World Taekwondo
Risk Management Policy

January 2024

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1. Purpose

In reference to World Taekwondo (WT) Integrity Code[1], the purpose of this Risk Management Policy is to further WT's commitment to the principles of good governance as embodied in the IOC Code of Ethics.[2] This policy is intended to help ensure that WT proactively identifies, evaluates, and addresses potential risks, thereby enhancing its ability to achieve its objectives, ensure compliance, and maintain its status within the global sports community.

2. Objectives

This Risk Management Policy (RMP) establishes a framework for identifying, assessing, mitigating, and monitoring risks inherent in the operations of WT to ensure continuity, safeguard stakeholders' interests, and uphold the federation's reputation.

The following are the key objectives:

a. Identify potential risks associated with the WT's activities, events, and operations.

b. Evaluate and prioritize risks based on their impact and likelihood.

c. Develop strategies and implement measures to mitigate identified risks.

d. Establish a continuous monitoring and review process to adapt to evolving risks.

The ultimate goal is that risk management will become embedded into WT's culture rather than operate as a stand-alone function, so that risks (threats and opportunities) will be dealt with in a way that provides reasonable assurance that WT's strategic objectives and priorities will be achieved.

3. Risk Management Framework
Below are key concepts and tools for implementation of the RMP.

3.1 Risk Definition
Risk is defined as the effect of uncertainty on objectives. The effects can be positive and/or negative. Risk may be considered as uncertainties that could result in the organization suffering loss, damage, or disadvantage, not benefiting from opportunities available, or not achieving its objectives due to unwanted or uncertain internal or external events or actions. Risks, by their very nature, may or may not occur.

3.2 Risk Management
Risk Management is an ongoing process to identify, assess, and manage potential risks. It includes an integrated, documented, organization-wide process to identify asses, and treat risks so as to achieve better outcomes and reflect WT's values. Risk management is not simply about managing risks. That is, it is not about being "risk adverse." Instead, it is about being "risk aware," so that WT is better able to identify and take advantage of opportunities. That is, it is about applying available resources to mitigate risk in a cost-effective and efficient manner so as to continue to peruse

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[1] WT Integrity Code (2023), Preamble.
[2] IOC Code of Ethics (2023) Implementing Provision Principle 4.3.

organizational objectives while also staying within the established Risk Appetite.

3.3 Risk Identification

Risks are constantly emerging and evolving and may arise from a number of categories and must be identified on an ongoing basis. WT is therefore committed to regularly conduct risk assessments across various operational areas. In addition, WT shall establish reporting mechanisms for stakeholders to raise potential risks or concerns.

3.4 Risk Categories

Potential risks to be considered include corruption, financial capacity, environmental impact, sports integrity, human rights violations, sustainability of operations, cybercrime, regulatory action, stakeholder expectations, etc. Risks can be categorized risks according to their nature.

The following are the categories to be considered in the first assessment: i) financial, ii) operational, iii) strategic, iv) compliance, v) reputational, vi) sustainability, and vii) human rights.

3.5 Risk Assessment

Identified risks are evaluated based on their potential impact on the federation's objectives and likelihood of occurrence. They are then ranked based on their probability and possible consequences. The following are to be considered as part of the assessment process:

a. Risk Description: A brief and specific description of the risk event or potential issue that might occur, including its risk category. It should be clear enough to convey the nature of the risk.

b. Risk Cause: The factors or events that might trigger the risk.

c. Impact: The potential consequences or effects on the organization if the risk materializes. This could include financial, operational, reputational, or other impacts.

d. Likelihood: An assessment of the probability or likelihood of the risk occurring. This could be rated as very-low, low, high, or very-high, based on analysis.

e. Risk Owner: The individual or team responsible for managing and mitigating the risk.

f. Mitigation Strategies: Proposed or implemented measures to reduce the likelihood or impact of the risk if needed to stay within risk appetite.

Note: Risks related to third parties (clients, service providers, suppliers, commercial partners, intermediaries, subcontractors, etc.) shall be included in the risk assessment.

3.6 Risk Register

The Risk Register is a recording and monitoring tool. It is a key governance document and should be informed by operational and strategic activities and by WT's internal and external environments. The register is a "live" document that needs to be regularly reviewed and refreshed to ensure it captures current uncertainties, threats, vulnerabilities, and opportunities.

3.7 Risk Appetite

Risk Appetite refers to the level and types of risks that WT is willing to accept or tolerate in pursuit of its objectives. It represents the amount of risk an organization is prepared to undertake to achieve its goals while staying within its capacity to manage and absorb potential negative outcomes. WT seeks to manage all risks to be within its risk appetite.

3.8 Risk Mitigation Strategies

WT shall develop and implement risk mitigation strategies, control measures, and action plans for high-priority risks. This includes assigning responsibilities and accountabilities for risk management actions and establishing contingency plans for identified risks to minimize their impact. Methods for addressing risks can be broken down into four general strategies: retain[3], reduce[4], transfer[5], or avoid[6].

3.9 Risk Monitoring

WT shall regularly monitor and review risk management strategies and their effectiveness. The risk assessments and mitigation plans shall be updated as necessary, considering changes in the sports landscape, regulatory environment, or global events.

3.10 Roles and Responsibilities

a. **The Secretary General** is responsible for ensure that risk management is embedded in the management processes and that the key strategic risks are being addressed and managed appropriately within each department or unit. This includes requiring assurances from colleagues in relation to the management of risks within their area, supporting the process to identify key strategic risks, and ensuring procedures for managing risks are fully understood and implemented as part of planned programs and key activities, and that there is continuous communication and training on risk management practices across the federation.

b. **Department Heads** have responsibility i) to be aware of the nature of risks in their day-to-day work as well as being aware of risks within the risk register; ii) to monitor the effectiveness of management procedures created to mitigate those risks identified; iii) to be responsive to the changing nature of the threats and opportunities faced by the organization; iv) to proactively identify and mitigate, where possible, significant risks and bringing these to the attention of colleagues; v) to manage risk effectively within their own work and area of authority; vi) to escalate risk events or "near miss" incidents when they occur; vii) and to support the Secretary General on risk in the implementation of the RMP.

c. **All Staff** have a part to play in managing risk by: i) being aware of the nature of risks in their day-to-day work; ii) monitoring the effectiveness of management procedures created to mitigate those risks identified; and iii) being responsive to the changing natures of the risks faced by the organization.

d. **The Integrity & Juridical Committees** are responsible for reviewing this RMP and the associated planning and to make recommendations for improvement. For this, the committees shall form a Risk Management Working Group made up of representatives of the Integrity Committee, Juridical Committee, Finance Committee, and other key stakeholders identified by the Management.

e. **The Council** has the responsibility to approve the risk management framework and monitor its

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[3] 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.

[4] 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.

[5] 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.

[6] 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.

effectiveness and review the appropriateness and implementation of risk management arrangements within the organization.

3.11 Reporting and Communication

WT shall establish clear channels for reporting risks, incidents, and concerns, and ensure transparent communication on risk-related matters to relevant stakeholders, including the Council, staff, partners, members, and participants.

This shall include a section in the annual Secretary General's Report to the General Assembly.

7. Continuous Improvement

Risk Management is an iterative process consisting of steps which enables continual improvement in risk management and decision making. WT shall conduct periodic reviews of the risk management practice and incorporate lessons learned and best practices to enhance the effectiveness of risk management procedures.