

# Risk Management Policy

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Risk is a natural product of uncertainty, which can bring both opportunities for positive outcomes and exposure to potential harmful outcomes. In addition to measuring the probability of risks or opportunities, it is important to consider their magnitude in order to enable strategic decision-making using a common metric. This Policy refers to uncertain negative outcomes as “risks” and uncertain positive outcomes as “opportunities.” A high risk or significant opportunity, therefore, can refer to an outcome with a small chance of occurring but a large magnitude or an outcome with a large chance of occurring but a small magnitude. Failing to seize a large opportunity can be just as detrimental to ClientEarth’s mission as failing to mitigate a material risk. ClientEarth must purposefully take calculated risks and leverage opportunities to deliver its mission by balancing mission-furthering opportunities against mission-compromising risks within its programmatic work. At the same time, it must manage organisational compliance risks and opportunities to create an overall acceptable risk/opportunity profile. This Policy sets out the framework and process to guide ClientEarth’s decision-making on risk and opportunity management. It sets out how ClientEarth identifies, assesses, and monitors risk, develops and implements risk mitigation actions, and reports on these risks and mitigations, in a way that acknowledges and reflects the opportunities on the other side of those risks. This Policy looks to ensure that risks and opportunities are identified, assessed, and monitored, enabling the Executive Team to make informed decisions and take timely action to mitigate risk; opportunities are maximised with confidence that risks will be managed; ClientEarth’s beneficiaries, Staff, and organisational operations and assets are protected; and ClientEarth’s charitable objectives are achieved.

This Policy has been approved by ClientEarth’s Executive Team, and reflects our values.

Values	Application in this Policy
Acting courageously	<ul style="list-style-type: none"> <li>Despite uncertainty, ClientEarth must act decisively, managing risk and seizing opportunities in a way that is balanced.</li> </ul>
Prizing diverse experience	<ul style="list-style-type: none"> <li>A diverse range of experience across ClientEarth is needed to fully assess and properly mitigate risk and seize opportunities.</li> </ul>
Embracing collaboration	<ul style="list-style-type: none"> <li>ClientEarth assesses uncertainty, seizes opportunities, and mitigates risk collaboratively, involving Staff and national entities where relevant, working closely with partners on risk allocation, and seeking support from third parties where needed.</li> </ul>
Learning continuously	<ul style="list-style-type: none"> <li>ClientEarth conducts risk and opportunity assessments across the organisation to continuously learn from and mitigate organisational risk and missed opportunities.</li> </ul>
Opposing injustice	<ul style="list-style-type: none"> <li>ClientEarth encourages Staff to speak up when risks and opportunities evolve, are not accurately reflected, or where mitigations unfairly or disproportionately externalize our risk onto partners or are insufficient to meet our fiduciary duties or achieve our charitable objectives.</li> </ul>
Focusing on impact	<ul style="list-style-type: none"> <li>It is only by mitigating material risks and seizing material opportunities that we can maximise impact.</li> </ul>

## What is the Scope of this Policy?

This Policy applies to all ClientEarth entities and Staff worldwide, including governance and management board members of all ClientEarth entities, who are expected to use best judgment in applying this Policy, and to play an active part in preventing non-compliance and in promoting best practices. This Policy is



also intended to provide a benefit for those associated with ClientEarth or those who work for ClientEarth in some way. This Policy and our reporting channel **TellUs** are accessible on [Transparency | ClientEarth](#).

## ClientEarth's Principles-Based Approach to Risk and Opportunity Management

### Principle 1: ClientEarth is risk-aware, not risk-averse.

In pursuing its mission, ClientEarth must purposefully take calculated risks to leverage opportunities created by uncertainty, balancing systemic impact with its fiduciary and operational responsibilities, and charitable objectives. ClientEarth has a lower appetite for risk around legal and ethical compliance, or where there is a likelihood of significant and lasting reputational damage, negative impact on its programmatic work, a material financial loss, or physical harm to its Staff, Partners, or Funders.

### Principle 2: ClientEarth ensures that risk and opportunity management are integral to its strategic planning, decision making, and resource allocation.

ClientEarth has a coordinated, consistent, and cohesive approach to risk and opportunity management that allows its Board and Staff to proactively evaluate, take, and manage risks and opportunities. Risk and opportunity management are not standalone activities or separate "administrative" burdens for some, but an essential part of all Staff's work. Risk and opportunity management is embedded within, and integral to, ClientEarth's processes and decision making. In practice, this occurs through (i) the regular and ongoing monitoring and assessment of direct or indirect incidents, including near-misses, as well as significant political, legal, and security developments that can impact ClientEarth, its Staff, and/or its mission; (ii) the systematic completion of comprehensive risk and opportunity assessments when undertaking new programmes or projects, new litigation, work in a new geography, and/or when there is a significant update to a piece of work, to ensure that we mitigate risks and leverage opportunities where possible; (iii) the quarterly review, discussion, and updating of our risks, risk ratings, and mitigation actions by all national entities, the Governance & Legal Services Team, and the Security team, which is reviewed by and confirmed with the Executive Team, and reported to the Governance & Risk Committee.

### Principle 3: Risk and opportunity management must be proportionate and balanced, dynamic and timely.

Risk and opportunity management should be proportionate to the risk level faced. The net effect of risk mitigation actions should be positive on impact, i.e., the benefits should outweigh the costs. Risk and opportunity management needs to be aligned with other activities in the organisation and with ClientEarth's external and internal contexts. Risk and opportunity management should use simple language, straightforward concepts, and encourage common sense thinking. Risk and opportunity management must be responsive to and integrate emerging and changing risks.

### Principle 4: Risk and opportunity management must be comprehensive, coordinated, transparent.

All Staff (in all departments and all national entities) have an important role to play in risk and opportunity identification, assessment, and management and must be aware of their responsibilities and accountability. They should coordinate and communicate to avoid gaps and redundancies in risk and opportunity management.

### Principle 5: ClientEarth will avoid unintentionally or disproportionately transferring risk to its Partners, or accepting risk from Partners, and will seek to discuss and agree allocation of risk with Partners.

ClientEarth will only select Partners after appropriate risk assessments and due diligence have been conducted in accordance with this Policy and other relevant processes and will affirmatively discuss, agree, and document risk allocation.

**Brussels**

**Beijing**

**Berlin**

**London**

**Warsaw**

**Madrid**

**Los Angeles**

**Luxembourg**

ClientEarth is an environmental law charity, a company limited by guarantee, registered in England and Wales, company number 02863827, registered charity number 1053988, registered office 10 Queen Street Place, London EC4R 1BE, a registered international non-profit organisation in Belgium, ClientEarth AISBL, enterprise number 0714.925.038, a non-profit limited liability company in Germany, ClientEarth gGmbH, HRB 202487 B, a registered foundation in Poland, Fundacja "ClientEarth Prawnicy dla Ziemi", KRS 0000364218, NIP 7010254208, a registered delegation in Spain, Fundación ClientEarth Delegación en España, NIF W0170741C, a registered 501(c)(3) organisation in the US, ClientEarth US, EIN 81-0722756, a registered subsidiary in China, ClientEarth Beijing Representative Office, Registration No. G1110000MA0095H836, a registered subsidiary in Japan, Ippan Shadan Hojin ClientEarth, corporate number 6010405022079, a registered subsidiary and company limited by guarantee in Australia, ClientEarth Oceania Limited, company number 664010655.