

DB procurement policy

Purpose of the procurement policy

The DB procurement policy is part of the procurement strategy and reflects the principles of procurement.

Firmly establishing procurement targets

As part of a mobility group owned by the German government, the companies of Deutsche Bahn (referred to in the following as DB) are conscious of their function as role models in society and of their responsibility for sustainability. In the context of DB's business model, sustainability means to ensure that the mobility needs of today's generations are met without jeopardizing the needs of future generations.

Procurement adds a clear economic value to the Strong Rail corporate strategy by hardwiring the areas for action in the procurement strategy from an integrated perspective. It acts as a bridge to the supplier market. Accordingly, Procurement strives to implement economic, social and environmental objectives with the right balance. As the central interface to suppliers, Procurement is responsible for improving suppliers' value added by awarding contracts and optimizing their performance as part of supplier management while complying with environmental and social standards.

Procurement assumes responsibility for the products and services to be procured and for the underlying supply chains.

Procurement principles

A long-term, stable and fair partnership with suppliers based on integrity and mutual trust is one of the fundamental principles of DB's procurement policy. Our objective in partnerships with suppliers is to continuously improve supplier performance in a competitive environment, especially with regard to quality and sustainability. In this way, Procurement reinforces resilient, socially responsible and environmentally friendly supply chains. Procurement continuously improves its performance and management systems and takes sustainability into account in procurement processes. Procurement demands the same from its business partners.

Procurement contributes to the economic sustainability of Deutsche Bahn's business model by optimizing prices, ensuring security of supply, and improving the quality of products, materials and services. Procurement ensures an economically sustainable supplier base by consistently following the principles of economic efficiency and promotion of competition as called for by EU public procurement law, by checking bids for adequacy and by managing financial risk. In addition, by considering life cycle costs and sustainability criteria in contract award procedures, Procurement demonstrates that economic and environmental targets go hand in hand. Procurement channels and promotes capital in economically and ecologically sustainable business models.

Procurement makes a significant contribution to achieving the DB Group's environmental targets, including a full circular economy and climate neutrality. Taking economic aspects into account, saving resources, using environmentally friendly alternatives and increasing the proportion of recycled materials in our procurement decisions are particularly important.

Compliance with laws and internal regulations is a top priority for DB. We make sure that our business activities meet human rights and environmental due diligence requirements. Procurement expects the same from its business partners and their suppliers. Business relationships with Procurement are based on compliance with the [DB Code of Conduct for Business Partners](#) and the principles contained therein on ethical and responsible treatment of all people and the environment throughout the value chain.

The relationship between services, services rendered in return and risk must be balanced, fact-based and in line with the market and must comply with the law. To this end, Procurement carries out risk management throughout the entire procurement process, including in accordance with the German Act on Corporate Due Diligence in Supply Chains. Risk is assessed using a standardized process and addressed individually in product group strategies and supplier and industry dialogues, and effectiveness is monitored. Procurement also has a whistleblower system. All important target groups, including employees and suppliers of Deutsche Bahn, are required to report human rights or environmental violations, including potential violations, (in the supply chain) using the [BKMS](#) whistleblower system or to their line manager.
