



KEY ELEMENTS OF RISK MANAGEMENT POLICY

1. Purpose & Scope

- Provides guidelines for systematic risk management across the Company.
- Ensures protection of people, assets, reputation, and compliance with laws/regulations.
- Makes risk management an integral part of all processes, not optional.
- Policy applies to Board, management, staff, and operations company-wide.

2. Critical Success Factors

1. **Recognition** – Risk management seen as a value-adding discipline.
2. **Individual responsibility** – Every employee accountable for managing risks.
3. **Open communication** – Transparent reporting without a blame culture.
4. **Organizational commitment** – Support from top management.
5. **Integration** – Embedded into all policies, processes, and decisions.

3. Governance Structure

- **Board of Directors:** Approves framework & appetite, integrates with strategy, reviews policy periodically.
- **Audit & Risk Management Committee:** Quarterly risk reviews, monitors controls, ensures compliance & disclosure.
- **CEO:** Oversees implementation, allocates resources, communicates with stakeholders.
- **Risk Management Department:** Prepares Risk Register, conducts assessments, audits, training, reports to Audit & Risk Management Committee.
- **Heads of Departments / Area In-charges:** Conduct assessments, prepare mitigation plans, update risks.
- **Employees:** Identify/report emerging risks, follow policy & procedures.

4. Risk Management Strategy

- **Embedded in daily operations** – from planning to execution.
- **Balanced approach** – manage risks to acceptable levels, not avoid all risks.
- **Proactive** – anticipate threats and identify opportunities.
- **Structured tools** – Risk Register, Risk Map, risk ranking, action plans.
- **Quarterly reporting** to ARMC; **annual review** of policy and strategy.

5. Risk Categories

- **Strategic Risks:** Political, governance, business model, technology, leadership, resource allocation, reputation, change readiness.
- **Regulatory & Compliance Risks:** Legal, taxation, reporting, illegal acts, regulatory change.
- **Operational Risks:** Process failure, business interruption, HR/succession gaps, IT breakdowns, capacity shortfalls, communication failures.



- **Financial Risks:** Credit, liquidity, currency, interest rate, capital availability, equity exposure, accounting/reporting.
- **Knowledge Risks:** Information gaps, performance shortfalls, weak knowledge capital.
- **Marketing Risks:** Competitor moves, pricing errors, product failure, brand/reputation, customer dissatisfaction.
- **Health, Safety & Environment Risks:** Workplace safety, environmental compliance, disaster/catastrophic event preparedness.

6. Risk Management Process

1. **Establish Context** – Define scope, environment, processes.
2. **Identify Risks** – Capture internal/external risks affecting objectives.
3. **Analyse Risks** – Assess likelihood & impact (qualitative/quantitative).
4. **Evaluate Risks** – Compare against controls (preventive, detective, corrective).
5. **Treat Risks** – Options include accept, avoid, mitigate, transfer, or share.
6. **Communicate & Consult** – Engage stakeholders regularly.
7. **Monitor & Review** – Quarterly reviews, annual updates, continuous improvement.

7. Risk Appetite & Tolerance

- Moderate risk appetite – Company avoids activities that may harm stakeholders/public.
- Encourages calculated innovation where benefits outweigh risks.
- Uses thresholds to define low, medium, high, critical risks (based on likelihood × impact).

8. Risk Register

- Central tool to record, track, and manage all risks.
- Captures: description, causes, controls, rating, treatment plan, owner, timelines.
- Maintained by Risk Management Department, reviewed quarterly, live & evolving.

9. Training & Awareness

- **Board/ARMC** – risk awareness at induction.
- **Senior Management** – assessment workshops every 3 years.
- **New Staff** – induction on role of risk management.
- **Existing Staff** – refresher every 3 years.
- **Risk Owners** – targeted training on assessment & mitigation.

The policy establishes a **comprehensive risk management framework** covering **governance, strategy, processes, risk categories, appetite, and reporting mechanisms**. It ensures risks are identified, ranked, and managed proactively with clear accountability at all levels.