APPROVED
President of
JSC «KazUTB named after K. Kulazhanov»
_____E.T. Kulazhanov
«11» may 2026

POLICY
SUSTAINBLE PROCUREMENT
JSC «KAZUTB NAMED AFTER K. KULAZHANOV»
KazUTB- DSD-8.4-2026-06

AGREED
Rector of
JSC «KazUTB named after K. Kulazhanov»
_____L.K. Baibolova
«11» may 2026

Astana, 2026

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1. TERMS AND DEFINITIONS

The terms and abbreviations	Definition
"KazUTB named after K. Kulazhanov" JSC	Kazakh University of Technology and Business named after K. Kulazhanov Joint-Stock Company
UN Global Compact	An international initiative in the field of sustainable development, the purpose of which is to introduce ten basic principles in the field of human rights, labor relations, environmental protection and anti-corruption into the activities of the business community.
DD	due diligence of counterparties described in this Policy for conducting due diligence of counterparties
KPI	performance indicators of «KazTBU named after K. Kulazhanov» JSC or its structural divisions, which allow measuring the degree of achievement of the set strategic goals in terms of effectiveness and efficiency.
SMB	Small and medium-sized businesses
United Nations (UN)	an international organization established to maintain and strengthen international peace and security, as well as to develop cooperation between states;
Media	mass media;
GWS	Goods, works, and services.
Sustainability	organizational principle of achieving the goals of «KazTBU named after K. Kulazhanov» JSC, in which the needs and its stakeholders are met with the preservation and development of human and natural resources necessary to meet the needs of future generations;
ESG (Environmental, Social, Governance)	is a set of management characteristics of «KazTBU named after K. Kulazhanov» JSC, which achieves the involvement of students and employees in solving environmental, social and governance problems and sustainable development: the principles of the UN Global Compact.
LCC	Life cycle cost
ESG risk (Environmental, Social and Governance risk)	it is a type of risk that determines the sustainable development of «KazTBU named after K. Kulazhanov» JSC within the framework of environmental, social, and corporate governance risks
SDGs (Sustainable Development Goals)	which are a set of 17 interrelated goals developed in 2015 by the UN General Assembly as a "blueprint for achieving a better and more sustainable future for all".

2. GENERAL INFORMATION AND DESCRIPTION OF THE PROCEDURE

2.1 This Policy has been developed as part of the implementation of the ESG strategy and the Quality Management System (QMS) of the University.

2.2 This Policy establishes the obligations of «KazTBU named after K. Kulazhanov» JSC in the field of sustainable procurement, establishes the principles, main parameters and conditions for sustainable procurement, taking into account the commitment to the principles of sustainable development.

2.3 This Policy integrates the requirements of ISO 9001:2015 (clause 7.1.4 – Environment for the functioning of processes) and the principles of ESG and (SDGs 7, 13, 8, 12).

2.4 The Policy applies to all employees, teaching staff, students and other interested stakeholders of «KazTBU named after K. Kulazhanov» JSC.

2.5 This policy is based on the "KazTBU Sustainable Development Policy" "Principle 3. The staff of «KazTBU named after K. Kulazhanov» JSC takes care of the environment."

2.6 The policy aims to achieve SDG 7 (Affordable and Clean Energy), SDG 8 (Decent Work and Economic Growth) and SDG 12 (Responsible Consumption and Production), SDG 13 (Climate Action).

2.7 The management of «KazTBU named after K. Kulazhanov» JSC ***assumes responsibility for*** (according to the principles of SDGs 7, 8, 12, 13):

2.7.1 ensure the purchase of equipment, office equipment and lighting fixtures with the highest energy efficiency classes (not lower than class A).

2.7.2 support the implementation of "smart" technologies in the university infrastructure (motion sensors, climate control systems) by purchasing solutions that reduce the overall energy consumption of the university;

2.7.3 Minimize indirect greenhouse gas emissions by optimizing supply logistics and preferring suppliers using environmentally friendly transport;

2.7.4 use the procurement process as a tool for climate education, demonstrating to students and partners the university's commitment to decarbonization;

2.7.5 monitor counterparties for compliance with labor legislation, ensuring safe working conditions and non-discrimination;

2.7.6 contribute to the economic growth of the region, giving priority to local bona fide suppliers and small businesses, all other things being equal;

2.7.8 implement green procurement criteria, giving preference to recyclable packaging, recycled products and products with a long-life cycle;

2.7.9 The management takes responsibility for reviewing consumption rates within the University in order to eliminate the purchase of unnecessary goods and minimize the amount of waste generated.

2.8 The management of «KazTBU named after K. Kulazhanov» JSC undertakes to allocate the necessary resources annually for the implementation of this policy and conduct a regular audit of the compliance of procurement procedures with the stated goals of the SDGs.

2.9 This Policy should be read in conjunction with the Code of Corporate Ethics, Anti-Bribery and Corruption Policy, Development Plan of «KazTBU named after K. Kulazhanov» JSC, and other applicable policies and procedures.

2.10 Sustainable procurement involves integrating sustainability principles into procurement decisions. Purchased GWS are designed to meet needs, minimize environmental impact, comply with ethical and business standards, and contribute to social and economic development.

3. PURPOSE AND SCOPE OF APPLICATION

3.1 The purpose of this Policy is to create a management system that is aimed at meeting the needs.

3.2 Reducing the negative impact on the environment and supporting social responsibility.

3.3 Saving resources, respecting human rights, supporting local suppliers.

3.4 Objectives:

3.4.1 Transition to energy-efficient equipment (SDG 7).

3.4.2 Reducing the volume of "purchased" garbage (SDG 12).

3.4.3 Greening office space (SDGs 12, 13).

3.5 Greening KPIs (SDGs 4, 7, 12, 13):

3.5.1 KPI 1**:** share of purchased equipment with energy efficiency class A and higher (100% of new purchases).

3.5.2 KPI 2**:** Percentage of suppliers using reusable or fully recyclable containers (growth of 15-20% annually)

3.5.3 KPI 3: Share of green office products in total office supplies (>50% by the end of 2027)

3.5.4 KPI 4**:** ESG screening coverage of key suppliers (by cost) (80% of critical suppliers)

3.5.5 KPI 5: share of purchases from local suppliers (SMEs) in the total annual volume (at least 30–40%)

3.5.6 KPI 6: implementation of the topic of sustainable procurement in case studies or theses, the goal is the number of students involved in the environmental audit of the university's procurement as part of the internship (at least 5-10 people per year).

4. MAIN DIRECTIONS OF IMPLEMENTATION

4.1 **ENVIRONMENTAL (Ecological Environment and Infrastructure) minimization of negative impacts on the ecosystem within the framework of Principle No3 and SDGs 12, 13.**

4.1.1 Priority of "Circularity" - the transition from the "buy – use – throw away" model to the purchase of goods to be repaired, reused or easily recycled;

4.1.2 Energy efficient supply - mandatory inclusion of requirements for the energy consumption class in technical specifications for the purchase of server equipment, office and household appliances (SDG 7).

4.1.3 Product safety - strict control over the safety certificates of goods, especially those used in educational laboratories and catering facilities.

4.2 **SOCIAL (Responsible Partnership):** Ensuring decent working conditions and transparency throughout the supply chain (SDG 8).

4.2.1 Supplier screening – checking contractors for compliance with labor rights, non-discrimination and ensuring labor safety. Suppliers who violate the norms of the labor code are excluded from the pool of partners.

4.2.2 Inclusiveness - support in the procurement of organizations that provide jobs for people with disabilities or implement social projects;

4.2.3 Product safety - strict control over the safety certificates of goods, especially those used in educational laboratories and public catering points;

4.3 **GOVERNANCE (Economic Direction - "Effective Governance"):**

4.3.1 Move from "lowest cost" to "total cost of ownership" (SDG 8, 12).

4.3.1.1 Life Cycle Assessment (LCC) - when making a purchase decision, not only the contract price is taken into account, but also the cost of electricity during operation, maintenance and subsequent disposal.

4.3.1.2 SMB Support - Development of procedures to facilitate tendering for local small and medium-sized enterprises, which stimulates the region's economy and reduces logistics costs.

4.3.2 Use the procurement process as part of the university's educational mission (SDGs 4, 17).

4.3.3 Digitalization of procurement - a complete transition to electronic document management (Paperless) to reduce the use of paper.

4.3.4 Live laboratory - involvement of graduating departments and their students in the development of environmental criteria for new tenders, turning procurement into an object of scientific research.

5. MANAGING AND DEVELOPING A SUSTAINABLE SUPPLY CHAIN

5.1 Supply chain management in «KazTBU named after K. Kulazhanov» JSC is based on the integration of ESG principles and contribution to the achievement of the SDGs. The process includes the following actions:

5.1.1 Oversight and transparency (SDG 12):

5.1.1.1 Control of the process from procurement to delivery and active interaction with suppliers to disclose the origin of materials. «KazTBU named after K. Kulazhanov» JSC encourages suppliers to provide data on the environmental footprint of products and the use of secondary raw materials.

5.1.2 ESG-responsive standardization (SDGs 7, 13):

5.1.2.1 Determination and implementation of appropriate supply standards, including requirements for energy efficiency of equipment (class A and above) and minimization of the carbon footprint during the transportation of goods for the needs of «KazTBU named after K. Kulazhanov» JSC.

5.1.3 Sustainable tender process (SDGs 8, 12):

5.1.3.1 Evaluation of proposals and tenders not only by the criterion of price, but also by their contribution to sustainable development. Provision of long-term contracts to partners who have confirmed compliance with environmental and social standards, which ensures stable economic growth.

5.1.4 Conducting due diligence of counterparties (DD):

5.1.4.1 mandatory inspection of suppliers for compliance with ethical standards, absence of corruption risks and compliance with the labor legislation of the Republic of Kazakhstan.

5.1.5 Management of sustainability risks (ESG risks):

5.1.5.1 risk management by procurement categories in accordance with the internal documented risk management procedure of «KazTBU named after K. Kulazhanov» JSC. Particular attention is paid to environmental risks (environmental pollution) and social risks (violation of safety regulations on the supplier's side).

5.1.6 Efficient and green logistics (SDG 13):

optimizing delivery routes to reduce greenhouse gas emissions.

5.1.7 Partnerships and development (SDGs 17, 8):

5.1.7.1 Developing long-term partnerships with suppliers. K. Kulazhanov KazUTB JSC, as an academic environment, undertakes to provide methodological support and promote the training of suppliers in the field of sustainable development and improvement of their ESG performance.

6. PROCEDURE FOR SUBMISSION AND FORMATION OF PURCHASE APPLICATIONS

6.1 Application Process:

6.1.1 **Initiation** – the head of the structural unit (initiator) (department/division/administration/department/faculty) forms an application in accordance with the form in the Appendix of this Policy **F.DSD-8.4/7.1.1-2026-01** in electronic form. Before submitting an application, the initiator is obliged to check the availability of a similar product or the possibility of restoration/repair of existing equipment **(SDG 12).**

6.1.2 **Formation of an application** - when drawing up the terms of reference, the initiator must include minimum "sustainable" requirements (for example, energy efficiency class, absence of toxic materials, availability of certificates of conformity).

6.1.3 **Approval (via EDM)** - the application is signed by the head of the joint venture, if necessary - by the supervising vice-rector, approved and checked by the head of the Anti-Corruption and Legal Support Department (comprehensive analysis for risk assessment), the economic planning department (for reconciliation with the planned procurement budget).

6.2 If necessary, the approval should include the head of the Department of Digital Development and Information Technology (in case of acquisition of digital equipment, office equipment, MFPs, software or other equipment related to computer equipment)

6.2.2 If ***necessary, include in the approval the*** head of the administrative and economic department in order to eliminate problems related to procurement, logistics, compliance with other standards required by the legislation of the Republic of Kazakhstan in the field of procurement.

6.2.3 A request is submitted to the procurement department to find a supplier that complies with the sustainable procurement policy.

6.3 **Stages of the procurement process:**

6.3.1 Initiation – the next steps after the approval of the formed application.

6.3.2 Analysis of GWS suppliers (at least 3 suppliers) - market research and identification of potential counterparties.

6.3.3 Collection of commercial proposals: distribution of requests for proposals (RFP/RFQ) and formation of a register of GWS suppliers.

6.3.4 Comparison of proposals based on the established criteria in accordance with this Policy (see clause 8.5).

6.3.5 Determination of the best supplier.

6.3.6 Agreeing on the terms of GWS supply and signing a contract.

6.3.7 Monitoring the fulfillment of obligations by the supplier.

6.3.9 Documentation and actual receipt of the product/service.

6.4.9 Final analysis of the supplier's performance.

6.4 **Regulatory deadlines for applications**:

6.4.1 Verification of the formed application, budget, ESG).

6.4.2 Collection of commercial proposals: 3-5 days (the complexity of the purchase is taken into account: logistics, GWS characteristics).

6.4.3 Supplier Evaluation & Selection - 2 days (scoring & decision-making)

6.4.4 Conclusion of the contract - 3 days (coordination with lawyers and signing).

6.4.5 The area of responsibility of the Procurement Department includes: ensuring a transparent and efficient procurement process, finding and evaluating suppliers, conducting selection procedures taking into account Life Cycle Cost (LCC) and ESG criteria, organizing the procurement process, as well as monitoring the reliability and quality of supplies.

6.4.6 The need and budget for procurement are related to the initiating units and budget planning, legal support and examination of contracts are related to the specialized service of K. Kulazhanov KazUTB JSC.

7. INTERACTION WITH SUPPLIERS

7.1 "«KazTBU named after K. Kulazhanov» JSC seeks cooperation with partners who share the values of sustainable development (ESG) and Principle 3 (Respect for the environment). The priority areas are environmental safety (SDGs 12, 13), decent working conditions (SDG 8), anti-corruption transparency and social contribution.

7.2 «KazTBU named after K. Kulazhanov» JSC supports the economy of the region by giving priority to local suppliers, provided that they meet quality and ethical standards.

7.3 «KazTBU named after K. Kulazhanov» JSC encourages suppliers to implement the principles of sustainable development through the system of recognition of achievements and taking into account the ESG rating when conducting competitive procedures.

7.4 Criteria for the selection and admission of suppliers.

7.4.1 Counterparties are allowed to participate in procurement procedures who:

- strive to minimize waste, introduce energy-efficient technologies (SDG 7) and reduce the carbon footprint;
- are direct manufacturers or official dealers who guarantee the stable quality of GWS.
- have an impeccable business reputation, have successfully passed the check for the absence of corruption risks;
- ensure safe working conditions, eliminating injuries and discrimination (SDG 8).
- Demonstrate financial stability and provide the best total cost of ownership (taking into account price, operating and disposal costs).

7.5 The assessment (rating) of the supplier is based on a comprehensive analysis and is estimated at 100%.

- when choosing at least three suppliers, an internal assessment is carried out, and the main terms of supply of GWS are taken into account (price - 30%, quality - 20%).
- Technical competence and availability of qualified personnel, commitment to SDG (availability of environmental certificates, recyclable packaging 10%);
- Ability to ensure uninterrupted supply and flexibly respond to the requirements of the training process (Delivery time – 15%).
- support for the SME sector, «KazTBU named after K. Kulazhanov» JSC assesses the locality of suppliers when selecting GWS suppliers (RK/SME - 10%),
- impeccable business reputation within the framework of the Laws of the Republic of Kazakhstan and the requirements for the management of SMEs (guarantee and service – 10%)
- demonstrate financial stability (financial stability of the GWS supplier is 5%)

7.6 Counterparty Due Diligence (DD) and Anti-Corruption

7.6.1 In accordance with ISO 37001, the University applies the principle of "zero tolerance" to corruption. The PDA is a mandatory step before assuming any obligations under the transaction.

7.6.2 The CPC system includes: - identification and assessment of the risks of the counterparty's involvement in corruption schemes, fraud or legalization of illegal income. Verification of compliance with international sanctions regimes. Monitoring of compliance with the Code of Business Ethics of K. Kulazhanov KazUTB JSC.

7.6.3 The purpose of the CPC is to protect the reputation and assets of «KazTBU named after K. Kulazhanov» JSC, as well as ensuring full transparency of spending.

7.6.4 Internal procedure for approving contracts with GWS suppliers: concluded contracts for the supply of goods, works and services (GWS) undergo a mandatory multi-level approval procedure in the electronic document management system (or on paper). The goal is to minimize legal, financial, corruption and environmental risks.

7.6.5 In order to optimize the "Procurement" process information map of the KazTBU-DSD-IPC-5.3/9.3-2026-02, the Contract goes through the stages of approval in the form **F.DSD-8.4.2-2026-2** of this Policy on the structure of:

7.6.6 Anti-Corruption and Legal Support Department - verification of compliance with the legislation of the Republic of Kazakhstan, anti-corruption clause (ISO 37001), verification of the signatory's authority, "legal purity" of the contract.

7.6.7 Economic Planning Department - verification of compliance with the budget (procurement plan), and cost efficiency according to the LCC principle.

8. FINAL PROVISIONS

8.1 This Sustainable Procurement Policy (hereinafter referred to as the Policy) is approved by the Order of the Rector of «KazTBU named after K. Kulazhanov» JSC and comes into force from the date of its signing.

8.2 From the date of entry into force of this Policy, all previously adopted internal regulations of «KazTBU named after K. Kulazhanov» JSC governing procurement processes shall be in effect to the extent that they do not contradict this document.

8.3 Liability

8.3.1 The Head of the Procurement Department is responsible for the overall coordination and implementation of sustainable development principles in procurement activities**.**

8.3.2 Heads of structural subdivisions (deans of faculties, heads of departments, heads of departments) are personally responsible for compliance with sustainability criteria when forming applications for the purchase of GWS.

8.3.3 Employees responsible for conducting PDA procedures and negotiating contracts are responsible for identifying corruption risks in accordance with the requirements of ISO 37001.

8.3.4 Violation of the provisions of this Policy by employees of «KazTBU named after K. Kulazhanov» JSC entails disciplinary measures in accordance with the Labor Code of the Republic of Kazakhstan and internal labor regulations.

8.4 Monitoring and updating

8.4.1 This Policy is subject to regular review at least once every 3 years or as the internal processes regulated by it change. If, as a result of changes in the legislation of the Republic of Kazakhstan, certain provisions of this Policy come into conflict with the current legislation, these provisions shall become invalid and until amendments to this Policy are made, it is necessary to be guided by the current legislation of the Republic of Kazakhstan.

8.4.2 Proposals for improving this Policy may be sent by any employee of «KazTBU named after K. Kulazhanov» JSC to the Strategic Development Department, Administrative and Economic Department, or Anti-Corruption and Legal Support Department in the form of a Memo on EDM of «KazTBU named after K. Kulazhanov» JSC.

8.4.3 Changes and additions to the Policy are registered and executed in accordance with the form **F. DSD-7.5-2025-05-04,** according to the DP, "Documented Information".

8.4.8 Assessment of the effectiveness of the implementation of the Policy is carried out as part of the annual internal audit of the QMS for compliance with paragraph 8.4-ISO 9001.

8.5 Access to information

8.5.1 This Policy is a public document. It is subject to mandatory publication on the official website of «KazTBU named after K. Kulazhanov» JSC for review by current and potential suppliers, students and other interested parties.

8.5.2 All new employees of «KazTBU named after K. Kulazhanov» JSC, whose activities are related to the process of material and technical support, must be familiarized with the Policy against signature.

9. RISKS ASSOCIATED WITH THE PROCESS AND ACTIONS TO PREVENT RISKS

9.1 Risks associated with:	**9.2 Risk prevention activities:**
- failure to meet deadlines, inadequate quality of GWS - untimely delivery of educational materials or software; - environmental risks - rapid failure of equipment, increase in waste volumes and costs; Reputational damage to the university, fines, environmental pollution. Accumulation of non-recyclable plastic on campus; - Corruption and conflict of interest - unreasonable overpricing, selection of incompetent persons; purchase of counterfeit or uncertified equipment. Risk of bankruptcy of the supplier after receiving an advance payment; - injuries during work - accidents during repairs or cleaning on the territory of the university. Use of illegal labor by GWS suppliers.	- diversification of the supplier base (the presence of duplicate partners); development of local suppliers; - The LCC (Life Cycle Costing) criterion is used to assess the cost of ownership, not just the purchase price. Inclusion of an "environmental clause" in contracts; the requirement of ISO 14001 certificates or their equivalents. Requiring suppliers to use returnable containers or biodegradable packaging; - mandatory passing of the PDA (Compliance Check); implementation of ISO 37001 anti-corruption standards. Requirement of certificates of conformity (ISO 9001) at the tender stage; incoming quality control of goods. Scoring of the supplier's financial statements; use of bank guarantees; - checking the availability of an occupational health and safety system at suppliers; the requirement to comply with the "Golden Rules" of safety. Annual ESG survey of key suppliers; Audit of working conditions (for large contracts).

APPLICATIONS

F.DSD-8.4/7.1.1-2026-01(mandatory)

APPLICATION No____

for fixed assets (material and technical supply
taking into account the principles of sustainable development)
(specify what)

Name of the structural subdivision (initiator):

_____

Name of GWS (type of GWS to be purchased):

_____

JUSTIFICATION APPLICATION
Procurement

A purchase offer is made by:

_____

(Head of the structural unit,
commandant, position, full name, in. phone, e-mail)

The need for procurement is due to the following circumstances:

_____
_____
_____

#	Name of GWS	Technical specifications (type, type, brand, size, weight, wattage, etc.)	Unit Ism	Quantity	Educational program*
1	**2**	**3**	**4**	**5**	**6**
1					
2					
,,,,					

**6th graph is Mandatory for faculties in completion for consolidated applications*

Total Cost of Ownership (LLC) life cycle cost by ESG/SDG principles

Indicate whether additional disposal costs or expensive maintenance will be required:

[ ] No, standard maintenance.

[ ] Yes, special disposal conditions are required (specify which).

Initiator (full name, position): _____ / Signature_/

Eco-compliance mark: [ ] Compliant/[ ] Needs improvement (check as appropriate)

F.DSD- 8.4.2-2026-2(mandatory)
Form of the approval sheet
to the Agreement___

APPROVAL SHEET
CONTRACT No _____

to the Sustainable Procurement Policy of «KazTBU named after K. Kulazhanov» JSC

Subject of the contract:_____
Counterparty (Supplier): _____
Contract amount: _____ Contract term: _____

Position	Full name	Notes	Signature
Rector/ Supervising Vice-Rector (if necessary)			
Head of the Department of Planning, Accounting and Analysis			
Head of the Compliance and Legal Support Office			
Initiator (name of the Structural Department)			

F. DSD-7.5-2026-01-02 (mandatory)

APPROVAL SHEET

Position	Full name	Date	Signature
Vice-Rector for AA	Askarbekov E.B.	08.05.2026	
Vice-Rector for R&I	Aibuldinov Y.K.	08.05.2026	
Vice-Rector for SA&SD	Berdigaliuly S.	08.05.2026	
Director of the DSD	Orazalina D. K.	08.05.2026	
Head of the QMSD	Ernst A.	08.05.2026	

F. DSD-7.5-2026-01-03 (mandatory)

FAMILIARIZATION SHEET

Position	Full name	Date	Signature

F. DSD-7.5-2026-01-04 (mandatory)

CHANGE REGISTRATION SHEET

The number of the changed In the case of the	Change Notice Number	Number of sheets (pages)				Total sheets (after changes)	Date of introduction	Full name of the person making the changes	Signature of the person who made the changes
		changed	replaced	new	cancelled				

F. DSD-7.5-2026-01-05 (mandatory)

PERIODIC INSPECTION RECORD SHEET

Verification Date	full name of the person, who performed the Verification	Signature of the person, who performed the check	Wording of comments