



DECLARATION OF PRINCIPLES OF THE VTG GROUP

on the respect of human rights and related
environmental standards

Status: December 1, 2023



1 Background

The VTG Group ("VTG")¹ is one of the leading asset and logistics companies with a strong focus on rail and operates throughout Europe with around 2,200 employees. In addition to leasing rail freight wagons and tank containers, the Group also provides multimodal logistical services and integrated digital solutions. With its business model, VTG makes an important contribution to the sustainable supply of goods to the European population and economy. True to the corporate purpose "Real. Green. Transport for Life", VTG's environmentally friendly rail transport solutions are geared towards the needs of its stakeholders and the environment.

This Declaration of Principles shows the strategic anchoring of human rights and environmental due diligence at VTG. It complements VTG's existing codes of conduct and corporate strategy. The values enshrined therein are the authoritative basis for all guidelines, regulations and governance instruments that ensure responsible, sustainable and ethical conduct within the Group.

2 Commitment to social responsibility and human rights

As a multinational company, we take our social responsibility towards our employees and society as a whole very seriously. In this context, we are committed to respect universal human rights and related environmental standards and also work towards compliance with these fundamental rights in our supply chain. All our employees and business partners are therefore required to comply with the internationally applicable minimum requirements as well as the respective national laws and regulations on respecting human rights and the associated environmental standards. The following internationally recognized standards and framework guidelines are fundamental to our business activities in our own business area and along our supply chains:

- **The United Nations (UN) Universal Declaration of Human Rights**
- **The conventions on labor and social standards of the International Labor Organization (ILO)**

¹ For the purposes of this declaration of principles, VTG is understood to mean VTG GmbH and all companies in which it directly or indirectly holds a majority stake.

- **The United Nations (UN) Convention on the Rights of the Child**
- **The United Nations (UN) Convention on the Elimination of All Forms of Discrimination against Women**
- **The principles of the United Nations (UN) Global Compact**
- **The Guidelines for Multinational Enterprises of the Organization for Economic Cooperation and Development (OECD)**

VTG is committed to sustainable development in the areas of the environment, society and responsible corporate governance and strives to ensure social and ecological sustainability along the supply chains. VTG expects its own employees to base their daily decisions on the guidelines set out in this Declaration of Principles and VTG's Code of Conduct. VTG expects its suppliers and/or service providers (hereinafter collectively referred to as suppliers) to accept and comply with the Supplier Code of Conduct. At the same time, suppliers are asked to pass this expectation on to their suppliers and business partners.

3 Risk management

As part of the various business activities of an international asset and logistics company, our employees and people along our supply chains are exposed to various human rights and environmental risks. Comprehensive and uniform management of these risks helps to protect VTG's reputation and credibility, but above all to prevent or minimize any violations of the human rights and environmental rights of those potentially affected.

Our risk management system for dealing with risks within the supply chain and in our own business area is a continuous, multi-stage process that is firmly integrated into operational procedures. This serves to systematically identify potentially adverse human rights and environmental impacts of both our own and our suppliers' business activities and, where necessary, to take remedial action. In detail, this process works as follows:

Detailed analyses of abstract and concrete risks are used to identify potentially negative impacts on human rights and environmental concerns as well as potentially affected parties in the company's own business unit and in the supply chains. VTG derives specific priority risks from the findings and defines corre-

sponding targets for risk avoidance and minimization. Following the risk assessment and prioritization, VTG takes preventive and remedial measures in its own division and in the supply chains. The measures taken are reviewed for their effectiveness and continuously developed. The processes and results are documented and stored accordingly and form the basis for annual reporting to the Federal Office for Economic Affairs and Export Control.

4 Anchoring responsibilities

VTG has defined clear responsibilities for the exercise of and compliance with human rights and environmental due diligence obligations. The Executive Board bears overall responsibility for ensuring that all due diligence obligations are observed in our business activities. The respective departments and operating units are responsible for implementation. VTG's Human Rights Officers are responsible for monitoring LkSG risk management. Their task is to monitor the implementation of human rights and environmental due diligence obligations at VTG. They are supported in this by the Human Rights Committee, which is an interdisciplinary body and reports directly to the Executive Board. The Human Rights Officers report to the Supply Chain Committee. The Human Rights Officers are not bound by instructions in their professional work. They have access to all internal company information, particularly when investigating reports, and are authorized to issue instructions with regard to compliance with human rights and environmental due diligence obligations. They are provided with all the necessary resources to carry out their duties. The management fully supports the Human Rights Officers in the fulfillment of their duties. The Human Rights Officers report to the Management Board at regular intervals, but at least once a year or as required. Key content includes results and changes to previous periods within the risk analysis, reports and findings from the publicly accessible complaints procedure and the current status of remedial and preventive measures implemented or to be implemented.

5 Carrying out a risk analysis

VTG identifies human rights and environmental risks and those potentially affected, assesses the risks and takes appropriate measures to reduce the risks in our own division, at our direct suppliers and, if necessary, at our indirect suppliers

along the value chain. To this end, we have systematically revised our processes along our compliance management in our own division and along our supplier management for direct and indirect suppliers and added the necessary due diligence obligations. When defining human rights and environmental risks, we are guided, among other things, by the "Identifying, weighting and prioritizing risks" handout from the Federal Office for Economic Affairs and Export Control. Individual indices are initially used to determine the abstract risk potential. A further assessment of whether the abstract risk potential is also matched by a concrete risk potential is verified in our own business area by means of questionnaires and expert interviews and, in the case of our suppliers, by means of supplier information and, if necessary, on-site visits. Where necessary, we involve external stakeholders in this process. The risks we have identified are then weighted and prioritized. The risk analysis forms the basis for the assessment and thus flows directly into the corporate decision-making processes regarding the selection and development of our suppliers. In addition, and where necessary, the result of the human rights and environmental risk analysis also serves as a basis for adapting internal processes, documentation and training in order to take sufficient account of changing framework conditions.

As part of the continuous monitoring of our (Group-wide) risk management, findings from complaints received, preventive and corrective measures implemented, such as audits, expert knowledge and information from external sources available to us are used to continuously develop the risk analysis.

6 Priority risks

In the following sections, we describe the areas identified as particularly sensitive for VTG.

- **Ban on child labor**

In accordance with the ILO core labor standards, we comply with the minimum age for employment in accordance with the applicable national regulations and strictly reject child labor.

- **Ban on forced labor**

At VTG, we are strictly opposed to forced or compulsory labor and any form of slavery, including modern forms of slavery and human trafficking.

- **Right to health and safety at work**

At VTG, we ensure health and safety in the workplace at least within the framework of the applicable law. We comply with occupational safety regulations and use the prescribed protective equipment.

- **Working hours**

We are guided by the ILO core labor standards and comply with the applicable national working time regulations.

- **Freedom of association, the right to collective bargaining and the right to strike**

At VTG, we recognize the right of our employees to form employee representative bodies, to bargain collectively to regulate working conditions and their right to strike, subject to applicable law. Employees are neither favored nor disadvantaged because of their membership or non-membership of a trade union or employee representative body.

- **Equal opportunities and protection against discrimination**

At VTG, we are committed to ensuring equal opportunities for our employees and to refraining from any form of discrimination. We are committed to the fair treatment of all employees and do not tolerate any form of discrimination or unjustified unequal treatment based on characteristics such as gender, descent, origin and nationality, religion and ideology, political, social or trade union activity, sexual identity and orientation, physical and/or mental limitations or age.

- **Right to appropriate remuneration**

VTG applies international standards such as the principle of equal pay for work of equal value regardless of gender as well as fair and favorable working conditions. In particular, we are committed to a fair wage that is at least equal to the minimum wage set by applicable law.

- **Human rights protection in the deployment of security forces**

If we at VTG employ our own security personnel to protect our operations, they are bound to respect human rights and our Code of Conduct. If we commission private security service providers to protect our operations, appropriate guidelines and measures must be in place to ensure that they respect internationally recognized human rights.

- **Rights of local communities and indigenous peoples**

We take the livelihoods and health of local communities and indigenous peoples into account in our business activities. We take risk scenarios such as air, water and soil pollution, deforestation, improper handling of hazardous waste or the extraction of groundwater in regions with water scarcity into account when deriving our specific fields of action, also in order to protect the legal positions of the aforementioned groups of people. We are also resolutely opposed to the destruction of cultural and ritual sites as well as the unlawful eviction and deprivation of land, forests and water.

In addition, it is our declared aim to minimize disruption to the local population as much as possible during construction work at our sites and during ongoing operations. We strive to use environmentally friendly and resource-efficient processes and procedures at our sites and to avoid negative impacts on the local population.

- **Dealing with risky raw materials**

At VTG, we act in accordance with the Minamata Convention on Mercury of October 10, 2013, the Basel Convention on the Control of Transboundary Movements of Hazardous Wastes and their Disposal of March 22, 1989, and the Stockholm Convention on Persistent Organic Pollutants of May 23, 2001 (POPs Convention).

- **Protection of personal data**

Protecting the personal rights of employees, customers, suppliers and other business partners with regard to the use of their personal data is very important to us. The focus is on compliance with the applicable local data protection laws by the VTG Group companies. In the case of employee data, they are aligned with German and European legislation in order to protect personal rights throughout the Group. We therefore work to protect the rights and freedoms of each individual, including the right to information, correction, blocking or deletion of their personal data.

7 Preventive and remedial measures

Based on the results of the risk analysis, we take appropriate measures to fulfill our responsibility to respect human rights and protect the environment. We pursue a risk-based approach. This means that we prioritize all measures according to the results of the risk analysis.

Preventive measures

As soon as potential risks are identified in the company's own business area or at suppliers, appropriate preventive measures are implemented. The scope and content of the measures depend on the specific risk profile.

VTG has taken several preventive measures for its own division, including the introduction of comprehensive training for all relevant employees to raise awareness of human rights and environmental obligations. In addition, purchasing employees are informed specifically about the content of our Code of Conduct for Suppliers and are made aware of the need to take human rights and environmental due diligence obligations into account when entering into new business relationships.

With regard to our direct suppliers, we have updated our Supplier Code of Conduct, our framework agreements and general terms and conditions. It is VTG's goal to oblige our suppliers to comply with our Supplier Code of Conduct. By raising awareness and committing contractual partners, concrete regulations are created to strive for compliance with human rights and environmental standards throughout the entire supply chain. The consideration of human rights and environmental criteria when selecting suppliers is an essential part of VTG's procurement strategy. Further measures, such as on-site visits or training, are taken depending on the risk profile of the respective supplier.

Remedial measures

If VTG has a well-founded suspicion or concrete indication of possible violations of a human rights or environmental due diligence obligation in its own business area, we immediately take measures to prevent or, in principle, to end the possible violation or risk.

If VTG becomes aware of an existing or impending violation of a human rights or environmental obligation by a supplier, we will immediately initiate appropriate remedial measures. The measures are determined on a case-by-case basis depending on the type of violation and serve to prevent, end or minimize the extent of the violation. They may range from a request for immediate remedial action to the temporary suspension or termination of the contractual relationship as a last resort.

8 Introduction of a complaints mechanism

Despite the greatest possible care and efforts, we are aware that violations of human rights and environmental obligations can occur within our supply chains. For this reason, we have set up our [VTG Integrity Line](#), a complaints procedure that enables all employees, suppliers and other stakeholders to report human rights and environmental risks or violations within our supply chains. This grievance procedure is confidential, anonymous if requested, and allows reporters to ensure that concerns are heard and taken seriously. VTG will carefully review all reports and take appropriate action to investigate and, if necessary, put an end to violations. In doing so, we ensure that, where possible and within our sphere of influence, human rights violations can be reported without fear of negative consequences for reporting persons. A constant exchange of information with the complainants is a matter of course. An open and transparent approach to critical questions, comments for improvement and complaints is part of our corporate culture. This complaints procedure is an important part of our commitment to protecting and respecting human rights and our obligations towards the environment in all our activities. It helps us to identify violations at an early stage and to ensure that our human rights and environmental standards are upheld in our supply chains.

9 Effectiveness review and continuous development of human rights and environmental due diligence

We have set ourselves the goal of continuously developing and improving our human rights and environmental due diligence process. The effectiveness of our risk management, in particular the measures implemented, is reviewed at least once a year and on an ad hoc basis using a risk-oriented approach. The effectiveness of the implemented measures is reviewed in the form of risk-based audits, which also include on-site inspections and employee surveys. This also includes a risk-based check on compliance with our Code of Conduct and our Code of Conduct for Suppliers. In addition, we review the effectiveness of our complaints procedure at least once a year as well as on an ad hoc basis in the event of significant changes to our risk profile in our own business area or the risk profile

of our direct suppliers. A regular review of this Declaration of Principles is intended to ensure that changing framework conditions and processes are also reflected in it.

10 Reporting

From the 2024 financial year onwards, we will report annually to the German Federal Office for Economic Affairs and Export Control on the fulfillment of our human rights and environmental due diligence obligations, including disclosure of the results of the risk analysis and a detailed description of our measures to mitigate the identified risks, an assessment of their effectiveness and what conclusions we draw from them for the continuous improvement of our due diligence process. This report is published on our website.

11 Miscellaneous

This Declaration of Principles has no retroactive effect and comes into force on January 1, 2024. No rights of individuals or third parties can be derived from it.

12 Contact us

Questions or comments about this policy statement or other human rights-related topics can be sent by e-mail to humanrights@vtg.com.