

Procurement Statement

March 2023

climate-kicfoundation.org

1. Introduction

Climate-KIC International Foundation (**Foundation**) is an international non-profit organisation with the objective of contributing to the protection of nature and the environment, including enhancement of sustainability, by way of catalysing systemic change for climate action through innovation. As part of this mission, we commit ourselves to professional stewardship of our funds and funding particularly given the Foundation's formal status as a public benefit/charitable organisation (known as ANBI or *algemeen nut beogende instelling* in the Netherlands) – it is critical that all Foundation funds are spent with appropriate checks and balances.

Foundation ensure expenditure on goods and services meets a set of core principles:

- **Enabling of Foundation's strategic priorities and mission**
- **Consistency with Foundation's non-profit public interest objectives and alignment with social, environmental and ethical considerations.**
- **Due Diligence;**
- **Best value for money** for goods and services
- Ensuring appropriate quality and reliability of received goods and services
- Adheres to the principles of **non-discrimination, equal treatment, fair competition, transparency, sound procedural management and freedom from conflicts**
- **Proportionality** of procurement activity relative to spend
- **Compliance with applicable laws and regulations** including alignment to key ANBI requirements including (i) at least 90% of net revenue (income minus costs) being used or spent for the benefit of the public interest, (ii) operating expenses are reasonable in comparison to expenditures and (iii) remuneration of non-executive directors (and executive directors for their policy making activities) is not allowed.

As with all other Foundation policies, all **Foundation people** (employees and non-employee contractors and consultants who work with and for us or for organisations controlled by the Foundation) are obliged to comply with core principles, the overriding obligation to adhere to applicable law and regulation.

2. Scope

This Statement applies when goods and/or services are acquired on behalf of Foundation or organisations controlled by Foundation. It defines the core principles and ethical requirements for the selection of Suppliers, contracting for supply and other related matters. For the purposes of this Statement, the term **Supplier** (or vendor) means a third-party entity or individual that provides goods or services to Foundation (or relevant organisation) in exchange for payment.

This Statement does not cover:

- Non-procurement expenditure such as downstream grant allocations or other forms of financial support to third parties, sponsorships or donations funded by Foundation
- Expenses
- Purchase of land
- The recruitment of staff on employment contracts (i.e. employees)
- Intragroup arrangements
- Agreements with third parties in relation to the ownership and exploitation of Intellectual Property Rights, including transfers of assets.

3. Ethical statement

Foundation is committed to ensure all purchasing operations only proceed under the highest ethical standards. Foundation takes a proactive approach to promoting ethical commercial dealings by working honestly with Suppliers and bidders and fostering best practice to manage climate change. Foundation people are obligated under the Conflicts of Interest & Gifts Policy and the Anti-Fraud, Corruption & Bribery Policy to act in compliance with applicable laws, without conflict of interests influencing purchasing decisions, and with an absence of fraud, corruption or bribery.

Foundation will not procure goods or services that involve:

- Conflicts of interest

- Disrespect of environmental and social rights (including labour rights): the Foundation's procurement process shall aim to have positive effects on sustainable development, fair-trade and human rights
- Activities banned in the EU, Switzerland or the United Kingdom
- Illegal activities, bribery, fraud or corruption
- Human rights abuses (e.g. modern slavery)
- Harm to the environment (negative impact)

Suppliers should comply with Foundation's minimum standards in the Ethical Standards for Contractual Counterparties Policy.

4. Purchasing practices

Foundation will conduct procurement activities proportional to the contract value. Suppliers will be selected on a best value for money basis following the core principles and ethical statement.

Purchases will be approved by authorised persons only where:

- The goods and/or services ordered are appropriate
- There is adequate budgetary provision
- There is value for money based on price and quality
- Policies have been adhered to

Contracts will assure that goods and/or services will be provided in alignment with the Foundation requirements and to protect against a variety of risks. Records will be retained of procurement processes for auditing and assurance processes.

5. Commercial conduct

Foundation aims to work closely with third party Suppliers in accordance with the principles and ethical requirements set out in this Statement.

Foundation people will:

- Seek ethical, sustainable and reliable goods and services that support Foundation's mission
- Conduct all commercial discussions in a polite professional manner and in accordance with Foundation policies
- Apply the principles of non-discrimination, equal treatment, fair competition, transparency, sound procedural management and freedom from conflicts to interactions with Suppliers
- Not share information deemed confidential or personal data without appropriate precautions, in compliance with our internal policies and the applicable legislation.