Oberstdorf
- Regionalverkehr Oberbayern Gesellschaft mit beschränkter Haftung, Munich
- Regionalverkehre Start Deutschland GmbH, Frankfurt am Main
- RVS Regionalbusverkehr Südwest GmbH, Karlsruhe
- S-Bahn Hamburg Service GmbH, Hamburg
- SBG SüdbadenBus GmbH, Freiburg im Breisgau
- Schenker Aktiengesellschaft, Essen
- Schenker Dedicated Services Germany GmbH, Essen
- Schenker Deutschland AG, Frankfurt am Main
- Schenker Europe GmbH, Frankfurt am Main
- Schenker Flight Services GmbH, Frankfurt am Main
- Schenker Global Management&Services GmbH, Essen
- Schenker GmbH für Beteiligungen, Essen
- Schenker Technik GmbH, Essen
- SIGNON Deutschland GmbH, Berlin
- TFG Transfracht GmbH, Mainz
- TRANSA Spedition GmbH, Offenbach am Main
- UBB Usedomer Bäderbahn GmbH, Heringsdorf
- Verkehrsgesellschaft mbH Untermain – VU –, Aschaffenburg
- WB Westfalen Bus GmbH, Münster
- Weser-Ems Busverkehr GmbH (WEB), Hamburg

(41) LIST OF SHAREHOLDINGS

GRI 102-10 102-45

The list of shareholdings is set out on the following pages.

Breakdown of shareholdings of DB AG

(in accordance with section 313(2) HGB)

SUBSIDIARY / Name and registered office	Currency	Equity (thousand)[1]	Ownership (%)
DB LONG-DISTANCE			
FULLY CONSOLIDATED			
DB Bahn Italia S.r.l., Verona/Italy	EUR	5,550	100.00
DB Fernverkehr Aktiengesellschaft, Frankfurt am Main	EUR	2,626,465	100.00
DB Reise&Touristik Suisse SA, Basel/Switzerland	CHF	-6,421	100.00
AT EQUITY			
Alleo GmbH i. L., Saarbrücken[2),3)]	EUR	449	50.00
Railteam B.V., Amsterdam/the Netherlands[2),3)]	EUR	150	20.00
Rheinalp GmbH, Frankfurt am Main[2),4)]	EUR	297	50.00
DB REGIONAL			
FULLY CONSOLIDATED			
Autokraft GmbH, Hamburg	EUR	27,303	100.00
BRN Busverkehr Rhein-Neckar GmbH, Ludwigshafen am Rhein	EUR	16,112	100.00
Busverkehr Märkisch-Oderland GmbH, Fürstenwalde	EUR	3,512	51.17
Busverkehr Oder-Spree GmbH, Fürstenwalde	EUR	7,980	51.17
BVO Busverkehr Ostwestfalen GmbH, Bielefeld	EUR	13,468	100.00
BVR Busverkehr Rheinland GmbH, Düsseldorf	EUR	9,290	100.00
DB Regio Aktiengesellschaft, Frankfurt am Main	EUR	2,351,889	100.00
DB Regio Bus Bayern GmbH, Ingolstadt	EUR	8,128	100.00
DB Regio Bus Mitte GmbH, Mainz	EUR	55,890	100.00
DB Regio Bus Nord GmbH, Hamburg	EUR	2,321	100.00
DB Regio Bus Ost GmbH, Potsdam	EUR	15,692	100.00
DB Regio Bus Rhein-Mosel GmbH, Montabaur	EUR	-6,743	74.90
DB Regionalverkehr Bayern GmbH, Ingolstadt	EUR	50	100.00
DB RegioNetz Verkehrs GmbH, Frankfurt am Main	EUR	65,001	100.00
DB SEV GmbH, Berlin	EUR	2,123	100.00
Friedrich Müller Omnibusunternehmen GmbH, Schwäbisch Hall	EUR	19,131	100.00
Haller Busbetrieb GmbH, Walsrode	EUR	5,013	100.00
KOB GmbH, Oberthulba	EUR	1,981	70.00
NVO Nahverkehr Ostwestfalen GmbH, Münster	EUR	907	100.00
Omnibusverkehr Franken GmbH (OVF), Nuremberg	EUR	22,800	100.00
ORN Omnibusverkehr Rhein-Nahe GmbH, Mainz	EUR	14,711	100.00
RBO Regionalbus Ostbayern GmbH, Regensburg	EUR	16,273	100.00
Regional Bus Stuttgart GmbH RBS, Stuttgart	EUR	21,864	100.00
Regionalbus Braunschweig GmbH - RBB -, Hamburg	EUR	12,113	100.00
Regionalverkehr Alb-Bodensee GmbH (RAB), Ulm	EUR	30,127	100.00
Regionalverkehr Allgäu GmbH (RVA), Oberstdorf	EUR	5,129	70.00
Regionalverkehr Oberbayern Gesellschaft mit beschränkter Haftung, Munich	EUR	22,993	100.00
Regionalverkehre Start Deutschland GmbH, Frankfurt am Main	EUR	7,087	100.00
rhb rheinhunsrückbus GmbH, Simmern	EUR	105	48.69
RMV Rhein-Mosel Verkehrsgesellschaft mbH, Koblenz	EUR	-6,483	74.90
RVS Regionalbusverkehr Südwest GmbH, Karlsruhe	EUR	21,250	100.00
S-Bahn Berlin GmbH, Berlin	EUR	169,690	100.00
S-Bahn Hamburg GmbH, Hamburg	EUR	150,358	100.00
S-Bahn Hamburg Service GmbH, Hamburg	EUR	19	100.00
SBG SüdbadenBus GmbH, Freiburg im Breisgau	EUR	21,411	100.00
Verkehrsgesellschaft mbH Untermain - VU -, Aschaffenburg	EUR	3,722	100.00
WB Westfalen Bus GmbH, Münster	EUR	12,584	100.00
Weser-Ems Busverkehr GmbH (WEB), Hamburg	EUR	17,527	100.00
AT EQUITY			
"ZOB" Zentral-Omnibus-Bahnhof Gesellschaft mit beschränkter Haftung, Bremen[2),3)]	EUR	25	25.60
Bodensee-Oberschwaben Verkehrsverbund GmbH, Ravensburg[2),4)]	EUR	618	28.02
Connect-Fahrplanauskunft GmbH, Hanover[2),3)]	EUR	239	42.00
Deutschlandtarifverbund-GmbH (DTVG), Frankfurt am Main[4)]	EUR	33	30.66
Filsland Mobilitätsverbund GmbH, Göppingen[2),4)]	EUR	98	20.00
FSN Fahrzeugservice Neunkirchen GmbH, Neunkirchen[2),4)]	EUR	218	47.50
Kahlgrund-Verkehrs-Gesellschaft mit beschränkter Haftung, Schöllkrippen[2),3)]	EUR	9,101	28.00
Kitzinger Nahverkehrsgemeinschaft (KiNG), Kitzingen[2),5)]	EUR	4	50.00
Kreisbahn Aurich GmbH, Aurich[2),4)]	EUR	997	33.33
Niedersachsentarif GmbH, Hanover[2),4)]	EUR	72	12.50
NSH Nahverkehr Schleswig-Holstein GmbH, Kiel[2),4)]	EUR	141	53.59
OstalbMobil GmbH, Aalen[2),4)]	EUR	278	19.65
RBP Regionalbusverkehr Passau Land GmbH, Bad Füssing[2),4)]	EUR	482	33.33
Regio-Verkehrsverbund Freiburg GmbH (RVF), Freiburg im Breisgau[2),4)]	EUR	330	46.55
Saarländische Nahverkehrs-Service GmbH, Saarbrücken[2),4)]	EUR	51	16.67
stadtbus Ravensburg Weingarten GmbH, Ravensburg[2),4)]	EUR	25	39.80
TGO - Tarifverbund Ortenau GmbH, Offenburg[2),4)]	EUR	192	49.00
Verkehrsgemeinschaft am Bayerischen Untermain - VAB GmbH, Aschaffenburg[2),6)]	EUR	25	36.44
Verkehrsgemeinschaft Mittelthüringen GmbH (VMT), Erfurt[2),4)]	EUR	305	11.11
Verkehrsunternehmen Hegau-Bodensee Verbund GmbH (VHB), Konstanz[2),4)]	EUR	30	15.05
Verkehrsunternehmens-Verbund Mainfranken GmbH - VVM, Würzburg[2),4)]	EUR	30	22.04
Verkehrsverbund Großraum Nuremberg GmbH (VGN), Nuremberg[2),4)]	EUR	54	25.93
Verkehrsverbund Neckar-Alb-Donau GmbH (naldo), Hechingen[2),4)]	EUR	440	19.62
Verkehrsverbund Schwarzwald-Baar GmbH (VSB), Villingen-Schwenningen[2),3)]	EUR	215	45.00
Verkehrsverbund Süd-Niedersachsen GmbH (VSN), Göttingen[2),3)]	EUR	138	31.16
VGC Verkehrsgesellschaft Bäderkreis Calw mbH, Calw[2),3)]	EUR	684	32.60
VHN Verkehrsholding Nord GmbH&Co. KG, Schleswig[2),4)]	EUR	720	20.00
VHN Verwaltungsgesellschaft mbH, Schleswig[2),4)]	EUR	580	20.00
WNS Westpfälzische Nahverkehrs-Service GmbH, Kaiserslautern[2),4)]	EUR	231	45.00
WTV Waldshuter Tarifverbund GmbH, Waldshut-Tiengen[2),4)]	EUR	121	40.00
FAIR VALUE			
Regio Verkehrsverbund Lörrach GmbH (RVL), Lörrach[2),4)]	EUR	261	54.00
Verkehrsverbund Rottweil GmbH (VVR), Villingen-Schwenningen[2),7)]	EUR	101	70.20
vgf Verkehrs-Gemeinschaft Landkreis Freudenstadt GmbH, Waldachtal[2),3)]	EUR	227	51.42
VVW Verkehrsverbund Warnow GmbH, Rostock[2),4)]	EUR	27	20.63
DB CARGO			
FULLY CONSOLIDATED			
Compañía Aragonesa de Portacoches S.A., Zaragoza/Spain	EUR	6,858	56.23
Container-Terminal Púchov s.r.o., Púchov/Slovakia	EUR	145	100.00
Corridor Operations DB Cargo B Logistics N.V. i. L., Brussels/Belgium	EUR	1,702	51.00
DB Cargo (UK) Holdings Limited, Doncaster/United Kingdom	GBP	218,043	100.00
DB Cargo (UK) Limited, Doncaster/United Kingdom	GBP	58,696	100.00
DB Cargo Aktiengesellschaft, Mainz	EUR	590,672	100.00
DB Cargo Belgium BV, Antwerp/Belgium	EUR	7,848	100.00
DB Cargo Border Agent Sp. z o. o., Małaszewicze/Poland	PLN	5,709	100.00

SUBSIDIARY / Name and registered office	Currency	Equity (thousand)[1)]	Ownership (%)
DB Cargo BTT GmbH, Mainz	EUR	2,856	100.00
DB Cargo Bulgaria EOOD, Sofia/Bulgaria	BGN	14,566	100.00
DB Cargo Components Limited, Doncaster/United Kingdom	GBP	325	100.00
DB Cargo Czechia s.r.o., Ostrava/Czech Republic	CZK	69,760	100.00
DB Cargo Eurasia GmbH, Berlin	EUR	16,985	100.00
DB Cargo France SAS, Aubervilliers/France	EUR	25,829	100.00
DB Cargo Hungaria Kft., Györ/Hungary	HUF	10,721,252	100.00
DB Cargo Information Services Limited, Doncaster/United Kingdom	GBP	753	100.00
DB Cargo International Limited, Doncaster/United Kingdom	GBP	25,905	100.00
DB Cargo Italia S.r.l., Milan/Italy	EUR	31,191	60.00
DB Cargo Italia Services S.r.l., Milan/Italy	EUR	2,850	100.00
DB Cargo Italy S.r.l., Novate Milanese/Italy	EUR	11,275	100.00
DB Cargo Logistics GmbH, Kelsterbach	EUR	54,734	100.00
DB Cargo Maintenance Limited, Doncaster/United Kingdom	GBP	3,600	100.00
DB Cargo Nederland N.V., Utrecht/the Netherlands	EUR	19,434	100.00
DB Cargo Polska S.A., Zabrze/Poland	PLN	473,589	100.00
DB Cargo Scandinavia A/S, Taastrup/Denmark	DKK	242,545	100.00
DB Cargo Schweiz GmbH, Opfikon/Switzerland	CHF	-1,475	100.00
DB Cargo Services Limited, Doncaster/United Kingdom	GBP	196	100.00
DB Cargo Spedkol Sp. z o.o., Kędzierzyn-Koźle/Poland	PLN	19,059	100.00
DB CARGO TRANSASIA International Freight Forwarding Shanghai Co., Ltd., Shanghai/China	CNY	15,904	100.00
DB Cargo Vermögensverwaltungs-Aktiengesellschaft, Mainz	EUR	50	100.00
DB Intermodal Services GmbH, Mainz	EUR	9,697	100.00
DB PORT SZCZECIN Sp. z o.o., Stettin/Poland	PLN	37,983	96.82
Deutsche Bahn Cargo Romania S.R.L., Bucharest/Romania	RON	-7,040	100.00
Deutsche Bahn Iberica Holding, S.L., Barcelona/Spain	EUR	93,817	100.00
Deutsche TRANSFESA GmbH Internationale Eisenbahn-Spezial-Transporte, Kehl/Rhine	EUR	1,342	70.29
Doker-Port Sp. z o.o., Stettin/Poland	PLN	1,434	96.82
Infra Silesia S.A., Rybnik/Poland	PLN	16,629	100.00
KombiTerminal Burghausen GmbH, Mainz	EUR	1,118	68.86
Locomotive 6667 Ltd, Doncaster/United Kingdom	GBP	138,472	100.00
Locomotive Operating Leasing Partnership, Doncaster/United Kingdom	GBP	113,673	100.00
MDL Distribución y Logistica S.A., Madrid/Spain	EUR	1,424	70.29
Mitteldeutsche Eisenbahn GmbH, Schkopau	EUR	5,226	80.00
New Locomotive Finance Ltd, Doncaster/United Kingdom	GBP	0	100.00
OOO DB Cargo Russija, Moscow/Russia	RUB	280,066	100.00
Pool Ibérico Ferroviario A.I.E., Madrid/Spain	EUR	-995	46.11
Rail Express Systems Ltd, Doncaster/United Kingdom	GBP	18,755	100.00
Rail Service Center Rotterdam B. V., Rotterdam/the Netherlands	EUR	1,800	51.79
Rail Terminal Services Limited, Doncaster/United Kingdom	GBP	935	100.00
RBH Logistics GmbH, Gladbeck	EUR	2,255	100.00
Sociedad de Estudios y Explotacion de Material Auxiliar de Transportes, S.A. ("SEMAT"), Madrid/Spain	EUR	5,439	43.11
TFG Transfracht GmbH, Mainz	EUR	7,258	100.00
Transervi S.A., Madrid/Spain	EUR	7,805	70.29
Transfesa France SAS, Aubervilliers/France	EUR	1,568	70.29
Transfesa Logistics, S.A., Madrid/Spain	EUR	25,807	70.29
Transfesa Portugal Lda., Lisbon/Portugal	EUR	373	70.29
Transfesa UK Ltd., Rainham (Essex)/United Kingdom	GBP	573	70.29
AT EQUITY			
ATN Auto Terminal Neuss GmbH & Co. KG, Neuss[2), 7)]	EUR	6,793	50.00
baymodal Bamberg GmbH, Bamberg[2), 4)]	EUR	872	25.10
CD-DUSS Terminal, a.s., Lovosice/Czech Republic[2), 3)]	CZK	18,130	49.00

SUBSIDIARY / Name and registered office	Currency	Equity (thousand)[1)]	Ownership (%)
Container Terminal Dortmund GmbH, Dortmund[2), 3)]	EUR	5,291	30.88
Container Terminal Enns GmbH, Enns/Austria[2)]	EUR	14,354	49.00
CTS Container-Terminal GmbH Rhein-See-Land-Service, Cologne[2), 4)]	EUR	1,807	22.50
DCH Düsseldorfer Container-Hafen GmbH, Düsseldorf[2), 3)]	EUR	3,693	62.02
Dörpener Umschlaggesellschaft für den kombinierten Verkehr mbH (DUK), Dörpen[2), 4)]	EUR	4,977	35.00
EP Merseburg Transport und Logistik GmbH, Merseburg[2), 4)]	EUR	48	39.20
Hispanauto Empresas Agrupadas A.E.I.E.©, Madrid/Spain[3)]	EUR	952	52.76
INTERCONTAINER - INTERFRIGO SA i. L., Sint-Agatha-Berchem/Belgium[2), 3)]	EUR	-21,778	36.77
Kombiverkehr Deutsche Gesellschaft für kombinierten Güterverkehr mbH & Co. Kommanditgesellschaft, Frankfurt am Main[2), 4)]	EUR	18,451	52.18
Lokomotion Gesellschaft für Schienentraktion mbH, Munich[2), 4)]	EUR	13,526	41.78
Mediterranean Hub Monfalcone S.r.l., Monfalcone/Italy[2), 3)]	EUR	11	49.00
OPTIMODAL NEDERLAND B.V., Rotterdam/the Netherlands[2), 3)]	EUR	477	63.42
PKV Planungsgesellschaft kombinierter Verkehr Duisburg mbH, Duisburg[2), 4)]	EUR	1,911	76.09
SLASKIE CENTRUM LOGISTYKI S.A., Gliwice/Poland[2), 4)]	PLN	53,940	20.55
Stifa S.A. i.L., Malveira/Portugal[4), 8)]	EUR	-85	35.15
Terminal Singen TSG GmbH, Singen[2), 4)]	EUR	399	52.41
Xrail AG, Basel City/Switzerland[2), 4)]	CHF	717	36.80
DB NETZE TRACK			
FULLY CONSOLIDATED			
DB broadband GmbH, Frankfurt am Main	EUR	5,378	100.00
DB Fahrwegdienste GmbH, Berlin	EUR	2,615	100.00
DB Netz Aktiengesellschaft, Frankfurt am Main	EUR	10,198,539	100.00
DB RegioNetz Infrastruktur GmbH, Frankfurt am Main	EUR	3,579	100.00
Deutsche Umschlaggesellschaft Schiene - Straße (DUSS) mbH, Bodenheim	EUR	1,806	94.02
DSD Digitale Schiene Deutschland GmbH, Berlin	EUR	25	100.00
MegaHub Lehrte Betreibergesellschaft mbH, Bodenheim	EUR	907	87.05
SIGNON Deutschland GmbH, Berlin	EUR	22,963	100.00
AT EQUITY			
BahnflächenEntwicklungsGesellschaft NRW mbH, Essen[2), 3)]	EUR	513	49.90
EEIG Corridor Rhine - Alpine EWIV, Frankfurt am Main[2), 9)]	EUR	0	25.00
EWIV Atlantic Corridor, Bordeaux/France[2), 7)]	EUR	0	25.00
Güterverkehrszentrum Entwicklungsgesellschaft Dresden mbH, Dresden[2), 4)]	EUR	4,836	24.53
TKN Terminal Köln-Nord GmbH, Cologne[2), 10)]	EUR	6	57.55
TriCon Container-Terminal Nürnberg GmbH, Nuremberg[2), 4)]	EUR	2,908	36.55
DB NETZE STATIONS			
FULLY CONSOLIDATED			
DB BahnPark GmbH, Berlin	EUR	8,690	51.00
DB Station & Service Aktiengesellschaft, Berlin	EUR	2,558,453	100.00
MEKB GmbH, Berlin	EUR	32	100.00
AT EQUITY			
Clever Order Services GmbH, Berlin[2), 7), 8)]	EUR	200	25.00
DB NETZE ENERGY			
FULLY CONSOLIDATED			
DB Energie GmbH, Frankfurt am Main	EUR	434,436	100.00
OTHER SUBSIDIARIES			
FULLY CONSOLIDATED			
Arriva Holding N.V., Amsterdam/the Netherlands	EUR	45	100.00
Arriva Investments Limited, Sunderland/United Kingdom	GBP	511,333	100.00
BAX Global Inc., Norfolk/USA	USD	85,465	100.00

SUBSIDIARY / Name and registered office	Currency	Equity (thousand)[1]	Ownership (%)
DB Bahnbau Gruppe GmbH, Berlin	EUR	34,220	100.00
DB Barnsdale AG, Berlin	EUR	6,636	100.00
DB Competition Claims GmbH, Berlin	EUR	18,125	100.00
DB Dialog GmbH, Berlin	EUR	1,166	100.00
DB E.C.O. North America Inc., Wilmington/NC/Delaware/USA	USD	-235	100.00
DB Engineering&Consulting GmbH, Berlin	EUR	76,812	100.00
DB Fahrzeuginstandhaltung GmbH, Frankfurt am Main	EUR	245,749	100.00
DB Gastronomie GmbH, Frankfurt am Main	EUR	11,615	100.00
DB International (Beijing) Co., Ltd., Beijing/China	CNY	-85	100.00
DB International Brasil Servicos de Consultoria Ltda., Rio de Janeiro/Brazil	BRL	0	100.00
DB JobService GmbH, Berlin	EUR	-2,244	100.00
DB Kommunikationstechnik GmbH, Eschborn	EUR	3,012	100.00
DB Projekt Stuttgart-Ulm GmbH, Stuttgart	EUR	2,342	100.00
DB Services GmbH, Berlin	EUR	11,706	100.00
DB Sicherheit GmbH, Berlin	EUR	2,090	100.00
DB Systel GmbH, Frankfurt am Main	EUR	82,799	100.00
DB Systel UK Limited, Doncaster/United Kingdom	GBP	1,198	100.00
DB Systemtechnik GmbH, Minden	EUR	13,942	100.00
DB US Corporation, Tarrytown/USA	USD	463,383	100.00
DB US Holding Corporation, Tarrytown/USA	USD	471,955	100.00
DB Vertrieb GmbH, Frankfurt am Main	EUR	95,096	100.00
DB Zeitarbeit GmbH, Berlin	EUR	-199	100.00
Deutsche Bahn Connect GmbH, Frankfurt am Main	EUR	88,276	100.00
Deutsche Bahn Digital Ventures GmbH, Berlin	EUR	27,786	100.00
Deutsche Bahn Engineering&Consulting India Private Limited, Bangalore/India	INR	69,439	100.00
Deutsche Bahn Finance GmbH, Berlin	EUR	2,071,967	100.00
Deutsche Bahn International Operations GmbH, Berlin	EUR	2,688	100.00
Deutsche Bahn Stiftung gGmbH, Berlin	EUR	4,338	100.00
DVA Deutsche Verkehrs-Assekuranz-Vermittlungs-GmbH, Bad Homburg v. d. Höhe	EUR	2,163	65.00
DVA REINSURANCE DESIGNATED ACTIVITY COMPANY, Dublin/Ireland	EUR	4,894	65.00
Engineering Support Group Ltd, Doncaster/United Kingdom	GBP	-446	100.00
ESE Engineering und Software-Entwicklung GmbH, Braunschweig	EUR	20,431	100.00
infraView GmbH, Mainz	EUR	2,131	100.00
Innovationszentrum für Mobilität und gesellschaftlichen Wandel (InnoZ) GmbH i. L., Berlin	EUR	-2,356	76.99
ioki GmbH, Frankfurt am Main	EUR	12,342	100.00
Liropa S.A., Montevideo/Uruguay	USD	426	49.00
Mobimeo GmbH, Berlin	EUR	25,904	80.00
Precision National Plating Services, Inc., Delaware/USA	USD	-28,363	100.00
Railway Approvals Germany GmbH, Minden	EUR	194	100.00
Railway Approvals Ltd, Doncaster/United Kingdom	GBP	272	100.00
Schenker (BAX) Holding Corp., Delaware/USA	USD	92,179	100.00
Thelo DB (Pty) Ltd., Johannesburg/South Africa	ZAR	7,589	49.00
UBB Polska Sp.z o.o., Swinemünde/Poland	PLN	1,637	100.00
UBB Usedomer Bäderbahn GmbH, Heringsdorf	EUR	9,457	100.00
PRO RATA			
Etihad Rail DB Operations LLC, Abu Dhabi/United Arab Emirates	AED	147	49.00
AT EQUITY			
BwFuhrparkService GmbH, Troisdorf[2),4)]	EUR	976,421	24.90
EUROFIMA European Company for the Financing of Railroad Rolling Stock, Basel/Switzerland[4)]	EUR	1,547,995	22.60
GHT Mobility GmbH, Berlin[2),4)]	EUR	-37,356	75.98
inno2grid GmbH, Berlin[2),4)]	EUR	231	50.00
Mobility inside Holding GmbH&Co. KG, Frankfurt am Main[4)]	EUR	3,608	20.51
Mobility inside Verwaltungs GmbH, Frankfurt am Main[2),4)]	EUR	50	20.02

SUBSIDIARY / Name and registered office	Currency	Equity (thousand)[1]	Ownership (%)
Rail Technology Company Limited, Jeddah/Saudi Arabia[2),3)]	SAR	1,252	24.90
SSG Saar-Service GmbH, Saarbrücken[2),3)]	EUR	1,719	25.50
Stinnes Holz GmbH, Berlin[2),3)]	EUR	165	53.00
FAIR VALUE			
Eurail B.V., Utrecht/the Netherlands[2),3)]	EUR	3,683	28.72
Eurail Group G.I.E., Luxembourg/Luxembourg[2),3)]	EUR	3,615	24.47
TREMA Grundstücks-Vermietungsgesellschaft mbH&Co. Objekt Bahnhöfe West KG, Berlin[2),4)]	EUR	4,221	94.00
TRENTO Grundstücks-Vermietungsgesellschaft mbH&Co. Objekt Bahnhöfe Ost KG i. L., Düsseldorf[2),4)]	EUR	0	100.00
DB ARRIVA			
FULLY CONSOLIDATED			
00741078 Limited, Sunderland/United Kingdom	GBP	524	100.00
ACTIJOVEN CONSULTING&TRAVELLING s.l., Madrid/Spain	EUR	93	100.00
Alliance Rail Holdings Ltd, Sunderland/United Kingdom	GBP	0	100.00
Ambuline Limited, Sunderland/United Kingdom	GBP	1,346	100.00
APS (Leasing) Ltd, Sunderland/United Kingdom	GBP	79	100.00
Arriva ABC GP Limited, Edinburgh/United Kingdom	GBP	0	100.00
Arriva ABC Scottish Limited Partnership, Edinburgh/United Kingdom	GBP	-97	100.00
ARRIVA autobusy a.s., Chrudim/Czech Republic	CZK	493,916	100.00
Arriva Bus&Coach Holdings Limited, Sunderland/United Kingdom	GBP	0	100.00
Arriva Bus&Coach Ltd, Sunderland/United Kingdom	GBP	0	100.00
Arriva Bus Abu Dhabi Limited, Sunderland/United Kingdom	GBP	0	100.00
Arriva Bus Transport Polska Sp. z o.o., Toruń/Poland	PLN	-57,118	99.80
Arriva City s.r.o., Prague/Czech Republic	CZK	516,586	100.00
Arriva Cymru Limited, Sunderland/United Kingdom	GBP	16,343	100.00
Arriva Danmark A/S, Kastrup/Denmark	DKK	166,644	100.00
Arriva Dolenjska in Primorska, druzba za prevoz potnikov, d.o.o., Koper/Slovenia	EUR	14,621	99.95
Arriva Durham County Limited, Sunderland/United Kingdom	GBP	28,756	100.00
Arriva East Herts&Essex Ltd, Sunderland/United Kingdom	GBP	0	100.00
Arriva Finance Lease Limited, Sunderland/United Kingdom	GBP	1,570	100.00
Arriva Galicia S.L., Ferrol/Spain	EUR	21,809	100.00
Arriva Hrvatska d.o.o., Osijek/Croatia	HRK	270,686	100.00
Arriva Hungary Zrt., Budapest/Hungary	HUF	39,939,564	100.00
Arriva Insurance A/S, Kastrup/Denmark	DKK	63,151	100.00
Arriva Insurance Company (Gibraltar) Limited, Gibraltar/Gibraltar	GBP	4,229	100.00
Arriva International (Northern Europe) Limited, Sunderland/United Kingdom	EUR	60	100.00
Arriva International (Southern Europe) Limited, Sunderland/United Kingdom	EUR	60	100.00
Arriva International Limited, Sunderland/United Kingdom	EUR	1,173,523	100.00
Arriva International Trains (Leasing) Limited, Sunderland/United Kingdom	EUR	133	100.00
ARRIVA INVESTIMENTOS SGPS, SA, Almada/Portugal	EUR	131,138	100.00
Arriva Italia Rail S.R.L., Milan/Italy	EUR	1,029	100.00
Arriva Italia s.r.l., Milan/Italy	EUR	234,365	100.00
Arriva Kent&Surrey Limited, Sunderland/United Kingdom	GBP	3,279	100.00
Arriva Kent Thameside Limited, Sunderland/United Kingdom	GBP	18,719	100.00
Arriva Letbane ApS, Kastrup/Denmark	DKK	469	100.00
ARRIVA Liorbus, a. s., Ružomberok/Slovakia	EUR	12,853	60.42
ARRIVA LISBOA TRANSPORTES SA, Almada/Portugal	EUR	47	100.00

SUBSIDIARY / Name and registered office	Currency	Equity (thousand)[1]	Ownership (%)
Arriva LITAS d.o.o. Požarevac, Požarevac/Serbia	RSD	853,889	100.00
ARRIVA LONDON NORTH LTD, Sunderland/United Kingdom	GBP	17,544	100.00
Arriva London Pension Scheme Trustee Limited, Sunderland/United Kingdom	GBP	0	100.00
ARRIVA LONDON SOUTH LTD, Sunderland/United Kingdom	GBP	82,611	100.00
ARRIVA MADRID MOVILIDAD S.L., Madrid/Spain	EUR	38,385	100.00
Arriva Manchester Limited, Sunderland/United Kingdom	GBP	0	100.00
Arriva Merseyside Limited, Sunderland/United Kingdom	GBP	60,238	100.00
ARRIVA METROPOLITANA S.L., Paseo de la Estacion/Spain	EUR	160	100.00
ARRIVA Michalovce, a.s., Michalovce/Slovakia	EUR	5,056	60.14
Arriva Midlands Limited, Sunderland/United Kingdom	GBP	18,606	100.00
Arriva Midlands North Limited, Sunderland/United Kingdom	GBP	6,572	100.00
Arriva Mobility Solutions, s.r.o., Bratislava/Slovakia	EUR	- 2,792	100.00
Arriva Morava a.s., Ostrava/Czech Republic	CZK	1,081,022	100.00
Arriva Motor Holdings Limited, Sunderland/United Kingdom	GBP	97,345	100.00
Arriva Multimodaal BV, Heerenveen/the Netherlands	EUR	18	100.00
ARRIVA NITRA a.s., Nitra/Slovakia	EUR	- 866	60.48
Arriva North East Limited, Sunderland/United Kingdom	GBP	6,319	100.00
Arriva North West Limited, Sunderland/United Kingdom	GBP	3,725	100.00
Arriva Northumbria Limited, Sunderland/United Kingdom	GBP	11,424	100.00
ARRIVA Nove Zamky, a.s., Nove Zamky/Slovakia	EUR	12,467	60.36
Arriva Östgötapendeln AB, Nacka/Sweden	SEK	18,916	100.00
Arriva Passenger Services Pension Trustees Limited, Sunderland/United Kingdom	GBP	0	100.00
Arriva Personenvervoer Nederland BV, Heerenveen/the Netherlands	EUR	327,503	100.00
Arriva plc, Sunderland/United Kingdom	GBP	925,051	100.00
Arriva Polska Sp. z o.o., Warsaw/Poland	PLN	9,323	100.00
ARRIVA PORTUGAL – TRANSPORTES LDA, Guimaraes/Portugal	EUR	3,132	100.00
Arriva Rail East Midlands Limited, Sunderland/United Kingdom	GBP	0	100.00
Arriva Rail London Limited, Sunderland/United Kingdom	GBP	31,409	100.00
Arriva Rail North Limited, Sunderland/United Kingdom	GBP	- 61,962	100.00
Arriva Rail XC Limited, Sunderland/United Kingdom	GBP	0	100.00
Arriva RP Sp. z o.o., Toruń/Poland	PLN	58,091	100.00
Arriva Scotland West Limited, Glasgow/United Kingdom	GBP	2,267	100.00
Arriva Service A/S, Kastrup/Denmark	DKK	2,707	100.00
Arriva Service AB, Stockholm/Sweden	SEK	3,576	100.00
Arriva Service s.r.o., Komárno/Slovakia	EUR	9,809	100.00
Arriva Services a.s., Králův Dvůr/Czech Republic	CZK	62,077	100.00
ARRIVA Slovakia a.s., Nitra/Slovakia	EUR	17,363	100.00
Arriva South Eastern Rail Limited, Sunderland/United Kingdom	GBP	0	100.00
ARRIVA SPAIN HOLDING, S.L., Madrid/Spain	EUR	59,848	100.00
Arriva Spain Rail S.A., Madrid/Spain	EUR	144	100.00
Arriva Středni Čechy s.r.o., Kosmonosy/Czech Republic	CZK	832,147	100.00
Arriva Sverige AB, Nacka/Sweden	SEK	213,143	100.00
Arriva Tag AB, Nacka/Sweden	SEK	5,225	100.00
Arriva Techniek BV, Heerenveen/the Netherlands	EUR	1,229	100.00
Arriva the Shires Limited, Sunderland/United Kingdom	GBP	11,949	100.00
Arriva Tog A/S, Kastrup/Denmark	DKK	73,624	100.00

SUBSIDIARY / Name and registered office	Currency	Equity (thousand)[1]	Ownership (%)
Arriva Touring BV, Heerenveen/the Netherlands	EUR	3,325	100.00
Arriva Trains Holdings Limited, Sunderland/United Kingdom	GBP	112,426	100.00
Arriva Trains Romania SRL, Bucharest/Romania	RON	19,342	100.00
Arriva Trains Wales/Trenau Arriva Cymru Limited, Sunderland/United Kingdom	GBP	7,216	100.00
Arriva Transport Česká Republika a.s., Prague/Czech Republic	CZK	3,626,841	100.00
Arriva Transport Solutions Limited, Sunderland/United Kingdom	GBP	- 643	100.00
ARRIVA TRANSPORTES DA MARGEM SUL SA, Almada/Portugal	EUR	115,623	100.00
ARRIVA Trnava, a. s., Trnava/Slovakia	EUR	15,734	60.50
Arriva Trustee Company Limited, Sunderland/United Kingdom	GBP	0	100.00
Arriva Udine S.P.A., Udine/Italy	EUR	85,029	60.00
Arriva UK Bus Holdings Limited, Sunderland/United Kingdom	GBP	421,188	100.00
Arriva UK Bus Investments Limited, Sunderland/United Kingdom	GBP	81,800	100.00
Arriva UK Bus Limited, Sunderland/United Kingdom	GBP	4,552	100.00
Arriva UK Bus Properties Limited, Sunderland/United Kingdom	GBP	1,480	100.00
Arriva UK Trains Limited, Sunderland/United Kingdom	GBP	246,163	100.00
Arriva Veneto S.r.l., Venice/Italy	EUR	611	50.00
ARRIVA VIAJES AGENCIA OPERADORA S.L., Madrid/Spain	EUR	338	100.00
Arriva vlaky s.r.o., Prague/Czech Republic	CZK	354,720	100.00
Arriva Yorkshire Ltd, Sunderland/United Kingdom	GBP	25,264	100.00
Arriva, druzba za prevoz potnikov, d.o.o., Kranj/Slovenia	EUR	49,544	100.00
ArrivaBus Kft., Székesfehérvár/Hungary	HUF	28,931,725	99.00
At Seat Catering (2003) Limited, Sunderland/United Kingdom	GBP	0	100.00
Autobusni kolodovr d.o.o. Karlovac, Karlovac/Croatia	HRK	5,387	68.06
Autocares Mallorca, s.l., Alcudia/Spain	EUR	3,212	100.00
Autoprometno poduzece d.d. Požega, Požega/Croatia	HRK	72,166	66.02
Autos Carballo, S.L., Paseo de la Estacion/Spain	EUR	5,889	100.00
Autotrans d.d., Cres/Croatia	HRK	70,367	73.18
Autotrans Lika d.d., Otočac/Croatia	HRK	2,491	58.14
Bergamo Trasporti Est S.c.a.r.l., Bergamo/Italy	EUR	10	93.67
Botniatag AB, Umeå/Sweden	SEK	407	60.00
Bus Nort Balear s.l., Alcudia/Spain	EUR	238	100.00
BUS Service Járműjavító es Szolgáltató Kft., Budapest/Hungary	HUF	3,128,529	99.00
Busdan 32.1 A/S, Kastrup/Denmark	DKK	39,218	100.00
BUSDAN 35 ApS, Kastrup/Denmark	DKK	96,061	100.00
BUSDAN 37 ApS, Kastrup/Denmark	DKK	199,187	100.00
BUSDAN 38 ApS, Kastrup/Denmark	DKK	45,429	100.00
BUSDAN 39 ApS, Kastrup/Denmark	DKK	25,761	100.00
BUSDAN 40 ApS, Kastrup/Denmark	DKK	47,987	100.00
BUSDAN 42 ApS, Kastrup/Denmark	DKK	13,143	100.00
Centrebus Holdings Limited, Sunderland/United Kingdom	GBP	308	100.00
Classic Coaches (Continental) Limited, Sunderland/United Kingdom	GBP	0	100.00
CSAD MHD Kladno a.s., Kladno/Czech Republic	CZK	277,422	100.00
DB Regio Tyne and Wear Limited, Sunderland/United Kingdom	GBP	- 1,251	100.00
EMPRESA DE BLAS Y COMPANIA S.A., Madrid/Spain	EUR	53,021	100.00
ESFERA BUS S.L., Madrid/Spain	EUR	283	100.00
Estacion de autobuses de Ferrol S.A., Ferrol/Spain	EUR	402	80.14
Grand Central Railway Company Limited, Sunderland/United Kingdom	GBP	- 39,789	100.00

SUBSIDIARY / Name and registered office	Currency	Equity (thousand)[1)]	Ownership (%)
Great North Eastern Railway Company Limited, Sunderland / United Kingdom	GBP	0	100.00
Great North Western Railway Company Ltd, Sunderland / United Kingdom	GBP	0	100.00
Greenline Travel Ltd, Sunderland / United Kingdom	GBP	8	100.00
INTEGRAL AVTO prodaja, servisi in tehnični pregledi vozil d.o.o., Jesenice / Slovenia	EUR	3,318	100.00
KD SERVIS a.s., Kladno / Czech Republic	CZK	64,258	100.00
London and North Western Railway Company Limited, Sunderland / United Kingdom	GBP	14,953	100.00
M40 Trains Limited, Sunderland / United Kingdom	GBP	78,323	100.00
MTL Services Limited, Sunderland / United Kingdom	GBP	115,974	100.00
NETOSEC S.L., Madrid / Spain	EUR	30	100.00
NV Personeel de Noord-Westhoek, Heerenveen / the Netherlands	EUR	421	100.00
Panturist dioničko društvo za prijevoz putnika i turizam d.d., Osijek / Croatia	HRK	3,390	99.88
Premier Buses Ltd, Sunderland / United Kingdom	GBP	2,000	100.00
SAD INVEST, s.r.o., Trnava / Slovakia	EUR	1,245	60.50
Stevensons of Uttoxeter Limited, Sunderland / United Kingdom	GBP	-2	100.00
Teamdeck Limited, Sunderland / United Kingdom	GBP	0	100.00
TGM (Holdings) Limited, Sunderland / United Kingdom	GBP	0	100.00
TGM Group Limited, Sunderland / United Kingdom	GBP	1,189	100.00
The Chiltern Railway Company Limited, Sunderland / United Kingdom	GBP	26,652	100.00
Transcare Solutions Limited, Sunderland / United Kingdom	GBP	1,012	100.00
Transportes Sul do Tejo S.A., Almada / Portugal	EUR	7,091	100.00
TRANSURBANOS DE GUIMARAES TP, LDA, Guimaraes / Portugal	EUR	2,052	100.00
Trasporti Brescia Nord S.c.a.r.l., Brescia / Italy	EUR	200	92.00
Trasporti Brescia Sud S.c.a.r.l., Brescia / Italy	EUR	100	93.00
TUF-TRANSPORTES URBANOS DE FAMALICAO, LDA, Vila Nova de Famalicao / Portugal	EUR	-6	66.67
UCPLUS A/S, Kastrup / Denmark	DKK	6,276	100.00
Velebit Turist d.o.o., Gospić / Croatia	HRK	-954	73.18
White Rose Bus Company Limited, Sunderland / United Kingdom	GBP	0	100.00
XC Trains Limited, Sunderland / United Kingdom	GBP	35,998	100.00
Yorkshire Tiger Limited, Sunderland / United Kingdom	GBP	2,496	100.00
Zeta Automotive Limited, Bicester / United Kingdom	GBP	56	100.00
AT EQUITY			
AB Busspunkten Helsingborg, Helsingborg / Sweden [2),3)]	SEK	633	24.00
Aquabus BV, Heerenveen / the Netherlands [2),4)]	EUR	5,291	50.00
ATOC Limited, London / United Kingdom [2),4)]	GBP	-16,961	23.81
Autopromet d.d. Slunj, Slunj / Croatia [2),4)]	HRK	7,635	20.37
Barraqueiro SGPS SA, Lisbon / Portugal [4)]	EUR	90,746	31.50
Bergamo Trasporti Ovest S.c.a.r.l., Bergamo / Italy [2),3)]	EUR	10	65.76
Bergamo Trasporti Sud Scarl, Bergamo / Italy [2),3)]	EUR	10	25.57
Estacion Autobuses de Pobra, Ferrol / Spain [2),6)]	EUR	3	33.33
Explotacion Gasoleos de la Coruna, s.l., Ferrol / Spain [2),3)]	EUR	177	40.00
EXTRA.TO S.c.a.r.l., Turin / Italy [2),4)]	EUR	115	30.01
Intercambiador de Transportes Principe PIO S.A., Madrid / Spain [2),4)]	EUR	13,816	30.00
Lecco Trasporti S.c.a.r.l., Lecco / Italy [2),3)]	EUR	10	58.73
London Overground Rail Operations Limited, London / United Kingdom [2),4),8)]	GBP	894	50.00
NRES Limited, London / United Kingdom [2),4)]	GBP	71	20.00
Omnibus partecipazioni S.R.L., Milan / Italy [4),8)]	EUR	9,861	50.00
Rail Settlement Plan Limited, London / United Kingdom [2),4)]	GBP	-567	20.00

SUBSIDIARY / Name and registered office	Currency	Equity (thousand)[1)]	Ownership (%)
Rail Staff Travel Limited, London / United Kingdom [2),4)]	GBP	-2,208	20.00
S.I.T. VALLEE SOC. CONS. AR.L., CHARVENSOD (AO) / Italy [2),4)]	EUR	56	33.33
S.T.I. Servizi Trasporti Interregionali SpA, Pordenone / Italy [2),4)]	EUR	928	9.81
TPL FVG Scarl s.r.l., Gorizia / Italy [2),4)]	EUR	125	24.98
Train Information Services Limited, London / United Kingdom [2),4)]	GBP	-15	20.00
Trieste Trasporti S.P.A., Trieste / Italy [3)]	EUR	63,060	39.94
Viajeros del Eo, Ferrol / Spain [2),3)]	EUR	2	50.00
West Yorkshire Ticketing Company Limited, Altrincham / United Kingdom [2),3)]	GBP	0	42.47
WSMR (Holdings) Limited, London / United Kingdom [2),9)]	GBP	0	50.00
DB SCHENKER			
FULLY CONSOLIDATED			
Air Terminal Handling SAS, Tremblay en France / France	EUR	1,674	100.00
Almoayed Schenker W.L.L., Manama / Bahrain [11)]	BHD	895	49.00
Anterist+Schneider Zeebrugge BVBA, Zeebrugge / Belgium	EUR	1,723	100.00
AO Schenker, Moscow / Russia	RUB	-268,954	100.00
AS Schenker, Tallinn / Estonia	EUR	7,623	100.00
ASIMEX Anterist + Schneider Import- Export SAS, Stiring-Wendel / France	EUR	1,845	100.00
ATLANTIQUE EXPRESS SAS, Montaigu Cedex / France	EUR	1,142	100.00
BAX Global (Pty) Ltd., Johannesburg / South Africa	ZAR	1,273	86.75
Bischof Gesellschaft mbH., Vienna / Austria	EUR	71	100.00
BTL Reinsurance S.A., Luxembourg / Luxembourg	SEK	37,653	100.00
Cartrend GmbH, Karlsruhe	EUR	30	69.00
DB France Holding SAS, Gennevilliers Cedex / France	EUR	277,929	100.00
DB Schenker (Cambodia) Limited, Phnom Penh / Cambodia	USD	2,281	100.00
DB Schenker FLLC, Minsk / Belarus	BYN	718	100.00
DB Schenker GBS Bucharest S.R.L., Bucharest / Romania	RON	27,823	100.00
DB Schenker Global Services Asia Pacific Inc., Taguig City / Philippines	PHP	528,778	99.94
DB Schenker Logistics Campus MEA (Pty) Ltd., Kempton Park / South Africa [11)]	ZAR	63,150	47.00
DB Schenker, Kiev / Ukraine	UAH	-38,314	100.00
ELAG Emder Lagerhaus und Automotive GmbH, Emden	EUR	827	100.00
Engelberg Transportes Internacionales C.A. (Entra), Caracas / Venezuela	VES	8,707	100.00
EVAG Emder Verkehrs und Automotive Gesellschaft mbH, Emden	EUR	5,078	100.00
EVB Handelshaus Bour GmbH, Landau in der Pfalz	EUR	25	69.00
Fastighets Aktiebolaget Orbyn, Gothenburg / Sweden	SEK	7,414	100.00
HANGARTNER Terminal S.r.l., Verona / Italy	EUR	2,649	100.00
Intertec Asia Limited, Hong Kong / China	HKD	8,884	69.00
Intertec Beteiligungs-GmbH, Landau in der Pfalz	EUR	32,850	69.00
Intertec GmbH, Landau in der Pfalz	EUR	29	69.00
INTERTEC Polska Sp.zo.o., Nardarzyn / Poland	PLN	3,555	69.00
Inter-Union Technohandel Gesellschaft m.b.H., Vienna / Austria	EUR	17	69.00
Inter-Union Technohandel GmbH, Landau in der Pfalz	EUR	26	69.00
Intreprinderea Mixta "S.C. Schenker" S.R.L., Chisinau / Moldova	MDL	3,414	96.75
Karpeles Freight Services, Inc., Chesapeake / USA	USD	-711	100.00
KB Ädelgasen 1-Jönköping, Jönköping / Sweden	SEK	85,994	100.00
KB Älghunden Jönköping, Jönköping / Sweden	SEK	16,863	100.00
KB Arbetsbasen 4-Stockholm, Stockholm / Sweden	SEK	32,675	100.00
KB Ättehögen Östra 1-Helsingborg, Helsingborg / Sweden	SEK	68,592	100.00

SUBSIDIARY / Name and registered office	Currency	Equity (thousand)[1)]	Ownership (%)
KB Backa 107:3, Gothenburg / Sweden	SEK	129,765	100.00
KB Baggböle 2:35 -Umeå, Umeå / Sweden	SEK	24,962	100.00
KB Benkammen 12 -Malmö, Malmö / Sweden	SEK	132,136	100.00
KB Bleket 1 -Karlstad, Karlstad / Sweden	SEK	49,155	100.00
KB Distributören 3 och 4 -Örebro, Örebro / Sweden	SEK	80,397	100.00
KB Forsmark 2 -Stockholm, Stockholm / Sweden	SEK	53,116	100.00
KB Forsmark 3 -Stockholm, Stockholm / Sweden	SEK	174,822	100.00
KB Forsmark 5 Stockholm, Gothenburg / Sweden	SEK	555	100.00
KB Frysen 1 Visby, Visby / Sweden	SEK	12,594	100.00
KB Fryshuset 3-Visby, Visby / Sweden	SEK	1,029	100.00
KB Köpmannen 10 -Västerås, Västerås / Sweden	SEK	34,712	100.00
KB Langtradaren 2 Borlänge, Borlänge / Sweden	SEK	34,856	100.00
KB Lertaget 1, Skara, Skara / Sweden	SEK	43,700	100.00
KB Malmö Hamnen 22 Malmö, Malmö / Sweden	SEK	58,221	100.00
KB Maskinen 3 -Linköping, Linköping / Sweden	SEK	66,006	100.00
KB Önnestad 108:4 -Kristianstad, Kristianstad / Sweden	SEK	41,909	100.00
KB Överön 1:66 -Örnsköldsvik, Örnsköldsvik / Sweden	SEK	9,659	100.00
KB Pantern 1 -Växjö, Växjö / Sweden	SEK	37,669	100.00
KB Reläet 8 -Norrköping, Norrköping / Sweden	SEK	25,471	100.00
KB Sörby 24:3 -Gävle, Gävle / Sweden	SEK	37,548	100.00
KB Storheden 1:8 -Luleå, Luleå / Sweden	SEK	30,924	100.00
KB Transporten 1 -Hultsfred, Hultsfred / Sweden	SEK	18,447	100.00
KB Transportören 1 -Värnamo, Värnamo / Sweden	SEK	87,005	100.00
KB Tveta-Valsta 4:5 Södertälje, Stockholm / Sweden	SEK	9,106	100.00
KB Vindtrycket 1 -Borås, Borås / Sweden	SEK	63,764	100.00
KB Vivstamon 1:13 -Timrå, Timrå / Sweden	SEK	45,801	100.00
Kiinteistö Oy Seinäjoen Kiitolinja-asema, Seinäjoki / Finland	EUR	925	100.00
Kiinteistö Oy Tampereen Rahtiasema, Tampere / Finland	EUR	1,901	100.00
Kiinteistö Oy Tir-Trans, Joentaustankatu / Finland	EUR	1,341	100.00
Kiinteistö Oy Turun Nosturinkatu 6, Turku / Finland	EUR	661	100.00
Kiitoterminaali Oy, Oulu / Finland	EUR	625	100.00
Langtradaren i Jämtland AB, Gothenburg / Sweden	SEK	10,591	100.00
Lauri Vähälä Oy, Oulu / Finland	EUR	5,504	100.00
Loserco Andalucia, S.L., Cordoba / Spain	EUR	1,085	100.00
Loserco Logistica y Servicios de Cordoba, S.L., Cordoba / Spain	EUR	2,527	100.00
Loserco Malaga, S.L., Cordoba / Spain	EUR	975	100.00
Luxemburger Transport Logistik Diekirch S.A., Wilwerdange / Luxembourg	EUR	1,850	100.00
MTS HandelService GmbH, Landau in der Pfalz	EUR	26	69.00
MTS MarkenTechnikService GmbH & Co. KG, Rülzheim	EUR	61,171	69.00
MTS MarkenTechnikService Verwaltungs-GmbH, Rülzheim	EUR	146	69.00
PT. Schenker Petrolog Utama, Jakarta / Indonesia	USD	25,342	71.00
Redhead Freight Limited, Hounslow / United Kingdom	GBP	-3,378	100.00
Redhead Holdings Limited, Hounslow / United Kingdom	GBP	1,148	100.00
Rengaslinja Oy, Nokia / Finland	EUR	678	100.00
SCHENKER & CO AG, Vienna / Austria	EUR	141,714	100.00
Schenker (Asia Pacific) Pte. Ltd., Singapore / Singapore	SGD	807,820	100.00
Schenker (H.K.) Ltd., Hong Kong / China	HKD	574,448	100.00
Schenker (Ireland) Ltd., Shannon / Ireland	EUR	55,650	100.00
Schenker (L.L.C), Dubai / United Arab Emirates [11)]	AED	205,721	49.00
Schenker (Lao) Sole Co., Ltd., Vientiane / Laos	LAK	609,469	100.00
Schenker (NZ) Limited, Auckland / New Zealand	NZD	7,183	100.00
Schenker (Thai) Holdings Ltd., Bangkok / Thailand [11)]	THB	446,881	49.00
Schenker (Thai) Ltd., Bangkok / Thailand	THB	1,851,686	49.00
Schenker A.E., Athens / Greece	EUR	2,007	100.00
Schenker A/S, Hvidovre / Denmark	DKK	149,769	100.00

SUBSIDIARY / Name and registered office	Currency	Equity (thousand)[1)]	Ownership (%)
Schenker AB, Gothenburg / Sweden	SEK	1,839,080	100.00
Schenker AG & Co. Beteiligungsverwaltungs OHG, Essen	EUR	176	100.00
Schenker Åkeri AB, Gothenburg / Sweden	SEK	132,510	100.00
Schenker Aktiengesellschaft, Essen	EUR	1,699,098	100.00
Schenker Americas, Inc., Miami / USA	USD	177,863	100.00
Schenker Angola, Limitada, Luanda / Angola	AOA	71,554	99.90
Schenker Argentina S.A., Buenos Aires / Argentina	ARS	461,563	100.00
Schenker AS, Oslo / Norway	NOK	649,006	100.00
Schenker Australia Pty. Ltd., Alexandria / Australia	AUD	155,809	100.00
Schenker BITCC Customs Broker (Beijing) Co. Ltd., Beijing / China	CNY	1,006	70.00
Schenker BITCC Logistics (Beijing) Co., Ltd., Beijing / China	CNY	99,409	70.00
Schenker Business Services LLC, Moscow / Russia	RUB	426,496	100.00
Schenker Chile S.A., Santiago / Chile	CLP	7,780,339	100.00
Schenker China Ltd., Pudong / Shanghai / China	CNY	3,068,936	100.00
Schenker Consulting AB, Gothenburg / Sweden	SEK	10,757	100.00
Schenker d.d., Ljubljana / Slovenia	EUR	23,327	100.00
SCHENKER d.o.o., Sarajevo / Bosnia-Herzegovina	BAM	1,444	100.00
Schenker d.o.o., Zagreb / Croatia	HRK	20,380	100.00
Schenker d.o.o., Novi Banovci / Serbia	RSD	259,691	100.00
Schenker Dedicated Services AB, Gothenburg / Sweden	SEK	135,272	100.00
Schenker Dedicated Services Germany GmbH, Essen	EUR	-717	100.00
Schenker Deutschland AG, Frankfurt am Main	EUR	56	100.00
Schenker Distribution Solutions, Inc., City of Paranaque / Philippines	PHP	104,368	98.51
Schenker do Brasil Transportes Internacionais Ltda., São Paulo / Brazil	BRL	88,832	100.00
SCHENKER DOOEL, Skopje / Macedonia	MKD	98,772	100.00
Schenker Egypt Ltd., Cairo / Egypt	EGP	124,292	100.00
SCHENKER EOOD, Sofia / Bulgaria	BGN	48,866	100.00
Schenker Equipment AB, Gothenburg / Sweden	EUR	11,059	100.00
Schenker Europe GmbH, Frankfurt am Main	EUR	25	100.00
Schenker Filen 8 Aktiebolag, Gothenburg / Sweden	SEK	16,009	100.00
Schenker Flight Services GmbH, Frankfurt am Main	EUR	1,637	100.00
Schenker Flight Services International (H.K.) Limited, Hong Kong / China	HKD	20,105	100.00
SCHENKER FRANCE SAS, Montaigu Cedex / France	EUR	227,186	100.00
Schenker Global Management & Services GmbH, Essen	EUR	3,924	100.00
Schenker Global Management & Services PTE. LTD., Singapore / Singapore	SGD	2,141	100.00
Schenker Global Management & Technology Center Americas Inc., Miami / USA	USD	1,294	100.00
Schenker GmbH für Beteiligungen, Essen	EUR	155	100.00
SCHENKER INDIA PRIVATE LIMITED, New Delhi / India	INR	5,444,894	100.00
Schenker International (HK) Ltd., Hong Kong / China	HKD	2,579,472	100.00
Schenker International (Macau) Ltd., Macau / Macau	HKD	32,007	100.00
Schenker International S.A. de C.V., Mexico City / Mexico	MXN	1,127,772	100.00
Schenker Italiana S.p.A., Peschiera Borromeo (MI) / Italy	EUR	96,441	100.00
Schenker Jinbei Logistics (Shenyang) Co. Ltd., Shenyang / China	CNY	152,579	50.00
Schenker Kazakhstan LLP, Almaty / Kazakhstan	KZT	-27,651	100.00
Schenker Khimji's LLC, Muscat / Sultanate of Oman	OMR	884	60.00
Schenker Korea Ltd., Seoul / Republic of Korea	KRW	94,330,459	100.00
Schenker Limited, London / United Kingdom	GBP	53,224	100.00
Schenker Limited, Nairobi / Kenya	KES	-151,219	100.00
Schenker Logistics (Bangladesh) Limited, Dhaka / Bangladesh [11)]	BDT	391,801	40.00
Schenker Logistics (Chengdu) Co., Ltd., Chengdu / China	CNY	38,496	100.00
Schenker Logistics (Chongqing) Co. Ltd, Chongqing / China	CNY	23,873	100.00

SUBSIDIARY / Name and registered office	Currency	Equity (thousand)[1]	Ownership (%)
Schenker Logistics (Guangzhou) Company Ltd., Guangzhou/China	CNY	88,684	100.00
Schenker Logistics (Jiaxing) Co., Ltd., Jiaxing/China	CNY	281,556	100.00
Schenker Logistics (Kunshan) Co., Ltd., Kunshan/China	CNY	58,801	100.00
Schenker Logistics (Malaysia) Sdn Bhd., Kuala Lumpur/Malaysia[11]	MYR	336,033	40.00
Schenker Logistics (Shanghai) Co., Ltd., Shanghai/China	CNY	135,247	100.00
Schenker Logistics (Shenzhen) Co. Ltd., Shenzhen/China	CNY	14,852	100.00
Schenker Logistics (Suzhou) Company Ltd., Suzhou/China	CNY	130,629	100.00
Schenker Logistics (Thai) Ltd., Bangkok/Thailand[11]	THB	-148,407	49.00
Schenker Logistics (Xiamen) Co. Ltd., Xiamen/China	CNY	89,244	100.00
Schenker Logistics AB, Gothenburg/Sweden	SEK	91,561	100.00
Schenker Logistics Inc., City of Calamba/Philippines	PHP	19,128	100.00
Schenker Logistics L.L.C., Abu Dhabi/United Arab Emirates[11]	AED	42,218	49.00
Schenker Logistics Nederland B.V., Rotterdam/the Netherlands	EUR	75,584	100.00
Schenker Logistics Romania S.A., Bucharest/Romania	RON	349,968	99.53
Schenker Logistics S.A., Barcelona/Spain	EUR	119,930	100.00
Schenker Logistics Vietnam Co., Ltd., Ho Chi Minh City/Vietnam	VND	72,086,684	51.00
Schenker Logistics W.L.L., Doha/Qatar[11]	QAR	2,764	49.00
SCHENKER LUXEMBOURG GMBH, Leudelange/Luxembourg	EUR	5,773	100.00
Schenker Manila Administrative Competence Center Inc., Taguig City/Philippines	PHP	382,687	99.94
Schenker Maroc S.A.S, Casablanca/Morocco	MAD	14,926	100.00
Schenker Middle East FZE, Dubai/United Arab Emirates	AED	316,301	100.00
Schenker Myanmar Co., Ltd., Yangon/Myanmar	MMK	4,568,203	100.00
Schenker Namibia (Pty) Ltd., Windhoek/Namibia	NAD	-5,826	100.00
Schenker Nederland B.V., Tilburg/the Netherlands	EUR	30,911	100.00
Schenker Nemzetközi Szállítmányozási és Logisztikai Kft., Szigetszentmiklós/Hungary	HUF	6,687,424	100.00
Schenker NV, Antwerp/Belgium	EUR	27,975	100.00
Schenker Ocean Freight Services WLL, Doha/Qatar[11]	QAR	2,040	49.00
Schenker of Canada Ltd., Toronto/Canada	CAD	117,286	100.00
Schenker OY, Helsinki/Finland	EUR	99,476	100.00
Schenker Panama S.A., Panama City/Panama	USD	1,406	100.00
Schenker Peru S.R.L., Lima/Peru	PEN	-1,120	100.00
Schenker Philippines (Subic) Inc., Subic/Philippines	PHP	89,338	100.00
Schenker Philippines, Inc., City of Makati/Philippines	PHP	939,636	100.00
Schenker Property Sweden AB, Gothenburg/Sweden	SEK	503,132	100.00
SCHENKER RE DESIGNATED ACTIVITY COMPANY, Dublin/Ireland	EUR	44,441	100.00
Schenker S.A., Guatemala City/Guatemala	GTQ	-22,380	100.00
SCHENKER s.r.o., Bratislava/Slovakia	EUR	6,783	100.00
Schenker Saudi Arabia LLC, Riad/Saudi Arabia	SAR	27,304	100.00
Schenker Schweiz AG, Zurich/Switzerland	CHF	74,971	100.00
Schenker Shared Services (Nanjing) Co. Ltd., Nanjing/China	CNY	47,890	100.00
Schenker Singapore (PTE) Ltd., Singapore/Singapore	SGD	431,917	100.00
Schenker South Africa (Pty) Ltd., Isando/South Africa	ZAR	193,454	86.75
Schenker Sp. z o.o., Warsaw/Poland	PLN	286,386	99.68
SCHENKER spol. s r.o., Prague/Czech Republic	CZK	1,427,135	100.00
Schenker Technik GmbH, Essen	EUR	5,809	100.00

SUBSIDIARY / Name and registered office	Currency	Equity (thousand)[1]	Ownership (%)
Schenker Technology Center (Warsaw) sp. z o.o., Warsaw/Poland	PLN	5,661	100.00
Schenker Transitarios, S.A., Loures/Portugal	EUR	12,546	100.00
Schenker Transport Aktiebolag, Gothenburg/Sweden	SEK	21,926	100.00
Schenker Transport Groep B.V., Tilburg/the Netherlands	EUR	5,014	100.00
Schenker Vietnam Co., Ltd., Ho Chi Minh City/Vietnam	VND	956,145,803	100.00
Schenker, Inc., New York/USA	USD	203,144	100.00
Schenker-Arkas Nakliyat Ve Tic. A.S., Zincirlikuyu/Turkey	TRY	211,336	55.00
Schenkerocean Ltd, Wanchai/Hong Kong/China	HKD	7,245	100.00
Schenker-Seino Co. Ltd., Tokyo/Japan	JPY	6,912,271	60.00
SIA Schenker, Riga/Latvia	EUR	5,270	100.00
Sky Partners OÜ, Tallinn/Estonia	EUR	390	100.00
SW Zoll-Beratung GmbH, Furth im Wald	EUR	3,273	100.00
TEGRO AG, Schwerzenbach/Switzerland	CHF	10,757	62.10
Trafikaktiebolaget NP Kagström, Gothenburg/Sweden	SEK	1,181	100.00
TRANSA Spedition GmbH, Offenbach am Main	EUR	13,086	100.00
Transportes Santos Campos S.A., Benicarlo (Castellon)/Spain	EUR	5,824	100.00
Transport-Gesellschaft mit beschränkter Haftung (vormals J. Hevecke TRG) i. L., Hamburg	EUR	484	96.70
Transworld Asig – Broker de Asigurare SRL, Bucharest/Romania	RON	348	99.53
UAB "Schenker", Vilnius/Lithuania	EUR	1,071	100.00
Vähälä Logistics Oy, Oulu/Finland	EUR	11,969	100.00
Viktor E. Kern Gesellschaft m.b.H., Vienna/Austria	EUR	1,791	69.00
AT EQUITY			
ADRIA KOMBI d.o.o., Ljubljana, Ljubljana/Slovenia[2,4]	EUR	12,037	33.72
ATS Air Transport Service AG, Zurich/Switzerland[2,4]	CHF	3,101	26.00
Autoport Emden GmbH, Emden[2,4]	EUR	115	33.33
Bäckebols Akeri AB, Gothenburg/Sweden[2,3]	SEK	56,002	35.00
BTU – Bilspedition Transportörer Utvecklings AB, Solna/Sweden[2,3]	SEK	6,354	50.00
Elevator-Gesellschaft mit beschränkter Haftung, Hanover[2,3]	EUR	97	50.00
Express Air Systems GmbH (EASY), Kriftel[2,4]	EUR	2,943	50.00
Gardermoen Perishables Center AS, Gardermoen/Norway[2,4]	NOK	17,745	33.30
Germans Corbalan & Alvarez, S.L., Manresa (Barcelona)/Spain[4]	EUR	1,214	20.00
I.M. "Moldromukrtrans" S.R.L., Chisinau/Moldova[2,4]	MDL	12,907	33.17
Intermodal Sea Solutions, S.L., Orejo-Cantabria/Spain[2,3]	EUR	407	24.75
Trans Jelabel S.L., Aldeamayor de San Martín/Spain[2,4]	EUR	1,043	20.00
Värnamo Akeri AB, Värnamo/Sweden[2,3]	SEK	18,863	50.00
Volla Eiendom AS, Oslo/Norway[2,4]	NOK	15,680	50.00

1) IFRS data.
2) Figures reflect accounting to local accounting principles (for companies subject to profit and loss transfer agreements: only in relation to net profit/loss for the year).
3) Data: 2019 financial year.
4) Data: 2020 financial year.
5) Data: 2015 financial year.
6) Data: 2017 financial year.
7) Data: 2018 financial year.
8) Preliminary data.
9) Data: 2016 financial year.
10) Data from the liquidation balance sheet as of July 1, 2018.
11) Consolidation is based on corporate law agreements that give DB Group right of disposal over the relevant activities.

(42) MANAGEMENT BOARD, SUPERVISORY BOARD AND SUPERVISORY BOARD COMMITTEES

Details of the names and memberships in (a) other supervisory boards that are legally required to be created and (b) equivalent domestic and international control bodies of commercial enterprises of members of the Management Board and the Supervisory Board of DB AG are set out in the following.

Management Board

DR. RICHARD LUTZ
Chief Executive Officer and Chairman of the Management Board,
Berlin

a)
- DB Cargo AG (Chairman)
- DEVK Deutsche Eisenbahn Versicherung Lebensversicherungsverein a. G. Company welfare scheme of Deutsche Bahn
- DEVK Deutsche Eisenbahn Versicherung Sach- und HUK-Versicherungsverein a. G. Company welfare scheme of Deutsche Bahn

b)
- Arriva plc, Sunderland/United Kingdom (member of the Board of Directors)
- DB Stiftung gGmbH (Advisory Board, Chairman)

DR. DANIELA GERD TOM MARKOTTEN (SINCE SEPTEMBER 15, 2021)
Digitalization and Technology,
Dallgow-Döberitz

a)
- DB Fahrzeuginstandhaltung GmbH (since January 1, 2022; Chairwoman)
- DB Systel GmbH (since January 1, 2022; Chairwoman)
- DB Systemtechnik GmbH (since February 1, 2022; Chairwoman)
- Schenker AG (since October 1, 2021)

b)
- DB broadband GmbH (since October 1, 2021; Chairwoman)

DR. LEVIN HOLLE
Finance and Logistics,
Berlin

a)
- Schenker AG (Chairman)
- DEVK Allgemeine Versicherungs-AG

b)
- Arriva plc, Sunderland/United Kingdom (Chairman of the Board of Directors)

BERTHOLD HUBER
Passenger Transport,
Weilheim

a)
- DB Fernverkehr AG (Chairman)
- DB Regio AG (Chairman)
- DB Vertrieb GmbH (Chairman)
- DEVK Allgemeine Lebensversicherungs AG

PROF. DR. SABINA JESCHKE (UNTIL MAY 31, 2021)
Digitalization and Technology,
Berlin

a)
- Schenker AG
- DB Fahrzeuginstandhaltung GmbH (Chairwoman)
- DB Systemtechnik GmbH (Chairwoman)
- DB Systel GmbH (Chairwoman)

b)
- DB broadband GmbH (Chairwoman)

DR. SIGRID NIKUTTA
Freight Transport,
Berlin

a)
- DB Cargo AG (Management Board; Chairwoman)
- DB Fahrzeuginstandhaltung GmbH (June 1, 2021 to December 31, 2021; Chairwoman)
- DB Systel GmbH (June 1, 2021 to December 31, 2021; Chairwoman)
- DB Systemtechnik GmbH (June 1, 2021 to December 31, 2021; Chairwoman)
- DB Cargo Polska S.A. (Chairwoman)

b)
- DEVK Allgemeine Versicherungs-AG (Advisory Board)
- Deutsche Bank Ost (Advisory Board)
- German Aerospace Center (DLR) (Deputy Chairwoman of the Senate)
- Association of Berlin Merchants and Industrialists (VBKI) (Executive Board)
- Kombiverkehr Deutsche Gesellschaft für kombinierten Güterverkehr mbH&Co. KG (Administrative Board)

RONALD POFALLA
Infrastructure,
Essen

a)
- DB Netz AG (Chairman)
- DEVK Rückversicherungs- und Beteiligungs-AG

b)
- Verband der Sparda-Banken e.V. (Advisory Board)
- Initiativkreis Ruhr GmbH (Advisory Board)

MARTIN SEILER
Human Resources and Legal Affairs,
Berlin

a)
- Schenker AG
- DB Cargo AG
- DB Gastronomie GmbH (Chairman)
- DB JobService GmbH (Chairman)
- DB Zeitarbeit GmbH (Chairman)
- DB Station&Service AG (Chairman)
- DB Energie GmbH (Chairman)
- DEVK Deutsche Eisenbahn Versicherung Lebensversicherungsverein a. G. Company welfare scheme of Deutsche Bahn
- DEVK Deutsche Eisenbahn Versicherung Sach- und HUK-Versicherungsverein a. G. Company welfare scheme of Deutsche Bahn

b)
- DB Stiftung gGmbH (Advisory Board)

Supervisory Board

MICHAEL ODENWALD
Chairman of the Supervisory Board,
Secretary of State (retired),
Kleinmachnow
a) – Fraport AG
– DB Stiftung gGmbH (Advisory Board)

KLAUS-DIETER HOMMEL*
Deputy Chairman of the Supervisory Board,
Chairman of the Railway and Transport Workers Union (EVG),
Großefehn-Felde
a) – DEVK Deutsche Eisenbahn Versicherung Lebensversicherungsverein a. G. Company welfare scheme of Deutsche Bahn
– DEVK Deutsche Eisenbahn Versicherung Sach- und HUK-Versicherungsverein a. G. Company welfare scheme of Deutsche Bahn
– DEVK Pensionsfonds-AG
– DEVK Rechtsschutz-Versicherungs-AG
– DB Fernverkehr AG
– DB Regio AG
– DB Vertrieb GmbH

JÜRGEN BEUTTLER*
Head of Purchasing, Real Estate, Compliance of DB Fernverkehr AG,
Wiesbaden

MARTIN BURKERT*
Deputy Chairman of the Railway and Transport Workers Union (EVG),
Nuremberg
a) – DB Cargo AG (Deputy Chairman)
– S-Bahn Berlin GmbH (Deputy Chairman)
– DB JobService GmbH (Deputy Chairman)
– DEVK Vermögens- und Beteiligungsgesellschaft (Chairman)
– DEVK Pensionsfonds-AG
– DEVK Allgemeine Lebensversicherungs-AG
– Adler Versicherung AG
b) – Signal Iduna Gruppe (Advisory Board)

ENAK FERLEMANN (SINCE OCTOBER 11, 2021)
Member of the German Parliament,
Cuxhaven
a) – Siedlungsgesellschaft Cuxhaven AG (since November 25, 2021)
– Cuxhavener Hafen Entwicklungsgesellschaft GmbH (since December 1, 2021)

WERNER GATZER
Secretary of State in the Federal Ministry of Finance,
Teltow
a) – PD – Berater der öffentlichen Hand GmbH (Chairman)
– Flughafen Berlin Brandenburg GmbH
b) – German Institute for Federal Real Estate (BimA) (Chairman of the Administrative Board)

DR. INGRID HENGSTER
Country Chief Executive Office Germany Global Chairman Investment Banking Barclays,
Frankfurt am Main
a) – KfW Capital GmbH & Co. KG (until October 31, 2021; Chairwoman)
– KfW IPEX-Bank GmbH (since July 8, 2021; Chairwoman)
– Deutsche Investitions- und Entwicklungsgesellschaft mbH (DEG) (Deputy Chairwoman)
b) – European Investment Bank (EIB), Luxembourg (expert of the Administrative Board)

JÖRG HENSEL*
Chairman of the Central Works Council of DB Cargo AG,
Chairman of the Divisional Works Council of DB Cargo,
Chairman of the European Works Council of DB AG,
Hamm
a) – DB Cargo AG
– DEVK Deutsche Eisenbahn Versicherung Sach- und HUK-Versicherungsverein a. G. Company welfare scheme of Deutsche Bahn
– DEVK Deutsche Eisenbahn Versicherung Lebensversicherungsverein a. G. Company welfare scheme of Deutsche Bahn
b) – DEVK Pensionsfonds-AG (Advisory Board)

COSIMA INGENSCHAY*
Federal Director of the Railway and Transport Workers Union (EVG),
Berlin
a) – DB Station&Service AG (Deputy Chairwoman)
– DEVK Allgemeine Versicherungs-AG (Chairwoman)
– DEVK Vermögensvorsorge- und Beteiligungs-AG (Deputy Chairwoman)
– DEVK Rechtsschutz-Versicherungs-AG
– DGB Rechtsschutz GmbH
b) – DEVK Allgemeine Versicherungs-AG (Chairwoman of the Advisory Board)

PROF. DR. SUSANNE KNORRE
Management consultant,
Hanover
a) – Salzgitter AG
– Norddeutsche Landesbank
– Rain Carbon Germany GmbH
– STEAG GmbH (until December 31, 2021)

JÜRGEN KNÖRZER*
Chairman of the Central Works Council of DB Regio AG,
Schwarzach
a) – DB Regio AG
b) – DEVK Allgemeine Versicherungs-AG (Advisory Board)

KIRSTEN LÜHMANN
Deputy Federal Chairwoman
German Association of Civil Servants and Tariff Union,
Hermannsburg
a) – Nürnberger Beamten-Lebensversicherung AG
– Nürnberger Beamten Allgemeine Versicherung AG

HEIKE MOLL*
Chairwoman of the Central Works Council of DB Station&Service AG,
Munich
a) – DB Station&Service AG
b) – DEVK Deutsche Eisenbahn Versicherung
Sach- und HUK-Versicherungsverein a.G.
Company welfare scheme of Deutsche Bahn (Advisory Board)

DR. IMMO QUERNER
Managing Partner of KoppaKontor GmbH,
Celle
a) – BÖAG Börsen AG
b) – Arriva plc, Sunderland/United Kingdom
(Member of the Board of Directors)
– Caplantic GmbH (Chairman)
– Insr Insurance Group ASA, Oslo/Norway (Administrative Board)
– Assenagon Asset Management S.A.
(since February 1, 2021; Administrative Board)
– German Nuclear Waste Management Fund
(since August 27, 2021; Chairman of the Investment Committee)

ECKHARDT REHBERG
Member of the German Parliament (until October 26, 2021),
Marlow

MARIO REISS*
Chairman of the Works Council of DB Cargo AG, NL South-East,
Süptitz
a) – DB Cargo AG
b) – DEVK Deutsche Eisenbahn Versicherung
Lebensversicherungsverein a.G.
Company welfare scheme of Deutsche Bahn (Advisory Board)
– Sparda-Bank Berlin eG

CHRISTIAN SCHMIDT
Federal Minister (retired), High Representative for Bosnia and Herzegovina,
Fürth

JENS SCHWARZ*
Chairman of the Group Works Council of Deutsche Bahn AG,
Chemnitz
a) – DEVK Deutsche Eisenbahn Versicherung
Lebensversicherungsverein a.G.
Company welfare scheme of Deutsche Bahn
(Deputy Chairman)
b) – DEVK Deutsche Eisenbahn Versicherung
Sach- und HUK-Versicherungsverein a.G.
Company welfare scheme of Deutsche Bahn

VEIT SOBEK*
Chairman of the Central Works Council of DB Netz AG,
Halberstadt
b) – Bundesbahn-Wohnungsbaugesellschaft Kassel GmbH
– DB broadband GmbH
– DEVK Deutsche Eisenbahn Versicherung
Lebensversicherungsverein a.G.
Company welfare scheme of Deutsche Bahn (Advisory Board)

ELISABETH WINKELMEIER-BECKER
Member of the German Parliament,
Siegburg
a) – Deutsche Investitions- undEntwicklungsgesellschaft mbH (DEG)

DR. TAMARA ZIESCHANG (UNTIL SEPTEMBER 16, 2021)
Secretary of State at the Federal Ministry of Transport
and Digital Infrastructure,
Magdeburg
a) – Deutsche Flugsicherung GmbH
(until September 16, 2021; Chairwoman)
b) – Deutsche Bundesstiftung Umwelt
(until September 16, 2021; Board of Trustees)

* Employees' representative on the Supervisory Board.

Supervisory Board committees

MEMBERS OF THE EXECUTIVE COMMITTEE
- Michael Odenwald (Chairman)
- Klaus-Dieter Hommel
- Secretary of State Dr. Tamara Zieschang (until September 16, 2021)
- Enak Ferlemann (since December 15, 2021)
- Jens Schwarz

MEMBERS OF THE AUDIT COMMITTEE AND COMPLIANCE COMMITTEE
- Dr. Immo Querner (Chairman)
- Secretary of State Dr. Tamara Zieschang (until September 16, 2021)
- Enak Ferlemann (since December 15, 2021)
- Jörg Hensel
- Cosima Ingenschay

MEMBERS OF THE PERSONNEL COMMITTEE
- Michael Odenwald (Chairman)
- Klaus-Dieter Hommel
- Secretary of State Dr. Tamara Zieschang (until September 16, 2021)
- Enak Ferlemann (since December 15, 2021)
- Jens Schwarz

MEMBERS OF THE MEDIATION COMMITTEE
- Michael Odenwald (Chairman)
- Klaus-Dieter Hommel
- Secretary of State Dr. Tamara Zieschang (until September 16, 2021)
- Enak Ferlemann (since December 15, 2021)
- Jens Schwarz

Berlin, March 9, 2022

Deutsche Bahn Aktiengesellschaft
The Management Board

INDEPENDENT AUDITOR'S REPORT

To Deutsche Bahn Aktiengesellschaft, Berlin

Audit Opinions

We have audited the consolidated financial statements of Deutsche Bahn Aktiengesellschaft, Berlin, and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2021, the consolidated statement of income and the reconciliation of consolidated comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the financial year from 1 January to 31 December 2021, and notes to the consolidated financial statements, including a summary of significant accounting policies. In addition, we have audited the group management report of Deutsche Bahn Aktiengesellschaft for the financial year from 1 January to 31 December 2021. We have not audited the content of the corporate governance report pursuant to No. 7.1 of the German Federal Public Corporate Governance Code in accordance with the German legal requirements.

In our opinion, on the basis of the knowledge obtained in the audit,

- the accompanying consolidated financial statements comply, in all material respects, with the IFRSs as adopted by the EU, and the additional requirements of German commercial law pursuant to § [Article] 315e Abs. [paragraph] 1 HGB [Handelsgesetzbuch: German Commercial Code] and, in compliance with these requirements, give a true and fair view of the assets, liabilities, and financial position of the Group as at 31 December 2021, and of its financial performance for the financial year from 1 January to 31 December 2021, and
- the accompanying group management report as a whole provides an appropriate view of the Group's position. In all material respects, this group management report is consistent with the consolidated financial statements, complies with German legal requirements and appropriately presents the opportunities and risks of future development. Our audit opinion on the group management report does not cover the content of the corporate governance report referred to above.

Pursuant to § 322 Abs. 3 Satz [sentence] 1 HGB, we declare that our audit has not led to any reservations relating to the legal compliance of the consolidated financial statements and of the group management report.

Basis for the Audit Opinions

We conducted our audit of the consolidated financial statements and of the group management report in accordance with § 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer [Institute of Public Auditors in Germany] (IDW). We performed the audit of the consolidated financial statements in supplementary compliance with the International Standards on Auditing (ISAs). Our responsibilities under those requirements, principles and standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report" section of our auditor's report. We are independent of the group entities in accordance with the requirements of German commercial and professional law, and we have fulfilled our other German professional responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions on the consolidated financial statements and on the group management report.

Other Information

The executive directors are responsible for the other information. The other information comprises the corporate governance report pursuant to No. 7.1 of the German Federal Public Corporate Governance Code as part of the group management report not audited in terms of content.

The other information comprises further all remaining parts of the "2021 Integrated Report" – excluding cross-references to external information – with the exception of the audited consolidated financial statements, the audited group management report and our auditor's report.

Our audit opinions on the consolidated financial statements and on the group management report do not cover the other information, and consequently we do not express an audit opinion or any other form of assurance conclusion thereon.

In connection with our audit, our responsibility is to read the other information mentioned above and, in so doing, to consider whether the other information

- is materially inconsistent with the consolidated financial statements, with the group management report disclosures audited in terms of content or with our knowledge obtained in the audit, or
- otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Executive Directors and the Supervisory Board for the Consolidated Financial Statements and the Group Management Report

The executive directors are responsible for the preparation of the consolidated financial statements that comply, in all material respects, with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB and that the consolidated financial statements, in compliance with these requirements, give a true and fair view of the assets, liabilities, financial position, and financial performance of the Group. In addition the executive directors are responsible for such internal control as they have determined necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the executive directors are responsible for assessing the Group's ability to continue as a going concern. They also have the responsibility for disclosing, as applicable, matters related to going concern. In addition, they are responsible for financial reporting based on the going concern basis of accounting unless there is an intention to liquidate the Group or to cease operations, or there is no realistic alternative but to do so.

Furthermore, the executive directors are responsible for the preparation of the group management report that, as a whole, provides an appropriate view of the Group's position and is, in all material respects, consistent with the consolidated financial statements, complies with German legal requirements, and appropriately presents the opportunities and risks of future development. In addition, the executive directors are responsible for such arrangements and measures (systems) as they have considered necessary to enable the preparation of a group management report that is in accordance with the applicable German legal requirements, and to be able to provide sufficient appropriate evidence for the assertions in the group management report.

The supervisory board is responsible for overseeing the Group's financial reporting process for the preparation of the consolidated financial statements and of the group management report.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements and of the Group Management Report

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and whether the group management report as a whole provides an appropriate view of the Group's position and, in all material respects, is consistent with the consolidated financial statements and the knowledge obtained in the audit, complies with the German legal requirements and appropriately presents the opportunities and risks of future development, as well as to issue an auditor's report that includes our audit opinions on the consolidated financial statements and on the group management report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with § 317 HGB and in compliance with German Generally Accepted Standards for Financial Statement Audits promulgated by the Institut der Wirtschaftsprüfer (IDW) and supplementary compliance with the ISAs will always detect a material misstatement. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements and this group management report.

We exercise professional judgment and maintain professional skepticism throughout the audit. We also:

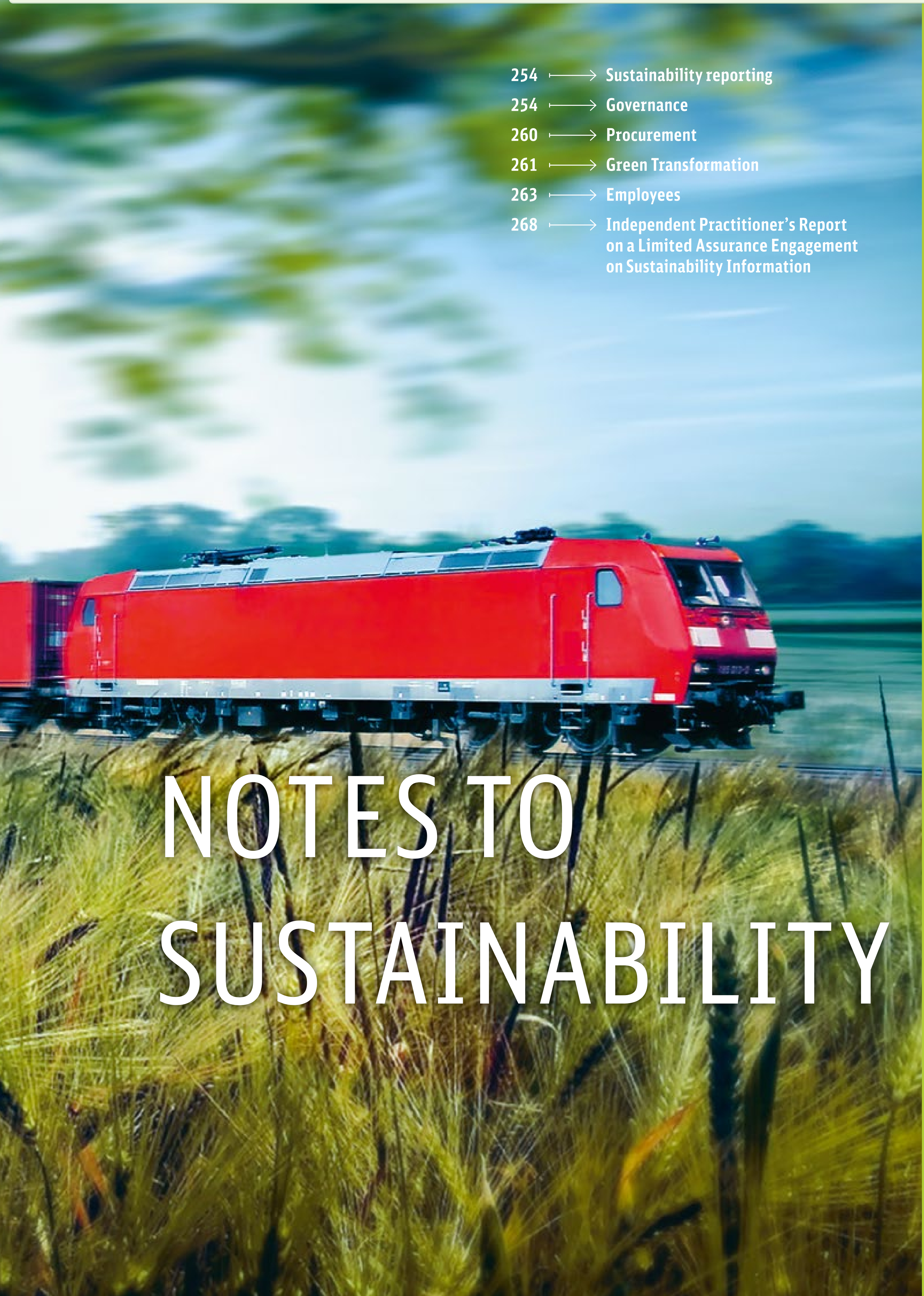
- Identify and assess the risks of material misstatement of the consolidated financial statements and of the group management report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our audit opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit of the consolidated financial statements and of arrangements and measures (systems) relevant to the audit of the group management report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an audit opinion on the effectiveness of these systems.
- Evaluate the appropriateness of accounting policies used by the executive directors and the reasonableness of estimates made by the executive directors and related disclosures.
- Conclude on the appropriateness of the executive directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated financial statements and in the group management report or, if such disclosures are inadequate, to modify our respective audit opinions. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to be able to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements present the underlying transactions and events in a manner that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and financial performance of the Group in compliance with IFRSs as adopted by the EU and the additional requirements of German commercial law pursuant to § 315e Abs. 1 HGB.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express audit opinions on the consolidated financial statements and on the group management report. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinions.
- Evaluate the consistency of the group management report with the consolidated financial statements, its conformity with German law, and the view of the Group's position it provides.
- Perform audit procedures on the prospective information presented by the executive directors in the group management report. On the basis of sufficient appropriate audit evidence we evaluate, in particular, the significant assumptions used by the executive directors as a basis for the prospective information, and evaluate the proper derivation of the prospective information from these assumptions. We do not express a separate audit opinion on the prospective information and on the assumptions used as a basis. There is a substantial unavoidable risk that future events will differ materially from the prospective information.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Berlin, 9 March 2021

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Thomas Kieper Wirtschaftsprüfer (German Public Auditor)	Philipp Medrow Wirtschaftsprüfer (German Public Auditor)



NOTES TO SUSTAINABILITY

GRI
102-16
102-43
102-50
102-51
102-52
102-54
102-56

SUSTAINABILITY REPORTING

The 2021 Integrated Report refers to the year under review, this being calendar year 2021. For the purpose of comparison, most of the key figures are also presented for 2020 and 2019. The Integrated Report is published on an annual basis. The 2021 Integrated Report was published on March 31, 2022 (2020 Integrated Report: March 25, 2021). The Integrated Report addresses the material stakeholder groups 33 of Deutsche Bahn Group (DB Group). The reporting covers all material economic, social and environmental aspects. All fully consolidated DB Group companies are included in the reporting. Deviations from this reporting scope are noted as such.

The data collection methods and bases of calculation used for the data in the Integrated Report are based on the relevant standards:

- The Integrated Report was prepared in accordance with the core option of the Global Reporting Initiative (GRI) standards. Content regarding general and specific standard information is referenced in the GRI index 270f.
- At the same time, the information also serves as a communication on progress regarding the implementation of the UN Global Compact's Ten Principles 271.
- Moreover, DB Group follows the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) on the reporting of climate-related information. The TCFD index 272 lists references to the relevant passages in the Integrated Report.

Material contents, indicators and passages of text were audited by an independent third party, PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft (PwC), with limited assurance.

GRI
102-16

GOVERNANCE

Compliance

GRI
103-1
103-2
103-3

MANAGEMENT APPROACH AND TARGETS

Compliance is an integral element of our corporate culture. As part of the initiative for a strong compliance organization mandated in 2019 by the Group Management Board, we continued to develop the Compliance Management System (CMS) at DB Group in 2021 in order to remain at the cutting edge and to develop effective compliance practices for the long term. Compliance is embedded in the Strong Rail strategy.

Our CMS is based on national and international legal requirements and established standards, such as the Institute of Public Auditors (Institut der Wirtschaftsprüfer; IDW) auditing standard IDW PS 980 in Germany. DB Group also applies the directive of the Federal Government on corruption prevention in the German Federal administration by analogy. The CMS aims to ensure that compliance risks are identified at an early stage and appropriate countermeasures are implemented. We continuously monitor the effectiveness of our CMS and make any necessary adjustments. Compliance is a component of the internal control system (ICS). As a result, intra-Group auditors examine, among other things, the CMS within DB Group as part of the ICS audits under the German Accounting Law Modernization Act (Bilanzrechtsmodernisierungsgesetz; BilMoG).

In 2021, an independent investigation by an auditing and consulting firm into DB Group's CMS with regard to corruption and corporate crime in the form of fraud and embezzlement was launched Group-wide. While adequacy and implementation audits have been concluded in previous years with unqualified audit opinions in accordance with the IDW PS 980 audit standard, the new audit of DB Group's CMS includes an additional step: as well as adequacy and implementation, it also evaluates the effectiveness of the CMS. In addition, certification with ISO 37001 standard is carried out, in particular for internationally active business units. The audit within corporate management has already been completed. The Group-wide audits began in 2021. They will be completed with audit reports or certifications in 2022.

DB Group compliance management is typified by a combination of centralized and decentralized units at the operational and organizational levels. The Chief Compliance Officer (CCO) manages the further development of our CMS and reports directly to the Chairman of the Management Board. The CCO is assisted in their duties by more than 250 employees responsible for compliance issues (either full time or with divided responsibilities). Corporate management focuses its compliance work on centralized governance activities in particular, while operational responsibility is exercised in the business and service units. Various formats ensure that central and local compliance officers can engage in extensive dialog.

COMPLIANCE INSTRUMENTS

Specific compliance instruments have been developed to protect DB Group, its employees and executives. This includes binding compliance regulations, risk and process analyses, a compliance reporting system, training and communication measures, and a whistle-blowing management system.

The DB Group Code of Conduct is the cornerstone of our CMS. It defines the standards and expectations about how our bodies, executives and employees should conduct themselves on a daily basis. It is supplemented by binding directives that specify applicable legal provisions governing national and international business and contact with customers. In 2021, the directives on the topics of benefits and the suspension of contractors were revised and adapted to the current legal framework.

Compliance risk analyses are a key component of DB Group risk management and are conducted by the business and service units. A Group-wide survey of compliance risks is conducted in accordance with governance requirements set by corporate management. The binding framework contains minimum requirements for planning, implementation, reporting and follow-up.

A compact compliance annual report provides the Management Board with information on compliance risks related to DB Group's business activities. The report separately sets out the risk exposure of business units, service units and corporate management functions and highlights existing risk-reducing factors and countermeasures. In 2021, this was done on the basis of a revised compliance risk management model with enhanced consideration of risk scenarios for the first time. The Management Board is also kept regularly informed during the year about the further expansion of the compliance program and any significant compliance cases. The CCO also reports on compliance issues at meetings of the Supervisory Board's Audit and Compliance Committee.

We are continually optimizing our instruments and consulting on compliance matters so that we can achieve our compliance goals on a sustainable basis. This is only possible if skilled compliance employees are appropriately qualified. In 2021, a dedicated learning area within the DB learning platform was developed and implemented together with the Compliance Academy to serve as a central instrument for the transfer of knowledge for all skilled compliance employees in order to keep them up to date on the latest developments in the field. Additional modules were developed and rolled out for the training program designed in 2020. The training program is directed primarily at Top-Management within DB Group, and supplements the well-established compliance coaching run by the heads of the Group's Compliance, Audit and Legal functions.

The compliance awareness plan takes a risk and needs-based approach, which determines the order in which all executives and employees are to be trained. By holding in-person events or conducting e-learning sessions, it is possible to train almost all managers and employees who either need to be trained or are exposed to medium and high risk, over a period of two to two and a half years. In 2021 alone, some 36,000 executives and employees attended events with instructors on the subject of preventing corruption. E-learning modules were also extensively used. Together with the e-learning modules developed specifically for DB Schenker and DB Arriva, about 112,000 e-learning units on preventing corruption were completed.

There is a Group-wide whistle-blower system to obtain information about potential violations of laws or internal regulations. The way in which submitted tip-offs are handled is regulated in detail. The processes implemented protect the whistle-blowers. The interests of the persons concerned are taken into account, among other things, through clearly defined requirements regarding the conclusiveness and relevance of a tip-off.

There are various ways of submitting a tip-off. These include three trusted legal practitioners, who are legally bound to secrecy, in addition to the compliance teams in the corporate management, business units and service units. There is also a Group-wide electronic whistle-blower system, which makes it possible to submit tip-offs anonymously. It can be used in 22 languages and is available not just to employees, but also customers, suppliers and other stakeholders. In 2021, tip-offs in the double-digit range were received through the whistle-blower system for instances of corruption.

BUSINESS PARTNER COMPLIANCE

Successful long-term business operations require the careful selection of business partners and suppliers, who must then be informed of DB Group's values and minimum requirements. DB Group has developed various formats to increase awareness among its business partners and incorporate sustainable business practices more firmly in the supply chain.

The revision of the e-learning module on the DB Code of Conduct for Business Partners was completed in 2021, and the module is freely available online. It provides information about integrity, binding legal standards, and ethical matters and sets out clear compliance requirements as reflected in our Code of Conduct for Business Partners. Real-world examples demonstrate how our principles should be applied.

Contracts and contractual partners are reviewed for compliance risks. Integrity clauses in the General Terms and Conditions of Purchase are used to counteract potential compliance risks. Other compliance regulations are agreed based on risks. This applies to the appointment of intermediaries, for example. If serious misconduct occurs, the group of decision makers shall decide to suspend the awarding of tenders on the basis of clear criteria that stipulate how to deal with the contractor or supplier. If a tender is suspended, the earliest that a business partnership can be reestablished or continued is after the suspension period expires or after the company takes action to clean up its practices, which the client deems to be sufficient and which can often take many years to complete.

COMPLIANCE WITH ANTITRUST LAWS AND PREVENTING ANTITRUST DAMAGES

Training courses with on-site instructors ensure that executives and employees are kept aware of antitrust legislation. The formats of the training courses are individually tailored to the requirements of the business units and the central units. The target group includes all executives and employees who are in contact with competitors or have other roles that are critical with regard to competition. The training courses are supplemented, in particular, by regulations specific to business units and close cooperation with (antitrust) legal experts.

Measures to prevent antitrust damage are an important component of antitrust compliance. To this end, we operate a comprehensive antitrust damage prevention system. An important part of this system is to use contractual conditions in markets where antitrust violations are most likely, which obligate suppliers to introduce or maintain antitrust compliance programs.

Human rights

MANAGEMENT APPROACH AND TARGETS

GRI 103-1 103-2 103-3

Protecting and promoting human rights are of the utmost importance to us. We report on how we safeguard human rights with regard to working conditions, anti-discrimination measures, and occupational health and safety within DB Group, particularly in the chapter Employees 74ff. and 263ff.

We expect our business partners to uphold human rights, and our requirements in this regard are set out in the DB Code of Conduct for Business Partners, as well as other documentation. This Code refers to the core labor standards of the International Labor Organization (ILO), such as protection against child and forced labor and against discrimination in employment and occupation. It contains regulations on adequate pay, regulated working time, and the preference for regular employment. The right to auditing may be agreed in contracts with business partners, including adverse legal consequences if the Code is not complied with.

We oppose modern slavery in all its forms, be it forced or compulsory labor, servitude, human trafficking, or child labor, and we report on this in accordance with the provisions of the UK Modern Slavery Act. Due to differences in risk exposure, specially developed social minimum standards apply to DB Schenker's global activities. This set of standards details the overriding DB Group Code of Conduct and provides, particularly in the international context, minimum standards for situations in which national and international legislation does not stipulate any appropriate social measures. Compliance with the Social Minimum Standards is regularly audited by intra-Group auditors at selected locations.

If human rights violations are suspected, employees, customers, suppliers and any other parties that may be of concern are provided with various channels to report such violations, including the option to report anonymously. In addition to central whistle-blowing management and the available trusted legal practitioners, our electronic whistle-blower system is also available. DB employees can contact the Human Resources ombudsperson. We follow up on any indications of alleged human rights violations as part of a follow-up process. In 2021, the whistle-blower system reported suspected cases of human rights violations in the medium double-digit range (mainly cases relating to potential problematic working conditions and potential discrimination).

Data protection

GRI 103-1 103-2 103-3

MANAGEMENT APPROACH AND TARGETS

Data protection and autonomy should be championed as the foundation for free and democratic societies. Throughout DB Group, we aim to establish exemplary, innovative and sustainable data protection processes and set a high level of data protection as a mark of quality, allowing employees, customers and business partners to associate DB Group with trust, respect, transparency and integrity in relation to data protection. In doing so, we fulfill data protection regulations, particularly those of the EU General Data Protection Regulation (GDPR) and in-house data protection policies.

In order to suitably implement our vision, we are firmly committed to meeting the overarching target of ensuring that the flow of data, both within DB Group and with external entities, is compliant with data protection regulations. We are working toward achieving this by raising awareness of data protection issues throughout DB Group, in particular by informing and training employees and by having a variety of digital and analog awareness-raising measures in place as well as high-quality data protection consulting expertise. Another focal point is the expansion of internal and external networks to improve DB Group's public image with regard to data protection.

We are also committed to innovation, the further development of existing instruments and methods, and the standardization of processes for professional data protection management. In order to ensure that data potection is applied and implemented reliably within DB Group, we operate a data protection management system that enables us to fulfill information and disclosure rights and obligations to furnish evidence at any time in a transparent and legally admissible manner. In addition, regular data protection audits ensure a high standard of data protection.

We work toward achieving these objectives through a highly effective data protection organization, which is divided into centralized and decentralized organizations within DB Group. The Group's Data Protection team is centrally located, supporting and advising the Group companies regarding compliance with data protection, especially in regard to data protection issues that are relevant to the Group.

There are four departments within the data protection organization, two of which work in different areas of responsibility within employee and customer data protection (one in administration or training, and the other in communication and management of the Group data committee). Another department deals with audits, technical data protection and the internal data protection systems. The fourth is responsible for the national and international data protection directives and manages the entire local data protection organization. At the national level, this consists of data protection experts, data protection officers and, at the international level, privacy managers.

Local data protection experts in DB companies all over the world are available to employees and responsible persons if they have any questions and concerns about data protection. These experts ensure that the rules are implemented and enforced in accordance with the law.

Customers, employees and applicants can therefore rely on us to ensure a high level of data protection, for example when developing new business models and when introducing and making changes to the processing of personal data.

DATA PROTECTION AT DB GROUP

Data protection and associated regulations are becoming increasingly complex, with an ever greater number of requirements and laws. Companies are also increasingly operating in international contexts, in which they need to take international regulations into account.

The data protection organization was developed further in 2021. Close communication between data protection experts at the national and international level has given rise to important synergies and valuable transfers of knowledge in all directions. In this respect, the data protection 4.0 concept remains applicable and goes directly hand in hand with the data protection management system (DPMS). The results achieved in this area are only possible with regular, rapid and diverse communication – including on interface management.

Data Protection Management System

Optimizing and further developing DB Group's Data Protection Management System (DPMS) were among the core responsibilities of the Group Data Protection function in 2021. The DPMS provides for systematic coordination between roles and responsibilities for data protection, systematic processes, detailed specifications, intensive training, advising business departments, and monitoring implementation. It comprises many small and large components, from one-page guidance documents to top consulting projects.

To further simplify the integration of data protection into business processes, in 2021 a realignment of the annual DPMS plan was implemented and a DPMS think tank was formed. The think tank consists of representatives from the data protection organization and supports the process of continuously improving the DPMS.

Data protection priorities

The data protection program for 2021 includes the topic of empowerment regarding data protection issues for all responsible persons in DB Group. Extensive data protection information has been made available on the intranet in order to address this. In addition, data protection awareness has been continuously raised within DB Group: in cooperation with the governance divisions, Group-wide campaigns have been conducted to increase employee awareness (such as the digital "Security Day" event or the "Simply Secure ..." series of talks).

Another focus point in 2021 was the implementation of standardized consultation practices. Specifically, this included initiatives such as the Group-wide projects "Mobile work of tomorrow," "Blockchain/self-sovereign identity (SSI)" and "Smart HR." The Group's data protection team was involved in all three projects and played a part in the development of new, Group-wide standards.

The focus areas for technical consulting included tracking and analytics, Microsoft Office 365 and the Evergreen approach in DB Group, as well as support for cybersecurity and Group security.

In 2021, data protection consulting also included international issues. Following the European Court of Justice (ECJ) ruling on cross-border data transfers ("Schrems II"), the numerous requirements of the EU Commission and the European Data Protection Board had to be monitored and implemented. Last but not least, the EU Commission issued a new version of the standard data protection clauses, providing a much needed legal basis in data protection law practice to allow personal data to be transferred to third countries outside the EU's borders. Within the data protection organization, the new clauses and their application were presented and discussed, and relevant training was provided. Another event with far-reaching consequences in the area of data protection is the United Kingdom's departure from the EU, which means that the United Kingdom is no longer covered by the provisions of the EU General Data Protection Regulation (GDPR). It was therefore necessary to identify the relevant contracts for DB Group and the associated data flows and to secure the appropriate legal safeguards.

In addition, consultations were held regarding the protection of data concerning health. As personal data linking individuals to their health status was collected in DB Group during the Covid-19 pandemic, this data needs to be specially protected under article 9 GDPR. To this end, an extensive question-and-answer paper was developed to allow managers and employees to act with confidence. The data protection team was closely involved at all stages of preparing, planning and executing DB Group's testing and vaccination strategy at all times. The drafting of these questions and answers again helped to streamline the processes and standard workflows within DB Group.

The third area of focus was the identification and description of the core processes relating to data protection law. Firstly, this involved the continuous optimization of the complaint management process for DB Group customers and employees. Secondly, the reporting process for data protection incidents was further developed in line with the provisions of the GDPR, ensuring that data protection requirements can be met even more quickly and smoothly. The aim is to implement data protection measures in a way that minimizes risks while also facilitating simple integration into existing business processes.

In 2021, the audit focus was on auditing Group-related employee data protection procedures and visual monitoring devices such as drones, cameras and bodycams. The office systems and browsers used in DB Group were also audited. In addition, checks were carried out on data processors, and numerous apps developed for customers and employees were examined. In the communication with the audited offices, particular attention was given to the improvement of processes and the empowerment regarding data protection issues of responsible bodies.

Data Protection Advisory Board

GRI 102-43

DB Group's Data Protection Advisory Board advises the Management Board on strategic and central matters of data protection, thereby contributing to the exemplary data protection measures within DB Group.

The expertise of the stakeholder groups represented on the Board ensures that the legitimate data protection interests of stakeholders are taken into consideration and is also an important contribution to DB Group's stakeholder dialog on data protection. The Data Protection Advisory Board discusses new, innovative and pragmatic solutions for protecting the personal rights of data subjects. The focus is on digital transformation within DB Group, including its ethical dimension. The Board seeks dialog with the competent specialist departments, for example on the work of the Data Intelligence Center and the House of AI or the activities of HR Data Science, Insights and Innovation. A further focus point of the consultation is the topic of video surveillance in stations and on trains.

The Data Protection Award, which is awarded annually by the Board to innovative and exemplary projects at DB Group, plays an important part in raising awareness. In 2021, the Gold Data Protection Award was awarded to the passenger transport customer account project team. In the course of simplifying the customer interface, the team successfully provided a transparent and data protection friendly omnichannel customer account based on terms and conditions of use.

Information security

MANAGEMENT APPROACH AND TARGETS

GRI 103-1 103-2 103-3

Information security is a priority given an increasingly interconnected global environment and the rapid progress of digitalization. It is essential that companies identify risks in good time, establish countermeasures early on, and react quickly and decisively to incidents. Our ultimate goal is to protect information technology (IT) and operational technology (OT) infrastructure on a sustainable basis. The Chief Information Security Officer (CISO) is responsible for information security in DB Group. The CISO reports to DB Group's Chief Information Officer (CIO) and to the Management Board.

This ensures that Top-Management are aware of these topics. Key responsibilities are to further develop information security in DB Group and develop a permanent information security culture. This includes establishing future-oriented processes, measures and solutions based on internationally recognized, workable standards that apply equally to new and existing IT/OT projects. All suppliers who work with us must also guarantee firmly defined safety requirements. This applies to our partnerships with large cloud providers, such as Microsoft Azure and Amazon Web Services, as well as small and medium-sized suppliers, and all suppliers working on the Digital Rail for Germany program. Due to the topic's constantly evolving nature and the rapid progress in technological developments, the Information Security division works closely with universities to support research and training for young talent. National and international networking is another of the division's core tasks, especially in European rail transport. One example is its cooperation with the French state-owned railway SNCF and a university in Berlin.

Group Security

GRI 103-1 103-2 103-3

MANAGEMENT APPROACH AND TARGETS

Security is an important commodity and a basic requirement of our customers and employees. When deciding which mode of transport to take, security is an important factor. Continuous dialog with the security authorities and the uninterrupted sharing of status information are key elements under the joint responsibility of DB Group Security and the Federal police, and a fundamental component of the DB Group Security network. In the railway security center, we and the Federal police record and evaluate the security situation round the clock. At six control and operation centers in DB Group Security's regional divisions, security experts coordinate regional security issues and contacts are available 24/7 to be contacted by the business units, non-Group train operating companies, and authorities. In total, more than 5,500 Federal police officers and about 4,300 security personnel are deployed across Germany. DB Group Security and the Federal police are constantly recruiting new employees and expanding their training capacities. At the end of 2021, more than 300 young people were undertaking specialist training in safety and security at DB Group. The number of criminal offenses affecting DB Group and its customers increased by about 5% in 2021. One of the key drivers of this development was violations of premise policies (+30%), which can be attributed to the identification of a larger number of such violations owing to the increased presence of security personnel on trains and in stations. On the other hand, there were significant decreases in metal theft (–15%), ticket machine break-ins (–22%) and graffiti (–8%). Adapted security concepts and close cooperation with the Federal police proved effective.

A particular challenge was the enforcement of mandatory face coverings on trains and in stations, as well as checks of vaccination, test and recovery status where required. Overall, the vast majority of passengers demonstrated a willingness to wear masks. Fewer than 5% of customers needed to be told about the requirement.

SECURITY AT DB GROUP

DB Group spends € 200 million annually on the security of its customers and employees, plus investments in structural facilities and security technology. As part of a law enforcement partnership, Federal police officers and DB Group's own security personnel work together, with technical support, to combat crime and disruptive activity and increase the security of our customers and employees. The Group-wide Safe travel 259 program brings together measures that notably increase security for employees and customers. An increased presence of security personnel on selected long-distance and local lines increases the sense of security and deters offenders. On DB Long-Distance in particular, significantly more security services were engaged than in previous years. For the first time, these additional services were available not only for special events such as transport for soccer fans, but also in regular operations on peak travel days as well as to enforce mandatory mask wearing and to check vaccination, test and recovery status in line with the regulations in force in the various Federal states. On local transport, we tested the use of additional security personnel on selected routes, providing security services above and beyond those stipulated in the transport contracts. By analyzing these additional deployments, we have produced a solid data basis for defining security service requirements in future transport contracts.

We have involved stakeholder groups in designing new security measures and commissioning new deployment concepts. The stakeholder groups expressed a high degree of support for the measures that were defined and implemented. The common goal is to protect our employees and customers.

Particular attention and consideration was given to the special circumstances of the pandemic. In particular, security personnel and train personnel were given special preparation for the extraordinary challenges. Separately, there were further investments in the equipment of security personnel and in technical structures for location-based scheduling. In terms of technical operating resources, bodycams are making an outstanding contribution to security and offer protection from attacks. The cameras are now being used at 15 major stations in nine metropolitan areas and in special deployments in specific situations. New findings were obtained in 2021 when they were used for the first time by train personnel on the Westfrankenbahn. Initial evaluations serve to confirm the previous observations: employees with bodycams are significantly less likely to be attacked. This creates the conditions for the use of bodycams to increase the safety of rail personnel. The relevant concepts are currently being coordinated with stakeholder groups and authorities. The number of participants in training sessions has increased further, to about 20,000 customer-facing employees. Despite restrictions due to Covid-19, de-escalation and self-defense training took place under strict hygiene protocols. Training was intensified for DB Security employees, who are exposed to an increased potential for conflict in their day-to-day work.

24/7 THREAT MANAGEMENT

For over a year, threat management has been available round the clock to all employees in Germany for reporting threats and personal difficulties. The wide variety of reports confirms that it was necessary to introduce this instrument. In 2021, we recorded more than 50 cases requiring further support. Dozens of instances of further contact with those affected were facilitated or supported. Whether employees experience a threat before, during or after their shift, or if they are experiencing stress in their personal lives, specially trained employees receive their reports and decide how to best support them. Possible measures range from immediate police deployment and preemptive staffing measures to providing advisory services and having security personnel or other security experts clarify unclear situations.

SECURITY ON TRAINS AND IN STATIONS

Every major station in Germany will be equipped with modern video technology by the end of 2024. In 2021, DB Group modernized the video technology in almost 50 stations, primarily major ones, and plans were launched to bring new video technology to some 30 further stations. This will bring the number of video cameras in stations to about 11,000 by the end of 2024. As the new cameras take high-resolution images, they will significantly improve the quality of the recordings. Only the Federal police has access to the recordings produced by the cameras. We operate a total of almost 50,000 video cameras on trains and in stations.

TECHNICAL SAFETY WORKING GROUP

The implementation of the assignments of the Technical Safety Working Group, with which DB Group and the Federal police have worked with a new intensity to further develop safety on trains and in stations, was a key aspect of 2021. In joint activities with the Federal Ministry of the Interior (Bundesministerium des Innern und für Heimat; BMI), the Federal Ministry for Digital and Transport (Bundesministerium für Digitales und Verkehr; BMDV), the Federal police and DB Group, the Working Group has developed structural, staffing and organizational measures and explored their feasibility in conceptual terms with scientific support. Using the existing framework of testing in principle, restructured practical tests of selected technical models are being tested through use in real operating conditions. One focus of these tests is Südkreuz station in Berlin.

PREVENTION WORK

In 2021, we strengthened the content of our prevention work and increased its staffing. The six newly established prevention teams are being deployed in stations and railway facilities to raise awareness of correct behavior in railway facilities, explain the dangers of railway operations and work together with the Federal police to prevent crime. Specially qualified prevention experts are focusing particularly on young people. They coordinate rail information events for children and adolescents or visit schools and youth centers.

PRESENCE AND SITUATION-SPECIFIC DEPLOYMENT

We are continuing to steadily increase the presence of our own security officers. The two-person and on-call teams, which are now formed from about 4,300 DB security personnel members, are being supported in all regions by Mobile Support Groups (MSGs), a form of deployment introduced in 2016, which are specially qualified for challenging deployments. The MSGs are there to support colleagues on patrol in encounters with violent individuals, and their special expertise comes into play in cases that are assessed as likely to result in conflict situations requiring robust deployment. The special qualifications focus on providing particularly efficient support to police forces. In addition to the requirements stipulated in transport contracts, this also helps to fulfill safety requirements on trains and in stations.

ATTACKS ON EMPLOYEES

The enforcement of Covid-19-related rules has led to a sustained high potential for conflict for customer-facing employees. As in 2020, Covid-19-related situations have resulted in a shift in focus and necessitated an adaptation of safety concepts. Despite the increased potential for conflict, the number of employees who were attacked in 2021 was 2,582, only slightly higher than in the previous year. Just under 10% of cases were related to the enforcement of social distancing and hygiene rules. The most frequently affected professions are the train attendants (slightly more than half of cases), and security and law enforcement (40% of cases).

BUILDING BLOCK SAFE TRAVEL

With the Safe travel employee building block, employees defined safety as a core area of action for DB Group. Thanks to cooperation between the Group Security function and the business units, and coordination with employees, measures are being implemented to increase the safety of employees and customers:

- We have responded to the initial results of the standardized safety survey for train attendants introduced in fall 2020 by commissioning additional security patrols on particularly affected trains.
- Since the beginning of 2020, there have also been more security officers on long-distance trains. Their main duties are to monitor and enforce hygiene and distancing rules and to improve passenger safety.
- In a number of areas, a priority call service has been tested in practice in day-to-day use, which employees can use in critical situations to receive support more quickly.
- A multimedia campaign with the motto “Safety is everybody’s business,” which was held from April to December 2021, raised awareness of employee safety among the entire workforce.
- Development work continued on a new IT platform that is intended to make it possible in the future to learn more quickly about dangerous situations, respond more quickly and organize more targeted help.

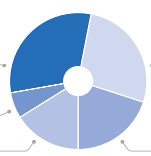
PROCUREMENT

Procurement volume

The procurement volume corresponds to the projections and forecasts of requirements of the business units and the contractual obligations to suppliers that DB Group has entered into. On subsequent realization these become capital expenditures or expenses (mainly cost of materials and other operating expenses). The total procurement volume in 2021 was € 38.0 billion (previous year: € 36.3 billion).

- Freight and freight forwarding services remained constant at € 10.9 billion.
- Industrial products fell sharply to € 7.8 billion (previous year: € 9.6 billion). This decline is due in particular to the fact that no large vehicle purchases were commissioned in 2021.
- The procurement volume for construction and engineering services, at € 7.8 billion, remained similar to the previous year's level (previous year: € 7.7 billion).
- Third-party services rose sharply to € 8.4 billion (previous year: € 5.9 billion), which was attributable to DB Schenker in particular.
- Cable- and pipe-bound power and fuel rose to € 3.0 billion (previous year: € 2.2 billion), which was attributable to trends in energy prices in particular.

PROCUREMENT VOLUME STRUCTURE / % **2021** / 2020



Previous year's figures adjusted.

The share of local procurement volume in Germany was € 18.3 billion in 2021 (previous year: € 19.4 billion).

PROCUREMENT VOLUME / € million	**2021**	2020	2019
Procurement volume in Germany [1),2)]	21,137	21,518	18,821
Share of local procurement volume (%) [2)]	87	90	89

The procurement volume is the total of all the net order values – from individual orders and from framework contracts – that have been completed.
[1)] Excluding DB Schenker.
[2)] Figure for 2020 adjusted.

PROCUREMENT IN DB GROUP

The material topics in 2021 were:

- Securing supply to DB Group: Despite the sharp increases and volatility of the market prices of raw materials and goods, supply chain disruptions and production bottlenecks, our focused supplier and risk management has enabled us to secure the supply of products and services to DB Group. The MyProFit Recovery program softened the financial impacts of the Covid-19 pandemic. To address the damage caused by floods 38, we organized replacement assignments and maintained close contact with our suppliers to prevent supply bottlenecks.
- Development of the procurement strategy: With our new strategic procurement target vision 2025, we aim to be the partner of choice of our business units. We are therefore working to intensify our alignment with DB business partners in future and to sharpen our focus on the various ecosystems (DB Group, business unit, supplier and procurement). The target vision for 2025 is based on our position as a comprehensive value driver, our intuitive procurement with harmonized systems and our focus on sustainability. In 2022, we are initiating a focused and agile approach to implementing our target vision for 2025.

Strategic supplier management

A key success factor for us is our cooperative partnership with our suppliers and service providers. As well as availability of materials and quality of goods and services, we are also focusing on consistent communication on equal terms. With this in mind, in 2021 we took the first steps in further developing the "supplier journey." This included streamlining and modernizing the DB Supplier Portal. As a systematic supplier dialog is a key lever in structuring our business relationship, we have expanded the structures for shaping the dialog between us and our business partners. One example is the use of big data analytics to quickly capture the current situation. The big data procurement initiative has given rise to automated and user-oriented reporting. In addition, the 360-degree supplier view brings together information from several different IT systems. The global presentation of the data and a structured supplier dialog facilitate communication between us and our business partners.

DB SUPPLIER AWARD AND SUPPLIER INNOVATION AWARD

- The ninth DB Supplier Award was presented in recognition of companies in the categories General Necessities and Services, Rolling Stock and Rolling Stock Parts, Infrastructure and Environment. We award this prize to suppliers who have made a mark in their market segment, who fulfill their contractual obligations in an exemplary and sustainable manner and who support us in implementing our strategy with the best performance.
- We also presented the third DB Supplier Innovation Award to commend particularly innovative efforts that support our range of services, demonstrate a high degree of innovation and are also sustainable.

Digitalization and innovation in procurement

The further development of procurement is closely linked to digitalization and (partial) automation of processes based on a modern, networked IT landscape. The aim is to produce intuitive, digitalized and highly user-oriented end-to-end processes that provide guidance throughout. The user groups are internal customers from all Group companies, procurement suppliers and strategic and operational procurers.

We are currently digitalizing the subprocesses in our IT procurement suite so that it shows all procurement-related processes and documents. The focus is on guided procurement processes rather than SAP transactions, as well as a digital exchange of documents with suppliers rather than e-mails with attached PDFs.

The internal DB Marketplace procurement application is the core of the new IT procurement suite, to which we are constantly adding new functions. We have begun to connect all our suppliers digitally through the SAP Ariba Business Network; other parts of the cooperation with suppliers are focus points for development.

Sustainability in the supply chain

GRI 102-9

We make the greatest possible contribution to sustainable mobility development through strong partnerships in transparent supply chains. Our suppliers take an active role in ensuring mutual business success with their sustainability performance and capacity to innovate. We have refined our social and environmental responsibility in many product group strategies and have embedded it in our contract awarding practices in the form of suitability, performance, evaluation and implementation criteria. The DB Code of Conduct for Business Partners is the starting point in forming sustainable supply chains and making definitive procurement decisions. We use it as a basis for monitoring our strategic partners' compliance with the Code's requirements through on-site audits if their industry, the country where their registered office is located, or their supply chains are exposed to increased risk.

We place great importance on conducting comprehensive sustainability assessments on our suppliers with regard to their management system, activities and results. We look at environmental aspects, occupational health and safety, human rights, business practices and supply chains. Each of these aspects is subject to minimum requirements. More than 700 suppliers, which account for 62% (previous year: more than 600 suppliers, 60%) of our procurement volume, submitted their assessments to us in 2021. The majority of reevaluated suppliers improved their sustainability performance. This allows us to work together to reduce risks and increase resilience in DB Group's supply of goods and services. In many product groups, our suppliers can benefit from a simplified qualification process if they submit an up-to-date sustainability assessment (in most cases from EcoVadis).

We are continuing to develop sustainable performance and decision-making criteria in a continuous dialog with industry associations and the Railsponsible initiative. All 14 Railsponsible members play a key role in making supply chains more transparent with more than 2,000 supplier assessments. Climate protection and safeguarding social minimum standards are the strategic focal points for responsible procurement management at Railsponsible.

National and international activities

GRI 102-10

We continue to focus our procurement activities in Germany. For competition reasons and to ensure reliability of supply, we also work together with international suppliers. Outside of Germany, Austria and Switzerland, our focus is on Asia.

Since it opened, our International Procurement Office Asia (IPO) in Shanghai has identified over 700 suppliers for us and supported their development and participation in tenders in accordance with the applicable processes. It is also responsible for identifying innovative products and technologies for DB Group in the Asian market, for example in the areas of digitalization and electric mobility. In 2021, we added the first battery-electric buses from Asia to our fleet.

Following the supply of car transport wagons in the last two years, we have requested additional car transport wagons from the existing supply contract with our Chinese suppliers. DB quality assurance employees monitor production on-site. The reliable supply of spare vehicle parts from our international suppliers despite the difficult logistical conditions played an important role in maintaining the stable operation of our fleet.

GREEN TRANSFORMATION

Climate protection

TCFD

OVERVIEW OF GREENHOUSE GAS FOOTPRINT

GRI 305-1 305-2 305-3

ABSOLUTE CO_2e EMISSIONS BY JOURNEYS, TRANSPORTS AND STATIONARY FACILITIES / million t	2021	2020	2019
Regional rail passenger transport	1.99	2.06	2.66
thereof in Germany	1.59	1.62	1.98
Long-distance rail passenger transport	0.04	0.04	0.04
Bus transport	1.58	1.50	1.78
thereof in Germany	0.53	0.51	0.57
Rail freight transport [1]	1.70	1.38	1.70
Road freight transport [2]	3.15	2.07	3.98
Air freight [3]	7.07	5.45	6.07
Ocean freight [3]	1.56	1.92	2.27
Other transport [4]	0.11	0.11	0.11
Stationary facilities	1.32	1.46	1.38
Total	**18.52**	**15.99**	**19.99**

Well-to-wheel (WTW), scope 1–3.
We calculate greenhouse gas emissions using the financial control approach as per the Greenhouse Gas Protocol.
[1] Excluding DB Cargo and DB Schenker rail freight transport from / to China up to and including 2020.
[2] Excluding pre-carriage and onward carriage from land, air and ocean freight up to and including 2020.
[3] Excluding pre-carriage and onward carriage in 2021.
[4] Including among others DB Connect, internal traffic.

ABSOLUTE CO_2e EMISSIONS ACCORDING TO SCOPE 1–3 / %	2021	2020	2019
Share of scope 1	17.8	19.0	18.9
Share of scope 2	17.2	21.3	19.7
Share of scope 3	65.0	59.7	61.4

Excluding DB Cargo and DB Schenker rail freight transport from / to China up to and including 2020.
Upstream fuel- and energy-related emissions (scope 3.3 as per the GHG Protocol) are reported in scope 1 and 2.

Our greenhouse gas footprint shows the amount of greenhouse gases that we emitted in one calendar year. It is made up of:

– our greenhouse gas emissions from the entirety of the rail and road fleet owned by DB Group, stationary facilities such as stations or workshops (scope 1+2) and
– emissions from transport services and journeys commissioned by DB Group (scope 3).

The specific greenhouse gas emissions and our climate protection target 67 ff. are calculated on the basis of absolute greenhouse gas emissions within the limits set. They also act as a benchmark for our efficiency improvement measures and provide a basis for us to compare our performance with other companies. Our absolute greenhouse gas emissions rose again in 2021, particularly in global logistics, but are still significantly below pre-Covid-19 levels.

- The scope 2 emissions of 3.19 million tons of CO_2e take into account market-based mechanisms, meaning that this figure includes all contractually regulated instruments for generating and trading electricity from renewable energies. In accordance with the scope 2 guidelines of the Greenhouse Gas Protocol on dual reporting, we also report location-based scope 2 emissions. If we take the respective national energy mixes as a basis for the reporting, the scope 2 emissions amount to 5.24 million tons of CO_2e.
- Our subcontractors' scope 3 emissions account for the largest share of our greenhouse gas emissions (category 3.4 in the GHG Protocol). In DB Schenker's Preferred Carrier Program, we favor working with shipping companies and airlines that have the most modern fleets and that value sustainability. Advising our customers on climate-friendly logistics is an integral part of the service portfolio of DB Schenker and DB Cargo. We also develop strategies for decarbonizing maritime and air transport, particularly in the sector platforms of the World Economic Forum (WEF).

Nature conservation

RESPONSIBILITY FOR THE PLANT AND ANIMAL WORLD

DB Group's rail routes, buildings and spaces often provide a unique habitat for protected species. We develop eco-friendly solutions to offset any impact that our work has on the natural world. We have worked with conservation associations and authorities to update the directive on the protection of birds on catenaries. In addition, we are currently working on a research project of the German Centre for Railway Traffic Research on further solutions to protect birds and small animals even better.

Bird protection measures

We recorded about 3,600 short-circuit events caused by animals in 2021. About 92% of them involved birds and about 8% involved small mammals. To improve the situation, bird protection measures green no. 33 are carried out on the insulators as part of the full overhead line inspection. Traction current lines in areas that have a high risk of bird collisions are also being made safe.

Insect Protection Act

More than 50 million honey bees green no. 10 find their habitat on our land. For wild bees and other insects, structures known as arks are being set up in selected stations. Artificial nesting and hibernation aids green no. 154 also offer refuge for insects. To implement measures to protect wild bees, support tools are being developed to improve the environmental quality of compensation areas, for example. We are working with our partners to sow the seeds for the sustainable management of our land. We are working together with the Lake Constance Foundation, the Global Nature Fund and ILbA, an institute for life-enforcing architecture. Our joint project is part of the EU-wide LIFE BoogiBOP project.

IT systems to document protected areas

WHERE DB LINES MEET CONSERVATION AREAS IN GERMANY / km

	2021
Protected landscapes	7,056
Nature reserves	6,245
Water protection areas	4,320
Flora and fauna habitat areas	2,088
Bird sanctuaries	1,683
Nature conservation areas	888
Biosphere reserves	623
National parks	32

There may be overlaps between conservation areas.

We use geographic information systems, which store data about train lines and surrounding land and all digitally available information on protected areas in Germany. This enables us to quickly identify the points of contact between nature and DB Group's tracks and land. There are different restrictions and conditions in each protected area, which are described in protected area ordinances. These are stored in our system and are taken into account in construction work.

MITIGATION AND COMPENSATION MEASURES

GRI 307-1

We take nature conservation into account when building rail infrastructure. Our aim is to avoid interfering with nature and the landscape as much as possible. If adverse effects nevertheless occur, we compensate with compensation and substitution measures. We document all data green no. 59 on these compensation obligations in the online specialist nature protection and compensation information system (Fachinformationssystem Naturschutz und Kompensation; FINK). This enables us to comply with the reporting requirements set forth by the Federal Railway Authority (Eisenbahn-Bundesamt; EBA) in accordance with the Federal Nature Conservation Act (Bundesnaturschutzgesetz). At the end of 2021, we recorded 7,258 projects in the system, with a total of 46,015 compensation measures, including 15,777 measures on species protection. The number of our projects including protection and compensation measures under conservation law increased by about 1,000.

VEGETATION CONTROL

In 2021, 4.9 t of herbicidal active substances in total were applied to our tracks, and with a track length of about 61,000 km, about 16% of the tracks were treated. This continues to be equivalent to just under 0.5 kg of active substance per kilometer of track treated. As flazasulfuron, flumioxazin and glyphosate were applied, only substances that have been approved by the German Federal Office of Consumer Protection and Food Safety (Bundesamt für Verbraucherschutz und Lebensmittelsicherheit; BVL) specifically for use in the vicinity of tracks were used during the treatment. We are currently developing and testing alternative methods 70 and application strategies.

Resource conservation

WATER CONSUMPTION

Water consumption refers to the water taken from the public supply. In 2021, water consumption fell by 14% (previous year: by 5%). This decrease pertains both to the Integrated Rail System and to DB Arriva and DB Schenker.

WATER CONSUMED / million m³

2021	**7.25**
2020	8.40
2019	8.84

Includes consumption by DB Schenker from the previous year.

GRI 305-7

Air quality control

ABSOLUTE AIRBORNE POLLUTANTS FROM JOURNEYS AND TRANSPORT AS OF DEC 31 / t	2021	2020	2019
Particulate emissions	5,299	5,758	6,336
Nitrogen oxide (NO_x) emissions	105,079	102,324	123,371
Sulfur dioxide (SO_2) emissions	14,651	13,350	46,354
Hydrocarbon (NMHC) emissions	7,782	7,203	9,201

Combustion-related, well-to-wheel (WTW), scope 1–3.
Excluding DB Cargo and DB Schenker rail freight transport from / to China up to and including 2020.

The ongoing modernization of our vehicle fleet is our most important measure for reducing airborne pollutants. The high electrification rate of our rail network also plays a key role here, as the rolling stock itself does not produce local pollutant emissions, except for abraded particles; emissions are only produced when electricity is generated. The calculation is based on the fuel consumption and composition of our vehicle fleets. We have been exclusively using low-emissions construction vehicles and machinery green no. 11 at our urban construction sites since mid-2018. Our combustion-related pollutant emissions are largely influenced by our ocean freight activities, which emit over 77% of soot particles. We are continuing our cooperation with the carriers in this area in various industry forums, where the phasing out of fossil fuels is also being jointly addressed. In addition, stricter statutory regulations on sulfur content in fuels to reduce airborne pollutants have been in force worldwide in shipping since January 2020.

EMISSIONS STANDARDS FOR OUR VEHICLES

Our rail and road vehicles meet current Euro standards and thus ensure a lower level of pollutant emissions. Our trucks used in long-distance transport comply with the strictest emissions standards, Euro 5 and 6, and all of our car fleet meets the Euro 6 emissions standard. As in 2020, 16% of the rail transport fleet has the lowest pollutant level UIC 0. The share of rolling stock with low-pollutant electric traction remains at 63%, the same high level as in the previous year. The share of our buses meeting the Euro 5 and 6 standards increased to 82% (previous year: 76%).

Environmental management

GRI 307-1

ENVIRONMENTAL MANAGEMENT SYSTEM

SHARE OF DB GROUP COMPANIES WITH CERTIFIED ENVIRONMENTAL MANAGEMENT SYSTEMS IN ACCORDANCE WITH ISO 14001 AS OF NOV 30 / %	2021	2020	2019
DB Group	47	48	53
in Germany	20	22	22
in Europe (excluding Germany)	53	53	64
worldwide (excluding Europe and Germany)	73	76	71

Our environmental targets are supported by a Group-wide environmental management system designed according to DIN ISO 14001 green no. 131. The system's compliant integration into our Group regulations has been verified by an independent institute. Based on this, 77% of our 266 environmentally relevant Group companies apply a corresponding environmental management system in 2021. The Sustainability and Environmental division is responsible for compliance with and further developing Group-wide environmental management standards. In 2021, no significant fines or other penalties were issued to DB companies for environmental offenses.

Employees for environmental protection

We offer our employees specialist environmental training green no. 90 on issues relating to areas of action for the Green Transformation. In the area of climate protection, for example, employees have the opportunity to receive training on energy management in accordance with DIN 50001. In 2021, 80 courses with a total of about 1,430 participants took place in Germany.

EMPLOYEES

Personnel development

TRAINING AND CONTINUING EDUCATION

As an intra-Group partner for learning, development and change processes, DB Training, Learning&Consulting conducts the vast majority of training, professional development and continuing education with some 28,000 events for about 270,000 participants per year. DB Group employees have more than 3,000 training opportunities available to them. Qualifications are offered for in-person, digital or blended learning schemes. A modern infrastructure provides space for creativity, new solutions and new digital learning formats, such as virtual reality (VR) training for rail operations and vehicle technology.

DB Academy is responsible for the qualification of about 10,500 executives and potential executives of DB Group. The portfolio offers them training according to their individual career and development stages, enabling them to apply leadership standards and implement strategic areas of action at DB Group.

The Covid-19 pandemic has significantly impacted training and qualification activities. Existing training formats have been further developed and adapted to a more digital everyday working environment. A large number of digital alternatives were created in a very short time in 2020, such as digital onboarding. With regard to vocational training, existing IT infrastructure could be used, allowing training to go ahead in a purely virtual format. Practical components of the vocational training were rescheduled and held in person in accordance with a Covid-19 safety policy where possible. Learning apps and DB Learning World as a central learning platform proved effective for use in digital learning scenarios.

Since the outbreak of the Covid-19 pandemic, hygiene policies have been applied at all DB training sites (training centers, training workshops, simulator centers, practice sites) in accordance with Covid-19 safety regulations. This has been developed on an ongoing basis in 2021 and adapted to the changing conditions. DB Academy and DB Training have also developed additional online services to support employees and executives during the Covid-19 pandemic. Numerous target-group-specific sessions were created, including "Leadership in times of crisis," the virtual portfolio "Getting through the crisis together" and its successor "Back to the new normal together." There was high demand for these, and they received highly positive feedback (about 25,000 users).

TRAINING AND CONTINUING EDUCATION COSTS FOR EMPLOYEES / € million	2021	2020	Change absolute	Change %	2019
Total	262	210	+ 52	+ 24.8	221
Per employee (FTE) (€)	1,181	965	+ 216	+ 22.4	1,052

Germany, including vocational trainees and dual-degree students.

TRAINING AND CONTINUING EDUCATION DAYS IN CUSTOMER-ORIENTED JOB FAMILIES / days	2021	2020	2019
Per employee (FTE)	11.5	11.9	10.7

Germany (companies with about 80 % of domestic employees).
Includes only training and development days in customer-oriented job families for permanent employees, excluding vocational trainees and dual-degree students.

Training and continuing education costs per employee rose to a new record high.

SECURING YOUNG TALENT

YOUNG PROFESSIONALS HIRED AS PERMANENT PERSONNEL BY TYPE OF TRAINING / NP	2021	2020	2019
Vocational trainees	2,614	2,420	2,352
Dual-degree students	239	197	169

Germany (companies with about 98 % of domestic employees).
Hired after completion of vocational training or dual degree studies.

DB Group's own vocational training and the combined work-study degree are the foundation of our efforts to secure the recruitment of skilled employees. This is supplemented by the job preparation program "Chance plus" for young people who need support in accessing the labor market.

- We support refugees with their integration into Germany: the Social and Cultural Integration project (Soziale und kulturelle Integration; SUKI) run by Stiftungsfamilie BSW & EWH (foundation partnership), in collaboration with the Railway and Transport Workers Union (Eisenbahn- und Verkehrsgewerkschaft; EVG), and the social security fund, offers integration-related services to supplement professional qualification programs for people with a refugee and migration background.
- The range of support services for DB young professionals has been further developed with ZukunftPlus e. V., and Lifehacks4U has been created as a Group-wide service to provide individual support for young talent in matters beyond training.
- We recognize outstanding performance and great commitment in our entry-level programs through the Excellence Program for particularly high-performing young professionals.
- The social responsibility and participation of young professionals is being promoted from the very beginning through participation in the "Rail trainees against hate and violence" tolerance competition. Since the foundation of the competition in 2000, more than 13,000 DB Group vocational trainees have completed a total of 1,500 projects and set an example for respectful and tolerant teamwork.

PERFORMANCE MANAGEMENT

The "My Performance Management" tool aims to support employees' professional and personal development to boost their personal performance. Regular feedback based on key questions from different perspectives and a well-structured presentation of results helps employees to compare how they see themselves versus how others see them, and encourages them to reflect on their working habits in a targeted manner.

Regularly reviewing key performance indicators and how each employee contributes to achieving objectives also shows individuals and teams their strengths and areas for improvement. Supervisors give employees clear guidance on performance development once a year. In a one-to-one discussion, development prospects and measures, such as the careers lab and succession planning, are discussed and agreed upon together. If the annual overall evaluation gives cause for a more detailed assessment of competence, this can be carried out, if necessary, with reference to the skills profile of the function in question.

In addition, a spontaneous feedback tool makes it possible to request and send feedback across all hierarchies at any time and, if the user so wishes, give visible recognition of their rating.

DEVELOPING EMPLOYEES AND FILLING VACANCIES

The DB role model combines specifications for different career paths (such as expert, project and management), duties and responsibilities and the necessary experience, expertise and attitude from an internal standpoint. It forms the basis for staffing and diagnostic processes. In addition to our management and project management career paths, our internal career options were expanded to include a third career path: the DB expert career, which offers opportunities for further development to experienced employees with key expertise.

In 2021, we realigned our talent management strategy. The key elements are ease of access for employees and executives, attractive opportunities for orientation, networking and visibility for all career paths, and a high degree of personal initiative and individuality. Our campaign "Leadership rocks!" supports the promotion and demand for more diversity in DB Group. With exciting interviews and videos, the campaign showcases examples of women in executive positions who are leading the way. The "Frau Dich!" (Woman up!) initiative also plays a role in inspiring and motivating women to aim for management positions with individual career advice for women.

GETTING ON THE JOB

In 2021 we began work on the (further) development of a structured reentry management to support the reentry of employees who have been on temporary absences. Key elements include primarily the provision of pooled information to improve orientation, opportunities for communication and discussion to strengthen self-reflection, and personal development opportunities.

Transformation

DIVERSITY

In Germany, about 219,000 employees from over 100 nations work for DB Group, about 51,200 of whom are women. The share of women in management positions by organizational structure, including companies covered by the Act for the Equal Participation of Women and Men in Management Positions (Gesetz für die gleichberechtigte Teilhabe von Frauen und Männern an Führungspositionen; FüPoG II), stood at 25.4 % at all levels as of December 31, 2021 (as of December 31, 2020: 24.4 %).

MANAGEMENT LEVELS OF EXECUTIVES AND MEMBERS OF THE SUPERVISORY BOARD BY GENDER AS OF DEC 31 / NP	2021	2020	2019
Supervisory Board	20	20	19
Share of women (%)	30.0	35.0	31.6
Senior executives	252	243	227
Share of women (%)	19.0	16.9	13.2
Upper management	1,072	1,039	993
Share of women (%)	19.9	18.4	17.9
Middle management	2,464	2,382	2,172
Share of women (%)	22.2	22.0	21.3
Total executives (excluding Supervisory Board)	**3,788**	**3,664**	**3,392**
Share of women (%)	21.3	20.7	19.8

Germany (companies with about 98% of domestic employees).

The share of women among executives increased in 2021, demonstrating our efforts to increase the number of women in management. The increase in executives is largely the result of an increase in the number of employees, reorganizations, structural adaptations and company acquisitions.

EMPLOYEES BY AGE AS OF DEC 31 / NP	2021	2020	2019
< 30 years	30,312	29,929	28,986
30 - 49 years	94,064	92,950	89,092
≥ 50 years	89,644	90,008	89,037
Total	**214,020**	**212,887**	**207,115**

Germany (companies with about 98% of domestic employees).

The share of employees over 50 continues to be high (about 42%).

EMPLOYEES WITH SEVERE DISABILITIES BY AGE AS OF DEC 31 / NP	2021	2020	2019
< 30 years	377	326	308
30 - 49 years	2,488	2,620	2,721
≥ 50 years	9,419	9,540	9,677
Total	**12,284**	**12,486**	**12,706**

Germany (companies with about 98% of domestic employees).
Includes employees and vocational trainees with severe disabilities or similar.

The employment rate for people with severe disabilities in Germany is 5.5%. In Group companies, it is about 50% higher than the statutory quota of 5%.

Employment conditions

GRI 102-41

COLLECTIVE AGREEMENTS

EMPLOYEES BY EMPLOYEE TYPE AS OF DEC 31 / NP	2021	2020	2019
Employees subject to collective bargaining agreements	187,379	184,508	177,286
Civil servants	14,705	17,081	19,087
Employees on individual contracts [1]	11,936	11,298	10,742
Total	**214,020**	**212,887**	**207,115**

Germany (companies with about 98% of domestic employees).
[1] The figures for employees on individual contracts primarily include executive employees (managers), employees paid above the wage agreement level (known as non-tariff employees) and employees with individual contractual agreements.

In addition to country-specific legislation, the working conditions for our employees primarily follow the collective bargaining agreements that have been concluded with the trade unions in the respective countries. In principle, the collective bargaining agreements apply to employees in Germany. The activities of civil servants in DB Group are based on statutory allocation under Article 2, Section 12 of the Rail Restructuring Act (Eisenbahnneuordnungsgesetz). The same collective wage agreement provisions within DB Group therefore apply on this basis to civil servants, insofar as the legal regulations governing civil servants do not conflict with this.

EMPLOYEES WITH COLLECTIVE AGREEMENTS AS OF DEC 31 / NP	2021	2020	Change absolute	Change %	2019
Employees with collective wage agreements	202,059	201,555	+ 504	+ 0.3	196,327
Share (%)	94.4	94.7	- 0.3	-	94.8

Germany (companies with about 98% of domestic employees).

The share of employees subject to collective bargaining agreements remains virtually unchanged at a very high level.

SOCIAL AND FRINGE BENEFITS

In addition to offering compensation that is fair and commensurate with performance, an employer-financed company pension scheme and support for private provision, we also offer a wide range of social and fringe benefits. The social partners (Bahn-Sozialwerk, Bahn-Betriebskasse, Verband Deutscher Eisenbahner Sportvereine, DEVK-Versicherungen and Sparda-Banken) offer benefits packages for our employees. In cooperation with the foundation family, we offer our employees a range of childcare options and extensive support in caring for family members.

Work-life balance

GRI 102-8

EMPLOYEES BY WORKING HOURS AND GENDER AS OF DEC 31 / NP	2021	2020	2019
Full-time	195,127	193,844	188,820
thereof women	37,769	37,243	36,122
Part-time	23,578	23,184	22,480
thereof women	13,360	13,292	13,072
Total	**218,705**	**217,028**	**211,300**

Germany.

DB Group offers various part-time models. This supports a better balance between career and family.

EMPLOYEES BY CONTRACT TYPE AS OF DEC 31 / NP	2021	2020	2019
Permanent	209,221	206,970	200,392
thereof women	48,355	47,541	46,033
Fixed-term	9,484	10,058	10,908
thereof women	2,774	2,993	3,161
Total	**218,705**	**217,028**	**211,300**

Germany.

The share of employees with permanent employment contracts in Germany remained very high at about 96%.

AGENCY PERSONNEL AS OF DEC 31 / NP	2021	2020	2019
Total	2,416	2,232	3,458

Germany (companies with about 99% of domestic employees).

Use of agency workers remains comparatively low due to the Covid-19 pandemic.

TCFD

Executive employees and employees not covered by collective wage agreements

The variable compensation for executives, employees covered by collective wage agreements and employees not covered by such agreements is aligned with the top targets of the Strong Rail strategy 52 ff. The calculation of the variable compensation amount is based on a standardized set of key figures. In addition to Group and business success in the Integrated Rail System, there is a sustainability factor that takes into account the compass index in the Integrated Rail System and the reduction of CO_2e emissions.

- To improve work-life balance, executives and employees not subject to collective wage agreements are able to take a sabbatical. We also support the provision of part-time executive employment and interim management.
- The "Special semi-retirement for executives in DB Group" program is intended to reduce executives' individual workload while maintaining the employability of older executives until the statutory retirement age.
- Employer-financed contributions to the company pension plan are used to ensure post-employment benefits for executives and employees not subject to collective wage agreements.
- The BahnCard and car-sharing services offer executives an environmentally friendly alternative to a company car.

Measures against discrimination

We are committed to ensuring a working environment that is free from discrimination and bullying. Capable assistance for clarifying and handling conflict situations is available from the intra-Group ombudsperson for all employees, in addition to the rules in the Group Employer/Works Council Agreements (Konzernbetriebsvereinbarung; KBV), such as the KBV for equal treatment and protection against discrimination, or the KBV for balancing work, family and life stage, as well as directives such as those on the Federal General Act on Equal Treatment (Allgemeines Gleichheitsbehandlungsgesetz) and on company integration management, or compliance directives. The focus in all this is on non-bureaucratic and independent extrajudicial settlement of conflicts. The ombudsperson coordinates the intra-Group pool of mediators.

OCCUPATIONAL SAFETY AND HEALTH MANAGEMENT

To help combat the Covid-19 pandemic, we have set up our own vaccination centers and are also offering vaccinations through our occupational medical service. A total of 32,000 vaccinations have been carried out in ten DB vaccination centers and 35 other ias AG occupational medical service facilities. Following an EU-wide tender, the occupational medical service contract has been awarded to four service providers. The capacity and resource management of the occupational medical service providers is being digitalized as part of this realignment, thereby playing a part in the design of a modern occupational safety and health management framework. With the introduction of a sustainable IT platform that interlinks the occupational health and workplace safety services and hazardous substance management, a significant milestone in the implementation of the technology and digitalization strategy has been reached in these areas.

Our occupational health and safety policy is designed to continuously decrease the number and severity of accidents. The cross-functional cooperation has allowed us to implement Group-wide preventive measures quickly during the Covid-19 pandemic. In doing so, we have not only complied with legal requirements in consultation with works councils and DB management as well as the statutory accident insurance scheme for Federal agency and railway personnel (Unfallversicherung Bund und Bahn; UVB), but also set minimum requirements for protective measures throughout Germany, irrespective of the various government and autonomous health and safety regulations. Group-wide standards were agreed on social distancing, good hygiene practices, mask wearing and ventilation. These standards have been taken into account in risk assessments and communicated in occupational health and safety instructions.

In 2021, the planned adjustments were made to the framework guidelines on occupational health and safety. These related to the focus areas of risk assessment and accident management. Initial measures, such as a training program to supplement the annual occupational health and safety training, were also developed in the Group-wide Occupational Health and Safety Working Group to improve the quality of preventive health and safety in the Integrated Rail System in accordance with the zero-accident approach. The measures have been tested successfully, including in a pilot with several companies.

The joint zero-accident occupational health and safety strategy has, for the Integrated Rail System, the strategic objective of ensuring "no work accidents or work-related illnesses." The top priority is to avoid fatal and serious occupational accidents and occupational diseases. If a fatal or serious occupational accident nevertheless occurs, we cooperate closely with the competent authorities and do everything possible to prevent similar causes of accidents in future. We are represented in the Zero Accident Forum of the German Statutory Accident Insurance's Institute for Occupational Health and Safety (Institut für Arbeitsschutz der Deutschen Gesetzlichen Unfallversicherung; IFA). The forum is a network of companies that enables them to learn from one other so that they can reduce the number of accidents at work, including on the way to and from work, to zero.

SICKNESS RATE BASED ON HOURS / %	2021	2020	2019
DB Long-Distance	6.0	5.8	6.7
DB Regional	7.5	7.6	7.9
DB Cargo	6.7	6.4	7.1
DB Netze Track	4.9	5.0	5.6
DB Netze Stations	5.2	5.5	6.5
DB Netze Energy	3.3	3.4	4.2
Other	5.2	5.4	6.3
DB Schenker	5.4	8.1	6.7
DB Group	**5.7**	**6.0**	**6.5**

Germany (companies with about 97% of domestic employees).

The sickness rate has fallen further, a possible indication that the extensive hygiene and safety measures taken in the context of the Covid-19 pandemic are having an effect.

OCCUPATIONAL ACCIDENTS AND LTIF	2021	2020	2019
Fatal accidents [1]	4	6	7
thereof in Germany [2]	4	2	5
Lost time injury frequency (LTIF) [2,3]	21.8	21.5	25.0

[1] Worldwide (companies with about 98% of employees).
[2] Germany (companies with about 98% of domestic employees).
[3] Lost time injury frequency = LTIF (work accidents that cause the employee to be absent for longer than one calendar day) × 1,000,000 / working hours.

Compliance with internal standards and national laws serve to protect employees. A safe work environment and healthy employees contribute to success. Digital events and active communication measures on the topic of occupational health and safety were implemented to achieve the goal of raising awareness about safety and personal responsibility. We are continuously working to optimize safety. With lost time injury frequency (LTIF), we have established an indicator to aid us in further reducing the frequency of accidents.

The fatal workplace accidents in 2021 occurred in the infrastructure division in DB Netze Track and in DB Schenker. Fatal workplace accidents at DB Group are systematically investigated in the affected business units, and any possible process-related improvements and further measures are identified and implemented.

About 65 companies in Germany are included in the LTIF calculation. Close examination of the LTIF shows a differentiated picture, even in international comparison, as all areas of activity within DB Group are included in the calculation, rather than just sub-areas. Our goal within the scope of our occupational health and safety policy is to continuously and sustainably reduce the LTIF. Our zero-accident measures play a role in this. We involve the business and service units in the Group-wide Occupational Health and Safety Working Group, thereby promoting an overall culture of safety to ensure the safety of our employees. The LTIF in Germany is at the same level as in the previous year.

For 2022, we aim to continue development on the SAP EH&S IT application that has been introduced and drive forward new digital formats in the context of increased digitalization. We are working continuously to place greater emphasis on executives' responsibility and their function as role models. We have therefore developed further learning opportunities for executives as part of the occupational health and safety strategy for the Integrated Rail System.

GRI 102-43

Occupational health and safety committees at DB Group

In Germany, companies (production facilities, branches, "Wahlbetriebe" for works council election purposes) with 20 employees or more are legally required to have an occupational health and safety committee (Arbeitsschutzausschuss). At DB Group, the majority of employees (over 75%) are represented on occupational health and safety committees.

Number of employees and employee structure

EMPLOYEES AS OF DEC 31 / NP	2021	2020	Change absolute	Change %	2019
DB Long-Distance	19,836	19,873	-37	-0.2	18,370
DB Regional	39,333	39,299	+34	+0.1	38,462
DB Cargo	30,606	30,586	+20	+0.1	29,998
DB Netze Track	52,756	51,714	+1,042	+2.0	50,107
DB Netze Stations	7,161	6,864	+297	+4.3	6,595
DB Netze Energy	1,968	1,928	+40	+2.1	1,829
Other	60,978	60,589	+389	+0.6	58,131
Integrated Rail System	**212,638**	**210,853**	**+1,785**	**+0.8**	**203,492**
DB Arriva	46,031	48,796	-2,765	-5.7	55,283
DB Schenker	78,321	76,629	+1,692	+2.2	79,136
DB Group	**336,990**	**336,278**	**+712**	**+0.2**	**337,911**

As of December 31, 2021, the number of employees 82 was at the same level as at the end of the previous year.

EMPLOYEES BY REGIONS AS OF DEC 31 / NP	2021	2020	Change absolute	Change %	2019
Germany	218,705	217,028	+1,677	+0.8	211,300
Europe (excluding Germany)	88,486	89,990	-1,504	-1.7	96,901
Asia/Pacific	17,021	16,806	+215	+1.3	16,980
North America	9,311	9,163	+148	+1.6	9,390
Rest of world	3,467	3,291	+176	+5.3	3,340
DB Group	**336,990**	**336,278**	**+712**	**+0.2**	**337,911**

The share of employees outside Germany was about 35%, the same level as in the previous year (as of December 31, 2020: about 35%).

NEW HIRES

NEW HIRES BY GENDER (EXCLUDING YOUNG PROFESSIONALS) AS OF DEC 31 / NP	2021	2020	2019
<30 years	7,161	8,247	8,693
Share of women (%)	30.5	29.3	28.8
30–49 years	8,892	10,600	10,922
Share of women (%)	21.9	21.4	21.9
≥50 years	2,397	2,853	3,143
Share of women (%)	18.9	21.1	20.4
DB Group	**18,450**	**21,700**	**22,758**

Germany (companies with about 98% of domestic employees).
This does not include the acceptance or hiring of vocational trainees and dual-degree students.

The number of newly hired employees in Germany remains at a high level.

EMPLOYEE TURNOVER

EMPLOYEE TURNOVER / NP	2021	2020	2019
Retirement-related turnover	3,614	3,478	3,212
thereof women	694	696	692
Other employee turnover	11,166	9,218	10,043
thereof women	2,296	1,862	2,129
Total	**14,780**	**12,696**	**13,255**

Germany (companies with about 98% of domestic employees).

The figures indicate non-restructuring-related turnover of permanent employees. Part-time working in the lead-up to retirement is also included in retirement-related employee turnover.

EMPLOYEE TURNOVER / %	2021	2020	2019
Retirement-related turnover	1.7	1.6	1.5
thereof women	1.4	1.4	1.5
Other employee turnover	5.1	4.3	4.8
thereof women	4.6	3.8	4.5
Total	**6.8**	**5.9**	**6.3**

Germany (companies with about 98% of domestic employees).
The figures indicate non-restructuring-related turnover of permanent employees.
Part-time working in the lead-up to retirement is also included in retirement-related employee turnover.

The rise in turnover under other employee turnover is largely due to personnel members leaving to become "extended" personnel members (for example parental leave, long-term or permanent illness).

GRI 102-56

INDEPENDENT PRACTITIONER'S REPORT ON A LIMITED ASSURANCE ENGAGEMENT ON SUSTAINABILITY INFORMATION

To Deutsche Bahn AG, Berlin

We have performed a limited assurance engagement on the disclosures in the sections "To our stakeholders – Open stakeholder dialog", "To our stakeholders – Social commitments" and "Notes to sustainability" of the 2021 Integrated Report of Deutsche Bahn AG, Berlin (hereinafter the "Company") for the period from 1 January 2021 to 31 December 2021 (hereinafter the "Report").

Not subject to our assurance engagement are the external sources of documentation or expert opinions mentioned in the Report.

Responsibility of the Executive Directors

The executive directors of the Company are responsible for the preparation of the Report in accordance with the principles stated in the Sustainability Reporting Standards of the Global Reporting Initiative (hereinafter the "GRI-Criteria").

This responsibility includes the selection and application of appropriate sustainability reporting methods and making assumptions and estimates about individual sustainability disclosures of the Company that are reasonable in the circumstances. Furthermore, the executive directors are responsible for such internal controls as the executive directors consider necessary to enable the preparation of a Report that is free from material misstatement whether due to fraud or error.

Independence and Quality Control of the Audit Firm

We have complied with the German professional provisions regarding independence as well as other ethical requirements.

Our audit firm applies the national legal requirements and professional standards – in particular the Professional Code for German Public Auditors and German Chartered Auditors ("Berufssatzung für Wirtschaftsprüfer und vereidigte Buchprüfer": "BS WP/vBP") as well as the Standard on Quality Control 1 published by the Institut der Wirtschaftsprüfer (Institute of Public Auditors in Germany; IDW): Requirements to quality control for audit firms (IDW Qualitätssicherungsstandard 1: Anforderungen an die Qualitätssicherung in der Wirtschaftsprüferpraxis – IDW QS 1) – and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Responsibility of the Assurance Practitioner

Our responsibility is to express a conclusion with limited assurance on the disclosures in the Report based on our assurance engagement.

We conducted our assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised): Assurance Engagements other than Audits or Reviews of Historical Financial Information, issued by the IAASB. This Standard requires that we plan and perform the assurance engagement to obtain limited assurance about whether any matters have come to our attention that cause us to believe that the disclosures in the Company's Report, other than the external sources of documentation or expert opinions mentioned in the Report, are not prepared, in all material respects, in accordance with the relevant GRI-Criteria.

In a limited assurance engagement the procedures performed are less extensive than in a reasonable assurance engagement, and accordingly a substantially lower level of assurance is obtained. The selection of the assurance procedures is subject to the professional judgement of the assurance practitioner.

In the course of our assurance engagement, we have, amongst other things, performed the following assurance procedures and other activities:

- Gain an understanding of the structure of the sustainability organization and the stakeholder engagement
- Inquiries of personnel involved in the preparation of the Report regarding the preparation process, the internal control system relating to this process and selected disclosures in the Report
- Identification of the likely risks of material misstatement of the Report under consideration of the GRI-Criteria
- Inspection of processes for collecting, controlling, analyzing and aggregating selected data at specific sites of the Company on a sample basis
- Analytical procedures on selected disclosures in the Report
- Reconciliation of selected disclosures with the corresponding data in the consolidated financial statements and the group management report
- Inquiries on the relevance of climate-risks
- Evaluation of the presentation of the selected disclosures

Assurance Opinion

Based on the assurance procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the disclosures in the Report of the Company for the period from 1 January 2021 to 31 December 2021 are not prepared, in all material respects, in accordance with the relevant GRI-Criteria.

Restriction of Use

We draw attention to the fact that the assurance engagement was conducted for the Company's purposes and that the report is intended solely to inform the Company about the result of the assurance engagement. Consequently, it may not be suitable for any other purpose than the aforementioned. Accordingly, the report is not intended to be used by third parties for making (financial) decisions based on it. Our responsibility is to the Company. We do not accept any responsibility to third parties. Our assurance opinion is not modified in this respect.

Berlin, 9 March 2022

PricewaterhouseCoopers GmbH
Wirtschaftsprüfungsgesellschaft

Hendrik Fink ppa. Thomas Groth
Wirtschaftsprüfer
(German public auditor)

ADDITIONAL INFORMATION

GRI 102-54 102-55

GLOBAL REPORTING INITIATIVE (GRI) INDEX

This Integrated Report was produced in accordance with the GRI international standards in the core reporting option.

GRI STANDARDS / core option		Degree of fulfillment	Page
GRI 102: GENERAL DISCLOSURES			
1. ORGANIZATIONAL PROFILE			
102-1	Name of the organization	●	39–40
102-2	Activities, brands, products and services	●	39–40, 41–43
102-3	Location of headquarters	●	39–40
102-4	Location of operations	●	39–40, 55, 112–114, 149
102-5	Ownership and legal form	●	39–40
102-6	Markets served	●	39–40, 41–43, 55, 101–103, 106–107, 113, 123–125, 127–129, 132, 133, 140, 141, 147, 148–150
102-7	Scale of the organization	●	39–40, 82, 102, 107, 113, 124, 128, 133, 137, 140, 149, 187
102-8	Information on employees and other workers	●	265
102-9	Supply chain	●	261
102-10	Significant changes to the organization and its supply chain	●	125, 136, 151, 194–195, 241–247, 261
102-11	Precautionary principle or approach	●	155–157, 157–163
102-12	External initiatives	●	32, 45
102-13	Membership of associations	●	32, 34, 47
2. STRATEGY			
102-14	Statement from senior decision maker	●	25–26
3. ETHICS AND INTEGRITY			
102-16	Values, principles, standards and norms of behavior	●	32–34, 34–36, 43, 45, 174–184, 254, 254–259, 271, 272
4. GOVERNANCE			
102-18	Governance structure	●	28–31, 39–40, 171–173, 174–184
5. STAKEHOLDER ENGAGEMENT			
102-40	List of stakeholder groups	●	33
102-41	Collective bargaining agreements	●	265
102-42	Identifying and selecting stakeholders	●	32–34, 43
102-43	Approach to stakeholder engagement	●	32–34, 44, 79, 254, 257, 267
102-44	Key topics and concerns raised	●	33, 44
6. REPORTING PRACTICE			
102-45	Entities included in the consolidated financial statements	●	241–247
102-46	Defining report content and topic boundaries	●	44–45
102-47	List of material topics	●	44–45
102-48	Restatements of information	●	86
102-49	Changes in reporting	●	44–45
102-50	Reporting period	●	254
102-51	Date of most recent report	●	254
102-52	Reporting cycle	●	254
102-53	Contact point for questions regarding the report	●	278
102-54	Claims of reporting in accordance with the GRI standards	●	254, 270–271
102-55	GRI Content Index	●	270–271
102-56	External assurance	●	31, 251–252, 254, 268
GRI 103: MANAGEMENT APPROACH			
103-1	Explanation of the material topic and its boundary	●	60, 67, 70, 71, 72–73, 75, 91–92, 254, 255–256, 256, 257–258, 258
103-2	The management approach and its components	●	60, 67, 70, 71, 72–73, 75, 91–92, 254, 255–256, 256, 257–258, 258
103-3	Evaluation of the management approach	●	60, 67, 70, 71, 72–73, 75, 91–92, 254, 255–256, 256, 257–258, 258
GRI 201: ECONOMIC PERFORMANCE			
201-1	Direct economic value generated and distributed	●	87–89, 186, 189
201-2	Financial implications and other risks and opportunities due to climate change	●	162–163
GRI 203: INDIRECT ECONOMIC IMPACTS			
203-1	Infrastructure investments and services supported	●	95–97, 163, 236
GRI 301: MATERIALS			
301-1	Materials used by weight or volume	●	71
301-2	Recycled input materials used	●	71
301-3	Reclaimed products and their packaging materials	●	71

GRI STANDARDS / core option		Degree of fulfillment	Page
GRI 302: ENERGYW			
302-1	Energy consumption within the organization	Partially fulfilled [1]	68–69
302-3	Energy intensity	Fulfilled	68–69
302-4	Reduction of energy consumption	Partially fulfilled [1]	68–69
302-5	Reductions in energy requirements of products and services	Fulfilled	68–69
GRI 305: EMISSIONS			
305-1	Direct (scope 1) GHG emissions	Fulfilled	261–262
305-2	Energy indirect (scope 2) GHG emissions	Fulfilled	261–262
305-3	Other indirect (scope 3) GHG emissions	Fulfilled	261–262
305-4	GHG emissions intensity	Fulfilled	68
305-5	Reduction of GHG emissions	Fulfilled	67, 68
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx) and other significant air emissions	Fulfilled	263
GRI 306: EFFLUENTS AND WASTE			
306-2	Waste by type and disposal method	Fulfilled	71
306-3	Significant spills	Fulfilled	71–72
306-4	Transport of hazardous waste	Fulfilled	71–72
306-5	Water bodies affected by water discharges and / or runoff	Fulfilled	71–72
GRI 307: ENVIRONMENTAL COMPLIANCE			
307-1	Non-compliance with environmental laws and regulations	Fulfilled	262, 263

● Fulfilled ◒ Partially fulfilled ○ Not fulfilled

[1] The focus is on stationary consumption. Traction is not disclosed as absolute energy consumption, but rather with specific values for primary energy consumption and greenhouse gas emissions.

UN GLOBAL COMPACT INDEX

GRI 102-16

The UN Global Compact is the largest and most important initiative in the world for responsible corporate management. Upon joining the UN Global Compact in 2009, DB Group made a commitment to support its ten principles, and regularly reports on its activities and services in a Communication on Progress.

		Page
HUMAN RIGHTS		
Principle 1	Support and respect for international human rights	34–36, 44–50, 255–256, 260–261
Principle 2	Exclusion of human rights abuses	255–256, 260–261
LABOR STANDARDS		
Principle 3	Preserving freedom of association and law on collective bargaining	77–82, 255–256, 265–267
Principle 4	Elimination of all forms of forced labor	255–256, 260–261
Principle 5	Elimination of child labor	255–256, 260–261
Principle 6	Elimination of discrimination	44–50, 78–82, 265–267
ENVIRONMENTAL PROTECTION		
Principle 7	Preventive environmental protection	32–34, 43, 44–51, 52–57, 66–73, 134, 261–263
Principle 8	Initiative for greater environmental awareness	32–34, 43, 44–51, 52–57, 64–73, 103, 109, 115, 125, 130, 134, 142–143, 151, 261–263
Principle 9	Development and dissemination of eco-friendly technologies	32–34, 43, 52–57, 66–73, 103, 108–109, 115, 125, 129–130, 134, 142–143, 150–151, 261–263
ANTI-CORRUPTION		
Principle 10	Measures against corruption	32–34, 254–256, 260–261

GRI 102-16

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD) INDEX

The DB Group supports the recommendations of the TCFD on reporting climate-related information. In this Integrated Report, we publish content recommended by the TCFD at various points.

The index table shows in which chapters and subchapters relevant topics are placed. Following the TCFD recommendations, the table is divided into the four core areas of governance, strategy, risk management and key figures and targets.

TCFD RECOMMENDED DISCLOSURES		Page
GOVERNANCE		
Disclose the organization's governance around climate-related risks and opportunities.	a. Describe the board's oversight of climate-related risks and opportunities.	43, 56–57, 155–156, 180
	b. Describe management's role in assessing and managing climate-related risks and opportunities.	43
STRATEGY		
Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	a. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	155–156, 157–163
	b. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	47, 52–54, 56–57, 66, 67–70, 157–163
	c. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	47, 52–54, 56–57, 66, 69–70, 162
RISK MANAGEMENT		
Disclose how the organization identifies, assesses, and manages climate-related risks.	a. Describe the organization's processes for identifying and assessing climate-related risks.	155–156, 157–163
	b. Describe the organization's processes for managing climate-related risks.	69–70, 157–163
	c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	155–156, 157–163
METRICS AND TARGETS		
Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities	a. Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	43, 56–57, 66, 67–69, 181–182, 266
	b. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	261–262, 276
	c. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	56–57, 66, 67–69

GLOSSARY

A

Accessibility
Understood as universal design, meaning a design of products, environments, programs and services in such a way that they can be used by all people. Accessibility at train stations covers a wide range of aspects, from information and service to structural design. The overall objective is to dismantle all attitude-based and environmental barriers that prevent passengers from full, effective and equal participation in the rail system.

Airborne pollutants
Natural substances or airborne substances caused by human activities which may have a detrimental effect on the environment. Examples of combustion-related air pollutants are soot particles, nitrogen oxides and sulfur dioxide.

B

Biofuel
Fuel that is produced from biomass and is a climate-friendly alternative compared to diesel. Biofuels that are produced exclusively from waste and residues and without the use of cultivated biomasses are also known as advanced biofuels. HVO (hydrogenated vegetable oil) is an example of a biofuel.

Bond
Interest-bearing security which is used to borrow funds on the capital market. Helps mid-term to long-term debt financing by companies.

Bus kilometers (bus km)
The journey of a bus over a distance of 1 km.

C

Capital employed
Includes property, plant and equipment (including tangible assets) and net current assets.

Climate
The entirety of the meteorological events (for example temperature, precipitation, wind), which describe the average condition of the atmosphere at a certain location for a duration of at least 30 years.

Combined transport
Combined transport of containers or entire trucks on rail and road.

Commercial paper program (CP program)
Contractual framework or model documentation for the issue of short-term commercial papers.

Compass index
Measures the implementation of the “compass for strong collaboration” in DB Group. It is a key indicator for the transformation of the organization as part of the Strong Rail strategy. It is collected annually as part of the employee survey and the culture barometer (from 2021 onwards).

Compliance
An important component of corporate governance. This is understood as compliance with laws and directives, as well as voluntary codes of conduct in the company.

Contract logistics
Service packages comprising multiple logistics activities. The service provider not only organizes transport orders, but also independently assumes parts of the value-added chain.

Contracting organizations
In general, the Federal states are responsible for ordering regional rail passenger transport services from transport companies. This is carried out by a total of 27 different contracting organizations.

Costs of capital
Based on fair values as a weighted average of risk-adequate market returns for the minimum return requirement calculated for debt and equity capital.

Credit facilities
Credit facilities granted by banks which can be utilized if necessary. These are firm commitments of credit lines with different maturities, some of which serve as liquidity reserves that are available at all times, while the umbrella credit lines are available in particular to foreign subsidiaries for working capital financing and as a guarantee line.

Credit rating
Credit rating assigned by rating agencies that affect a company’s refinancing options and costs.

Culture barometer
Germany-wide random sample survey in the Integrated Rail System in Germany. Short, compact and digital instrument as a supplementary format in the years between the more comprehensive employee survey. The focus of the survey is the compass index – which measures corporate culture in relation to the “compass for strong collaboration.”

Customer satisfaction
Satisfaction of customers and partners with a product/offer or a service, surveyed on a representative basis and evaluated on behalf of DB Group by independent market research institutes by telephone, in person or online.

Customer satisfaction index
Index generally rated on a grading scale of 1 (very satisfied) to 6 (very dissatisfied). These grades are converted and shown on a scale of 0 to 100 (0 points = grade 6; 20 points = grade 5; 40 points = grade 4; 60 points = grade 3; 80 points = grade 2; 100 points = grade 1).

D

DBeco plus
Service for rail freight transport customers to have their goods transported in a climate-neutral way on all electrified lines within Germany and Austria.

DB traction current
Electric traction current, with which DB Netze Energy supplies intra-Group train operating companies in Germany.

Debt coverage
Key financial indicator that describes the relationship between the company’s current financing power and its financial obligations (adjusted net financial debt).

Debt issuance program
Contractual framework or sample documentation for the issuance of bonds. This guarantees a high degree of flexibility in issue activity.

Derivative financial instruments (derivatives)
Financial instruments, the price or value of which depends on the future rates or prices of other goods, assets or reference values (interest rates, indices). These are contracts in which the contracting parties agree to buy, sell or swap assets at specified conditions in the future, or alternatively make value equalization payments.

Diversity
Refers to the variation within the workforce with regard to gender, ethnicity and social background, age, religion, sexual orientation and identity, as well as physical and mental ability. Diversity also encompasses employees’ variety of perspectives, values, professional experience and skills.

E

Earnings before interest and taxes (EBIT)
Operating profit/loss before interest and tax.

Earnings before interest, taxes, depreciation and amortization (EBITDA)
Operating profit/loss before interest, taxes, depreciation and amortization.

Ecosystem (digital)
Ecosystems are networks of partners who work on common (or competing) value-added chains for a value proposition. In partnership-based value chains, the created value exceeds the sum of the isolated value-added chains, for example, through a simple and better customer experience or increased efficiency in production.

Electricity mix
Composition of electricity by type of energy generation (for example renewable energies, gas and others).

Employee satisfaction index (SI)
As part of the Group-wide employee survey conducted every two years, the index is calculated using questions about motivation, job satisfaction and (emotional) loyalty to the company on a scale from 1 to 5 (best possible value).

Employee survey
This has been conducted within DB Group every two years since 2012.The aim of the employee survey is to give the individual divisions, business units and the entire DB Group a status update for various organizational and cultural frameworks. Another objective of the survey is the subsequent improvement processes, which are triggered by the discussion of the results.

ESG rating
Assessment of sustainability, for example of a company. The degree of sustainability is assessed on the basis of the fulfillment of environmental, social and governance (ESG) criteria.

Equity method/at-equity accounting
Procedures for the accounting of affiliated companies which are not included in the consolidated financial statements on the basis of full consolidation with all assets and liabilities. The book value of the subsidiary is adjusted by the development of the pro rata equity in the holding.

Equity ratio
Key financial indicator based on the balance sheet structure: proportion of equity in the balance sheet total as a percentage.

European Train Control System (ETCS)
European-wide standardized train control system. The migration to ETCS affects both the infrastructure and the vehicles. ETCS can be realized on several levels, which depend, among other things, on the rail infrastructure and the desired speed.

Existing network
Existing rail network and therefore core of the infrastructure.

F

Facilities quality
To ensure maintenance funds are used according to demand and to assess improvements stemming from implemented measures, the condition of structural and technical facilities undergo periodic and event-based evaluations.

Final energy
The energy form for which an end consumer receives an invoice, for example the quantity of fuel added, or the traction current obtained.

Floating rate notes (FRN)
Bonds with variable interest rates.

G

Global Reporting Initiative (GRI)
An international organization that is responsible for the distribution and improvement of sustainability reporting. The GRI standards are considered to be the most widely used and internationally recognized reporting standard for sustainability.

Greenhouse gas emissions (CO_2 equivalents (CO_2e))
Climate-changing trace gases, for example methane and nitrous oxide, which are converted into the equivalent quantity of CO_2 in terms of their different climate impacts.

Greenhouse Gas (GHG) Protocol
A globally recognized standard for the qualification and management of greenhouse gas emissions which is used by many companies, non-governmental organizations (NGOs) and governments.

Gross capital expenditures
Total capital expenditures in property, plant and equipment and intangible assets – irrespective of the type of financing.

Gross profit
Amount of revenues remaining after deduction of the variable (= sales-related) costs or direct (= contract-related) costs.

H

Hybrid bonds
A corporate bond which, under certain conditions, is counted as equity within the scope of the IFRS accounting regulation. Hybrid bonds usually have very long maturities or fixed redemption amounts, but may be terminated by the issuer after the expiry of a predefined minimum term.

Hydrocarbon (NMHC) emissions
These are contained, for example, in crude oil, natural gas or coal. Their emissions are regarded as harmful to the environment.

I

IFRS 16
An accounting rule of the International Accounting Standards Board (IASB), which, since 2019, has obligated companies preparing balance sheets in accordance with IFRS to record all lease agreements with a contract term of more than one year in their balance sheets.

Interest-free loans
Loans from the Federal Government that have to be repaid but are not interest-bearing. These result from financing contributions from the Federal Republic of Germany for capital expenditures for track expansion and replacement.

Intermodal competition
Competition between different modes of transport, for example between rail and air transport.

International Financial Reporting Standards (IFRS)
Internationally recognized accounting standards. Since 2002, IFRS has been regarded as the overall concept of standards adopted by the International Accounting Standards Board. Previously adopted standards are still cited as International Accounting Standards (IAS).

Interoperability (multisystem capability)
The ability of rail vehicles to adapt to different technical standards (for example track gauges or power systems) so as to run as consistently as possible between different rail networks of individual countries.

Investment grants
Financing contributions from third parties in specified capital expenditures projects without future repayment requirements.

K

K brake shoe
Brake shoe made from composite materials (K), see also V brake shoes.

L

LL brake shoe
Brake shoe made from composites (LL: low noise – low friction), see also V brake shoe.

Load factor
Load factor describes the share of the capacity used by production equipment (for example train, bus) in the total available capacity.

Local transport
Transport services with the products IRE, RB, RE and S-Bahn (metro).

Long-distance transport
DB Transport services using the ICE and Intercity/Eurocity products. There are also offers from non-Group train operating companies.

Lost Time Injury Frequency (LTIF)
Describes the relationship between accident frequency and hours actually worked based on one million working hours.

M

Mode of transport
The type of transport, for example road or rail.

N

Net capital expenditures
Gross capital expenditures less investment grants from third parties, for example for infrastructure investments.

Net financial debt
Balance from interest-bearing external liabilities and leasing liabilities as well as cash and cash equivalents and interest-bearing external receivables.

Nettable plan assets
Assets that are offset against gross pension obligations in the balance sheet.

Noise
Noise which disturbs people and the environment or which in extreme cases is damaging to health.

Noise barrier
Installation of active noise protection on rail lines, mostly made from materials such as aluminum, wood, concrete or wire baskets filled with stones (gabions).

Noise prevention
Noise reduction measures on new and expanded/upgraded lines based on legal claims.

Noise reduction
Noise reduction through active measures at the source (for example brake shoes made of composite materials on freight cars, known as whisper brakes) and to stop the spread (for example noise barriers) as well as passive noise protection measures (for example soundproof windows).

Noise remediation program
Voluntary program of the Federal Government implemented by DB Group to reduce the noise on existing Federal rail lines.

O

On-demand services
Services that are provided to the customer when they need and request them.

Operating leases
Off-balance-sheet financial instruments: leased or rented assets.

Operating profit/loss after interest
Key earnings figure that also takes financing costs into account for a sustainable assessment of earnings (particularly relevant in the infrastructure business fields). Therefore, in comparison with EBIT, the operating interest balance is also taken into account.

Overall punctuality
Covers all rail transport on DB Netz AG infrastructure at DB Netze Track.

P

Particles
Small to minute particles, such as dust or soot.

Passenger kilometers (pkm)
Unit of measurement for transport volume or volume sold in passenger transport: product of the number of passengers transported and the average travel distance.

Preferred carriers
Key transport partners (freight carriers) of our logistics provider DB Schenker.

Primary energy
Energy which is available in its original energy form or source, such as coal, natural gas, sun, wind and nuclear fuel.

Procurement volume
Net total of all order values from individual orders and batches from framework agreements that were concluded by the respective product areas.

Punctuality
Share of on-time stops in relation to all stops along and at the end of routes in Germany. A stop is considered on time if the scheduled arrival time is exceeded by less than six minutes in passenger transport or less than 16 minutes in freight transport. In addition, since 2020, DB Regional (bus) has also evaluated buses that have departed more than one minute too early as not on time, with retroactive effect.

R

Renewable energies
Energy from renewable sources that are theoretically unlimited in supply, such as water, wind or sunlight.

Renewable Energy Sources Act
Federal law to promote the supply of electricity from renewable energy.

Requirement plan
New construction and expansion/upgrade projects set out in the Federal Government's infrastructure plan.

Resource
Aid, fund, reserve, raw material.

Return on capital employed (ROCE)
Key performance indicator for value-based management. Corresponds to the return on capital employed. Percentage ratio of (adjusted) EBIT to the capital employed.

S

Science-based targets initiative (SBTi)
The science-based targets initiative is a partnership between the Carbon Disclosure Project (CDP), the United Nations Global Compact, the World Resources Institute (WRI) and the World Wide Fund for Nature (WWF). It defines methodologies for defining science-based targets in accordance with the latest findings in climate science, and defines and promotes best practice for emissions reductions and net zero targets.

Scope 1–3 (in accordance with GHG)
As part of carbon accounting based on the Greenhouse Gas (GHG) Protocol, emissions are divided into three scopes. For DB Group: Scope 1 = Greenhouse gas emissions from our own combustion-powered vehicles or stationary heat generation plants, Scope 2 = traction power and district heating supply, Scope 3 = third-party emissions from business relationships, for example transport services provided by our subcontractors (commissioned transport services). Due to our business model, we report on the main transport-related emissions within Scope 3.

Scope of consolidation
Subsidiaries of a group which are included in the consolidated financial statements.

Senior bond
Bond that is serviced in the event of insolvency before other issued bonds of the same company with a lower rank (for example hybrid bonds) and therefore has a higher level of security, but also a lower interest rate.

Sickness rate
The sickness rate shows the share of labor that is lost due to illness in relation to overall labor and therefore only includes employees who are still paid a salary.

Soot particles
Dust-like emissions arising from the combustion of diesel fuels. Diesel emissions also include particulate matter.

Specific
Relative to a certain (reference) quantity, for example based on the volume sold.

Stakeholders
Interest groups and representatives.

Stationary facilities
Buildings and facilities such as plants and train stations.

Station pricing system
Transparent and non-discriminatory pricing system for the use of passenger stations. The station prices depend largely on the volume level and standard of amenities/facilities at the respective station.

Supply chain
The stages of production illustrated as an orderly sequence of activities. These activities add value, consume resources and are connected with each other in processes.

Supply reliability
Measure of the reliability of the energy supply. Can also be used for sub-areas, such as security of the energy supply in Germany or the energy supply of rail operations.

Sustainability
Guiding principle for the compatibility of environmental, social and economic objectives for sustainable and generationally compatible development.

Sustainable Development Goals (SDGs)
Political targets set by the United Nations with a view to ensuring sustainable development on an economic, social and environmental level. The goals took effect on January 1, 2016, and will run until 2030, and apply to all member states.

Swap
The basic concept for financial instruments that involve the exchange of future cash flows. This allows financial risks (interest, currencies, raw materials) to be hedged in a targeted manner.

T

Task Force on Climate-related Financial Disclosure (TCFD)
The Task Force on Climate-related Financial Disclosure is an initiative established in 2015 to make recommendations for reporting material financial opportunities and risks that result from climate change for companies.

Ton kilometers (tkm)
Unit of measurement for the transport volume or volume sold in freight transport: product of the freight carried (tons) and the distance traveled (kilometers).

Traction
Propulsion to move trains. Depending on the energy source, drive machine and power transmission, a distinction is made, among other things, between electrical, diesel-electric, and diesel-hydraulic traction. Traction units that, in addition to electric traction, also have diesel-assisted traction are also referred to as hybrid vehicles.

Traction current
Composition of the traction current of all train operating companies in Germany supplied by DB Netze Energy (in addition to other suppliers) through the traction current grid.

Train-path
The share of the rail track capacity that is required for a train to be able to travel between two places in a set time.

Train-path kilometers (train-path km)
See Volume produced.

Train-path pricing system
DB Netz AG's transparent and non-discriminatory fee system for train-path use by customers, dependent on the relevant market segments and the train-path kilometers traveled.

Transport contract
Agreement between the contracting organization and train operating company on the provision of regional passenger transport services.

U

United Nations Global Compact
The world's largest initiative for responsible corporate governance. On the basis of its ten universal principles, it pursues the vision of an inclusive and sustainable global economy to the benefit of all people, communities and markets, today and in future.

V

V brake shoe
Brake shoe made from composites (Verbundstoffen; V) which halves the rolling noise of freight cars. Collective term for K and LL brake shoes.

Vegetation control
Vegetation control includes all vegetation-related maintenance and traffic safety measures to ensure the safety of railway operations and third parties. These include checking and cutting/removing vegetation in and on the tracks using mechanical and chemical (only in the immediate vicinity of the tracks) procedures.

Volume produced
Distance covered by train operating companies on the rail network. Measurement: train-path kilometers (train-path km).

Volume sold
Key performance indicator for measuring the transport services provided in passenger and freight transport. Units of measurement: Passenger kilometers (pkm), ton kilometer (tkm).

W

Well-to-wheel (WTW)
Method for calculating emissions considering the entire chain of effects from extraction and provision to the conversion and use of energy (in vehicles or facilities).

Whisper brakes
See K and LL brake shoes.

LIST OF ABBREVIATIONS

A

- **AEG** General Railways Act
- **AGV MOVE** Mobility and Transport Services Association
- **AI** Artificial Intelligence
- **AktG** Stock Corporation Act
- **ARN** Rail North
- **ATO** Automatic train operation
- **AUD** Australian dollar

B

- **bbl** Barrel
- **BEV** Federal Railroad Fund
- **BGB** German Civil Code
- **BGH** German Federal Supreme Court
- **BilMoG** German Accounting Law Modernization Act
- **BIM** Building information modeling
- **BMAS** Federal Ministry of Labor and Social Affairs
- **BMDV** Federal Ministry of Transport and Digital Infrastructure
- **BMF** Federal Ministry of Finance
- **BMI** Federal Ministry of the Interior
- **BMUV** Federal Ministry for the Environment, Nature Conservation, Nuclear Safety and Consumer Protection
- **BNetzA** Federal Network Agency
- **BSWAG** Federal Rail Infrastructure Extension Act
- **BVerfG** Federal Constitutional Court

C

- **CCO** Chief Compliance Officer
- **CEF** Connecting Europe Facility
- **CEO** Chief Executive Officer
- **CHF** Swiss francs
- **CO_2** Carbon dioxide
- **CO_2e** CO_2-equivalent
- **COSO** Committee of Sponsoring Organizations of the Treadway Commission
- **CSA** Credit Support Agreements
- **CSO** Chief Sustainability Officer
- **CSR** Corporate Social Responsibility
- **CSR-RUG** CSR Directive Implementation Act
- **CTA** Contractual Trust Arrangement

D

- **DAC** Digital automatic coupling
- **DB AG** Deutsche Bahn AG
- **DB E&C** Deutsche Bahn Engineering & Consulting GmbH
- **DB Finance** Deutsche Bahn Finance GmbH
- **DB Group** Deutsche Bahn Group
- **DB IO** Deutsche Bahn International Operations
- **DGCN** German Global Compact Network
- **DSD** Digital Rail for Germany

E

- **EAV** Profit and loss transfer agreement
- **EBA** Federal Railway Authority
- **EBIT** Earnings before interest and taxes
- **EBITDA** Earnings before interest, taxes, depreciation and amortization
- **EC** Eurocity
- **ECB** European Central Bank
- **ECJ** European Court of Justice
- **EDIP** European Debt Issuance Program
- **ERegG** Railway Regulation Act
- **ESG** Environmental, Social, Governance
- **ETCS** European Train Control System
- **EU** European Union
- **EVG** Railway and Transport Workers Union

F

- **FS** Ferrovie dello Stato (Italian state-owned railway)
- **FTE** Full-time employee
- **FüPoG III** Act for the Equal Participation of Women and Men in Management Positions (Gesetz für die gleichberechtigte Teilhabe von Frauen und Männern an Führungspositionen)

G

- **GBP** British pound sterling
- **GDL** German Train Drivers' Union
- **GDP** Gross domestic product
- **GDPR** General Data Protection Regulation
- **GHG Protocol** Greenhouse Gas Protocol
- **GRI** Global Reporting Initiative
- **GVFG** Municipal Transport Financing Act
- **GWh** Gigawatt hour

H

- **HR** Human Resources

I

- **IC** Intercity
- **ICE** Intercity Express
- **ICS** Internal control system
- **IFRS** International Financial Reporting Standards
- **ISO** International Organization for Standardization

K

- **KBV** Group Employer/Works Council Agreement
- **KonTraG** Corporate Sector Supervision and Transparency Act
- **kWh** Kilowatt hour

L

- **LTI** Long-term incentive
- **LTIF** Lost time injury frequency
- **LuFV** Performance and Financing Agreement

M

- **m^2** Square meters
- **MaaS** Mobility as a Service
- **MaRisk** Minimum requirements for risk management
- **MitbestG** German Co-Determination Act
- **MJ** Megajoule
- **MRR** Minimum required rate of return
- **MWh** Megawatt hour

N

- **NABU** Nature and Biodiversity Conservation Association (Naturschutzbund Deutschland e. V.)
- **NFS** Non-financial statement
- **Nkm** Commercial vehicle kilometers
- **NOK** Norwegian krone
- **NO_x** Nitrogen oxide emissions
- **NP** Natural persons
- **NPM** National Platform for the Future of Mobility
- **NS** Nederlandse Spoorwegen (Dutch state-owned railway)

P

- **PCGK** Federal Public Corporate Governance Code
- **Pkm** Passenger kilometers
- **PKP** Polskie Koleje Państwowe (Polish state-owned railway)
- **PPA** Power Purchase Agreements
- **PwC** PricewaterhouseCoopers

R

- **RE** Regional Express
- **RegG** Regionalization Act
- **RESY** Regional energy-saving system
- **RFC** Rail Freight corridors
- **RIC** Rail infrastructure company
- **RMS** Risk management system
- **ROCE** Return on capital employed

S

- **SBB** Swiss Federal Railways
- **SBTi** Science-Based Targets initiative
- **SDGs** Sustainable development goals
- **SI** Satisfaction index
- **SNCF** Société Nationale des Chemins de fer Français (French state-owned railway)
- **SO_2** Sulfur dioxide emissions
- **S&P** S&P Global Ratings
- **SWP** Strategic workforce planning

T

- **T** Thousand
- **t** Ton
- **TEE** Trans Europ Express
- **TEN** Trans-European Network
- **TEN-T** Trans-European Transport Network
- **TEU** Twenty-foot equivalent unit
- **tkm** Ton kilometers
- **TOC** Train operating company
- **Trkm** Train-path kilometers

U

- **UNGC** United Nations Global Compact
- **USD** US dollar

V

- **VDB** Association of the Railway Industry
- **VDE** German unification transport projects

W

- **WACC** Weighted average cost of capital
- **WiFi** Wireless local area network

GRI 102-53

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This Integrated Report and the Annual Financial Statements of Deutsche Bahn AG, the Annual Reports of DB Fernverkehr AG, DB Regio AG, DB Station&Service AG and DB Netz AG (only available in German) as well as up-to-date information are also available on the Internet.

This Integrated Report and the Annual Financial Statements of Deutsche Bahn AG are published in German and English.

The 2021 Integrated Report was published on March 31, 2022, and is available on the Internet at db.de/ib-e.

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DB SERVICE NUMBER

DB Group provides its customers in the passenger transport sector in Germany with all telephone information at local rates. A hotline provides information about timetables, tickets and the BahnCard, and navigates passengers in a targeted way to the service team.

- **DB service number:** +49 (0) 30.2 97-0. Information about fares and timetables, information about Deutsche Bahn services and the BahnCard.
- **Mobility service center:** +49 (0) 30.652 128 88. Contact for planning accessible travel.
- **Passenger rights service center:** +49 (0) 30.586 020 920. Information on fare reimbursements within the scope of the EU Regulation on Rail Passengers' Rights and Obligations.
- **Lost and found:** +49 (0) 30.586 020 909. Reporting lost or found objects in the train or station.

Customers can find answers to frequently asked questions and other ways to contact us at bahn.com/en/contact.

SOCIAL MEDIA

DB Group

DB Group has an extensive presence on various social media channels: Facebook, Instagram, YouTube, LinkedIn and Twitter.

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Our passenger transport team is available on various social media channels for conversations, discussions, and for service and product questions. Find us on Facebook, Instagram, YouTube, LinkedIn and Twitter.

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Mineral-oil-free printing inks. This report was printed using mineral-oil-free inks derived from renewable raw materials.

Conserving resources. Using no-process printing plates saves on development, cleaning and rubberizing after exposure. Chemicals and fresh water are no longer used to wash the printing plates, and power consumption is reduced.

Energy-efficient printing. An energy management strategy has been implemented at the printing company and an energy audit was carried out in accordance with DIN EN 16247-1.

FINANCIAL CALENDAR

July 28, 2022

Interim Results Press Conference,
publication of the Integrated Interim Report January – June 2022

March 30, 2023

Annual Results Press Conference,
publication of the 2022 Integrated Report

IMPRINT

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10-YEAR SUMMARY

To the interactive key figure comparison

€ million	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
STATEMENT OF INCOME										
Revenues	47,075	39,901	44,430	44,065	42,693	40,557	40,403	39,728	39,107	39,296
Overall performance	50,959	43,465	47,596	47,156	45,593	43,298	43,102	42,422	41,756	41,910
Other operating income	5,901	3,439	3,030	2,998	2,954	2,834	2,772	2,824	2,853	3,443
Cost of materials	-28,419	-22,757	-22,262	-22,258	-21,457	-20,101	-20,208	-20,250	-20,414	-20,960
Personnel expenses	-19,219	-18,297	-18,152	-17,301	-16,665	-15,876	-15,599	-14,919	-14,383	-13,817
Depreciation [1]	-3,804	-5,372	-3,671	-2,688	-2,847	-3,017	-4,471	-3,190	-3,228	-3,328
Other operating expenses [1]	-5,716	-5,235	-5,157	-6,088	-5,890	-5,677	-5,750	-5,057	-4,817	-4,719
Operating profit / loss (EBIT)	-298	-4,757	1,384	1,819	1,688	1,461	-154	1,830	1,767	2,529
Result from investments accounted for using the equity method	-10	-21	-12	12	14	33	22	8	3	14
Other financial result	48	-91	-36	-14	-30	-16	0	-3	-15	-13
Net interest income [1]	-528	-615	-655	-645	-704	-772	-800	-898	-879	-1,005
Profit / loss before taxes on income	-788	-5,484	681	1,172	968	706	-932	937	876	1,525
Net profit / loss for the year	-911	-5,707	680	542	765	716	-1,311	988	649	1,459
Dividend payment (for previous year)	-	650	650	450	600	850	700	200	525	525
VALUE MANAGEMENT										
EBITDA adjusted [1]	2,287	1,002	5,436	4,739	4,930	4,797	4,778	5,110	5,139	5,601
EBIT adjusted	-1,552	-2,903	1,837	2,111	2,152	1,946	1,759	2,109	2,236	2,708
Capital employed as of Dec 31 [1]	43,020	41,764	42,999	36,657	35,093	33,066	33,459	33,683	33,086	32,642
Return on capital employed (ROCE) [1] (%)	-3.6	-7.0	4.3	5.8	6.1	5.9	5.3	6.3	6.8	8.3
Debt coverage (%)	4.3	0.8	15.3	17.6	18.7	18.1	19.0	20.3	20.8	22.2
CASH FLOW/CAPITAL EXPENDITURES										
Cash flow from operating activities [1]	3,900	1,420	3,278	3,371	2,329	3,648	3,489	3,896	3,730	4,094
Gross capital expenditures [1]	15,387	14,402	13,093	11,205	10,464	9,510	9,344	9,129	8,224	8,053
Net capital expenditures [1]	6,342	5,886	5,646	3,996	3,740	3,320	3,866	4,442	3,412	3,487
BALANCE SHEET AS OF DEC 31										
Non-current assets [1]	56,149	52,964	53,213	46,646	45,625	45,290	45,199	45,530	43,949	44,241
thereof property, plant and equipment and intangible assets [1]	52,487	49,994	50,485	44,487	43,207	42,575	42,821	43,217	41,811	41,816
Current assets	15,694	12,471	12,615	11,881	10,811	11,034	10,860	10,353	8,945	8,284
thereof cash and cash equivalents	4,591	3,411	3,993	3,544	3,397	4,450	4,549	4,031	2,861	2,175
Equity	10,621	7,270	14,927	13,592	14,238	12,657	13,445	14,525	14,912	14,978
Equity ratio [1] (%)	14.8	11.1	22.7	23.2	25.2	22.5	24.0	26.0	28.2	28.5
Non-current liabilities [1]	39,631	37,686	32,820	29,104	27,510	28,525	28,091	28,527	26,284	25,599
thereof financial debt [1]	30,322	27,070	23,977	20,626	19,716	20,042	19,753	19,173	18,066	17,110
thereof pension obligations	5,031	6,517	5,354	4,823	3,940	4,522	3,688	4,357	3,164	3,074
Current liabilities	21,591	20,479	18,081	15,831	14,688	15,142	14,523	12,831	11,698	11,948
thereof financial debt [1]	4,164	6,254	4,716	2,618	2,360	2,439	2,675	1,161	1,247	1,503
Net financial debt [1]	29,107	29,345	24,175	19,549	18,623	17,624	17,491	16,212	16,362	16,366
Total assets [1]	71,843	65,435	65,828	58,527	56,436	56,324	56,059	55,883	52,894	52,525
RAIL TRANSPORT PERFORMANCE FIGURES										
PASSENGER TRANSPORT										
Passengers (million)	1,413	1,499	2,603	2,581	2,564	2,365	2,251	2,254	2,235	2,152
Long-distance transport	82	81	151	148	142	139	132	129	131	131
Regional transport	1,331	1,418	2,452	2,433	2,422	2,226	2,119	2,125	2,104	2,021
Volume sold (million pkm)	50,831	51,933	98,402	97,707	95,854	91,651	88,636	88,407	88,746	88,433
Long-distance transport	24,762	23,542	44,151	42,827	40,548	39,516	36,975	36,102	36,777	37,357
Regional transport	26,069	28,391	54,251	54,880	55,306	52,135	51,661	52,305	51,969	51,076
FREIGHT TRANSPORT										
Freight carried (million t)	226.5	213.1	232.0	255.5	271.0	277.4	300.2	329.1	390.1	398.7
Volume sold (million tkm)	84,850	78,670	85,005	88,237	92,651	94,698	98,445	102,871	104,259	105,894
INFRASTRUCTURE										
Train kilometers on track infrastructure (million train-path km)	1,109	1,066	1,090	1,086	1,073	1,068	1,054	1,044	1,035	1,039
thereof non-Group railways	414	386	368	349	331	322	290	261	247	231
SOCIAL										
Employees as of Dec 31 (FTE)	323,716	322,768	323,994	318,528	310,935	306,368	297,202	295,763	295,653	287,508
Employee satisfaction (SI)	-	3.9	-	3.7	-	3.7	-	3.7	-	3.6
ENVIRONMENTAL										
Specific greenhouse gas emissions in comparison to 2006 (%)	-36.1	-34.4	-34.8	-33.2	-29.5	-27.3	-24.5	-22.8	-18.5	-11.9

[1] Since 2019, imited comparability with the previous years' figures due to the **IFRS 16 effect (2019 Integrated Report** 101**)**.

OUR STRATEGIC TOP TARGETS

Germany needs a strong rail system. At Deutsche Bahn, we are committed to achieving that goal. A strong rail system encompasses everything that we represent and advocate, what we devote our full attention to and combine our strengths for. The Strong Rail strategy will help our country to overcome existential challenges: Germany will only achieve its climate protection targets if it succeeds in shifting large amounts of its traffic to rail in the next decade. In addition, Germany will only continue to be economically successful if people and goods remain mobile and are not increasingly stuck in traffic jams.

OUR FOCUS IS ON SHIFTING THE MODE OF TRANSPORT TO RAIL AND CREATING THE CAPACITY REQUIRED TO DO SO.

TOGETHER WITH THE FEDERAL GOVERNMENT, WE ARE INVESTING AT RECORD LEVELS THIS DECADE IN ORDER TO MAKE THE RAIL NETWORK FIT FOR GROWTH.

AFTER OVERCOMING THE COVID-19 PANDEMIC, WE INTEND TO CONTINUE ON OUR GROWTH COURSE.

THE TREND TOWARDS CLIMATE-FRIENDLY MOBILITY AND LOGISTICS CONTINUES UNABATED. RAIL BENEFITS FROM THIS AS THE GREENEST MODE OF TRANSPORT.

WE HAVE SET AMBITIOUS TARGETS FOR IMPLEMENTING OUR GREEN TRANSFORMATION AND WANT TO BE CLIMATE-NEUTRAL BY 2040.

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COVER IMAGE

Train travel is climate protection
Since 2018, our long-distance passenger transport has become more environmentally friendly than ever, with ICE, Intercity and EC trains within Germany using 100% eco-power. This means that DB Group is already Germany's largest consumer of eco-power. Our target is to be completely climate-neutral by 2040.