

## Risk Management

Risk Management heads the list of areas to which ENKA attaches priority in all of its processes and activities. The implementation of the risk-based thinking approach is constantly being encouraged by ENKA's senior management.

An "Early Risk Identification Committee" (the Committee) has been established under the Executive Committee, and a "Risk Management Working Group" (the Working Group) has been set up to operate in conjunction with the Committee in order to ensure that an effective risk management programme is implemented throughout the company, to determine the principles and methods on which this programme is to be based, to guarantee the continuous development of a corporate culture of risk management extending to all projects, units and individuals, and to conduct the risk management function effectively.

The Committee was established for the purposes of identifying early any risks that could endanger the existence, development and continuity of the company, implementing measures in response to the risks identified, carrying out other work related to the management of risk and reviewing the risk management systems at least once a year. The Committee convenes at least once in every two months and a minimum of six times a year. The Committee is made up of the non-executive members of the Board of Directors.

The Working Group was set up under a

## Products and Service Quality

ENKA has set up and certified a reliable Quality Management System for the purpose of increasing productivity in the

decision taken at the meeting of the Early Risk Identification Committee held on 27th November 2017 with the aims of identifying ENKA's corporate risks, determining the risk reduction measures to be taken, and assessing and reviewing the risks which are identified.

In view of the characteristics of the ENKA Group companies and their fields of activity, the risks addressed also encompass sustainability issues. The risk categories have been grouped as follows:

- Strategic Risks
- Financial Risks
- Operational Risks
- Compliance Risks
- External Environment Risks
- Trade Mark Management Risks

The risks identified and the related risk management procedures are evaluated under each heading on the basis of their likelihood and impact. For the most important risks, managers are given responsibilities at the level of the company and/or group of companies. The risks identified are categorised under the risk management strategy into those which are to be avoided, transferred, reduced and retained. The most appropriate of these strategies is selected in such a way as to ensure that each risk remains below the tolerable levels specified by the Board of Directors.

projects which it undertakes, constantly developing its corporate knowledge and capabilities, and systematically meeting the

needs and expectations of its customers. The Quality Management System is based on the principle of continuous improvement. Compliant with the ISO 9001 standard, it was first certified in 2001 by the British Standards Institute (BSI).

In addition to ISO 9001 certification, the ENKA Quality Assurance Programme, required for the realisation of construction works that encompass engineering and design, quality control, contracting and manufacturing or assembly activities, is in conformity with the ASME Boiler and Pressure Vessel Code.

For each of its projects, ENKA develops a reliable quality management system that is regularly monitored based on the ENKA Corporate Quality Standards and the requirements of the project contract.

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### Standard Quality Practices



Quality Standards and the requirements of the project contract. The quality management systems developed for the projects do not concentrate on identifying problems once they have arisen, but on preventing problems from arising in the first place.

ENKA's culture of quality is founded upon ensuring that the resources necessary for the establishment, operation, continuity and constant improvement of the quality management system are available, that authorities and responsibilities with regard to quality are spelt out for duties within the company and that internal and external factors that may affect the capacity of the quality management system to achieve the intended results are identified, monitored and reviewed. This culture also brings forth the ideas that the conditions of the quality management system shall be integrated with the company's business processes, that a process approach and risk-based thinking management are encouraged and the intended and targeted outputs of the quality management system achieved, and that customer satisfaction and the principle of client-focused working is adopted by all employees, and upon the provision of support and incentives for constant improvement.