

Purchasing and logistics at Bosch

Five questions for Dr. Arne Flemming about sustainable supply chains

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Q: What's involved in purchasing and logistics at Bosch?

A: At Bosch, purchasing and logistics are combined in supply chain management. This ensures stable and sustainable supply chains from procurement source to delivery. For Bosch, this is central to improving quality of life through technology and to the goal of conserving natural resources. In our supply chain management, we work closely with our roughly 240 manufacturing plants and nearly 250,000 customers worldwide. The task is to ensure the availability of components, raw materials, and products in line with customer demand. Here, high quality and competitive prices are important aims, which we pursue in collaboration with our supplier network of some 35,000 manufacturers and service providers. In addition, our supplier network plays an important part in Bosch's competitiveness and innovativeness.

Q: How important is sustainability for supply chains?

A: Bosch takes its entrepreneurial responsibility very seriously. This is why its long-term strategy aims to reconcile economic, ecological, and social concerns. With an annual purchasing volume of roughly 50 billion euros, this responsibility reaches far beyond our factories' gates. Supply chains that manifest a high level of sustainability and social standards are therefore very important for Bosch. Together with our core suppliers around the world, we work to use raw and other materials sparingly, as well as to systematically reduce carbon emissions. We want to achieve this through measures such as consolidated shipments and optimized packaging. For us, there is no question that the only way companies can survive in global competition – and thus contribute to global prosperity – is on the basis of robust and sustainable supply chains.

Q: How does Bosch's supply chain management respond to geopolitical upheaval and increasingly extreme weather events?

A: Stable supply chains are the bedrock of a sound economy. For Bosch, this means that supply chain management also has to anticipate ever new

developments in global trade. In this respect, we pursue a local-for-local strategy, making our global supply chains shorter, more flexible, and thus less vulnerable. With our global manufacturing network, we produce where our customers are. Anticipatory supply chain risk management allows Bosch to react in good time to the risks arising from factors such as supply bottlenecks, natural disasters, and blocked shipping routes. Business relationships based on partnership and respect are crucial in allowing us to work hand in hand with our suppliers if global supply chains or shipping routes are disrupted in this way. In addition, a high degree of digitalization in our supply chains helps us gain clarity in real time about inventories and requirements – from procurement to manufacturing operations to customers.

Q: How does Bosch ensure compliance with legal requirements and with environmental and social standards in its supply chains?

A: As a global supplier of technology, Bosch purchases from companies and service providers in roughly 60 countries. As most of the master data and processes in our supply chain management are digitalized, we are in a position to comply with diverse regulatory requirements. In one respect, for the sake of competitive prices, digitalization helps us cushion the effect of extra administrative work in our supply chains wherever possible. At the same time, it makes it easier for us to comply with reporting requirements and to track sustainability targets in the supply chain. So if suppliers deviate from our quality standards, we give them additional training. We also check compliance with environmental protection regulations and respect for human rights – and this at more than 100 business partners each year. When it comes to reducing carbon emissions, the requirements we set as a manufacturer and supplier have an impact on thousands of suppliers and sub-suppliers of our own – thus multiplying our joint contribution to mitigating global warming.

Q: What are the latest trends in purchasing and logistics at Bosch?

A: Automated planning is playing an increasingly important role in supply chain management at Bosch. The aim is to be able to react even better and more effectively to external factors such as flood damage at suppliers or supply shortages in the market. In keeping with that, we're extending the integrated planning systems that help us quickly adjust our sources of supply, shipping routes, and choice of manufacturing site if there are any bottlenecks. In our workflows, we systematically rely on cross-function, end-to-end processes, which we are continuously improving. One important element is end-to-end electronic data exchange – starting for example at our suppliers through the SupplyOn digital platform, and continuing from there via our plants to our customers. We expect that the use of generative AI will soon take this automated planning to a new level, and further enhance our supply chains. Examples of

where we're already using AI include voice recognition on supplier hotlines and the extraction of data from drawings and specifications in quality assurance.

Dr. Arne Flemming is the head of supply chain management at Bosch. In this function, he is responsible for managing the Bosch Group's roughly 35,000 associates worldwide in purchasing and logistics.

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The Bosch Group is a leading global supplier of technology and services. It employs roughly 418,000 associates worldwide (as of December 31, 2024). The company generated sales of 90.3 billion euros in 2024. Its operations are divided into four business sectors: Mobility, Industrial Technology, Consumer Goods, and Energy and Building Technology. With its business activities, the company aims to use technology to help shape universal trends such as automation, electrification, digitalization, connectivity, and an orientation to sustainability. In this context, Bosch's broad diversification across regions and industries strengthens its innovativeness and robustness. Bosch uses its proven expertise in sensor technology, software, and services to offer customers cross-domain solutions from a single source. It also applies its expertise in connectivity and artificial intelligence in order to develop and manufacture user-friendly, sustainable products. With technology that is "Invented for life," Bosch wants to help improve quality of life and conserve natural resources. The Bosch Group comprises Robert Bosch GmbH and its roughly 490 subsidiary and regional companies in over 60 countries. Including sales and service partners, Bosch's global manufacturing, engineering, and sales network covers nearly every country in the world. Bosch's innovative strength is key to the company's further development. At 136 locations across the globe, Bosch employs some 87,000 associates in research and development.

The company was set up in Stuttgart in 1886 by Robert Bosch (1861–1942) as "Workshop for Precision Mechanics and Electrical Engineering." The special ownership structure of Robert Bosch GmbH guarantees the entrepreneurial freedom of the Bosch Group, making it possible for the company to plan over the long term and to undertake significant upfront investments in the safeguarding of its future. Ninety-four percent of the share capital of Robert Bosch GmbH is held by Robert Bosch Stiftung GmbH, a limited liability company with a charitable purpose. The remaining shares are held by Robert Bosch GmbH and by a company owned by the Bosch family. The majority of voting rights are held by Robert Bosch Industrietreuhand KG. It is entrusted with the task of safeguarding the company's long-term existence and in particular its financial independence – in line with the mission handed down in the will of the company's founder, Robert Bosch.

Additional information is available online at www.bosch.com, www.bosch-press.com.