
GLOBAL RISK MANAGEMENT POLICY



KAZANCI HOLDİNG

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INTRODUCTION

We know the importance of a consistent, effective and transparent communication model to achieve global success in line with our organizational goals. Therefore, we have established a comprehensive Global Risk Management Policy to communicate with all our stakeholders in an open, transparent and reliable manner. With this policy, we ensure that corporate risks are identified and managed correctly before they materialize.

1. PURPOSE

With this policy, we determine the necessary approaches and principles to develop and improve risk management practices, to ensure early detection and effective management of corporate risks in order to provide the highest possible value to our stakeholders.

2. SCOPE

This policy covers managers and employees in all countries where our company operates.

3. MAIN PRINCIPLES

- We integrate Enterprise Risk Management into our company strategies and corporate culture and align our company's corporate strategy with risk management..
- We integrate a risk management approach into decision-making processes, including social, environmental, economic and ethical risks.
- We ensure that risks are managed at the right time by establishing maximum resilient structures within the company management against all risks.

4. RISK AREAS

Our Company risks are defined and monitored under the following main headings:

■ **Strategic Risks:** Structural risks that may prevent us from achieving our strategic goals set in the short, medium or long term are monitored under this heading. Risks such as planning risk, business model risk, business portfolio risk, reputation risk, market forecasting risk, risk of inadequacy in internal control systems are monitored under strategic risks.

■ **Operational Risks:** It refers to risks that may prevent our Company from fulfilling its core business activities or that may harm all of its operations. Information security risk, capacity utilization risk, effective inventory management risk, production loss risk, productivity risk, employee health and safety risk, etc. are monitored under this category.

■ **Financial Risks:** It refers to the risks that arise as a result of our organization's financial position and preferences. Financial risks include interest rate risk, currency risk, liquidity risk, receivable/collection risk, commodity price risk.

■ **Compliance Risks:** Risks arising from inadequacies and delays in complying with national and international regulations. Risks that are appropriate for our Company's compliance program are monitored in this category.

5. COMMITMENTS

- Integrate the risk/opportunity vision into Our Company management,
- Early detection of risks through risk analysis, continuous improvement and monitoring of our company activities,
- To organize trainings to raise awareness throughout our company and to encourage all employees to fulfill their duties and responsibilities,
- Hedging instruments are used appropriately and records are kept as required by applicable regulations,
- We undertake to transparently inform regulatory authorities and other stakeholders about the risks faced by our Company and the functioning of the systems developed to monitor these risks.

Our Corporate Governance Policies are one of the cornerstones of our strategy and an integral part of our business culture.



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