

## Risk Management Policy

# Risk Management Policy

Approved by	Signature	Effective Date
Security Team	Official Security Team Approved	03/11/2025

## 1. Purpose

This policy establishes a structured approach to identifying, assessing, mitigating, and monitoring risks that may impact DanfeCorp's operations, assets, data, and reputation. It ensures that risk management practices are integrated into all business processes and decision-making activities.

## 2. Scope

This policy applies to all DanfeCorp employees, contractors, business units, and third-party vendors involved in handling organizational assets, data, and operations. It covers risks related to financial, operational, security, compliance, and reputation.

Effective risk management is essential to DanfeCorp's success and sustainability. By systematically identifying, assessing, and addressing risks, we can protect our assets, maintain business continuity, and capitalize on opportunities while minimizing potential negative impacts. This policy provides the foundation for a consistent approach to risk management across the organization.

## 3. Roles and Responsibilities

Role	Responsibilities
Risk Management Team	Oversees the risk management program and ensures compliance with this policy.
Executive Leadership	Provides strategic direction and allocates resources for risk management initiatives.
Business Unit Managers	Identify and manage risks within their respective areas.
Security Team	Conducts risk assessments related to cybersecurity threats.
Employees	Report potential risks and adhere to established risk mitigation guidelines.

## 4. Risk Management Framework

DanfeCorp follows a comprehensive risk management framework that includes the following key activities:

### 4.1 Risk Identification

- Identify potential risks related to business operations, IT infrastructure, financial activities, and regulatory compliance.
- Utilize risk registers, security assessments, incident reports, and industry threat intelligence.

### 4.2 Risk Assessment

- Assess risks based on Likelihood (Low, Medium, High) and Impact (Low, Medium, High).
- Employ qualitative and quantitative risk assessment methodologies.
- Assign risk owners responsible for managing and mitigating identified risks.

### 4.3 Risk Mitigation and Treatment

- Develop and implement risk mitigation plans to reduce the likelihood or impact of identified risks.
- Apply appropriate risk treatment strategies:  
Risk Avoidance: Eliminate activities that introduce unacceptable risks. Risk Reduction: Implement controls to minimize risks. Risk Transfer: Shift risks through insurance, outsourcing, or contractual agreements. Risk Acceptance: Accept risks that fall within DanfeCorp's risk tolerance.
- Risk Avoidance: Eliminate activities that introduce unacceptable risks.
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- Risk Acceptance: Accept risks that fall within DanfeCorp's risk tolerance.

### 4.4 Risk Monitoring and Reporting

- Continuously monitor risks and track remediation efforts.
- Conduct periodic risk reviews and update risk registers accordingly.
- Report significant risks to executive leadership and relevant stakeholders.

## Risk Assessment Matrix

		Impact		
Low	Medium	High		
Likelihood	High	Medium Risk	High Risk	Critical Risk
Medium	Low Risk	Medium Risk	High Risk	
Low	Minimal Risk	Low Risk	Medium Risk	
Risk Treatment Strategy	Description	When to Apply		
Risk Avoidance	Eliminate activities that introduce unacceptable risks.	When the risk cannot be mitigated to an acceptable level and the activity is not essential to operations.		

Risk Reduction	Implement controls to minimize risks.	When the risk can be reduced to an acceptable level through appropriate controls and safeguards.
Risk Transfer	Shift risks through insurance, outsourcing, or contractual agreements.	When the financial impact of a risk can be transferred to a third party better equipped to handle it.
Risk Acceptance	Accept risks that fall within DanfeCorp's risk tolerance.	When the cost of mitigating the risk exceeds the potential impact and the risk falls within acceptable parameters.

## 5. Incident and Crisis Management

Even with robust risk management practices, incidents may still occur. DanfeCorp maintains comprehensive incident and crisis management procedures to address high-impact risks when they materialize, ensuring rapid response and minimized business disruption.

- Establish response plans for high-impact risks.
- Ensure rapid containment, investigation, and mitigation of security incidents.
- Conduct post-incident reviews to capture lessons learned and improve risk controls.

## 6. Compliance and Regulatory Considerations

- Ensure alignment with applicable regulatory requirements, industry standards, and best practices.
- Conduct regular audits and assessments to maintain compliance.
- Engage with external auditors and regulatory bodies as necessary.

## 7. Policy Review and Updates

This policy shall be reviewed and updated annually or in response to significant changes in DanfeCorp's business operations, regulatory landscape, or risk environment. All updates must be approved by the Security Team.

This policy document supersedes all previous risk management guidelines and becomes effective as of the date specified above. All departments must align their operations with these requirements within 30 days of the effective date.

For questions or clarifications regarding this policy, contact the Risk Management Team via secure channels only.