



## DAYDOTS KENYA LTD RISK MANAGEMENT POLICY

### 1. Introduction

Daydots Kenya Ltd is committed to achieving its strategic objectives while minimizing risks that may impact the company's operations. This Risk Management Policy has been established to provide a framework that enhances mitigative and corrective measures, thereby maximizing potential opportunities. This policy helps identify, assess, and rate risks, and develop strategies to address these risks, ensuring reasonable assurance that the company's strategic objectives will be achieved. The policy is designed to keep the company's risk appetite at manageable levels, providing a structured way for employees to integrate risk management into their areas of operation, ultimately improving decision-making processes.

### 2. Policy Framework

#### 2.1. Benefits of Managing Risk is essential to Daydots Kenya Ltd because it provides the following benefits:

- Enhanced Decision-Making: By understanding and managing risks, we can make informed decisions that align with our strategic objectives.
- Resource Optimization: Efficient resource allocation and risk mitigation help optimize our operations.
- Protection of Reputation: Effective risk management safeguards our reputation and brand.
- Safeguarding Assets: By identifying and addressing risks, we protect our assets and financial stability.
- Compliance: We ensure compliance with legal and regulatory requirements.

#### 2.2. Sources of Risk Daydots Kenya Ltd acknowledges that risks can emanate from various sources, including but not limited to:

- Operational Risks: Related to daily activities and processes.
- Financial Risks: Concerning financial management and controls.
- Information Technology Risks: Pertaining to data and technology.
- Compliance/Regulatory Risks: Associated with legal and regulatory requirements.
- Strategic Risks: Linked to long-term objectives and decisions.

### 3. Risk Management Process

To effectively manage risks, Daydots Kenya Ltd follows a structured risk management process:

#### 3.1. Identifying Potential Risks

- Consider the context of our work, including strategic objectives, operations, finances, technology, and compliance.
- List potential risks individually for detailed assessment.

#### 3.2. Analyzing Risks

- Examine how each risk may occur and assess prevention methods.
- Evaluate and assess risks regularly.

#### 3.3. Assessing Past Incidences

- Consult past records to determine incident frequency and handling.
- Identify areas for improvement.

#### 3.4. Estimating Likelihood

- Estimate the likelihood of each risk re-occurring based on historical data and best practices.

### **3.5. Developing Treatment Plans**

- Prioritize risks and outline step-by-step expectations for risk avoidance and response.
- Include cost estimates for implementing risk management measures.

### **3.6. Reporting**

- Prepare reports for internal and external stakeholders, emphasizing accountability and monitoring processes.
- Share auditing steps in place for policy evaluation.

### **3.7. Data Tracking System**

- Implement a data tracking system to record risk management statistics.
- Create a risk assessment form for post-incident analysis.

### **3.8. Monitoring**

- Establish a regular monitoring process to evaluate risk treatment plans.

### **3.9. Policy Review**

- Revisit the risk management policy every six months to assess its effectiveness.
- Revise the policy as necessary to align with evolving needs and changing risks.

This Risk Management Policy is a fundamental component of Daydots Kenya Ltd's commitment to achieving its strategic objectives while safeguarding its employees, assets, and digital resources. We recognize that risk management is an ongoing process integral to our corporate culture.



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