AZERBAIJAN TECHNICAL UNIVERSITY

Sustainable Procurement Policy

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1. CONTEXT AND PURPOSE

Sustainable procurement is a key instrument through which Azerbaijan Technical University (hereinafter "AzTU") exercises responsible stewardship of public resources and advances long-term institutional value. As a public technical university with significant operational, infrastructure, and procurement activity, AzTU recognises that purchasing decisions influence environmental impact, social outcomes, market behaviour, and institutional reputation.

AzTU approaches procurement not solely as a transactional function, but as a strategic activity that can support efficiency, quality, risk management, and sustainability objectives. Sustainable procurement enables AzTU to manage lifecycle costs, reduce exposure to environmental and social risks, and promote responsible practices across its supply chain.

The purpose of this Sustainable Procurement Policy (hereinafter the "Policy") is to establish the principles and standards guiding how sustainability considerations are incorporated into procurement-related decision-making at AzTU. In particular, the Policy aims to:

- ensure that procurement activities are conducted in a manner consistent with public accountability and value-for-money principles;
- integrate environmental, social, and ethical considerations into procurement where relevant and permissible;
- support long-term operational efficiency and risk-aware purchasing decisions; and
- promote transparency, fairness, and integrity in supplier engagement.

The Policy aims to ensure that all procurement undertaken by AzTU:

- complies with the legislation of the Republic of Azerbaijan, including the Law of the Republic of Azerbaijan "On Public Procurement"[1] and other applicable regulations[2];
- aligns with international good practice, including ISO 20400:2017 Sustainable procurement — Guidance, the United Nations Convention Against Corruption (UNCAC), and the Sustainable Development Goals (particularly SDG 12: Responsible Consumption and Production);
- integrates ethical, social, and environmental considerations into purchasing decisions in line with AzTU's Climate Action Plan and Holistic Ethical Policy;
- guarantees transparency, equal opportunity, and accountability in all stages of the procurement lifecycle;
- establishes clear roles, responsibilities, and reporting lines for staff, committees, and offices engaged in procurement activities; and
- ensures that procurement outcomes deliver value for money, safeguard institutional integrity, and contribute to AzTU's long-term sustainable development goals.

2. KEY TERMS AND DEFINITIONS

For the purposes of this Policy, the following terms establish a common understanding of sustainable procurement principles at AzTU:

[1] Law of the Republic of Azerbaijan "On Public Procurement" No. 988-VIQ, in force since 1 January 2024 (https://e-qanun.az/framework/54966).

[2] Competition Code of the Republic of Azerbaijan (https://e-qanun.az/framework/56187); Trade Secret Law (https://e-qanun.az/framework/2861).

Sustainable Procurement: An approach to purchasing that integrates environmental, social, and ethical considerations into procurement decision-making, alongside cost, quality, and risk, with a focus on long-term value and public accountability.

Value for Money: The optimal balance of cost, quality, performance, and sustainability over the lifecycle of goods, services, or works, rather than lowest purchase price alone.

Lifecycle Consideration: The assessment of environmental, social, and economic impacts associated with goods, services, or works across their entire lifecycle, including acquisition, use, maintenance, and end-of-life.

Environmental Considerations: Factors related to resource efficiency, energy use, emissions, waste, and environmental impact that may be relevant to procurement decisions.

Social Considerations: Factors related to labour practices, health and safety, accessibility, and broader social impact within the supply chain.

Ethical Conduct: Standards of integrity, fairness, transparency, and avoidance of conflicts of interest in procurement activities and supplier engagement.

Supplier: Any external entity providing goods, services, or works to AzTU through procurement processes.

3. APPLICABILITY

This Policy applies to all procurement-related activities undertaken by or on behalf of AzTU and sets expectations for integrating sustainability considerations into purchasing decisions.

The Policy applies to:

- all procurement of goods, services, and works, regardless of funding source or procurement method;
- staff and units involved in procurement planning, specification, evaluation, and contract management;
- governance and oversight bodies responsible for approving or supervising procurement activities; and
- suppliers and contractors engaged by AzTU, to the extent relevant to their contractual relationship with AzTU.

The Policy applies throughout the procurement lifecycle, including needs assessment, specification development, supplier selection, contracting, and contract management.

This Policy operates alongside applicable public procurement legislation and internal procurement procedures. It does not replace statutory requirements or delegated authorities governing procurement activities, but provides an overarching sustainability framework guiding how such requirements are applied.

4. GOVERNANCE

Governance of sustainable procurement at AzTU is embedded within existing procurement and financial oversight structures to ensure responsible use of public resources, transparency, and alignment with institutional sustainability objectives:

Rectorate: Provides strategic oversight of procurement policy direction, submits this Policy and its revisions to the University Council for approval, and ensures that procurement practices reflect AzTU's public accountability and long-term institutional interests.

Procurement Department: Leads the application of sustainable procurement principles in purchasing activities, including incorporation of relevant sustainability considerations into procurement planning, specifications, and supplier evaluation, in line with applicable procedures and legal requirements.

Financial Management Function: Ensures that procurement decisions align with approved budgets, value-for-money principles, and financial controls, and supports oversight of procurement-related risks.

Evaluation Committees: Where established for procurement processes, apply procurement criteria fairly and transparently, taking into account sustainability considerations where relevant and permissible.

Governance under this Policy focuses on oversight, accountability, and consistency in applying sustainable procurement principles. Detailed roles, approval limits, and operational responsibilities are defined through internal procurement procedures and delegated authorities.

5. SUSTAINABLE PROCUREMENT PRINCIPLES AND STANDARDS

This section sets out the principles and standards guiding how sustainability considerations are integrated into procurement-related decision-making at AzTU. These principles are applied in a manner consistent with public accountability, value for money, and applicable procurement regulations.

5.1. Value for Money and Lifecycle Perspective

AzTU approaches procurement with a focus on long-term value rather than lowest upfront cost alone. Procurement decisions consider total lifecycle implications, including acquisition, operation, maintenance, and end-of-life aspects, where relevant.

A lifecycle perspective supports more informed purchasing decisions and contributes to cost efficiency, risk management, and sustainability over time.

5.2. Environmental Responsibility in Procurement

Where relevant to the nature of the purchase, AzTU seeks to consider environmental impacts associated with goods, services, and works. This may include resource efficiency, energy use, durability, and waste generation.

Environmental considerations are applied proportionately and in a manner consistent with legal requirements, technical feasibility, and value-for-money principles.

5.3. Social and Ethical Considerations in Supply Chains

AzTU recognises that procurement activities may influence social outcomes beyond AzTU. Where appropriate, procurement decisions take into account ethical conduct and basic social standards within supply chains, including health and safety, fair treatment, and responsible labour practices.

Such considerations are integrated cautiously and do not override statutory procurement obligations or competitive fairness.

5.4. Fairness, Transparency, and Integrity

Procurement activities at AzTU are conducted in a manner that promotes fairness, transparency, and equal treatment of suppliers. Clear specifications, objective evaluation criteria, and consistent application of rules support trust and integrity in procurement processes.

Integrity in procurement also includes the avoidance and proper management of conflicts of interest and undue influence.

5.5. Risk Awareness and Proportionality

Sustainability considerations are applied in proportion to procurement scale, risk exposure, and institutional impact. Higher-risk or higher-value procurements warrant greater attention to sustainability-related risks, while routine or low-risk purchases are approached pragmatically.

This risk-based approach supports effective use of resources and avoids unnecessary administrative burden.

5.6. Supplier Engagement and Continuous Improvement

AzTU recognises the role of suppliers in supporting sustainable procurement objectives. Where appropriate, procurement practices encourage responsible behaviour and continuous improvement through clear expectations and constructive engagement.

Supplier engagement is undertaken in a manner consistent with competition, fairness, and legal requirements.

6. MONITORING AND OVERSIGHT

Monitoring under this Policy focuses on ensuring that sustainable procurement principles are applied consistently and proportionately across AzTU’s procurement activities. Oversight is embedded within existing procurement governance and financial review mechanisms rather than through standalone performance targets.

Monitoring considers, at an aggregate level, how sustainability-related considerations are reflected in procurement planning, specifications, and evaluations where relevant. The purpose is to identify systemic gaps, emerging risks, and opportunities to strengthen practice, not to assess individual procurement cases.

Insights from monitoring inform leadership awareness and support continuous improvement in procurement governance, while maintaining alignment with legal requirements and value-for-money obligations.

7. POLICY EVOLUTION

This Policy is reviewed periodically to ensure continued relevance, effectiveness, and alignment with evolving public procurement practices and sustainability expectations.

The Policy is reviewed every two years, or earlier where material changes in procurement legislation, institutional strategy, or risk context occur. Any revisions are approved by the University Council. Operational procedures and detailed procurement rules are updated through separate instruments and do not form part of this Policy.

APPENDIX – THRESHOLDS AND METHODS

This appendix defines the procurement categories, indicative financial thresholds, and corresponding approval levels. It establishes the procedural boundaries that govern which procurement method must be applied and who has the authority to approve transactions.

Thresholds are reviewed periodically and may be updated by the Rectorate upon recommendation of the Procurement Committee.

Procurement Category	Value Range (AZN, indicative)	Method	Approval Authority
Micro-procurement	≤ 10 000	Direct purchase based on at least one quotation; documentation retained for audit.	Head of Institution + PSO verification
Simplified procurement	> 10 000 – < 100 000	Request for at least three written quotations; evaluation recorded in standard template.	Procurement Committee endorsement
Open tender / competitive bidding	≥ 100 000	Public tender with advertisement, evaluation panel, and formal award report.	Rectorate approval
Single-source / proprietary procurement	Any value	Permitted only with full written justification and approval by Procurement Committee and Rectorate, subject to prior consent of the supervisory authority.	Rectorate
Emergency procurement	Any value (urgent)	Direct purchase where delay would endanger life, property, or continuity of operations; subject to prior approval of the supervisory authority (Law No. 988-VIQ, Art. 18.8).	Rector or delegated authority

All thresholds are expressed exclusive of VAT and comply with the applicable laws of the Republic of Azerbaijan.

AZTU

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SUSTAINABLE DEVELOPMENT GOALS

