

AZERBAIJAN STATE OIL AND INDUSTRY UNIVERSITY



PROCUREMENT POLICY





Azerbaijan State Oil and Industry University

Those charged with governance

Sustainability Committee

Procurement Policy

February 2022

An official copy of this policy can be obtained upon request.

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Preamble

Azerbaijan State Oil and Industry University's (ASOIU)'s Procurement Policy (the "Policy") is governed by state legislations, public procurement law, and regulations that may be subject to change by the passage of time, as noted in (a) through (c):

a) The Government of Azerbaijan's bilateral trade agreements with applicable states

b) Public Procurement Law <https://e-qanun.az/framework/54966>

<https://competition.gov.az/en/page/dovlet-satinalmalari>

The Anti-Monopoly Law (<https://competition.gov.az/en>, <https://e-qanun.az/framework/8249>),

Trade Secret Law (<https://e-qanun.az/framework/2861>),

Competition Law (<https://e-qanun.az/framework/56187>) and any other legislation that may be applicable

c) ASOIU's Procurement Policy

Section 1

Purpose statement

The implementation of this policy is carried out by the administration of ASOIU, which, in collaboration with the sustainability committee, periodically reviews procurement procedures and funding sources. This collaborative approach ensures that all processes are updated as needed to align with relevant procurement laws and associated regulations. In every decision-making instance, the administration—guided by expert input and the sustainability committee—prioritizes environmental stewardship alongside sound business practices.

Parties and stakeholders involved in purchasing or sales agreements with ASOIU are familiarized with the policy well in advance of any formal agreements, thereby maximizing societal value for money. An equally important outcome of this policy is the development of procurement managers equipped for results-oriented negotiations, tender oversight, and contract administration. Given that procurement within higher education institutions often involves both short- and long-term construction contracts, the inherent complexity of such agreements is recognized. Consequently, ASOIU conducts thorough evaluations of all dimensions of vendor engagements—including technology, materials, origin, and supply chain considerations—to ensure that no geographic, economic, legal, or regulatory aspect related to sustainability is overlooked or left vulnerable to irregularities.

Policy Purpose

The principal objectives of this policy are as follows:

- a) to acknowledge the significant impact that procurement and purchasing activities have on economic, social, and environmental spheres;
- b) to ensure that all acquired goods and services meet established social and environmental standards;
- c) to minimize adverse social and environmental effects while maximizing beneficial outcomes for both local and global communities;

d) to lead by example in the adoption of sustainable procurement practices and to foster a culture of ethical and responsible purchasing among stakeholders.

The key aims of ASOIU's Sustainable Procurement Policy are as follows:

The Procurement Policy of ASOIU is closely aligned with the institution's overarching Sustainability Plan, reflecting a strong commitment to environmental stewardship, social responsibility, and regulatory compliance.

Environmental interest: ASOIU seeks to minimize its environmental footprint by adopting sustainable procurement practices. In accordance with policy guidelines, all products and services sourced from vendors are thoroughly evaluated for their origin, environmental impact, and alignment with principles of social justice—including considerations related to workforce age, working conditions, and the avoidance of exploitation. The institution's long-term objective is to mitigate both environmental and social harm, thereby safeguarding natural ecosystems and the broader community.

Social interest: Social inclusion, ethical sourcing, and diversity in supply chains constitute core elements of ASOIU's procurement policy. These interests are advanced primarily through the cultivation of sustainability-oriented thinking and behavior among all staff involved in procurement. Regardless of the initiating department or faculty, environmental and social considerations are integrated into the early stages of procurement planning. Staff involved in purchasing decisions—especially those with negotiation or contract authority—are trained to prioritize sustainability, human rights, labor standards, and social equity in their evaluations. ASOIU thereby ensures that purchases support the well-being of people and communities, both within and beyond its institutional boundaries.

Regulatory Compliance: ASOIU is steadfast in its adherence to environmental and social regulations mandated by both governmental authorities and community standards. The institution adopts a proactive governance approach—demonstrating strong leadership commitment to sustainability and risk mitigation, irrespective of the legal enforceability of such standards. ASOIU applies elements of the COSO Internal Control – Integrated Framework (COSO Cube) to ensure that its procurement operations remain compliant, transparent, and aligned with long-term sustainability objectives. Prior to entering into significant contractual relationships, ASOIU assesses vendors based on the following internal control components:

- Control Environment
- Risk Identification and Assessment

- Information and Communication
- Monitoring
- Control Activities

Moreover, the policy emphasizes regulatory and industry criteria for sustainable procurement.

ASOIU's procurement policy further integrates the following practices and standards to enhance procurement efficiency, quality, and sustainability:

- Identification of modern techniques in supply and procurement planning.
- Implementation of quality standards associated with procurement processes.
- Evaluation of procurement's role in reducing operational costs and enhancing consistency.
- Understanding of the regulatory framework governing procurement management.
- Development of tailored procurement methods and procedures for different purchasing categories.
- Application of accepted vendor sourcing techniques and objective selection criteria.

ASOIU strictly complies with State Procurement Law and precisely evaluates and assesses nominal thresholds set in local currency by the State Procurement Law.

Section 2

How ASOIU is Committed to Sustainability?

Sustainability Vision: The Azerbaijan State Oil and Industry University (ASOIU) recognizes the pivotal role that higher education institutions play in advancing sustainable development, promoting social responsibility, and contributing to a more equitable future. ASOIU is committed to embedding sustainability into its core institutional values, guiding principles, and decision-making processes.

As a leading educational institution, ASOIU aspires to serve as a model for sustainable practices in academia. Through the implementation of responsible procurement methods, the university aims to inspire students, faculty, staff, and the wider community to adopt environmentally and socially conscious behaviors.

Procurement activities at ASOIU are strategically aligned with the university's overarching sustainability objectives, including its Climate Action Plan and Waste Management Strategy. This alignment ensures that procurement decisions actively contribute to institutional goals such as achieving carbon neutrality, reducing waste, and improving energy efficiency.

Furthermore, ASOIU's procurement policy is informed by and contributes to global sustainability frameworks, particularly the United Nations Sustainable Development Goals (SDGs). In this regard, special emphasis is placed on SDG 12 – *Responsible Consumption and Production* – and SDG 13 – *Climate Action*, reinforcing the university's dedication to environmentally responsible and ethically sound procurement practices.

Role in Promoting Responsible Procurement Practices

Nurturing Sustainable Procurement: ASOIU actively promotes sustainable procurement and encourages long-term, resilient supply chain practices among its procurement officers. To reinforce this commitment, the university organizes regular seminars, workshops, and awareness campaigns that serve as platforms for capacity-building and knowledge-sharing. These initiatives aim to foster social, economic, and environmental justice by embedding the principles of sustainability into everyday practice and decision-making.

Vendor Participation: ASOIU recognizes the essential role that suppliers play in achieving its sustainable procurement goals. The institution is committed to collaborating with vendors to encourage and implement environmentally responsible practices aligned with ASOIU's Climate Action Plan. Whenever feasible, ASOIU prioritizes the selection of suppliers based on their demonstrated sustainability performance.

Leadership in Innovation: ASOIU actively promotes research and innovation in the field of sustainable procurement. The institution collaborates with scholars, experts, and industry specialists to identify environmentally responsible purchasing methods and implement forward-thinking, innovative solutions that support its sustainability objectives.

Global and Local Partnership: ASOIU seeks to collaborate with government agencies, non-governmental organizations, and international industry stakeholders to address sustainability challenges collectively. By leveraging shared resources and expertise, the institution aims to support sustainability initiatives, contribute to policy development, and amplify the impact of joint efforts.

Section 3

Significant Principles

Keeping the Nature Intact

Reuse of Resources at hand: ASOIU acknowledges the finite nature of natural resources and is committed to minimizing their consumption through responsible procurement practices. Sustainable purchasing at ASOIU prioritizes environmentally friendly, resource-efficient products and services. The institution also emphasizes the reduction of packaging waste and actively promotes digital alternatives to decrease paper usage.

Technology for Monitoring Energy Efficiency: ASOIU prioritizes the procurement of energy-efficient goods and services as part of its commitment to reducing its carbon footprint. When acquiring equipment and appliances, the institution selects products with high energy efficiency ratings. In addition to emphasizing the use of renewable energy sources, ASOIU plans to implement energy monitoring systems that track electricity usage on an hourly basis—enabling informed decisions to minimize unnecessary energy consumption in daily operations.

Solid-Waste Reduction and Recycling: ASOIU is dedicated to minimizing waste and promoting recycling across its campus. Both local and international catering vendors operating at ASOIU are required to hold certifications from the Food Safety Agency and to use environmentally responsible packaging. To further support waste management efforts, the campus is equipped with waste-sorting bins. Collected waste is then sent to a “Waste-to-Electricity” facility located in the city’s suburbs, contributing to energy recovery and sustainable disposal practices.

Emission Reduction: ASOIU is committed to reducing greenhouse gas emissions associated with its procurement activities. The institution incorporates low-carbon considerations into vendor selection, giving preference to suppliers that utilize low-emission production methods and environmentally responsible delivery practices whenever feasible.

Biodiversity Conservation: ASOIU prioritizes the protection of biodiversity in its procurement decisions. The institution seeks to purchase biodegradable products that decompose safely, without harming surrounding ecosystems or posing risks to endangered species. This approach supports the preservation of natural habitats and aligns with ASOIU’s broader environmental sustainability goals.

Social aspect

Labor Use Integrity: ASOIU is committed to promoting fair and ethical labor standards

throughout its supply chain. The institution partners with vendors who adhere to internationally recognized labor practices, including the prohibition of forced labor, child labor, and all forms of discrimination. This commitment ensures that sustainability efforts also uphold human rights and social responsibility.

Inclusion and minority in-mind: ASOIU supports the development of a diverse and inclusive supply chain by actively engaging vendors from underrepresented groups, including women, minorities, and individuals with disabilities. The institution evaluates suppliers not only on their products and services but also on their commitment to diversity, inclusion, and non-discrimination. This approach ensures that ASOIU's procurement practices contribute to a more equitable and socially responsible economy.

Community Engagement: ASOIU encourages its suppliers to share its commitment to community responsibility by actively engaging with local communities and contributing to their social and economic development. The institution gives preference to vendors who demonstrate a strong dedication to corporate social responsibility (CSR) and community involvement, recognizing that sustainable procurement extends beyond environmental impact to include positive social contributions.

Health and Safety: ASOIU prioritizes vendors who maintain strong health and safety practices. The institution considers the presence of robust health and safety controls as a key criterion in the supplier evaluation process, ensuring that procurement activities support safe working environments and responsible operations.

Section 4

Scope

Applicability: The Sustainable Procurement Policy of Azerbaijan State Oil and Industry University (ASOIU) applies to all procurement activities conducted by the university. This policy reflects ASOIU's commitment to integrating environmental, social, and ethical considerations into its purchasing decisions. To ensure continuous improvement and alignment with international best practices, the university will pursue certification from recognized sustainability standards, including ISO 14001 (Environmental Management) and ISO 20400 (Sustainable Procurement).

Instances of Purchase: This policy encompasses the full life cycle of all procurement activities at ASOIU, including the acquisition of goods, services, works, and consultancy services. It applies to both capital and operational expenditures, regardless of the funding source—be it government allocations, donor contributions, or the university's self-generated income. The policy ensures that sustainability principles are integrated into every stage of procurement, from planning and sourcing to usage and end-of-life management.

Complete Procurement Lifecycle: This policy encompasses the full life cycle of all procurement activities at ASOIU, including the acquisition of goods, services, works, and consultancy services. It applies to both capital and operational expenditures, regardless of the funding source—be it government allocations, donor contributions, or the university's self-generated income.

The policy covers the entire procurement lifecycle, from planning and sourcing to evaluation and contract management, ensuring that sustainability considerations are embedded at each stage. This approach guarantees compliance with sustainable procurement principles and supports the university's broader environmental, social, and ethical objectives.

Grants, Donors, and Charity Inflows: In cases where ASOIU receives financial support through grants or charitable donations, this policy remains applicable to all related procurement activities. The university also encourages donors and philanthropic contributors to align their support with the principles outlined in this and other relevant institutional policies and guidelines.

Exemptions:

Although ASOIU remains committed to maintaining sustainable procurement practices, exemptions may be warranted in exceptional situations. Such exemptions will be reviewed individually and are subject to the approval of the designated university authorities. Consideration for exemptions may be granted under the following conditions:

Legal and Regulatory Constraints: Exemptions may be granted in cases where sustainable procurement criteria are in direct conflict with existing laws, regulations, or governmental requirements. In such instances, ASOIU will engage with the relevant authorities to explore

alternative solutions that uphold the institution's sustainability objectives while ensuring full legal compliance.

Emergency Situations: Exemptions may also be considered during emergencies or urgent situations where immediate procurement is necessary to safeguard human health, safety, or critical infrastructure. Nevertheless, ASOIU will strive to integrate sustainable considerations to the greatest extent possible, even under emergency procurement circumstances.

Academic Freedom and Research: ASOIU upholds the principles of academic freedom and supports the autonomy of its faculty and staff in pursuing scholarly endeavors. However, the university encourages its academic community to engage in research initiatives of global relevance and impact. Exemptions may therefore be granted for research-related procurements that require specific products or services essential to academic or scientific activities, even if these do not fully align with sustainability criteria. Nonetheless, ASOIU will continue to promote the consideration of sustainable alternatives wherever feasible within research contexts.

Implementation:

ASOIU will implement this Sustainable Procurement Policy through the following measures:

- The policy shall be applied to all individuals and units responsible for procuring goods, services, works, or consultancy on behalf of the university.
- ASOIU will ensure that the products and services it acquires are as environmentally sustainable and socially responsible as reasonably achievable.
- The university will adopt a partnership approach to sustainable development and will encourage suppliers to comply with national and international standards concerning environmental, social, and economic issues.
- Sustainable sourcing will be overseen to minimize or mitigate negative environmental impacts throughout the supply chain.

This policy is published on ASOIU's official website and communicated broadly to ensure transparency, accountability, and widespread adherence. The university's governance bodies, in collaboration with the ASOIU Sustainability Committee, will review the policy regularly to ensure its ongoing relevance and effectiveness. Based on these evaluations, the Financial Manager will be responsible for implementing any approved revisions or enhancements.