

Rules and Procedures for the GRI

Stakeholder Council

The scope and duties of the Stakeholder Council is defined within the GRI Articles of Association. The GRI Supervisory Board shall determine the rules and procedures for the Stakeholder Council and is the final arbiter within GRI regarding the interpretation of the articles. These Rules and Procedures describe in further detail the role and work of the Stakeholder Council (SC).

1. Key Responsibilities

Appointing

- Advise on the Supervisory Board members except the Chief Executive Officer (CEO), as part of the GRI Nominating Committee (GNC);
- Appoint two (2) SC members in addition to the SC Chair to serve on the standing GRI Nominating Committee;
- Appoint forty percent (40%) of the total number of members of the Stakeholder Council in accordance with 2.2.1. These SC positions are selected with a focus on maintaining geographic and constituency balance on the Council;

Advisory

- Provide broad strategic recommendations to the Board;
- Provide advice to the Board on those matters specified within the GSSB Due Process Protocol;
- Provide recommendations to the CE and the Secretariat on areas of mutual interest based on a dialog regarding GRI and SC activities;
- Identify candidates for the following governance bodies:
 - Independent Appointments Committee (IAC)
 - Global Sustainability Standards Board (GSSB) (minimum five nominations (1 nomination per constituency)
 - Due Process Oversight Committee (DPOC) (minimum two nominations);

Advocacy

- Support the mission of GRI through active participation in SC meetings and GRI sponsored events

2. Structure and Membership

2.1 Composition

For purposes of maintaining balance amongst stakeholder groups, the Stakeholder Council categorizes stakeholders into five (5) constituent categories. A definition of these five constituent categories can be found in Annex 1 to these Rules and Procedures:

- Business Enterprise;
- Civil Society Organisation (CSO);
- Mediating Institution (MI);

- Labor; and
- Investment Institution.

Stakeholders are also organised into seven major geographic categories based on the World Bank system of geographic distribution:

- East Asia and Pacific
- Europe and Central Asia
- Latin America and the Caribbean
- Middle East and North Africa
- North America
- South Asia
- Sub-Saharan Africa

The Stakeholder Council will strive to, at a minimum, maintain one representative from each geographic region from within each constituency category as well as consider the gender balance on the SC. The SC Chair has an oversight responsibility to seek this balance.

2.2 Membership

2.2.1 Election of Stakeholder Council Members

The Stakeholder Council is elected in two phases. The first is the election process performed by the Organizational Stakeholders (currently known as the GRI Community), who elect 60% of the new SC members annually. The second phase is the appointment process performed by the Stakeholder Council, which elects 40% of the new members annually.

Phase One: Organizational Stakeholders

- The GNC presents all nominations (summary list) to the GRI Community. Members of the GRI Community are allowed to vote for candidates within their stakeholder constituency (i.e. business enterprises elect business members and mediating institutions elect mediating institutions members). SC members from the labor constituency are not elected as such but appointed by the Council of Global Unions.
- The GNC indicates its recommended candidates within each constituency category.

Phase Two: Stakeholder Council

- Candidates not elected by the GRI Community are eligible for SC appointment.
- The GNC proposes a slate of candidates to the SC. The SC will vote on the individuals irrespective of constituencies.

2.2.2 Attendance and Representation

All SC members are expected to attend all required meetings of the SC. Required meetings include the Annual General Meeting, held in-person, and any other extraordinary meeting that is designated as such by the SC Chair.

- Members who are unavoidably absent should send in their written views preferably before the meeting so her/his views can be made known, recorded

and taken into account by those present. All written views received sufficiently in advance of the meeting shall be taken into account in the written recommendations submitted to the Board.

- If an SC member cannot attend a required meeting, s/he must provide written authorization to another SC member from his/her own constituency to act as a representative and inform the SC Chair of the proxy assignment. An SC member may not represent any more than three other SC members at a required meeting.

SC members are expected to join regularly scheduled online/teleconference meetings in order to stay informed regarding GRI activities. Unless specifically identified as a required SC meeting, no formal SC voting will take place.

2.2.3 Stakeholder Council Membership - Representation

SC membership is vested in the individual and SC members serve as individuals. SC members are not representatives of their professional organizations or associations.

SC members are expected to represent broadly their stakeholder constituency and region from which they were elected or appointed.

Prior to every SC meeting, members must submit in writing any changes to their role. The changes will be included in the meeting papers.

If a member changes to a new role which may align him/her with a different constituency group during any part of their SC term, the person is required within two months of taking up their new role to make a written submission to the GNC, via the SC Chair, to:

- 1) Put forward their case to maintain membership of their current constituency, or
- 2) Request to move to a new constituency based on their new role.

The GNC will make a final ruling in good faith on the constituency membership and this will be implemented immediately. The GNC will take into consideration that the SC member was originally elected into a particular constituency, either by the GRI Community of the constituency group or by the SC who considered the candidate as belonging to the specific constituency group. If the member is not satisfied with the GNC decision, they will be required to vacate their seat. They are able to re-nominate themselves in future cycles.

If a case is not submitted within two months of the new role, the GNC will decide on the course of action.

Such casual vacancies will be filled at the next annual rotation.

2.2.4 Chair and Member Term Limits

An SC member's term is three years, and s/he may serve for no more than two consecutive terms. Thereafter, an SC member may be considered for re-election after being off the SC for at least one year.

Approximately one-third (1/3) of the Stakeholder Council will be up for consideration (to be appointed or elected) every year. If for reasons of vacancies, resignations or

expulsions, the three-year rotation schedule becomes unbalanced, then the GNC will determine a solution.

When a regular SC member transitions from an SC member role to the Chair position, periods served as a Chair shall not count towards the term limitation. If applicable, the Chair may complete their term as regular SC member after serving as Chair.

2.2.5 Resignation and Expulsion

If for any reason an SC member chooses to leave his/her position on the SC, then the member will submit a written letter of resignation to the SC Chair. The resignation shall take effect, once the SC Chair has responded to resigning member, which the SC Chair will aim to do within a week of receipt of the resignation. Such casual vacancies will be filled at the next annual rotation.

If the behavior, activities, or absence of an SC member becomes an issue of concern, then the SC Chair should confer with the member to determine a corrective course of action. If such discussion and follow up do not resolve the issue, the Chair can call an Extraordinary Meeting of the Stakeholder Council to consider expulsion of the member.

If an SC member is absent from two consecutive SC Annual Meetings and does not submit his/her proxy votes to either meeting (as defined in 2.2.2), then upon notification by the Chair, the position will be regarded as vacant. The vacancy will then be filled at the next annual rotation.

A continuous review of participation of all SC members shall take place. Any member who has failed to attend two consecutive required meetings should not be eligible for re-election, unless written input was received on relevant agenda items for required meetings and unless formal apologies and proxy requests were tendered in a timely manner.

Any adjustments to the constituent balance caused by casual vacancy will be corrected in the next annual rotation.

2.2.6 No-confidence vote of the Chairman

Any member of the SC may recommend a vote of no-confidence in the Chair of the SC, if supported by representatives from two other constituencies, and if concerns about the leadership of the Chair have been raised in writing to the Chair and the GNC.

The vote will be carried by simple majority of all members of the SC.

The SC Chairman will step down and the SC Vice Chairman take over the Chair until the next annual meeting.

2.2.7 Position Description for Chair and Members

SC members have specific obligations, duties, and expectations. Further, the SC Chair has additional obligations. Please see Annex 2 for position descriptions of SC members and Chair.

2.2.8 Assessment

The SC will undertake an annual SC member self-evaluation process. The SC will annually review and comment upon the continued improvement of its relationships with other GRI Governance bodies and implementation of agreed activities.

2.3 Stakeholder Council Chair and Secretary

The Stakeholder Council as a whole shall appoint a Stakeholder Council Chair. If unable, the SC may delegate the duty to the GNC.

Every two years at the annual Stakeholder Council meeting, a priority agenda item shall be the proposing and election of one of the SC members to be the Chair to serve from 1. January. The Chair shall serve no more than two consecutive terms of a maximum of two (2) years per term. The Chair should step off the SC for 1 year after final term before having the ability to be nominated for SC Chair again. If applicable, the Chair may complete their term as regular SC member after serving as Chair.

The Chair shall endeavor to achieve a full discussion by the SC of all agenda items and employ his/her best effort to allow all constituencies and regional representatives an adequate voice during SC meetings.

A Secretary shall be provided by the Secretariat. The Secretary shall be responsible for recording meeting notes and drafting resolutions and recommendations to the GRI Board, Secretariat or other GRI governance bodies as appropriate. The Secretary will also support the Chair with planning and logistical arrangements for each SC meeting and coordinating conversations between the SC, the Secretariat, and all governance bodies, as requested by the CE and Chairs of these bodies (see 4.6 below).

2.4 Vice Chair

At each annual Stakeholder Council meeting, a priority agenda item shall be the proposing and election of one of the SC members to be the Vice Chair to serve from the end of that meeting through to next year's meeting. A Vice Chair will be chosen by the SC to serve in the event the SC Chair cannot chair a meeting. The Vice Chair does not automatically become the next SC Chair upon retirement of the existing Chair.

The Vice Chair will take over the Chair until the next annual meeting if the Chair resigns or is incapacitated.

2.5 Relations with Chief Executive Officer and Secretariat Staff

The Chief Executive Officer is the senior Secretariat liaison to the Stakeholder Council and shall attend SC meetings and sessions as invited by the SC Chair. S/he may delegate others from within the Secretariat to manage communications and programs related to the Stakeholder Council, as needed.

GRI's strategic priorities are determined by the GRI Board. The CEO and the Secretariat will provide information to the SC appropriate for the SC to understand these priorities. In addition, the SC will be provided information regarding the Secretariat's programs developed to achieve GRI's strategic priorities.

The CEO will encourage the Secretariat to directly seek the SC's observations and advice on strategic and/or operational issues, where stakeholder views need to be explored. The

Stakeholder Council can volunteer its advice on any issue its members deem important for the mission of the GRI.

The CEO will encourage the Secretariat to seek advice from the SC on a timely and regular basis through direct outreach to the SC e.g. through emails or through participation in SC meetings at the invite of the SC Chair.

The CE will encourage the Secretariat to specifically engage individual SC members in the planning and execution of GRI-sponsored events worldwide to support and spread the mission of the GRI.

A Secretariat staff member other than the Chief Executive will attend SC meetings to take notes. Other Secretariat staff members may attend to present and address agenda items, or attend to logistical matters.

Throughout the year, the SC may establish small discussion groups as one of several mechanisms to engage directly with the Secretariat on strategic or operational issues with the objective to support the Secretariat in operationalizing the GRI strategy. The SC Chair shall oversee the set-up and outcomes of these discussion groups. Each discussion group should delegate a person to collate input to the SC's discussion of the topics and liaison with the Secretariat to provide logistical support (i.e. conference call set-up). It is the responsibility of the discussion group to carry forward to the SC any documents or discussion summaries. The SC Chair is responsible for dissolving the discussion groups, when the Chair considers their work complete.

3. Operations

3.1 Meetings

3.1.1 Scheduling Meetings

The Stakeholder Council will meet in person at an annual general meeting (AGM).

Other regular online/teleconference meetings may be scheduled by the SC Chair. SC members are expected to join such meetings where possible, but these do not constitute required SC meetings, and no formal SC voting can take place without due notice and clearly stated attendance requirements communicated to all SC members.

3.1.2 Adequate Notice of Meetings

Annual General Meeting

The date and location of annual meetings will be determined by the CEO in consultation with the SC Chair shortly after the previous annual meeting, giving all SC members one year's advance notice. Should the date or venue of the annual meeting need to be changed for logistical reasons, all SC members will be notified of the change at least ninety (90) days in advance.

Draft agendas will be circulated at least 30 days in advance of the annual meeting in order to assure that all members have time to review and respond to them before the meeting.

For preparation purposes the following materials will be distributed to SC members in a timely fashion, preferably two weeks before each Council meeting:

- Information about issues for discussion
- Identification of actions needed by the SC

Regular Meetings

The date and time of regular SC meetings (online/teleconference) will be determined and scheduled by the Secretariat and the SC Chair, ideally at the beginning of each year and/or giving at least 21 days' notice. Other meetings may be called during the year, with as much due notice as possible and at least 5 business days.

Meeting Papers

Meeting papers shall be considered confidential, in that they should not in any way be broadcast to the media or made generally public, prior to the meeting. For the purposes of clarity documents may receive the following categorizations during their development stage:

1. "Confidential" – not to be shared
2. "For Official Use" – to be shared with constituencies
3. "Public" – to be shared without restrictions

3.1.3 Establishing AGM Agendas

The SC Chair, in consultation with the CE and the Secretariat, will propose an agenda. The draft agenda will be circulated to SC members for comment at least thirty (30) days before the SC AGM. Up to twenty (20) days before the SC AGM, SC members may propose amendments or additional agenda items. Any SC member may propose an agenda item. These must be provided in writing to the Chair with a copy to the Secretariat.

The final agenda and meeting papers will be circulated two weeks in advance of the meeting.

The planning of the SC AGM agenda shall take into consideration the need for adequate time for a thorough discussion of all agenda items.

3.1.4 Conducting Meetings

The SC Chair shall preside at SC meetings. An AGM will not be held unless there is a quorum. If the Chair is not present thirty (30) minutes after the time set for the meeting, or it is known that he/she will not be able to attend, the meeting can still be held if the SC Members present comprise a quorum, and will be chaired by the Vice Chair.

The SC Chair shall conduct meetings towards two distinct goals:

1. Written resolutions on SC agenda items related to the appointment of members to GRI governance bodies (see 3.1.5);

2. Written recommendations on SC agenda items related to all other matters (see 3.1.6).

If items or circumstances that are not covered in these Rules and Procedures should arise at a meeting, then the SC Chair shall decide on the course of action.

3.1.5 Proposing and Passing Resolutions

SC resolutions are limited to the following specific SC duties:

- appoint all the Board members except the Chief Executive, based on a slate of nominations received from the GRI Nominating Committee;
- appoint two (2) of the members of the standing GRI Nominating Committee;
- appoint forty percent (40%) of the total number of members of the Stakeholder Council in accordance with 2.2.1. These SC positions are selected with a focus on maintaining geographic and constituency balance on the Council as well as recognizing contributions to GRI by those who have served previous terms on the Stakeholder Council;

Any SC member may propose a resolution. Two members must second the resolution. One of the members seconding the resolution must be a representative of a constituency other than that of the member presenting the resolution. Amendments to resolutions being considered are acceptable but need to be seconded by two members.

The Chair will endeavor to bring the SC to consensus, and each SC member will employ his/her best effort to come to a consensus (e.g., by means of amendments), but at some stage the Chair must decide whether further efforts would be productive or futile. The Chair, or one third of the full Council, can call for a vote to be taken.

When a resolution is to be determined by a vote, a simple majority of the attending SC, including proxy votes submitted in accordance with 2.2.2 is required to pass the resolution. When the vote concerns a matter of principle, the vote shall be a show of hands or by open ballot and the votes recorded. When voting concerns a matter of a person or persons (e.g., appointment), such vote must be by secret ballot and the Chair shall employ an independent tabulator. If there is no challenge to the ballot results by the time that the SC meeting terminates the ballot papers shall be destroyed. SC members may also abstain from a vote.

Resolutions by the SC may also be adopted in a manner other than at the AGM, in writing or otherwise, provided the proposal concerned is submitted to all SC members. Resolutions adopted outside the AGM, in writing or otherwise, are recorded properly at the next AGM meeting.

As much as possible, simple and clear language should be used in the wording of resolutions. Resolutions shall be numbered and named according to the following format: Year: sequential number starting with 01: short title.

Resolutions put forth by individuals outside of the SC can only be proposed through the SC Chair.

Resolutions proposed that address issues outside of the prescribed duties of the SC as listed above will be viewed as Recommendations (See 3.1.6) and will not be binding.

3.1.6 Recommendations

Stakeholder Council recommendations to the Secretariat or the GRI Board of Directors can address any issue of interest to the SC that is relevant to its role or as defined by the GSSB Due Process Protocol. Recommendations can be solicited by the Board or be provided unsolicited but shall be provided in writing. Recommendations should address at a minimum:

- The mission of GRI; and
- Issues of strategic importance to the GRI

The SC Chair shall endeavor to achieve an adequate discussion by the SC of all agenda items and employ his/her best effort to allow all constituencies and regional representatives an adequate voice during SC meetings.

The SC shall approve a recommendation to the Secretariat or the GRI Board by a simple majority (including proxies) of the members in attendance.

The SC Chair shall not seek to reconcile divergent views of constituencies and regions, but rather present the breadth of SC member views to the Secretariat or the GRI Board for consideration and decision-making regarding GRI's strategy and operations.

Where there is no consensus the SC may decide to form a discussion group to further address a possible recommendation rather than send an unresolved matter to the Secretariat or the GRI Board. If consensus of the SC is achieved on a recommendation, the achievement of consensus shall be communicated.

The Secretariat shall serve as an intermediary in preparing SC recommendations to the GRI Board, in direct consultation with the SC Chair. All recommendations to the GRI Board shall be in writing.

3.1.7 Conflict of Interest Statement

All Council Members must sign the Conflict of Interest Statement, which can be found in Appendix B. This signed statement must be submitted annually. This statement is intended to supplement, but not replace, any laws governing conflict of interest applicable to non-profit organizations. At any time, if an SC member realizes that s/he has or may have a position of conflict, s/he must immediately bring this to the attention of the SC Chair who will then decide on the appropriate course of action. If there is any doubt about conflict, it is strongly advised that SC members consult the SC Chair.

3.1.8 Board Disclosure of Financial Matters to the Council

The Board Chair or Chief Executive will provide a high-level summary of the current plans and results at each Stakeholder Council AGM and the GRI Annual Report when available.

The Stakeholder Council does not have any decision-making over financial matters but may express opinions, suggestions or recommendations. SC members will be asked to support GRI's fundraising activities, as needed.

3.1.9 Meeting Minutes

A Secretariat staff member will attend all meetings of the SC, including extraordinary meetings, to take notes. SC meetings will be taped for purposes of the Secretariat preparing minutes of the meeting. Upon approval of the SC meeting minutes, the tapes will be erased by the Secretariat.

- Regular meetings: Following a regular meeting, meeting records will be prepared including an overview of attendees and discussion points. The meeting records will not be a verbatim transcription of a meeting. The meeting records will be issued for review via electronic communications prior to the next regular meeting.
- AGM and Extraordinary meetings: Meeting minutes will be issued via electronic communications as expeditiously as possible, with a target of two weeks after the meeting. The Stakeholder Council as a whole will be responsible for approving the minutes of the AGM/Extraordinary SC meeting at the next AGM/Extraordinary meeting by a proposer and a seconder. The approval will be recorded in the minutes of that next meeting. Meeting minutes will describe what was discussed and what was agreed. Minutes will not be a verbatim transcription of a meeting.

3.1.10 Extraordinary Meetings

The SC Chair may request an extraordinary general meeting to consider issues of significant importance. An extraordinary general meeting should only be called if the matter cannot wait to be considered at the regular annual meeting. An extraordinary general meeting can be held in person (given that budget allows) or through electronic communication. Decisions will be made in the same manner as at the formal AGM.

3.1.11 Observers at Stakeholder Council Meetings

At the discretion of the SC Chair observers are welcome to attend SC meetings. Observers will not be able to vote, and will be allowed to speak at the discretion of the SC Chair.

3.2 Reimbursement of Meeting Expenses

All GRI governance bodies, including the Stakeholder Council, apply the GRI Travel Policy for the reimbursement of meeting expenses.

4. Relations with other Governance Bodies

4.1 General Communication

Notice shall be given when actions are taken by any of the governance bodies mentioned in this section that affect any other body. Communications should occur between Chairs of bodies with the Secretariat acting as an intermediary, as needed.

4.2 Relations with the Supervisory Board

To demonstrate that it has discharged its stewardship properly the Board must present the annual report of the GRI to the Stakeholder Council at its annual general meeting.

Board members are encouraged to attend Stakeholder Council meetings, and it is expected that the Board Chair will attend the SC AGM as agreed upon by the Board and SC Chairs. Board members are allowed to speak at such meetings but not to vote.

The Stakeholder Council Chair shall attend open sessions of the Board meetings as an observer and present SC resolutions and recommendations during the meetings. The SC Chair will not be able to vote, and will be allowed to speak at the discretion of the Board Chair.

In accordance with the Articles of Association, the Board should respond to the advice from the SC in writing. The Board Chair may share with the SC (through the SC Chair) the minutes of the Board meeting session in which the SC advice was presented and discussed by the Board, once the Board meeting minutes have been approved.

4.3 Relations with the GRI Nominating Committee

4.3.1 Appointment of GRI Nominating Committee Members

The SC as a whole shall appoint two (2) members of the GRI Nominating Committee (GNC), each to hold office for the length of his/her term as SC member. In addition, the SC Chair serves as an additional member of the GNC, bringing the total to three (3).

SC members can be nominated for consideration by the outgoing SC members of the GNC for appointment to the subsequent GRI Nominating Committee. Open nominations, including self-nomination, can also occur at the SC AGM session that addresses GNC appointments. The SC must appoint its portion of the GNC through a normal resolution process. If there are more nominees than vacancies, then the election shall be by secret ballot. SC members' terms on the GRI Nominating Committee are concurrent with their terms on the SC.

Additional details for the GRI Nominating Committee can be found in the document, Rules and Procedures for the GRI Nominating Committee.

SC members assume their role on the GNC on 1. January unless the GNC decides otherwise.

The SC Chair only has voting rights when it comes to discussing Stakeholder Council and IAC candidates (similarly the Board Chair on the GNC only has voting rights when discussing Board and IAC candidates).

4.3.2 Election of Board Members

The Stakeholder Council shall advise on the slate of proposed Board members via the GRI Nominating Committee. The Supervisory Board shall review the selection and accept or reject the proposed members.

4.4 Relations with the Global Sustainability Standards Board

4.4.1 Concurrent appointments

No SC member shall be both a member of the SC and the GSSB at the same time. (See also GSSB ToR). Except where expressly allowed by another constituent document establishing a governance body, a minimum period of twelve months, following the expiry of a person's term on the SC or the GSSB, shall elapse before a person is eligible for appointment to either governance body.

4.4.2 Interaction between the SC and the GSSB

The GSSB will regularly consult with the Stakeholder Council regarding the development of standards and their implementation. The GSSB will seek comment from the SC during the development and finalization of a GRI Standard in relation to proposals to start new projects, significant issues relating to the development of a GRI Standard and significant issues raised in comment letters on exposure drafts and the GSSB's related response.

The views of the SC will be considered but are not binding on the GSSB. The GSSB will explain its reason(s) for not having accepted SC comments or proposals. These are to be reported and recorded in the minutes of the GSSB meeting at which the related project is discussed.

The GRI Secretariat, under the direction of CE, shall see to it that all necessary documents and communications are made available to the Stakeholder Council from the GSSB.

The Head of the Standards Department has a standing invitation to attend SC meetings and is invited to present at each SC AGM. The SC Chair may also invite the GSSB Chairman to present at SC meetings.

An SC member may serve on a GSSB Project Working Group but only in their individual capacity and not as a representative of the SC.

4.5 Relations with the Independent Appointments Committee

Identification of GSSB and DPOC members

The SC is expected to identify potential candidates for consideration by the Independent Appointment Committee (IAC) for the Global Sustainability Standards Board and the Due Process Oversight Committee as part of the IAC's annual appointments process.

The IAC will reach out to the SC in a timely manner to solicit potential candidates.

The SC Chair will provide the SC's list of identified candidates, if any, in writing directly to the Chair of the IAC.

5. External Relations

5.1 Official Working Language

The official working language of the Stakeholder Council is English. All communications will be prepared only in English.

5.2 Role of SC Members Externally

5.2.1 Designated Spokespersons

The Board Chair and Chief Executive Officer are the designated GRI spokespersons. They will provide official GRI input on matters with media, governments and other stakeholders requiring formal input.

The SC Chair is the designated spokesperson for the Stakeholder Council. S/he may provide official input on SC matters with media, governments and other stakeholders requiring formal input. For issues of GRI policy or those directly related to the GRI institution, neither the SC Chair nor other SC members are authorized to speak on behalf of the GRI. Such queries must be referred to the Board Chair or Chief Executive for an official response.

SC members can speak as individual participants in the GRI process and can identify as a member of the Stakeholder Council. In their capacity as SC members they are encouraged to educate and increase awareness of the GRI. The Secretariat will facilitate the development of materials for use by SC members when speaking within their constituencies and regions about the GRI.

SC members may speak publicly as individuals participating in the Stakeholder Council and GRI process, but are not official spokespersons on behalf of the Stakeholder Council or of the GRI.

5.2.2 Interactions with Stakeholders

SC members are free to speak with the media, government, and other stakeholders about SC and GRI matters but must clearly explain that s/he does not speak on behalf of the SC or of the GRI in any official capacity. Unless specifically authorized and prepared, on policy matters Council members must direct such queries to either the Board Chair or the Chief Executive.

Annex 1: Definition of constituencies

Constituency	Percentage within the SC	Number of Seats	Definition
Business Enterprise	40% (of which at least 60% must belong to category 'a')	20 seats	<p>a) an enterprise (other than a Mediating or Investment Institution) that has been established in order to generate a profit for the benefit of its investors or owners or,</p> <p>b) an organization representing the collective interests of those falling into category 'a'.</p>
Investment Institution	15 %	7.5 seats	an enterprise that is primarily concerned with the direct or indirect, long-term investment of funds in business - including but not limited to asset owners, asset managers, development banks, exchanges, ratings agencies and market information brokers.
Labor Organization	10 %	5 seats	an organization established independently of employers and governments to represent the interests of workers.
Mediating Institution	20 %	10 seats	an individual or organization that provides goods and/ or services associated with the reporting process and derives benefit from doing so.
Civil Society Organization	15 %	7.5 seats	an organization established in order to promote or secure a public good relating to sustainability (environmental, social and governance) and that does not fall into any of the categories defined above.

Annex 2: Position Descriptions for SC Members, Chair and Vice Chair

Position Description for SC Members

Obligations of the SC:

- Consider and debate key strategy and policy issues for the GRI;
- Advise on a slate of nominees via the GRI Nominating Committee;
- Appoint 2 members in addition to the SC Chair to the GRI Nominating Committee;
- Provide the IAC with candidates for the GSSB and DPOC
- Provide GRI Board and/or the Secretariat with recommendations and advice on strategic and other issues of importance;
- Provide recommendations and advice to the GSSB regarding the development of GRI Standards; and
- Be an advocate for GRI and enhance its public standing.

Individual SC Member Duties and Expectations:

- Regularly attend scheduled meetings: the AGM (an in-person meeting), plus teleconferences and electronic mail communications;
- Be able to represent broadly one's stakeholder constituency and/or region;
- Adequately prepare for annual general meetings by reviewing materials in advance and performing consultations and research on issues of importance to one's constituency and region;
- Be supportive of the organization's mission, services, policies and programs;
- Take an active role in assessing the effectiveness of the SC's operations and linkages with the other GRI bodies,
- Participate actively in SC discussions which advance the GRI's preeminent role in sustainability reporting,
- Assist in fundraising;
- Follow conflict of interest and confidentiality policies;
- Refrain from making personal and unwarranted requests of the Secretariat staff;
- Educate and raise awareness of the GRI within one's Stakeholder constituency and region; and
- Act in good faith.

Position Description for SC Chair

Description of Duties:

- Consult with the Chief Executive in preparation of agenda for the AGM;
- Plan and chair SC meetings, whether it is the AGM or other regular meetings with the support of the Secretary;
- Be a spokesperson for the Stakeholder Council with media, governments and other stakeholder groups seeking public statements;
- Represent the interests of the SC to the Board and report regularly to the board on key deliberations by the SC, including resolutions and recommendations;

- Ensure that all SC members are enabled and encouraged to participate fully, and collectively are involved in the role and purpose of the SC;
- Ensure that SC members receive timely, relevant information, and that they are briefed properly on agenda items and other issues that may arise at SC meetings;
- Serve on the GNC and other governance committees as requested by the Board
- Oversee the set-up and dissolution of any SC discussion group
- Oversee the annual SC member self-evaluation process and act on the results;
- Remain objective in the implementation of the Chair's duties and to avoid partisanship based upon the constituency and region from which the Chair originates;
- Ensure that the business of the SC is within the budget set for the SC.

Position Description for Council Vice-Chairperson

Description of Duties:

- Serve in the interim capacity of Stakeholder Council Chair in the event that the Chair is unable to perform this function during an annual or extraordinary meeting.

Annex 3: Conflict of Interest Policy and Statement

Purpose

The purpose of the conflict of interest policy is to protect GRI's interest when it is contemplating entering into a transaction or arrangement that might benefit the private interest of a Council Member. This policy is intended to supplement but not replace any laws governing conflicts of interest applicable to non-profit and charitable associations. This process is designed to encourage transparency rather than constrain daily or timely operations of GRI.

All Council Members are asked to sign the Conflict of Interest Statement, which can be found in this Appendix. This signed statement must be submitted annually.

Definitions

1. Interested Person

Any Member who has a direct or indirect interest, as defined below, is an interested person. If a person is an interested person with respect to any entity of which GRI is a part, he or she is an interested person with respect to all such entities.

2. Interest

Interest means any commitment, investment, relationship, obligation, or involvement, financial or otherwise, direct or indirect, that may influence a person's judgment, including receipt of compensation from GRI, a sale, loan, or exchange transaction with GRI.

Procedures

1. Duty to Disclose

In connection with any actual or possible conflicts of interest, an interested person must immediately disclose the existence and nature of his or her interest to the Council Chair considering the proposed transaction or arrangement.

2. Determining Whether a Conflict of Interest Exists

The extent and the seriousness of the conflict of interest shall be determined by the Council Chair and Chief Executive and it shall be left to the Council Chair and Chief Executive to decide if the Conflict of Interest shall just be recognized as such or if further action is required.

3. Procedures for Addressing the Conflict of Interest if further action is required

- a. After exercising due diligence, the Council Chair and Chief Executive shall determine whether GRI can obtain a more advantageous transaction or arrangement with reasonable efforts from a person or entity that would not give rise to a conflict of interest.
- b. If a more advantageous transaction or arrangement is not reasonably attainable under circumstances that would not give rise to a conflict of interest, the Council Chair and Chief Executive Officer shall determine whether the transaction or arrangement is in GRI's best interest and for its own benefit and whether the transaction is fair and

reasonable to GRI and shall make its decision as to whether to enter into the transaction or arrangement in conformity with such determination.

4. Violations of the Conflict of Interest Policy
 - a. If the Council Chair and Chief Executive have reasonable cause to believe that a member has failed to disclose actual or possible conflicts of interest, it shall inform the member of the basis for such belief and afford the member an opportunity to explain the alleged failure to disclose.
 - b. If, after hearing the response of the Member and making such further investigation as may be warranted in the circumstances, the Council Chair and Chief Executive determine that the member has in fact failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Records or Proceedings

The Council Chair / Chief Executive shall keep record of:

- a. the names of the persons who disclosed or otherwise were found to have an interest in connection with an actual or possible conflict of interest, the nature of the interest, any action taken to determine whether a conflict of interest was present, and the Council Chair and Chief Executive's decision as to whether a conflict of interest in fact existed.
- b. the names of the persons who were present for discussions relating to the transaction or arrangement, the content of the discussion, including any alternatives to the proposed transaction or arrangement.

Annual Statements

Each member shall annually sign the statement below.

Conflict of Interest Statement

I have read and am familiar with GRI's policy concerning conflicts of interests.

I affirm that neither I nor, to the best of my knowledge, any member of my immediate family has had any interest in or taken action which would contravene this policy, except such interest or action which has been fully disclosed in line with this policy since my Council membership or during the preceding year, whichever occurred the latest.

In line with GRI's Conflict of Interest Policy I will disclose any actual or potential Conflict of Interest that may occur.

I affirm that I will act in the best interest of GRI. I will serve as Council Member to the best of my abilities, and pledge that I will not submit to improper influence from any source, whether firm, organizational, national, regional or other.

I will notify the GRI Nominating Committee and the GRI Secretariat as soon as reasonably possible if my employer, employment status or country of residence changes.

Council Member's signature

Date

Council Member's name

