



## ENTERPRISE RISK MANAGEMENT (ERM) POLICY

REAL PEOPLE KENYA LIMITED

S. No	Version	Revision Date	Author	Areas Revised	Scope	Document Owner
1.	1.0.0	25-08-2015	Nicholas Kibera	Initial Draft	RPKL	Risk
2.	1.1.0	November 2020	Violet Okoth	Entire Document	RPKL	Quality Assurance and Internal Audit
3.	1.2.0	June 2023	Violet Okoth	Nil	RPKL	Internal Audit and Risk Officer

## 1. **Purpose of Policy**

- 1.1. The Enterprise Risk Management (ERM) policy sets out the overall philosophy, principles, requirements and responsibilities for a sound approach to risk management required within Real People Kenya Limited. The aim of this policy is to:
  - 1.1.1. Provide a framework within which management can implement a pro-active and integrated Enterprise Risk Management (ERM) process
  - 1.1.2. Instil a risk management culture of accountability by disclosing and mitigating risks throughout Real People Kenya Limited; and
  - 1.1.3. Ensure that the risk management efforts of Real People Kenya Limited are optimized and standardized.

## 2. **Scope**

- 2.1. All Real People business operations in Kenya.

## 3. **Statement of policy**

- 3.1. Real People Kenya Limited is committed to the management of risks in order to achieve our vision, key objectives and to protect our core values as defined in SCRIPT.
- 3.2. The Real People Kenya Limited Board (through its Board Audit and Risk Committee is committed to ensuring that risk is managed effectively via an on-going process of identifying, evaluating and managing significant risks and opportunities to meet the business objectives.
- 3.3. The management of risk is the responsibility of management at each and every level of the organization.
- 3.4. The Enterprise Risk Management policy includes Risk Identification, Risk Assessment, Risk Mitigation and monitoring on a periodical basis.

## 4. **Policy Review**

- 4.1. As the field of risk management is innovative and dynamic, this policy document is expected to change over time.
- 4.2. It is expected that this document and the methods and concepts used within it, will be reviewed and updated annually.

## 5. **Definitions**

- 5.1. Risk – the potential that an event, action or inaction will threaten Real People's ability to achieve its business objectives.

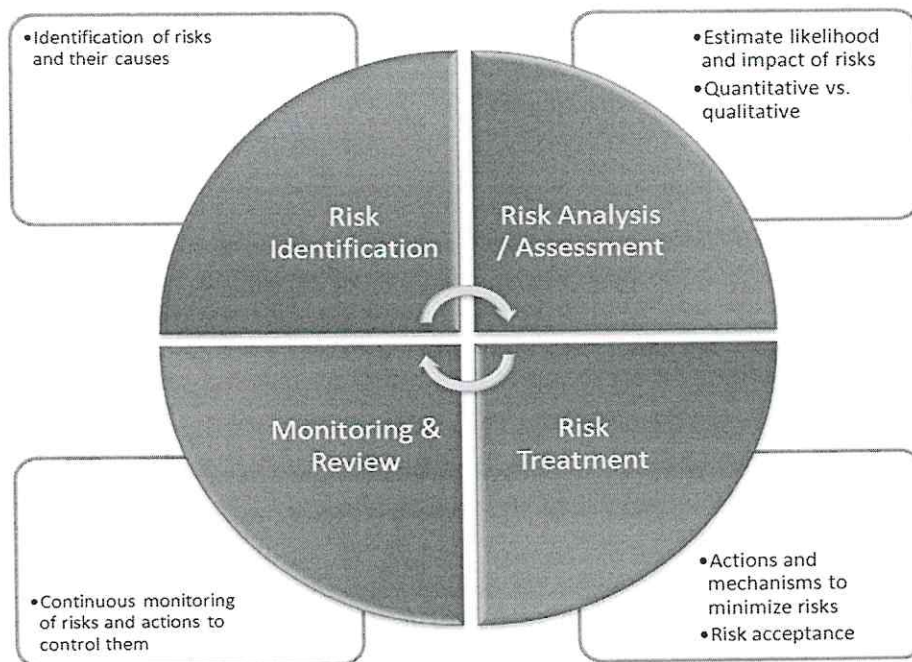
- 5.2. Risk assessment – systematic identification and measurement of risks. It also includes the review of risk tolerances, the evaluation of existing mitigation/controls and the acceptance or treatment of residual risk.
- 5.3. Risk appetite - defines the boundary between acceptable and unacceptable levels of risk within Kenya. Real People Kenya Limited's risk appetite will be determined by the board together with senior management.
- 5.4. Risk Matrix- a matrix that is used during risk assessment to define the level of risk by considering the category of probability or likelihood against the category of consequence severity.
- 5.5. Risk Register- a tool for documenting risks and actions to manage each risk. It details all identified threats and opportunities, including risk description, type, cause, probability of occurring, Impact(s), proposed Risk Responses, owners and current status.

## **6. Risk Management Principles**

- 6.1. Risk management is everyone's responsibility, from the Board of Directors to individual employees. Each is expected to understand the risks that fall within the limits of their accountabilities and is expected to manage these risks within approved risk tolerances.
- 6.2. Real People Kenya Limited will manage its significant risks through a top-10 risk profile (dashboard) view that optimizes between risk and return. We will accept the appropriate level of risk to meet our business objectives.
- 6.3. Real People Kenya Limited business units and departments are expected to undertake risk assessments at least once on an annual basis.
- 6.4. Enterprise Risk Management will be integrated into major business processes such as strategic planning, business planning, operational management to ensure consistent consideration of risks in all decision making.
- 6.5. Local risk management policies and processes will be consistent with this policy and its framework.

## **7. Risk Management Process**

- 7.1. The risk management process is an integral part of the operations management cycle. It starts at the stage of risk identification, risk analysis, risk treatment and continues throughout implementation, monitoring, and reporting.
- 7.2. The graph below schematically represents the risk management process



## 8. Responsibility and Accountability

### 8.1. Board of Directors

- 8.1.1. Ultimate oversight responsibility for Real People's risk management.
- 8.1.2. It establishes the guidelines for Real People's risk management framework and key principles, particularly as articulated in this Risk Policy.
- 8.1.3. The Board of directors discharges its key risk management responsibilities through the Board Audit and Risk Committee

### 8.2. Executive Management Committee (Exco)

- 8.2.1. Responsible for integrating risk into day to day activities of business
- 8.2.2. Directly responsible for identification, managing and reporting of critical risks
- 8.2.3. Implementing action plans to manage identified risks
- 8.2.4. Encouraging adoption of risk management within the business units

### 8.3. Risk Function

- 8.3.1. Responsible for setting policies and strategies for risk management
- 8.3.2. Promoting risk awareness culture within Real People
- 8.3.3. Designing and reviewing systems and processes for risk management for adequacy
- 8.3.4. Establishing and coordinating internal risk policies, risk indicators and dashboards for each unit of the business
- 8.3.5. Developing risk response policies, strategies, processes and procedures



8.3.6. The risk and compliance function regularly reports risk matters to the CEO, Exco and Board Audit & Risk Committee.

8.3.7. Responsible for conducting risk assessment to define the level of risk and consequence severity and updating the Risk register.

**8.4. Internal Audit**

8.4.1. Responsible for providing independent assurance of the effective operation of Real People Kenya Limited's risk management framework.

8.4.2. This involves the validation of methodology application, policy compliance and control adequacy.

**8.5. Employees**

8.5.1. Responsible for reporting to their immediate head or supervisor any real or perceived risks that became apparent and may significantly affect Real People Kenya's commercial viability, profitability, business continuity, customers and reputation.

8.5.2. Look for opportunities to improve operational efficiencies and optimise outcomes.

**9. Related and Supporting Policies**

9.1. This policy is supported and linked to specific Real People Kenya ltd policies and standards as issued from time to time. These policies and standards include but are not limited to:

9.1.1. Whistle Blower Policy

9.1.2. Code of ethics and business conduct

9.1.3. Occupational Safety and Health policy

9.1.4. Corporate Social Initiative Policy

9.1.5. All accounting Policies and Procedures

9.1.6. Business Continuity Planning Policy

9.1.7. Credit Policy

**10. Policy Administration**

10.1. This policy is administered by the Risk department and the Chief Finance Officer

10.2. The policy is to be reviewed every two years and any changes to the policy will require Board approval.

**# End #**

Signed By: Dr. Robert Shibutse

CEO – RPKL

DATE