

# Risk Management Policy Statement

## Foreword

I am pleased to issue the SOCAR Turkey Risk Management Policy.

SOCAR Turkey recognizes that the effective management of risks is a fundamental component of good corporate governance and is vital for the company's continued growth and success. SOCAR Turkey is committed to enterprise-wide risk management to ensure its corporate governance responsibilities are met and its strategic objectives are realized.

### **Enterprise-risk management enables SOCAR Turkey to identify and manage risks to:**

- Improve business performance by identification of growth opportunities.
- Remain innovative and establish competitive advantage.
- Anticipate and communicate uncertainties.
- Reduce operational losses and unexpected impacts.
- Protect the company's value: reputation and brand.

### **The objectives of the SOCAR Turkey Risk Management Policy and Framework are to:**

- Provide a consistent and systematic approach to identify, analyze evaluate, treat, monitor and report on the portfolio of risks.
- Provide actionable assessment results to contribute on achieving strategic objectives.
- Ensure management is presented with the best available information on which to base its decisions.
- Ensure decisions made are aligned with the company's appetite for risk and are undertaken within approved risk tolerances and are executed with sufficient independent oversight.
- Provide assurance through internal audit activities that internal controls are in place and are operating effectively and efficiently.

## Application Scope

This policy applies to all Group Companies.

## Resources

SOCAR Turkey will provide the necessary resources and support mechanisms to ensure its commitment toward risk management is achieved.

## Implementation

Each Group Company and their management and employees are responsible for implementing the requirements of this policy in consultation with Risk Management Department. Cooperation is needed, and expected, from all employees. The effective management of risk is vital to the continued growth and success of our SOCAR Turkey.