



D. Serikbayev

**EAST
KAZAKHSTAN
TECHNICAL
UNIVERSITY**

Sustainable Procurement Policy

NJSC «D. Serikbayev EKTU»

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1 GENERAL PROVISIONS

This Sustainable Procurement Policy (hereinafter referred to as the Policy) defines the goals, objectives, principles and methods for implementing procurement activities.

Sustainable procurement integrates corporate social responsibility principles into a company's purchasing processes and management decisions, ensuring that they meet stakeholder expectations.

Sustainable procurement includes specifications, requirements and criteria that are aimed at protecting the environment and the well-being of society. They cover aspects that go beyond traditional procurement processes, including the prevention of child labor and the use of safe chemicals.

The commitment to sustainable procurement ensures that the company's core values in the field of sustainable development are met at all stages of the life cycle of products and services.

Sustainable procurement policies and strategies aim to overcome potential challenges such as market shortages, adaptation to changing demand, cost pressures and the need to optimise resources by reducing energy consumption and waste.

Sustainable procurement helps protect an organization's reputation by requiring effective risk management mechanisms to be in place. This enables the timely identification of unreliable suppliers and the elimination of vulnerabilities in the supply chain, preventing potential reputational risks and negative media coverage.

2 SCOPE OF APPLICATION

The policy applies to the activities of the NAO "East Kazakhstan Technical University named after D. Serikbayev" (hereinafter referred to as the "University") related to the acquisition of goods, works and services.

3 OBJECTIVES AND TASKS

The goal is to provide the University with goods, works and services in the required volume, taking into account the established quality requirements, at the best possible market prices, taking into account the principles of equality for sustainable development, thereby benefiting society and the environment in time and geography.

Sustainable procurement challenges:

- 1) cost-effective use of University funds for the purchase of goods, works and services;
- 2) the formation of a market of qualified suppliers around the University capable of satisfying its needs in the best possible way;
- 3) prevention of erroneous or unfair actions in the area of procurement for the needs of the University;

- 4) creating a positive image of the University as a responsible buyer of goods, works and services;
- 5) replication of sustainable procurement principles among the University's suppliers.

4 PROCUREMENT STRATEGY

The University implements various strategies in procurement activities. One of them is a planned strategy, which gives priority to the quality and price of purchased goods, works and services. In case of force majeure situations, unscheduled changes can be made to the planned strategy.

5 BASIC PRINCIPLES

The University's activities in the field of sustainable procurement are carried out in accordance with the principles of:

- 1) Efficiency of spending financial resources;
- 2) Legitimacy, information openness and transparency;
- 3) Equality of procurement participants, absence of discrimination among suppliers;
- 4) Professionalism and personal responsibility of managers and specialists directly involved in the implementation of procurement activities;
- 5) Energy efficiency, efficient use of resources, saving materials, energy, water, waste in the production of goods, performance of work and provision of services;
- 6) Reuse and recycling of manufactured products.

6 REGULATORY FRAMEWORK FOR PROCUREMENT ACTIVITIES

The University's activities in the field of sustainable procurement must be carried out in accordance with the legislation of the Republic of Kazakhstan, this Policy and local regulatory documents adopted for its implementation, regulating issues of organizing and conducting procurement.

The local regulatory documents of the University reflect the procedure for planning, preparing and conducting procurement procedures, monitoring their implementation and results.

The procedure for concluding, amending, terminating contracts and monitoring their execution is carried out in accordance with the Law of the Republic of Kazakhstan "On Public Procurement" and is also regulated by local regulatory documents of the University in the field of procurement.

7 GENERAL REQUIREMENTS FOR SUPPLIERS

Requirements for suppliers are determined in accordance with the Supplier Code of Conduct approved by the University (Appendix 1 to this Policy).

When selecting suppliers and concluding transactions, preference will be given companies that best meet the criteria set out in the Supplier Code of Conduct.

The University reserves the right to refuse cooperation with suppliers whose actions are contrary to the legislation of the Republic of Kazakhstan, including in terms of respect for human rights, combating discrimination, as well as the prohibition of the use of forced labor, child labor and other forms of exploitation. Suppliers who violate these standards cannot be attracted to cooperation with the University, in accordance with the current legal acts of the Republic of Kazakhstan.

8 PROCUREMENT METHODS USED

A request for quotations is the simplest method of electronic public procurement, in which the decisive criterion for choosing the winner is the lowest price for the goods, work or service offered by the potential supplier.

9 INDICATORS CHARACTERIZING THE IMPLEMENTATION OF THIS POLICY

The indicators of achievement of procurement objectives are analyzed annually in order to assess the effectiveness of the implementation of procurement principles and procedures. The following is carried out as part of the analysis:

1) Participation in procurement: The number of organizations and suppliers that participated in the procurement process is determined, including an assessment of their contribution to the achievement of the organization's goals and objectives.

2) Opt-out Assessment: The number of opt-outs from procurement is analyzed, including reasons for opt-outs and potential barriers that may hinder broader participation.

3) Litigation and Legal Issues: Cases where claims or complaints have been filed related to the procurement process are considered. It is important to assess whether these requests were made in good faith and their impact on the overall picture of transparency in procurement.

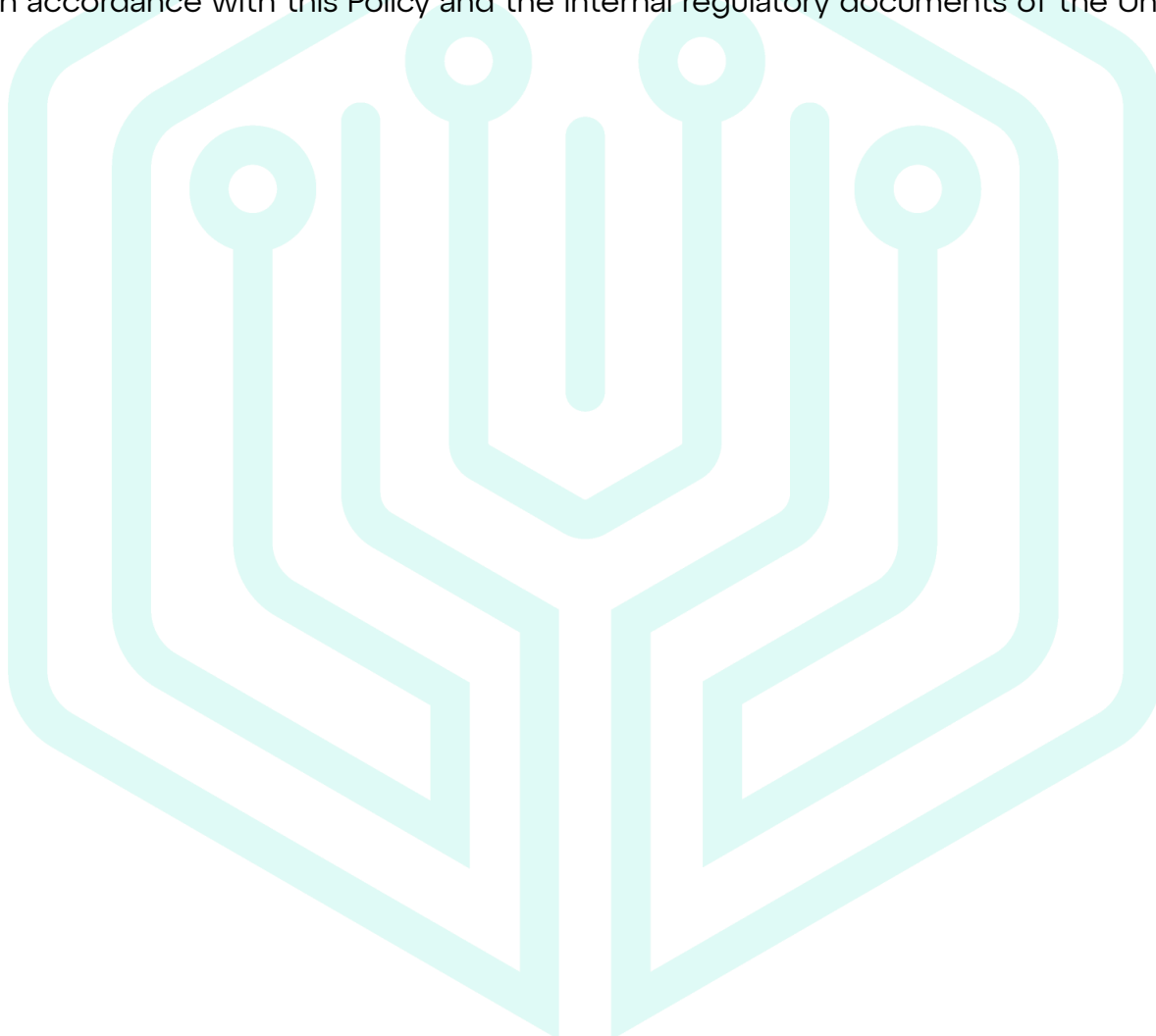
4) Integrity Review: All complaints and allegations filed are reviewed to determine whether they are in good faith and comply with legal and ethical standards.

10 ENSURING OPENNESS

In order to ensure the openness of procurement activities, in accordance with the legislation of the Republic of Kazakhstan, the information provided for by the legislation on public procurement, including documents and materials that ensure the transparency and competitiveness of procurement procedures, is posted on the Web portal of public procurement.

For clarification on the procedure for appealing the actions or inaction of University employees, you can contact us through our official website in the “Feedback” section by clicking on the QR code.

The University considers comments and appeals from potential suppliers and participants in procurement procedures in the manner established by the Law of the Republic of Kazakhstan “On Public Procurement”, and also makes appropriate decisions in accordance with this Policy and the internal regulatory documents of the University.



Appendix 1: Supplier Code of Conduct

1. Brief description

NAO «East Kazakhstan Technical University named after D. Serikbayev» (hereinafter referred to as the University) believes that compliance with social responsibility and ethics in accordance with the laws of the countries in which they operate is the basis for long-term success. This includes establishing fair labor relations, ensuring safety in the workplace, supporting and encouraging environmental responsibility, and fully complying with applicable laws. The University expects that its interests and the interests of its suppliers will fully coincide in these key respects.

This Supplier Code of Conduct applies to all individuals and entities that provide goods or services of any type to the University or any of its subsidiaries (each such entity, a “supplier”) and sets out the standards they must follow in their day-to-day activities.

The University views cooperation with its supply chain organizations as an integral part of its success and strives to interact with suppliers as a single team. The selection of suppliers is based not only on the quality and competitiveness of products and services, but also on compliance with social, ethical and environmental principles, which is a prerequisite for obtaining supplier status and developing long-term business relations with the University. Violation of this Code may jeopardize the business relationship with the supplier, up to and including termination of cooperation.

Each supplier shall comply with all applicable laws, including anti-corruption and competition laws, and the principles set out in this Code. Suppliers shall provide the University with the necessary information or take the actions required to fulfil reporting obligations and other legal requirements.

All suppliers working with the University agree to the terms of this Code and confirm this by continuing to cooperate.

2. Labor rights and human rights

Suppliers are not allowed to use child labor. The term "child" refers to persons under 15 years of age or who have not reached the age of completion of compulsory education, depending on which age limit is higher. Labor relations with employees are carried out in accordance with the Labor Code of the Republic of Kazakhstan, as well as taking into account international obligations, including the provisions of the International Labor Organization Convention No. 138 Concerning the Minimum Age for Admission to Employment.

Forced labor, human trafficking and slavery

Suppliers may not use forced labor or engage in any form of human trafficking. All forms of slavery, forced labor, and human trafficking for sexual exploitation or commercial sexual services are strictly prohibited. Employment must be voluntary and

freely available. Suppliers must ensure that all individuals have the legal right to employment and not use any form of forced labor.

Salary and working hours

Suppliers are required to provide their workers with a minimum wage consistent with the law and fair working conditions, including working hours and compensation.

Freedom of association

Suppliers must allow their workers to join associations and bargain collectively without discrimination or retaliation.

Occupational safety and health

Suppliers are required to provide safe working conditions that comply with all applicable laws of the Republic of Kazakhstan and safety standards.

Non-discrimination

Suppliers must treat their workers fairly and without discrimination, ensuring equal opportunities regardless of race, gender, sexual orientation, age, disability or other factors.

Environment

Suppliers are required to minimise the environmental impact of their production processes, including optimising resource use and reducing pollutant emissions.

Suppliers must design products with consideration of their environmental impact, including recyclability and reuse.

Suppliers are required to manage waste in accordance with legislation and avoid the use of hazardous substances.

Trade restrictions and export controls

Suppliers are required to comply with all applicable laws and regulations governing international trade and provide accurate information for customs declarations and obtain necessary licenses and permits.

Responsible approach to the selection of suppliers of mineral resources

Suppliers must exercise due diligence when sourcing tin, tantalum, tungsten and gold, ensuring that their origin is not linked to the funding of armed groups responsible for human rights abuses.

Business Ethics. Illegal Payments

Any form of bribery, illegal payments (in cash or in kind) to government officials, University employees or other third parties for the purpose of obtaining an unfair or improper advantage is strictly prohibited. In particular, all suppliers and their employees, agents or representatives are prohibited from directly or indirectly accepting, soliciting, offering or giving bribes or providing any other thing of value (including gifts or

gratuities, with the exception of manufactured goods of modest material value) to any University employee or third party.

Accurate accounting

All suppliers are required to provide the University with accurate and complete invoices and other transaction documentation and not to engage in or contribute to any act or omission that may result in inaccuracies or incompleteness in the University's accounting records and accounting documents. In addition, discounts, rebates and other allowances to which the right has been earned or which are provided in advance must be provided in full and within the applicable period, unless otherwise specified in the terms of the applicable agreement with the University. Any price increases must be in accordance with the terms, if any, of the agreement with the University.

Costs, fees and expenses payable by the University must be clearly and accurately stated and charged.

Confidential information

All suppliers must respect intellectual property rights and protect University information, trade secrets, financial information, plans for new products or services, and personal information. Access to such information is granted only to those suppliers who have a legitimate business need for it and only where permitted by applicable law.

Conflict of interest

All suppliers are required to disclose any actual or potential conflicts of interest and discuss them with University management. Any activity that is approved despite an actual or apparent conflict must be documented.

Fair competition

All suppliers are required to conduct their activities in accordance with the principles of fair competition, applicable antitrust and competition laws.

Anti-money laundering

Suppliers shall not engage in or participate in money laundering activities and shall strictly comply with applicable anti-money laundering laws.

Supplier Relationships

All suppliers are required to assist the University in complying with this Supplier Code and are responsible for communicating the principles contained in this Code to their employees, subsidiaries, affiliates and subcontractors.

The University aims to develop long-term partnerships with suppliers using dedicated tools and regular workshops aimed at seamless integration of business processes and collaboration to meet market expectations.

The University also strives to support small and local businesses and other companies.