WORLD CLIMBING

RISK MANAGEMENT GUIDELINES

Prepared by the Risk & Finance Commission, June 2026

Approved by the Executive Board, 22 July 2026

1. PREAMBLE

As the international sport organisation, World Climbing recognises that there are risks inherent in all facets of our governance, programme delivery, and business operations. World Climbing is committed to managing risks to the organisation. We take the safety, well-being, and satisfaction of our members and participants seriously. While we are not averse to taking organisational risks and pursuing opportunities, we will do so thoughtfully and in an informed manner. Financial risks are related to the 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. As well, all risks are interrelated. A weakness in operational, communication, health and safety, or other risks can have detrimental effects on financial risk.

This Guidelines will continue to be a work in progress and will change over time as risks evolve.

2. PURPOSE

The purpose of this document is to provide a guide on how risk management is to be performed within the organisation. In general, we view risk management as a comprehensive approach to improving organisational performance and the quality of their decision-making framework. The Risk Management Guidelines link directly with the Risk Registry. Other purposes include:

- Reinforcing an understanding of risk management as having a broad focus, beyond merely preventing lawsuits and financial losses;
- Driving the efficient allocation of resources to pursue strategic objectives;
- Performing an educational function for Executive Board and Senior Management Team;
- Over the longer term, contributing to enhancing a 'risk management culture' within the organisation and its members (as applicable);
- Promoting good decision-making.

Ultimately, successful risk management has the following benefits for World Climbing:

- Supports a safe environment for athletes, members, volunteers and employees;
- Improves the quality and relevance of the programmes and services that World Climbing provides to its members, partners and sponsors;
- Promotes improved business management and human resource management practices;
- Enhances the World Climbing's brand, reputation and image in the community;
- Enhances the World Climbing's ability to achieve its strategic objectives;
- Helps to protect World Climbing against unnecessary financial loss or litigation.

3. SCOPE AND AUTHORITY

The Secretary General is the designated Risk Manager for World Climbing and is responsible for the implementation, maintenance and communication of these Guidelines. It is understood that the Secretary General works with the required staff and officers to ensure that risks are managed according to this document, which applies to all decisions and activities undertaken on behalf of World Climbing.

These Guidelines apply to all activities undertaken by World Climbing at the international and continental level. Risk management measures may also be recommended for implementation by National Federations. Members are encouraged to prepare guidelines similar to this document, to govern the management of financial risk within their jurisdictions.

4. DEFINITIONS

Risk: The effect of uncertainty on achieving desired outcomes.

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 organisation's values.

Risk Management Guidelines: A statement of the commitment to risk management.

Risk Management Programme: What an organisation will do to analyse risk and to implement, monitor, and evaluate risk strategies.

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. Risks are classified as Strategic or Operational and managed accordingly.

Risk Matrix: visual framework that categorises risks based on their likelihood and severity to support decision-making and prioritisation.

Risk Appetite: The level of risk an organisation is prepared to accept in pursuit of value.

5. RISK MANAGEMENT PRINCIPLES

The International Standard Organisation (ISO 31000:2018) principles are:

- Risk management creates and protects value.
- Risk management is an integral part of all organisational processes.
- Risk management is part of decision making.
- Risk management explicitly addresses uncertainty.
- Risk management is systematic, structured 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 organisation.

6. RISK MANAGEMENT PROGRAMME

World Climbing makes the following commitments:

- Activities and events undertaken by World Climbing will incorporate the principles of risk management;
- Systematic and explicit steps will be taken to identify, assess, manage and communicate risks 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).

World Climbing acknowledges that risk management is a broad activity and a shared responsibility. All officers, employees and volunteers have an ongoing responsibility to take appropriate measures within their scope of authority and responsibility to identify, assess, manage and escalate, if necessary.

7. RISK TOLERANCE PROFILE

The significance of a risk refers to the combined ranking of the likelihood of a risk occurring and the consequence (severity) if it occurs.

Likelihood:

- **Almost certain** – Very likely to occur in the foreseeable future, expect it to happen in the next 12 months.
- **Probably** – Likely to occur in the foreseeable future, expect it to happen in the next 4 years.
- **Possible** – Not likely to occur in the foreseeable future, could happen in 5 to 25 years.
- **Unlikely** – Will only occur in exceptional circumstances, 25-to-100-year events.
- **Rare** - Highly unlikely to occur; may happen only in very exceptional or unprecedented circumstances, with no known recent occurrence.

Severity:

- **Catastrophic** – Debilitating impact on key objectives. Estimated financial impact: EUR 3 million or greater. Example: loss of IOC recognition.
- **Serious** – Significant impact on key objectives. Estimated financial impact: loss of EUR 1 to 3 million. Example: exclusion from Olympic Games.

- **Moderate** – Minor impact on key objectives. Estimated financial impact: loss of EUR 100,000 to 1 million. Example: loss of an entire season of events.
- **Minor** – Negligible impact on key objectives. Estimated financial impact: less than EUR 100,000. Example: loss of a single event.
- **Insignificant** - Minimal or no impact on key objectives. Financial impact is negligible or immaterial. Example: minor operational disruption with no lasting consequences.

The following figure combines the likelihood and severity of events to express their significance:

	Insignificant	Minor	Moderate	Serious	Catastrophic
Almost Certain	Low	Medium	High	Extreme	Extreme
Probable	Low	Medium	Medium	High	Extreme
Possible	Very Low	Low	Medium	High	High
Unlikely	Very Low	Low	Low	Medium	High
Rare	Very Low	Very Low	Very Low	Low	Low

8. RISK APPETITE

World Climbing accepts reasonable levels of risk in pursuit of innovation, growth, and the achievement of its strategic objectives. However, it maintains a minimal tolerance for risks that could adversely affect athlete safety, safeguarding, legal and regulatory compliance, and financial integrity.

The risk appetite for World Climbing is set by the Executive Board and reviewed on an annual basis.

Risk Area	Risk Appetite	Statement
Athlete Safety & Safeguarding	Zero / Low	World Climbing has no tolerance for risks that may compromise athlete health, safety, or safeguarding. A low risk tolerance remains for athlete injury.
Sport Integrity	Low	World Climbing has low tolerance for doping, match-fixing, or any actions that compromise the integrity of the sport. Objective is to get to zero.
Governance	Low	World Climbing maintains a low appetite for governance risk and is committed to continuously strengthening its governance framework to ensure transparency, accountability, and fair decision-making, and aims at supporting improvements through all levels of governance.
People & Culture	Low	World Climbing maintains a safe, inclusive, and respectful environment for staff, officials, and volunteers, with low tolerance for behaviours or conditions that undermine wellbeing.
Reputation	Low / Medium	World Climbing has a low appetite for reputational risks relating to governance, ethics, and compliance, and a moderate appetite for reputational risk associated with sporting performance and competitive dynamics.
Operational & Events	Low / High	World Climbing seeks to minimise operational and event-related risks as far

		as reasonably practicable while ensuring effective delivery of events. World Climbing has a high appetite for risk relating to new formats, new event models, new cities with long term goals in mind etc.
Financial	Medium	World Climbing is willing to accept measured short-term financial risk where it supports long-term sustainability and strategic growth.

Risk appetite defines which risks are tolerable and determines the risk response, ensuring responses are consistent with organisational goals and culture. Risk response is the set of actions or strategies chosen to address identified risks and can be classified as follows:

For negative risks (threats)

- **Retain** – acknowledge the risk and take no immediate action (may include contingency plans).
- **Reduce** – mitigate the probability or impact.
- **Transfer** – shift the risk to a third party (e.g., insurance, outsourcing).
- **Avoid** – eliminate the risk entirely (e.g., change the plan).

For positive risks (opportunities)

- **Accept** – take advantage if it occurs, but no proactive action.
- **Share** – allocate ownership to a partner best able to capture the opportunity.
- **Enhance** – increase the probability or impact.
- **Exploit** – ensure the opportunity happens.

9. PROCEDURES

Managing risks involves three steps:

1. Identifying existing and emerging risks using an informed, environmental scan approach. This occurs on a quarterly basis by Senior Management Team, and at least bi-annually by the Executive Board;
2. Assessing the significance of a risk by considering its likelihood and consequences;
3. Developing and implementing measures to address those risks deemed significant by reducing likelihood, consequences, or both.

The Risk & Finance Commission supports the implementation of the Risk Management Programme and provides recommendations to the Executive Board. Specifically, the role of the Risk & Finance Commission includes:

- Advising on risk appetite and financial risk strategy;
- Reviewing the Risk Management Programme;
- Providing expert analysis on financial risks;
- Recommending risk responses;
- Supporting strategic and financial decisions;
- Monitoring and reporting insights;
- Advising on compliance and controls;
- Enhancing risk awareness at leadership level.

All low to medium risks are managed by the Secretary General and captured as part of regular reporting.

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

a) If a **High Risk** is identified, the Secretary General will communicate to the President (or a Vice President if President is not available) within 48 hours of the risk being identified. The Secretary General will take all reasonable measures to manage the risk including, but not limited to, seeking the advice of the President, the Vice President Finance, or other Executive Board members, consulting external experts. Once the President and the Secretary General feel that the risk has been managed or is in the process of being resolved, the Executive 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 an extraordinary meeting to keep the Executive Board informed.

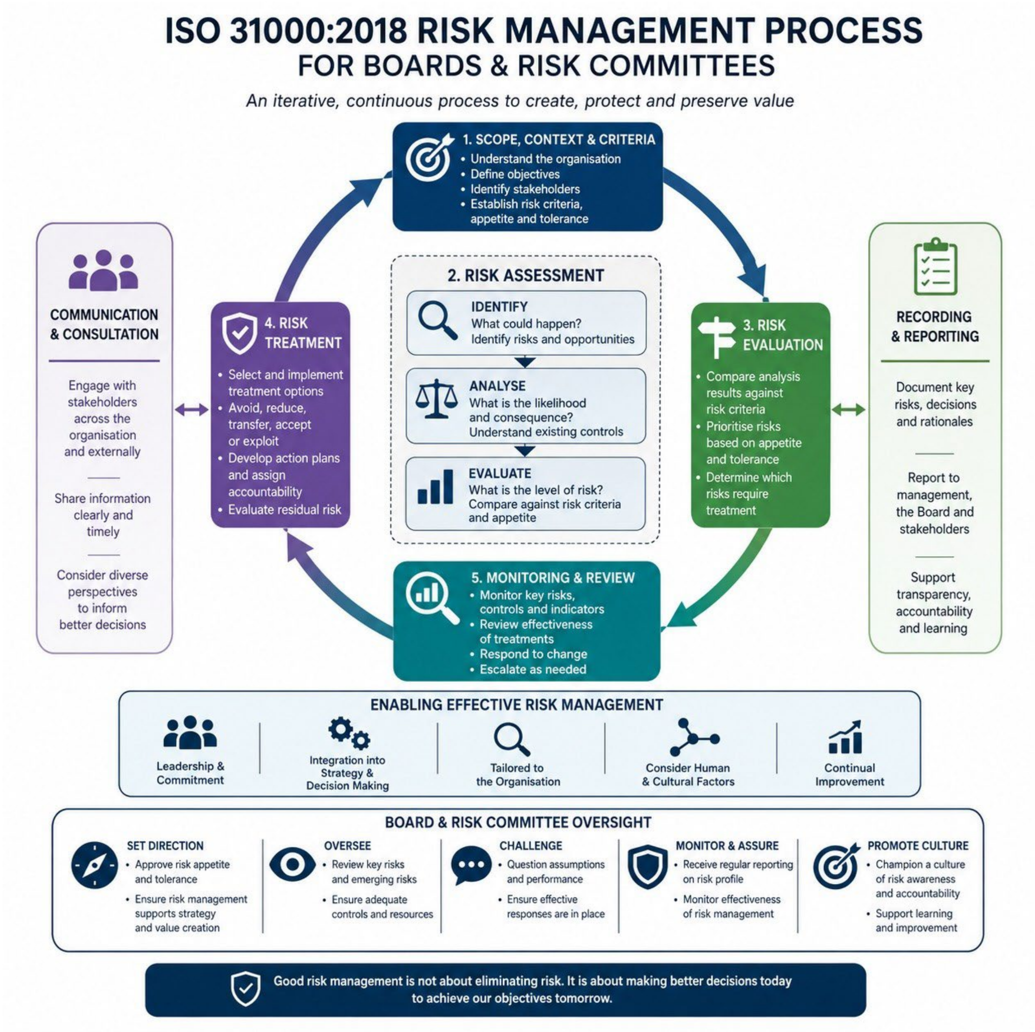
b) If an **Extreme Risk** has been identified, the Secretary General will make all reasonable efforts to immediately contact the President (or a Vice President if President is not available) and Vice President Finance. The President, the Vice President Finance, and the Secretary General will determine the most appropriate action and if appropriate, may organize an Executive 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, the nature of the risk, etc. The Secretary General 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 the President, the Vice President Finance, internal partners, other Executive Board members or external experts.

In case the Secretary General is not available for any reason, risk management shall be escalated to the President.

World Climbing recognises that communication is an essential part of risk management. These Guidelines and the Risk Management Programme will be communicated frequently to the Executive Board, the Senior Management Team, as well as any other relevant stakeholders, and we will encourage all members to communicate their risk management issues and concerns. Specifically, the following steps will be taken to ensure a risk-aware culture is being fostered:

- The Secretary General and Senior Management Team review the Risk Registry on a quarterly basis or as risks arise, and report this to the Executive Board, as part of the periodical reporting.
- The Secretary General provides updates on matters of risk to the Executive Board on a quarterly basis. If changes or additional updates to the Risk Management Guidelines or to the Risk Registry are needed, they will be brought forward for discussion and approval.
- The Executive Board bi-annually reviews and updates the Risk Registry and the Risk Management Guidelines to determine if any additional high to extreme risks need to be added and to confirm the organisation’s risk tolerance profile.

10. RISK MANAGEMENT PROCESS DIAGRAM



11. ANNEXES

The following documents are annexes to the Guidelines:

- Risk Registry.