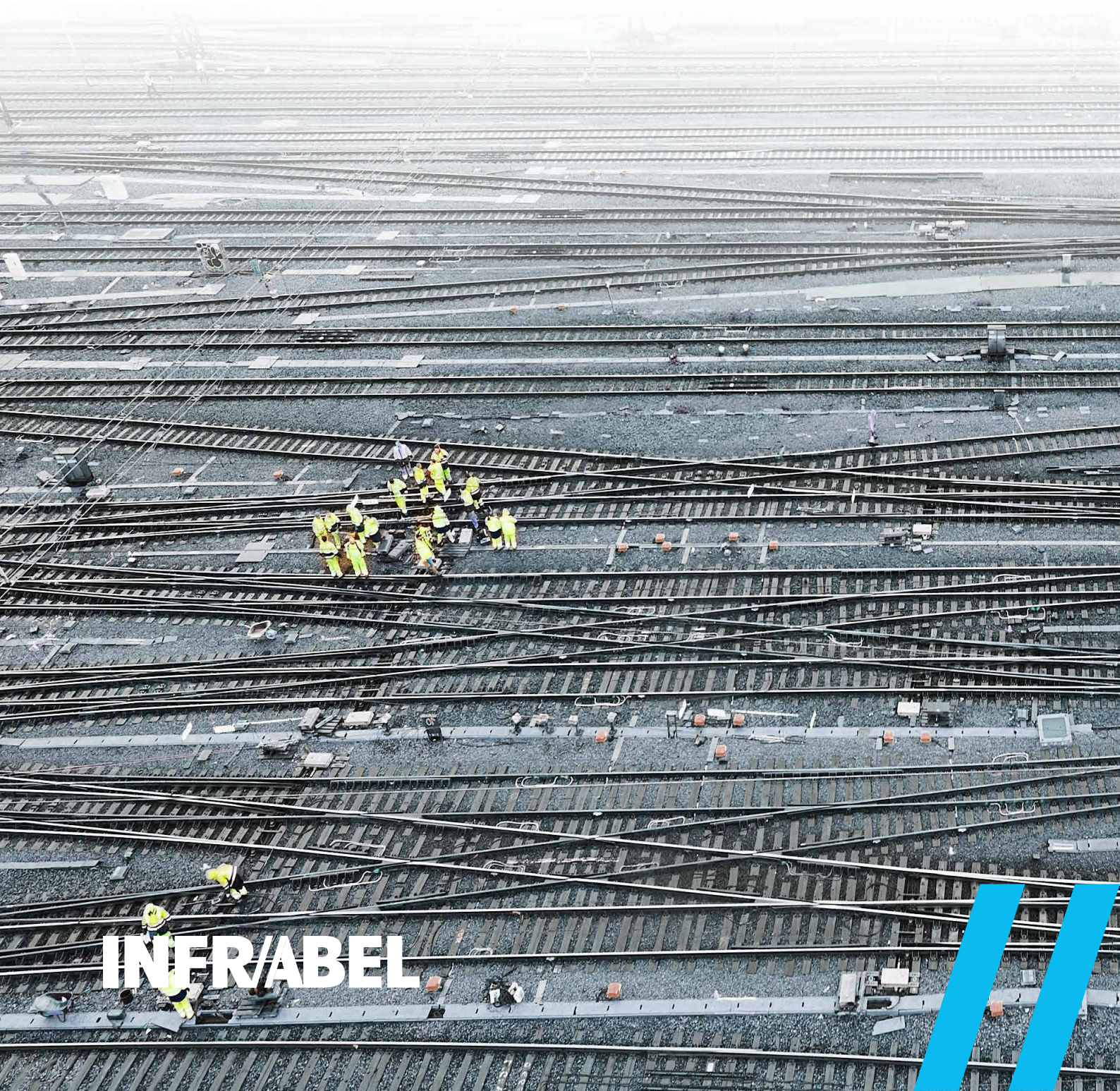




Infrabel Procurement Policy



INFRABEL



FOREWORD

This policy describes the principles and procedures Infrabel uses to ensure fair, transparent and sustainable procurement practices. The policy is based on the values of integrity, responsibility, efficiency and innovation, and seeks to optimise the quality, cost and risks of procurement activities. The policy applies to all employees involved in procurement processes, and requires them to comply with applicable laws and regulations, the code of conduct and internal control mechanisms. To promote knowledge and compliance with this policy, Infrabel organises regular training sessions for all its employees, both inside and outside the Procurement Department. Infrabel also expects its suppliers to adhere to the Code of Conduct for Suppliers, which sets out the ethical and sustainable standards they must meet in connection with tenders. Infrabel pays particular attention to the ESG (environmental, social and governance) aspects of its procurement policy, and encourages its suppliers to incorporate these into their operations and products. This policy contributes to Infrabel's mission and vision to improve mobility and safety in Belgium through a high-quality, high-performance and sustainable railway network.



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1. Introduction

Infrabel has a professional **procurement policy** for the purchase of goods, services and works in accordance with the public procurement legislation and the applicable regulations. This policy contributes to the achievement of Infrabel's strategic and operational objectives, and represents important leverage in achieving sustainable and socially responsible mobility.

This policy guarantees the principles of equality and competition as well as **transparency** in the purchasing processes in an effective and **efficient** manner within the regulatory framework, while striving to achieve a balance between price and quality (value for money), best market conditions and the integration of environmental, social and governance (ESG) considerations.

2. Scope

This policy applies to **all departments, services and employees** involved in procurement activities, public procurement contracts and contracts managed by Infrabel's Procurement Department. It includes the purchase of goods, services and works, on behalf of Infrabel, regardless of the source of funding.

We focus on the strategic, tactical and operational aspects of the procurement process.



3. Principles

Infrabel's procurement policy is based on the following principles:

Equality and Competition

Ensuring non-discrimination and equal treatment for all suppliers.

Transparency

All procurement activities are conducted openly and transparently, offering equal opportunities to all potential suppliers.

Compliance

Compliance with all applicable laws, regulations and internal policies.

Efficiency

Streamlining procurement processes to achieve timely and cost-effective results.

Governance

Clearly defined responsibilities and accountability for purchasing decisions and actions.

ESG-integration

Incorporation of environmental, social and governance criteria into procurement decisions to promote sustainable and responsible business practices.



4. Strategy

We strive to achieve the “**best total value**” in all purchasing activities. This does not necessarily mean the lowest price. We approach contracts from a TVO (Total Value of Ownership) perspective, including the end-of-life phase as a part of the circular economy, and we check that these contracts meet Infrabel’s quality requirements and comply with the legislation.

We ensure competition for all contracts and are continuously looking for new partners and innovative solutions, while aiming to develop a long-term relationship with our suppliers, i.e. a relation based on **mutual trust, transparency** and **cooperation**, within the framework of the public procurement legislation.

We aim to maximise SMEs participation and encourage SMEs to take part in our procurement procedures, within the legal framework created for this purpose.

We ensure an appropriate due governance which implies that any engagement with an external party has to be approved by the competent authority in accordance with Infrabel’s delegation of authority.

We promote the use of relevant technological solutions to minimise the Source-to-Contract and Purchase-to-Pay transactional costs.



5. Ethical standards

All employees involved in purchasing activities, public procurement and contracts must meet the highest ethical standards, including:

Integrity

Avoiding conflicts of interest and maintaining impartiality.

Confidentiality

Protecting the confidentiality of supplier information.

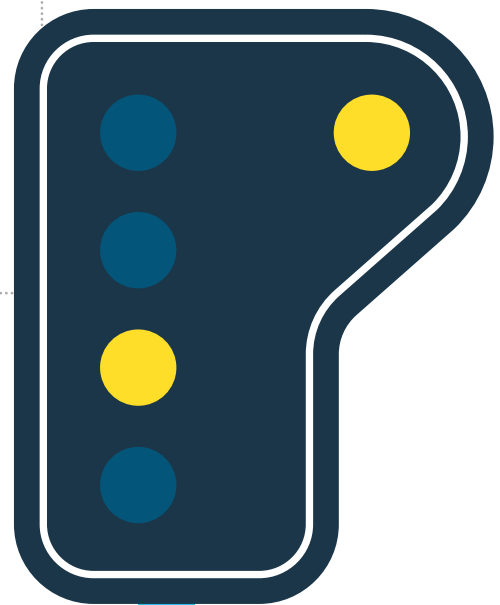
Involvement and Professionalism

Ensuring appropriate, professional interactions.

ESG Commitment

Promoting and adhering to sustainable and socially responsible purchasing practices.

All these employees are expected to comply with the document “**Code of Conduct for Public Procurement and Contracts**”.



6. ESG Considerations

Infrabel strives to take **environmental** and **social considerations** into account in its public procurement and contracts. This involves minimising the environment impact and promoting social responsibility.

We expect our suppliers to help Infrabel deal with the social and environmental challenges by complying with the legislation, regulations and rules in force in the countries where they are operating. We also expect them to comply with the principles set out in the “Code of Conduct for Suppliers and Contractors”, and to make every effort to carry out their activities with respect for people and the environment. Infrabel expects its suppliers to implement an active improvement policy regarding the safety aspects and to develop environment friendly solutions that are acceptable from an economic perspective.

Environment

Giving preference to the suppliers who demonstrate strong environmental performances, such as a reduction of CO2 emissions, waste management and the sustainable use of raw materials and resources.

Social aspects

Ensuring suppliers comply with fair labour practices, human rights and contribute to community development.

Governance

Selecting suppliers with robust governance structures, ethical practices and compliance with legal requirements.

7. Risk Management

Infrabel's procurement policy aims to ensure that suppliers comply with relevant industrial and environmental standards, and minimise potential risks for the quality, continuity and reputation of their services or products. The procurement policy aims to mitigate as many risks as possible, including non-compliance, business continuity, financial, reputational and ESG risks. To achieve this, we take the following measures:

- We conduct a **stakeholder analysis** to identify and prioritise the needs and expectations of the internal and external stakeholders, and to determine the level of influence and involvement of each stakeholder.
- We apply the **ISO 9001 quality management system** to define, document and improve the supplier selection, evaluation and monitoring processes, and to ensure compliance with the contractual and legal requirements.
- We incorporate the **Kraljic risk model** into the category plans to analyse the strategic value and the supply risk of each supplier category, and to choose the most appropriate procurement strategy based on the category's position within the model (leverage, bottleneck, non-critical or strategic).
- We use **accreditation as a selection criterion** for works contracts to ensure that our (sub)contractors meet the required quality levels.
- We use other **relevant sources** of information, such as ESG ratings, benchmarks, market research, financial capacity, technical and professional skills, audits, feedback and complaints, to assess and manage supplier performance and risks, and to identify opportunities for innovation, collaboration and sustainability.



8. The purchasing process

The purchasing process is divided into the following stages:

Strategic Sourcing

Defining the best purchasing strategies and “go-to-market” approaches, in order to achieve the best value-for-money ratio. This stage takes place prior to the start of the tender procedure.

Definition of the needs

Identifying and defining the needs for goods, services or works, including consideration of ESG criteria.

Planning and Budgeting

Ensuring that the purchase is included in the applicable financial and/or multi-year investment plan and budget.

Market Research

Identifying potential suppliers and market conditions, with evaluation of their technical competences, financial capacity and ESG performances.

Purchasing method

Determining an appropriate purchasing method based on the estimated value and the and complexity of the needs:

- **Tender procedure with publication**
For contracts open to all interested suppliers. Standard procedure for the works contracts and work-related services.
- **Tender procedure without publication**
For contracts below the legal publication thresholds with selected suppliers as well as for complex and specialised contracts that are limited to pre-qualified suppliers.
- **Limited-value contracts**
For contracts under €30,000, excluding VAT, where offers are requested directly from selected suppliers (simplified procedure).

Tactical sourcing: tender procedure and evaluation

Invitation to tender

Sending tender documents to potential suppliers, including ESG criteria.

Receipt and Opening

Ensuring secure and confidential receipt and opening of offers.

Evaluation

Evaluating offers on the basis of predetermined criteria (e.g., price, quality, TCO, ESG performance).

Award decision

Making a decision based on the evaluation results with approval by the relevant authority.

Contract award and contract management

Contract award

Formal notification of the contract to the winning supplier(s).

Contract management

Monitoring the performances, ensuring compliance with the terms and conditions of the contract and managing the changes or disputes, including the assessment of the ESG compliance.

Payments

Ensuring that the payment deadlines stipulated in the public procurement legislation and the contract documents are rigorously and strictly applied.

The services delivered by each contractor may be **evaluated** for one or several contracts executed for Infrabel. Such an evaluation covers several aspects, notably customer orientation, the commercial attitude, the respect for the deadlines, the quality of the contract execution or the degree of alignment with Infrabel's processes (safety, quality, etc.).

9. Innovation and Partnership

One of the objectives of Infrabel's procurement policy is to promote innovation and partnership with its suppliers. Tenders issued by Infrabel are intended to encourage **creativity, competitiveness** and **innovation** among the potential contractors to achieve the best value for money ratio and to stimulate innovation for rail infrastructure projects.

Innovation is a key factor for Infrabel to improve its performance, efficiency and sustainability, and to meet the challenges and opportunities of digital transformation. Infrabel encourages innovation by including specific requirements or incentives in its tender documents, such as environmental and social criteria, functional specifications, or a life-cycle cost analysis. Infrabel also organises market consultations and discussions to exchange ideas and best practices with its suppliers and to identify new trends and solutions.

Partnership is another essential part of Infrabel's procurement policy, as it aims to build lasting relationships with its suppliers based on mutual trust, transparency and cooperation, within the framework of public procurement legislation. In doing so, Infrabel promotes partnership by introducing framework agreements and co-creation models, depending on the nature and complexity of the project. Infrabel collects and uses the feedback and satisfaction of its suppliers to continuously improve its procurement processes.



10. Monitoring and Evaluation

Infrabel's procurement policy is in line with the ISO 9001 international standard, which provides a framework for managing the quality of products and services. Infrabel thus uses a **quality management system** that describes the objectives, responsibilities and procedures applicable to the purchasing processes. Through management reviews, this system is regularly updated to ensure a continuous improvement of the purchasing performance. The processes and procedures are available to all employees involved in the purchasing activities.

Infrabel **evaluates** and **certifies** its suppliers based on their level of quality, and carries out periodic audits to check their conformity. Infrabel also establishes quality requirements for each purchasing project, and verifies compliance by suppliers.

Infrabel encourages **feedback** from both internal and external stakeholders, and handles it efficiently and effectively. Infrabel strives to resolve and prevent any problems or incidents relating to the quality of the purchases. Infrabel recognises the importance of customer satisfaction for the success of its procurement policy, and regularly measures this satisfaction through surveys and indicators. Infrabel uses the results to better understand and meet customer expectations and requirements, and to continuously adapt and improve its procurement strategies and practices.



Infrabel's procurement policy and procedures are reviewed periodically to ensure that they remain effective and comply with legislative changes. Internal audits are conducted to assess compliance and identify areas for improvement.

The Procurement Department has thus a **robust quality management system, certified in accordance with the ISO 9001 standard.**

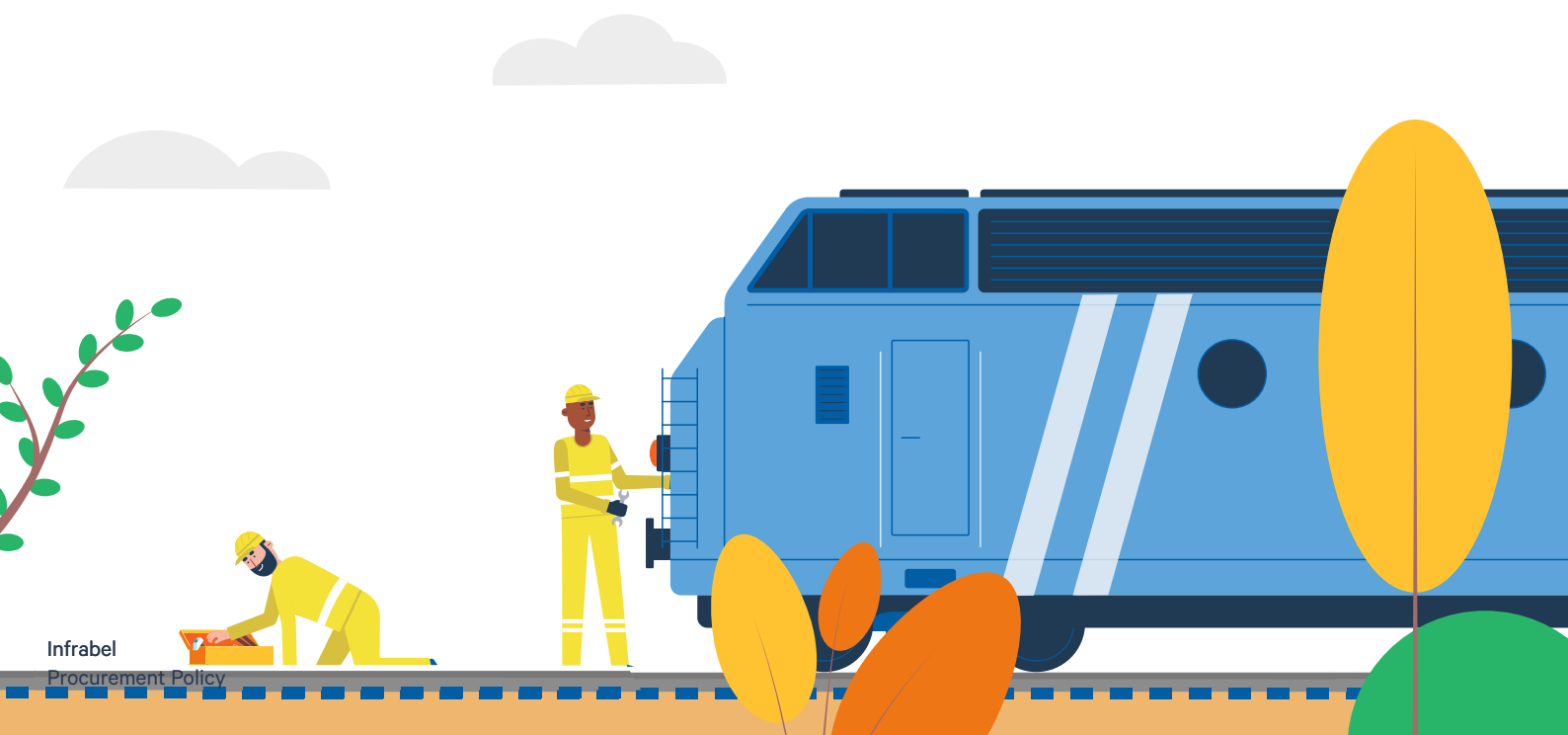
11. Training and Awareness

Regular **training sessions** are organised for all Infrabel employees, both inside and outside the Procurement department, to promote familiarity and compliance with this policy.

In order to support this procurement policy, digital tools and platforms are used. These systems enable Infrabel to digitise and streamline procurement processes, from requirements analysis to contract execution.

They also provide better traceability, transparency and efficiency when information and documents are exchanged between Infrabel and its suppliers. Infrabel uses various electronic platforms, such as e-Procurement, e-Catalogues and commerce automation (e-ordering, e-confirmation, e-invoicing, etc.), to support the various phases of the procurement cycle. It is essential that all parties involved, both internal and external, have a good understanding of and adhere to the processes and procedures applicable to procurement activities. This contributes to an efficient and qualitative procurement management, in line with the interests of Infrabel and its suppliers.

The use and knowledge of digital tools and electronic platforms are crucial in this respect. Infrabel ensures that these systems are regularly updated and adapted to the users' needs and expectations. Infrabel also encourages its suppliers to familiarise themselves with these systems and to take full advantage of them for the sake of a smooth and effective cooperation.



Related documents

- Code of conduct for suppliers and contractors
- Internal Code of Conduct for Public Procurement and Contracts
- Fascicle 61 Additional provisions for Public Contracts for goods, services and works
- Fascicle 63 Health and safety measures for the execution of goods, services and works contracts



Questions?

If you have any questions about this document, please do not hesitate to contact our Procurement department.

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