Burgan Bank

Procurement Policy

بنک برقان
BURGAN BANK

Introduction

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Policy Statement

This policy outlines the procedures and guidelines for vendor selection, evaluation, due diligence, and onboarding, ensuring that all third-party engagements are aligned with the Bank's objectives and regulatory requirements.

Purpose

This policy establishes a robust, transparent, and consistent procurement framework that ensures value for money, operational efficiency, and compliance with Burgan Bank's internal controls, regulatory obligations, and Environmental, Social, and Governance (ESG) principles. It also mitigates reputational, operational, and financial risks associated with third-party engagements.

Objectives include:

- Enabling cost-effective acquisition of goods and services.
- Promoting ethical sourcing and competition.
- Strengthening internal control and accountability.
- Ensuring supplier compliance with legal, security, and sustainability standards.

Scope

This policy applies to all procurement activities across Burgan Bank, including all domestic and international purchases of goods and services, outsourcing arrangements, consultancy engagements, and technology acquisitions.

It governs:

- Vendor onboarding, evaluation and due diligence.
- Competitive bidding (tendering) and quotation processes.
- Expenditure proposal (EP) creation process (preparation, review and approval phase).
- Third Party engagement types; Purchase Order (PO), Work Order (WO) and Contracts.

- Service Level Agreement (SLA) framework and monitoring.
- Third Party Issues management and escalation.
- Invoicing, tax and payment compliance.
- Contract termination and renewal.
- Miscellaneous tasks performed by General Services Administration (GSA).

Application

Procurement Lifecycle and Third-Party Onboarding

The procurement lifecycle at Burgan Bank encompasses a structured process to ensure that all third-party vendors and suppliers are selected, evaluated, and onboarded in a manner that aligns with the Bank's strategic goals and regulatory requirements. This lifecycle includes several stages: due diligence, supplier evaluation and selection, and the formal onboarding of approved suppliers. The process is designed to mitigate risks, ensure compliance, and establish long-term, mutually beneficial relationships with trusted vendors who can deliver quality products and services.

Supplier Due Diligence

Prior to onboarding any supplier, a comprehensive due diligence process is conducted. The Bank shall not engage in any third-party relationship or enter into contracts with vendors whose country of origin is in violation of Kuwait's laws, regulatory decrees, or international relations policies. Specifically, the Bank will refrain from establishing any business relationship with vendors based in countries that are not recognized by or in conflict with Kuwaiti legal or regulatory authorities. This is to ensure compliance with all applicable national and international laws, preserving the Bank's commitment to upholding the legal and ethical standards of Kuwait.

The Bank shall ensure that the supplier meets all necessary criteria and poses minimal risk to the Bank.

Supplier Evaluation & Selection

After completing due diligence, suppliers undergo a structured evaluation process to assess their technical and commercial capabilities.

Vendors are required to sign relevant declarations (throughout the contracting process), including; Cybersecurity Declaration (if the vendor will access Bank systems or sensitive data), Business Continuity Declaration (for vendors providing critical services), Non-Disclosure Agreement (NDA), if confidential information will be shared before the contract is finalized.

Compliance and Ethics

All procurement must comply with:

- Central Bank of Kuwait and applicable Kuwaiti laws.
- Internal control and financial policies.
- Anti-bribery, anti-corruption, and anti-money laundering standards.
- Burgan Bank's Code of Conduct and ESG "Environmental, Governance & Social "objectives.

All vendor payments must be properly recorded and subject to internal/external audit.

Risk Monitoring

The "Procurement Department" PD, in coordination with Risk Management, developed the Procurement RCSA and "Activity and vendor Risk Assessment" sheet, which are used to monitor third parties' risk, define mitigation plans and update the Procurement Risk Register

Abbreviations

Abbreviation	Description
PD	Procurement Department
SLA	Service Level Agreement
ESG	Environmental, Social and Governance
GSA	General Services Administration
EP	Expenditure Proposal
NDA	Non-Disclosure Agreement
PO	Purchase Order
WO	Work Order
Term	**Definition**
Competitive bidding	Tendering