



**Climbing Escalade Canada
("the Corporation")
Risk Management Policy**

1. Preamble

- 1.1 As the national sport organization that governs competition climbing throughout Canada, Climbing Escalade Canada (CEC) recognizes that there are risks inherent in all facets of our governance, program delivery, and business operations. CEC is committed to managing risks to the organization. We take the safety, well-being, and satisfaction of our members and participants seriously. While we are not averse to taking organizational risks and pursuing opportunities, we will do so thoughtfully and in an informed manner.

2. Purpose

- 2.1 The purpose of this policy is to provide a guiding statement on how risk management is to be performed within CEC. In general, we view risk management as a comprehensive approach to improving organizational performance. The Risk Management Policy links directly with CEC's Risk Registry. This policy has other purposes as well, namely:
- Reinforcing an understanding of risk management as having a broad focus, beyond merely preventing lawsuits and financial losses;
 - Performing an educational function for staff and the Board;
 - Over the longer term, contributing to enhancing a 'risk management culture' within CEC
- 2.2 Ultimately, successful risk management has the following benefits for CEC:
- Prevents or limits injury or losses to participants, volunteers and staff;
 - Helps to protect CEC against unnecessary litigation;
 - Ensures that CEC is compliant with all applicable laws, regulations and standards;
 - Improves the quality and relevance of the programs and services that CEC provides to its members, partners and sponsors;
 - Promotes improved business management and human resource management practices;
 - Enhances CEC's brand, reputation and image in the community;
 - Overall, enhances CEC's ability to achieve its strategic objectives.

3. Scope and Authority

- 3.1 The Executive Director is the designated Risk Manager for CEC and is responsible for the implementation, maintenance and communication of this policy. It is understood that the Executive Director works with the required staff and volunteers to ensure that risks are managed according to this policy, which applies to all decisions and activities undertaken on behalf of CEC.
- 3.2 This policy applies to all activities undertaken by CEC at the national level. Where CEC exercises authority over activities below the national level, risk management measures may also be prescribed by CEC for

implementation by PSOs, Clubs, and gyms. Members are encouraged to prepare policies similar to this policy, to govern the management of risk within their jurisdictions.

4. Definitions

- 4.1 **Risk:** The effect of uncertainty on achieving desired outcomes.
- 4.2 **Risk management:** An integrated, documented and system-wide process used to identify, assess and treat risks so as to better achieve desired outcomes and reflect the organization's values.
- 4.3 **Risk management Policy:** A statement of CEC's commitment to risk management.
- 4.4 **Risk management Program:** What CEC will do to analyze risk and to implement, monitor, and evaluate risk strategies.
- 4.5 **Risk Registry:** A document that outlines identified and assessed risks, current risk treatment measures, possible additional risk treatment measures, and communication efforts. The registry is updated regularly by CEC.

5. Risk management principles

- 5.1 The International Standard Organization (ISO 31000:2009E) principles are:
 - Risk management creates and protects value.
 - Risk management is an integral part of all organizational processes.
 - Risk management is part of decision making.
 - Risk management explicitly addresses uncertainty.
 - Risk management is systematic, structures and timely.
 - Risk management is based on the best available information.
 - Risk management is tailored.
 - Risk management considers human and cultural factors into account.
 - Risk management is transparent and inclusive.
 - Risk management is dynamic, iterative and responsive to change.
 - Risk management facilitates continual improvement of the organization.

6. Categories of risks

- 6.1 Risks arise from a number of categories of CEC's operations. In the sport domain, facilities, equipment, people, and programs all give rise to potential risks. CEC has determined that the following categories will be used when identifying risks:
 - 6.1.1 **Health and Safety of Athletes**

Risks related to the safety of athletes, abuse and/or harassment of athletes, practice or competition environment, equipment, and progressive training of athletes.
 - 6.1.2 **Operational/Program Risks**

Risks related to the development and implementation of CEC programs; management of human resources, including staff and volunteers; organizational capacity to meet member and stakeholder expectations.
 - 6.1.3 **Compliance Risks**

Risks related to failure to comply with existing laws and regulations governing employment, privacy, workplace safety, new corporations' legislation, tenant legal responsibilities, anti-doping policies, Sport Canada, other agency standards for funding and accountability, fulfillment of contractual obligations.

6.1.4 Communication Risks

Risks related to internal and external communications, information management systems (purchase, leasing, use, and storage of all hardware and software, programs, data, records, information), crisis and issues management, media relations, image and reputation management, missed opportunities to promote and exploit successful outcomes, management of intellectual property (the protection of all CEC's intellectual property assets), social media opportunities and pitfalls, and confidentiality.

6.1.5 External Risks

Risks that are not in direct control of the organization such as funding frameworks from government and other agencies, relations with governments, games organizations and international federations, security threats/risks, involvement in other sport partnerships, hosting decisions and requirements, and changing political priorities.

6.1.6 Governance Risks

Risks related to clarity of roles and responsibilities, decision making and oversight, organizational structure and performance; management of disputes and conflict of interest, planning for diversity and succession of the Board and committees, retention of corporate knowledge, and staying current with trends affecting CEC and its Members.

6.1.7 Financial Risk

Risks related to financial monitoring and reporting, flexibility to control and direct funds, sponsorship attraction and retention, currency exchange rates, investment and management of reserve funds, protection of revenue streams, and long-term financial sustainability.

7. Risk Management Program

7.1 CEC makes the following commitments:

- Activities and events undertaken by CEC will incorporate the principles of risk management;
- Systematic and explicit steps will be taken to identify, assess, manage and communicate risks facing CEC in a timely fashion;
- Risk mitigation strategies will be reasonable and will reflect the reasonable standard of care in any circumstance (where standard of care is determined by written/published standards, industry practices, established case law precedent, and common sense).

7.2 CEC acknowledges that risk management is a broad activity and a shared responsibility. All directors, officers, staff, and volunteers have an ongoing responsibility to take appropriate measures within their scope of authority and responsibility to identify, assess, manage and communicate risks to those that they report to including, but not limited to, the Risk Manager.

7.3 The Risk Management Policy is linked to CEC's Risk Registry. The Risk Registry is formally reviewed by the Audit and Risk Committee quarterly and items are added to it as necessary and removed as they are treated.

8. Risk Tolerance

8.1 The 'significance of a risk' refers to the combined ranking of the possibility/likelihood of a risk occurring and the consequence should it occur.

8.2 Possibility (P)

- **Unlikely** – less likely to happen than not; occurs every 5 years or less.

- **Possible** – just as likely to happen as not; occurs once every year.
- **Probably** – more likely to happen than not; occurs once a month.
- **Almost certain** – sure to happen; occurs once a week.

8.3 Consequence (C)

- **Minor** – will have an impact on the achievement of the objective that can be dealt with through small internal adjustments.
- **Moderate** – will have an impact on some aspect of the achievement of the objective that will require changes to strategy or program delivery that may require a delay or increase in cost.
- **Serious** – will significantly impact the achievement of the objective and require additional time, resources, costs, and thought.
- **Catastrophic** – will have a debilitating impact on the achievement of the objective; staff and board need to devote full time resources to managing the situation.

8.4 The following figures represent the likelihood of risks and potential consequences:

CONSEQUENCE						
Consequence	Health & Safety	Performance	Reputation	Loss / Damage	Planning	Values
MINOR	First aid treatment	Did not achieve performance objectives in X out of X	Public concern restricted to local complaints	\$1000 - \$5000	Short-term delay of achievement of planned outcomes	Low infringement of your values
MODERATE	Medical Treatment/ Leave of less than 1 week	Did not achieve performance objectives in X out of X	Minor, adverse local public or media attention and complaints	\$5000 - \$10 000	Not able to meet planned outcomes due to competing priorities	Internal infringement of your values
SERIOUS	Classified Injury (LTI or restricted work case)/ Leave of less than 3 months of senior staff	Did not achieve performance objectives in X out of X	Attention from media and / or heightened concern from community	\$10 000 - \$20 000	Not able to meet planned outcomes that impact funding obligations or partner expectations	High infringement of your values – Unintentional breach of policies
CATASTROPHIC	Fatality or severe permanent disability/ Long-term leave of ED	Did not achieve any performance objectives	Significant adverse national media/public attention	< \$20 000	Not able to meet mandatory outcomes to fulfill funding and partner requirements and expectations	Very High infringement on values - Intentional breach of policies

Almost certain	M	M	VH	VH
Probable	M	M	H	VH
Possible	L	L	H	VH
Unlikely	L	L	M	H
	Minor	Moderate	Serious	Catastrophic

Consequence

9. Procedures

9.1 Managing risks involves three steps:

- Identifying potential risks using an informed, environmental scan approach. This occurs on an ongoing basis by senior staff, and at least quarterly by the Audit and Risk Committee;
- Assessing the significance of a risk by considering its likelihood and consequences;
- Developing and implementing measures to address those risks deemed significant by reducing likelihood, consequences or both.

9.2 CEC commits to the following:

9.2.1 All low to medium risks are managed by the Executive Director and captured within program documents. These risks are not normally identified within the CEC risk registry.

9.2.2 Risks that arise and are considered to be high to very high are treated as follows:

- If a **High risk** is identified by staff, the Executive Director will communicate to the Chair of CEC within 48 hours of the risk being identified. The Executive Director will take all reasonable measures to manage the risk including, but not limited to, seeking the advice of other Board members, consulting external experts. Once the Chair and the Executive Director feel that the risk has been managed or is in the process of being resolved, the Board will be advised using the most appropriate communications, which depending on the nature of the risk, may include an issue document, sharing at the next meeting, or calling a separate Board meeting to keep the Board informed.
- If a **Very High risk** has been identified, the Executive Director will make all reasonable efforts to immediately contact the Chair of CEC. The Chair and the Executive Director will determine the most appropriate action and if appropriate, may organize a Board meeting within 48 hours of the risk arising. It is understood that factors may arise that prevent this from happening including time zone, availability of Directors, the nature of the risk, etc. The Executive Director will make all reasonable efforts to manage the risk as it occurs, taking the necessary measures including, but not to limited to, seeking the advice from internal partners, other Board members and external experts.

9.3 All risks faced by CEC can be addressed by one or more of the following four general strategies:

- **Retain the risk** – no further action is taken because the possibility and consequence of the risk is low. It may also be that the risk is inherent in the activity itself and thus can be accepted in its present form.
- **Reduce the risk** – steps are taken to reduce the possibility of the risk, and/or its potential consequences, through efforts such as improved planning, policies, delivery, supervision, monitoring or education.
- **Transfer the risk** – accept the level of risk but transfer some or all of it to others through the use of insurance, waiver of liability agreements or other business contracts.
- **Avoid the risk** – eliminate the risk by avoiding the activity giving rise to the risk – in other words, simply decide NOT to do something, or to eliminate some activity or initiative.

9.4 The above general strategies translate into a variety of risk control measures, which CEC may include, but are not limited to:

- Develop or update of policies, procedures, standards and rules,
- Effective communication and engagement
- Education, instruction, professional development and specialized training,
- Ensure a core set of organizational values are identified, defined and communicated throughout CEC
- Adhere to minimum, mandatory qualifications and/or certifications for key staff and leaders,
- Use robust and legally sound contracts (i.e. code of conduct, employment agreements, contractor agreements, partnership agreements),
- Improve role clarity through use of written position descriptions and committee terms of reference,
- Supervise and monitor staff, volunteers, participants and activities,
- Establish and communicate procedures to handle concerns, complaints and disputes,
- Implement schedules for regular review, maintenance, repair and replacement of equipment,
- Prepare procedures and protocols for emergency response and crisis management,
- Use warnings, signage, participation agreements and waiver of liability agreements where warranted, and
- Purchase appropriate insurance coverage for all activities and review regularly.

10. Reporting and Ongoing Monitoring

10.1 To ensure that risk management remains a high priority within CEC, and to promote an organizational culture that embraces a risk management perspective, risk management will be a standing item on the agenda of every regular Audit and Risk Committee meeting so that the Executive Director and Audit and Risk Committee Members can provide updates as required.

10.2 CEC recognizes that communication is an essential part of risk management. This policy and our Risk Management Program will be communicated frequently to staff, Board of Directors, committees and members, and we will encourage all members to communicate to CEC their risk management issues and concerns. Specifically, the following steps will be taken to ensure a risk-aware culture is being fostered:

- Staff reviews CEC's risk registry on a monthly basis or as risks arise;
- Staff provide updates on matters of risk to the Audit and Risk Committee at every Committee meeting (standing item on the agenda);
- If changes or additional updates to the Risk Management Policy or to the Risk Registry are needed during the year, staff will bring forward to the Audit and Risk Committee for discussion and approval;
- The Board Annually reviews and updates the Risk Registry and the Risk Management Policy to determine if any additional high to very high level risks need to be added and to confirm the organization's risk tolerance profile;

11. Insurance

- 11.1 CEC will maintain a comprehensive insurance program that provides General Liability, Accident and Directors and Officers Errors and Omissions coverage to the Directors, officers, staff, members, volunteers, and sponsors of CEC. Upon annual renewal of this policy, CEC will consult with the insurance provider to determine if there are any emerging gaps, issues or deficiencies to be addressed through insurance renewal. Not all risks are insurable. However, as part of its commitment to risk management, CEC will take all reasonable steps to ensure that insurance coverage is available for essential activities and that pose significant risks.

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