

## Enterprise Risk Management Policy

Enterprise Risk Management based on the principle of ensuring the protection of company assets and values, elimination of the risks and sustainability of the company within the SOCAR Turkey and its group companies. A policy of proactive risk management has adopted to anticipate, manage, and track of the potential risks and by defining actions to be taken in the areas where the Group operates. Defining the main risks is exposed by the SOCAR Turkey and its group companies; it is classified under the five categories in total including strategic, operational, financial, external risks and project risks.

Transparency and open communication to all employees are the main factors in the success of the risk management programs by supporting the creation and continuation of a corporate culture. Risk awareness in the company will be increasing by making timely, open and transparent discussions related to the risks after the implementation of the Enterprise Risk Management Program.

SOCAR Turkey Enterprise Risk Management Principles;

- Risk management is the joint responsibility of all the Group's employees starting from the top management.
- Group manages its significant risks at all level of management with risk portfolio approach by considering risk-opportunity balance.
- Group conducts risk assessments at the regular intervals. Risk assessments of critical projects, activities, tasks, and operational areas can be conducted at more frequent intervals.
- ERM program are integrated into the main processes such as the strategic planning, business planning, and operations to ensure that the risks are also taken into the consideration in the decision making process.
- ERM program is open to the continuous improvement that reflects the industry best practices and needs of the group.
- Risk management policies and procedures within the group companies must be compatible with the approach that is described in this procedure.
- Enterprise risk management program is applied in a manner that is compatible with the regulatory requirements.

Also, Enterprise Risk Management Principles are applied to be compatible with the risk appetite and tolerance levels decided by the Board of Directors. Risk appetite is defined in line with vision and mission of the company. In other words, that is the amount of risks taken into account by the management before deciding the need to take any action.