

Risk Management Policy

1) Policy Statement

- a) As the national sport organization governing sailing in Canada, Sail Canada recognizes that there are risks inherent in all facets of our governance, program delivery and business operations. Sail Canada is committed to managing risks to the organization. Sail Canada takes the safety, well-being and satisfaction of its staff, members, officials, coaches, volunteers, and participants very seriously, and regularly monitors the business practices of our sponsors and suppliers. While Sail Canada is not averse to taking organizational and financial risks while pursuing opportunities, the organization will do so thoughtfully, and in a well-informed manner.

2) Definitions

- a) “*Individuals*” – refers to all categories of members and/or participants defined in the Bylaws of Sail Canada, as well as all people employed by, contracted by, or engaged in activities with Sail Canada including, but not limited to, employees, contractors, athletes, coaches, officials, volunteers, managers, and the Board of Directors;
- b) “*Risk*” – The effect of uncertainty on achieving desired outcomes;
- c) “*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.

3) Purpose

- a) The purpose of this Policy is to provide a guiding statement on how risks will be managed within Sail Canada. In general, Sail Canada views risk management as a comprehensive approach to improving organizational performance.
- b) This policy has other purposes, namely:
 - i) Reinforcing an understanding of risk management as having a broad focus, beyond merely preventing lawsuits and financial losses;
 - ii) Performing an educational function for staff and the Board of Directors;
 - iii) Over the longer term, contributing to enhancing a ‘risk management culture’ within Sail Canada.
- c) Ultimately, successful risk management has the following benefits:
 - i) Prevents or limits injury or losses to individuals;
 - ii) Helps to protect the organization and its members against unnecessary litigation;
 - iii) Ensures that the organization is compliant with all applicable laws, regulations and standards;

- iv) Improves the quality and relevance of the programs and services that the organization provides to its members, partners and sponsors;
- v) Promotes improved business management and human resource management practices;
- vi) Enhances the organization's brand, reputation and image in the community;
- vii) Overall, enhances the organization's ability to achieve its strategic objectives.

4) Scope & Authority

- a) The Board of Directors are ultimately responsible for identifying, evaluating, and managing risks for Sail Canada.
- b) The Board shall designate a Risk Manager for Sail Canada. The Risk Manager shall be responsible for the implementation, maintenance, and communication of this policy. This policy applies to all activities undertaken by Sail Canada.
- c) Where Sail Canada exercises authority over activities below the national level, risk management measures may also be prescribed by Sail Canada for implementation. Members are encouraged to prepare similar policies to govern the management of risk within their jurisdictions.

5) Guiding Principles

- a) All activities and events undertaken by Sail Canada will be analyzed from a risk management perspective with a view to protecting Sail Canada and its registrants against possible risks.
- b) Systematic and explicit steps will be taken to identify, measure and control both predictable and unforeseen risks facing Sail Canada.
- c) Risk control strategies will be reasonable and will reflect the given "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).
- d) Sail Canada acknowledges that risk management is a broad activity and a shared responsibility. All Individuals have an ongoing responsibility to take appropriate measures within the scope of their authority and responsibility to identify, assess, manage, and communicate risks.
- e) The Risk Manager is responsible to the board for developing, implementing, and maintaining a Risk Registry that identifies accountabilities and gives effect to this policy within Sail Canada's operations.

6) Risk Management Process

- a) Managing risks involves three steps:
 - i) Identify potential risks using an informed, environmental scan approach;
 - ii) Assessing the significance of a risk by considering its possibility and consequences;

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- iii) Developing and implementing measures to address those risks deemed significant by reducing possibility, consequences or both.
- b) These three risk management steps shall be achieved through the development and maintenance of a **Risk Registry**. The Risk Registry will be reviewed at least annually by the Risk Manager, Governance and Ethics Committee and the CEO – who shall liaise with staff to provide their recommendations.
 - i) Updating the **Risk Registry** with any subsequent recommendations will be the responsibility of the Risk Manager.
- c) A Risk Owner(s) shall be identified for all risks within the **Risk Registry**. The risk owners(s) will be responsible for monitoring the risk and reporting to the Risk Manager and the CEO if there is potential for a positive or negative risk event to take place.
 - i) The Risk Manager and/or the CEO shall be responsible for notifying the Board of Directors of any potential risk event as soon as is practical and using their best judgement, either:
 - (1) Through the standing agenda item at regular Board of Directors Meetings or;
 - (2) Through electronic mail or other means of written communication to the Board of Directors.
- d) Risks arise from a number of categories of Sail Canada’s operations. In the sport domain, facilities, equipment, people and programs all give rise to potential risks. Sail Canada has determined that the following categories will be used when identifying risks:
 - i) **Operational / Program Risks:** Risk related to key programs in the areas of coach, official and athlete development; management of human resources, including staff and volunteers; organizational capacity to meet participant and stakeholder expectations; event and competition management; remaining vital and relevant to our members; the inherent physical risks of our sport.
 - ii) **Compliance Risks:** Risk related to failure to comply with existing laws and regulations governing employment, privacy, workplace safety, new corporations legislation, tenant legal responsibilities, RCAA charitable status, Imagine Canada standards, anti-doping standards, Sport Canada or Own The Podium standards for funding and accountability, fulfilment of contractual obligations.
 - iii) **Communication / Reputational Risks:** Risks related to internal and external communications; information management systems; crisis and issues management; media relations; image and reputation management; missed opportunities to promote and exploit successful outcomes; management of intellectual property; social media management; confidentiality. Such risks could harm Sail Canada’s public image, credibility, or trustworthiness, potentially leading to loss of sponsors, supporters, and revenue.
 - iv) **External Risks:** Risks that are not in direct control of the organization such as funding frameworks from government, Own The Podium and other agencies; relations with governments, games organizations and international federations; involvement in other sport partnerships; hosting decisions and requirements.
 - v) **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 within the Board and committees, knowledge retention and transfer.
- vi) **Financial Risks:** Risks related to financial monitoring and reporting, deficit reduction, flexibility to direct funds, sponsorship attraction and retention, investment and management of reserve funds, long-term financial sustainability.
- e) All risks faced by Sail Canada can be addressed by one or more of the following four general strategies:
- i) **Retain and manage the risk** – no action is taken because the possibility and consequence of the risk is low. It may also be that the risk is inherent in the sporting activity itself and thus can be accepted in its present form;
 - ii) **Retain and mitigate the risk** – steps are taken to reduce the possibility of the risk, and/or its potential consequences, through efforts such as improved planning, policies, organization, delivery, supervision, monitoring or education;
 - iii) **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;
 - iv) **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.
- f) The above general strategies translate into a variety of risk control measures, which for Sail Canada may include (but are not limited to):
- i) Policy development;
 - ii) Effective communication;
 - iii) Education, instruction, professional development and specialized training;
 - iv) Ensuring a core set of organizational values have been identified, defined and communicated throughout the organization and the sport;
 - v) Adherence to minimum, mandatory qualifications or certifications for key staff and leaders;
 - vi) Use of robust and legally sound contracts (codes of conduct, athlete and coach agreements, employment agreements, contractor agreements, partnership agreements);
 - vii) Improving role clarity through use of written position descriptions and committee terms of reference;
 - viii) Supervision and monitoring of staff, volunteers, participants and activities;
 - ix) Establishing and communicating procedures to handle concerns, complaints and disputes;
 - x) Implement schedules for regular review, maintenance, repair and replacement of equipment;
 - xi) Preparing procedures and protocols for emergency response and crisis management;
 - xii) Use of warnings, signage, participation agreements and waiver of liability agreements where warranted; and
 - xiii) Purchasing appropriate insurance coverage for all activities and reviewing regularly.

7) Reporting & Communication

- a) To ensure that risk management remains a high priority within Sail Canada, 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 Board of Directors meeting, so that the Risk Manager, or other relevant Board members or staff may provide updates on risk management as required based on the reporting frequency specified in the **Risk Registry** for each noted risk.
- b) Sail Canada recognizes that communication is an essential part of risk management. This Policy will be communicated frequently to our staff, committees, and Members, and we will encourage all members and participants to communicate to Sail Canada their risk management issues and concerns.

8) Insurance

- a) Sail Canada maintains a comprehensive insurance program that provides General Liability, Directors and Officers Errors and Omissions coverage. Upon annual renewal of this Policy, Sail Canada consults with the insurance provider to determine if there are any emerging gaps, issues or concerns, to be addressed through insurance renewal.
- b) Not all risks are insurable. However, as part of its commitment to risk management, Sail Canada will take all reasonable steps to ensure that insurance coverage is available for those activities essential to the mission of Sail Canada that pose risks and that may be insured.

9) Review & Approval

- a) This Policy should be reviewed annually by the Governance and Ethics Committee and the Risk Manager, or as necessary. Revisions shall be approved by the Governance and Ethics Committee and recommended to the Board of Directors for adoption.

10)Date of Approval: June 19, 2024

11)Date of Last Review: June 19, 2024