

## Enterprise Supplies Ltd Risk Management Policy

Effective risk management is a cornerstone of business sustainability and success. Enterprise Supplies Ltd recognizes the significance of a robust risk management policy in safeguarding the interests of the company and its stakeholders. This comprehensive Risk Management Policy details the principles, strategies, and processes that guide our approach to identifying, assessing, and mitigating risks.

### 1. Objectives of Risk Management

Enterprise Supplies Ltd's risk management policy is built on four core objectives:

- 1.1. Preserving Business Continuity:** Our primary goal is to identify and manage risks that have the potential to disrupt our day-to-day operations, supply chain, and customer service. This focus on business continuity ensures we can deliver on our commitments, even in challenging circumstances.
- 1.2. Safeguarding Assets:** Protection of our physical and intellectual assets is paramount. This includes assets such as data, technology, equipment, and intellectual property. We take measures to shield these assets from various risks.
- 1.3. Regulatory Compliance:** We are committed to complying with all relevant laws and regulations. This compliance is a risk management strategy to mitigate legal and financial risks that may arise from non-compliance.
- 1.4. Enhancing Decision-Making:** Our risk management strategy provides our decision-makers with accurate and timely risk information, enabling them to make informed choices, fostering long-term growth and success.

### 2. Risk Identification

Enterprise Supplies Ltd employs a systematic and comprehensive approach to identify risks, categorized as follows

- 2.1. Internal Risks:** These are risks that originate from within the organization. Examples include operational risks (e.g., process inefficiencies), financial risks (e.g., market volatility), and strategic risks (e.g., new market entry).
- 2.2. External Risks:** These arise from the external environment and may include market volatility, natural disasters, geopolitical factors, and changing customer demands.
- 2.3. Emerging Risks:** Proactive efforts are made to identify and evaluate potential future risks that may impact the business. These emerging risks are monitored closely.

### 3. Risk Assessment

Upon identification, risks are assessed based on several key dimensions:

- 3.1. Probability:** We evaluate the likelihood of the risk event occurring, categorizing risks as low, moderate, or high probability.
- 3.2. Impact:** The severity of the consequences is assessed, ranging from minor to major impact levels.
- 3.3. Velocity:** We examine the speed at which a risk can manifest, which impacts our response time.



**3.4. Interconnectedness:** We analyze how one risk might trigger or exacerbate other risks, helping us understand potential ripple effects.

## 4. Risk Mitigation

Enterprise Supplies Ltd employs a variety of strategies to mitigate identified risks:**1.1. Preserving**

**4.1. Risk Avoidance:** For high-impact, high-probability risks, we may choose to avoid them entirely by discontinuing certain activities or avoiding entry into specific markets.

**4.2. Risk Reduction:** Measures are implemented to reduce the probability or impact of a risk. These measures may include enhancing security protocols, diversifying suppliers, or optimizing financial hedging.

**4.3. Risk Transfer:** In some cases, we may transfer risks to third parties through insurance or contractual agreements, effectively shifting responsibility and liability.

**4.4. Risk Acceptance:** For low-probability or low-impact risks, or those that are economically unviable to mitigate, we may choose to accept and monitor them, while remaining vigilant.

## 5. Monitoring and Reporting

The effectiveness of our risk management policy is ensured through ongoing monitoring and reporting mechanisms:

**5.1. Key Risk Indicators (KRIs):** We regularly measure and assess KRIs that enable us to monitor the status of identified risks.

**5.2. Reporting:** Timely, transparent reporting is provided to the board of directors and senior management regarding the status of risks and the effectiveness of mitigation strategies.

**5.3. Continuous Improvement:** We undertake regular reviews of the risk management policy and strategies to adapt to changing circumstances and emerging risks. Continuous improvement is key to maintaining the relevance and effectiveness of the policy.

## 6. Training and Awareness

Enterprise Supplies Ltd is dedicated to fostering risk awareness and competence throughout the organization. This includes:

- Regular training sessions to ensure employees are well-informed about risk management practices.
- Risk-awareness campaigns to instill a culture of risk-consciousness.
- Provision of resources and tools to facilitate risk management at all levels of the organization.

Enterprise Supplies Ltd's Risk Management Policy is a proactive, dynamic, and comprehensive framework designed to protect our interests, ensure business continuity, and foster responsible decision-making. By identifying, assessing, and mitigating risks effectively, we aim to secure a sustainable and resilient future for our company and its stakeholders.

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