



EQUITABLE  
ORIGIN

A higher standard. A better choice.™

EO Stakeholder Council  
Terms of Reference (DRAFT)



# Equitable Origin Stakeholder Council

Draft Terms of Reference  
For Public Consultation

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15 November 2012

## About Equitable Origin

Equitable Origin is an innovative stakeholder-based voluntary certification system designed to promote higher social and environmental standards, greater transparency and more accountability in oil and gas exploration and production.

The Equitable Origin certification, certificate trading and ecolabel system delivers a market mechanism to drive positive change that reduces the social and environmental impact of oil and gas operations, creates a new market for more responsibly produced fuels and petroleum-derived products and empowers consumers and businesses to reward energy companies that achieve certification.

For more information, please see our website: [www.equitableorigin.com](http://www.equitableorigin.com)

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## Public Consultation Process:

We are in the process of establishing our governance structure to oversee our activities. As a stakeholder-based initiative, we believe stakeholders should have a role in determining how their views are represented in our governance structure. As such, we are seeking feedback and input on the proposed Terms of Reference for the Equitable Origin Stakeholder Council (see below, starting on page 3).

The Stakeholder Council will play an important role both in the development of Equitable Origin's standards and system and in the forthcoming launch of international public consultations to review the EO100™ Standard (proposed for 2013).

To facilitate feedback, we invite your responses to general and specific questions via this brief survey (not all questions need to be answered): <https://www.surveymonkey.com/s/eosctor>

Alternatively, general comments or questions can be submitted directly to: [smilius@equitableorigin.com](mailto:smilius@equitableorigin.com)

We look forward to receiving your comments by Friday, 14 December, 2012.

Sincerely,



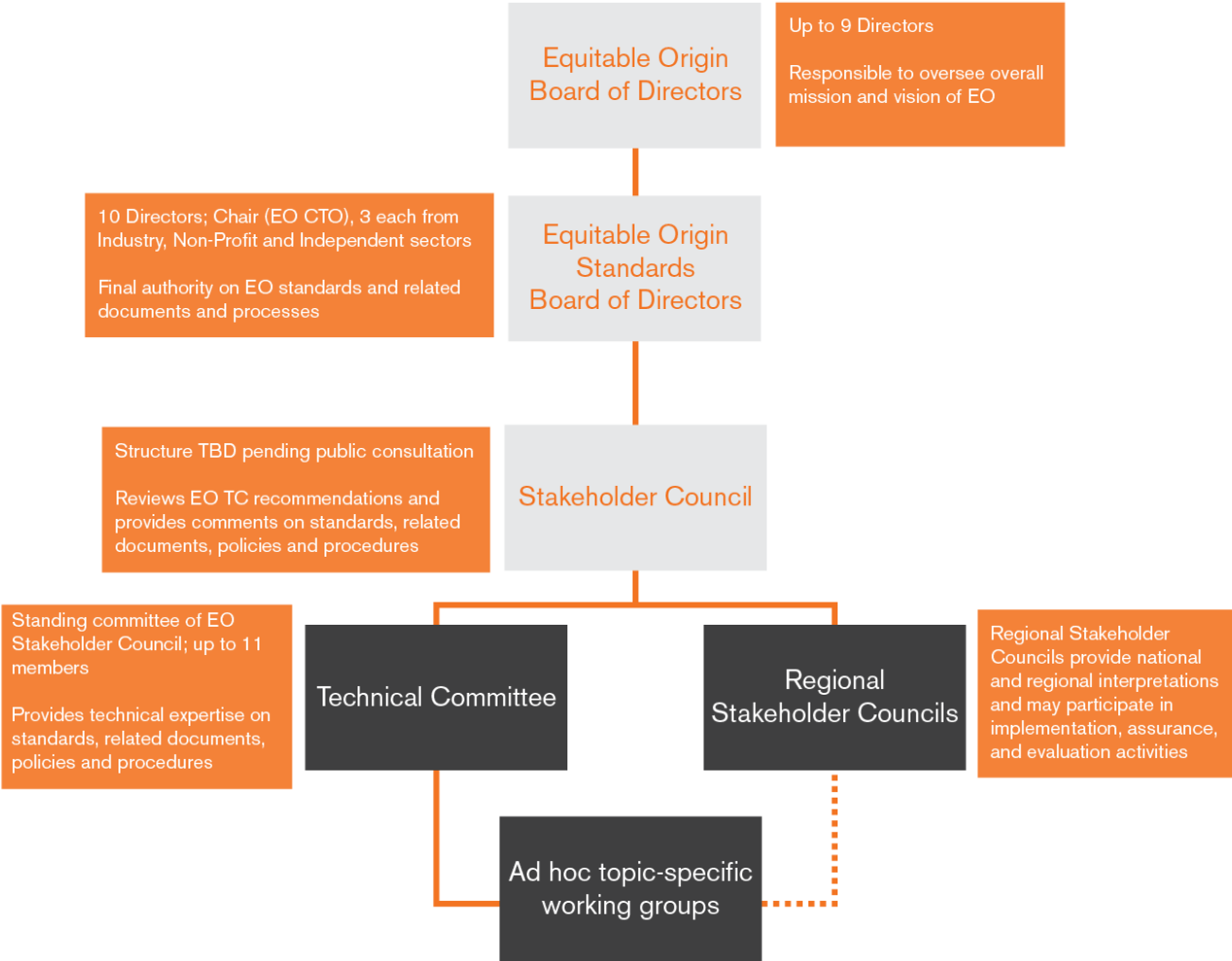
David S. Poritz

Founder & President, Equitable Origin LLC

**Mission of the Equitable Origin Stakeholder Council:**

The Equitable Origin Stakeholder Council constitutes a key body within Equitable Origin’s governance structure. The Stakeholder Council is established by the Equitable Origin Standards Board of Directors to provide the Board with advice, views, guidance and recommendations from a variety of informed perspectives about the operations of Equitable Origin in pursuit of its mission. The Council’s members reflect diverse experiences, geographies and interests in relation to the work of Equitable Origin.

**Equitable Origin Governance Structure**



## Composition of the Equitable Origin Stakeholder Council

To ensure that all views are represented, membership of the Equitable Origin Stakeholder Council is comprised of a balanced representation of stakeholder perspectives:

(i) **PEOPLE**

- Up to five Members who are interested in advancing human rights, including the rights of Indigenous Peoples<sup>1</sup> and the rights of workers;<sup>2</sup> reducing poverty; empowering communities; or promoting social justice.

(ii) **NATURE**

- Up to five Members who are interested in preserving and protecting the environment, conserving natural resources, protecting ecologically important lands and waters, conserving biodiversity, or promoting sustainable development.

(iii) **BUSINESS**

- Up to five Members who are interested in generating economic value through the oil and gas industry directly or indirectly through investment or through industries that use petrochemicals or petroleum derivatives in the manufacturing and transportation of their final consumer products or services.

## Roles and Responsibilities

- Support the mission of Equitable Origin to protect people, the environment and biodiversity affected by oil and gas exploration and production through an independent, stakeholder-negotiated, market-driven certification system that distinguishes and rewards operators for outstanding social, environmental and safety performance.
- Provide constructive input, advice, recommendations and informed opinions to the Equitable Origin Standards (EOS) Board of Directors and the EOS Technical Committee on the development and revision of EO standards and their implementation.
- Hear and make recommendations on grievances related to EO100<sup>TM</sup> (and future EO standards) as necessary, according to *EOP-203: EO100<sup>TM</sup> System Certification Appeals, Comments and Suggestions*.
- Recommend to the EO Board candidates to serve as Directors on the EOS BOD and recommend to the EOS Board candidates to serve as members of the EOS Technical Committee.
- Review and comment on accreditation and certification decisions.
- Develop and make recommendations to the EO Board regarding the distribution of value (benefit-sharing) to non-commercial stakeholders.
- Comment and make recommendations on matters related to *EOP-103: EO Policy on Association*.

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<sup>1</sup> At least one seat in the People's pillar is reserved for an organization working to advance the rights of Indigenous Peoples.

<sup>2</sup> At least one seat in the People's pillar is reserved for a Trade Union organization.

- Appoint members of ad-hoc working groups, including any outside members (i.e., those who are not members of the EO Stakeholder Council).
- Make recommendations on Equitable Origin's impact assessment and monitoring and evaluation policies and procedures.
- Provide input on emerging issues which may affect the ability of Equitable Origin to achieve its strategic goals.
- Raise awareness of Equitable Origin standards and facilitate stakeholder outreach during public review periods.
- Follow conflict of interest and confidentiality policies.
- Act in good faith.
- Council members serve as individuals representing independent views.
- Contributions are understood to be those of the individual member and are not considered representative of the member's employer or organization affiliation. Members are expected to be generally supportive of the concept that certification systems can catalyze greater corporate accountability and of the mission and goals of Equitable Origin and the EO100™ system in particular.

### **Key Points of Governance**

- Each pillar must have at least a quorum of members, constituting a majority of the available seats, for the Stakeholder Council to be established.
- The EO Stakeholder Council will meet at least once a year.
- Each pillar has a Chair elected by its members.
- The Chair of each Regional Stakeholder Council will have a seat on the EO Stakeholder Council.
- Members of the Stakeholder Council shall be nominated and elected by the Stakeholder Council.
- The Stakeholder Council shall seek a balanced membership from a range of experiences, geographies, and interests.
- Decisions are made by consensus, or, where consensus is not reached, subject to approval of a majority of each pillar. If one or more pillars do not obtain a majority, the decision will be moved to a vote where each pillar has equal voting rights (33.3%) divided equally among its members.
- EO and EOS Board members are encouraged to attend Stakeholder Council meetings, and are allowed to speak at such meetings but not to vote. To encourage Board member attendance, one Board meeting per year will be scheduled concurrently with a Stakeholder Council meeting.
- Members shall be elected for terms of two years, which may be renewed subject to the approval of the EOS Board, although Members shall serve for no more than two consecutive terms. Thereafter, former Members may be considered for re-election after not serving on the Stakeholder Council for at least one year.

- It is recommended that at least one membership overlap exist between the Stakeholder Council and the EOS Board and between the Stakeholder Council and the Technical Committee to support communication.
- Non-members may attend Council Meetings as observers at the discretion of the Co-Chairs.
- The CEO of Equitable Origin LLC is the senior liaison to the Stakeholder Council and shall attend Stakeholder Council meetings. The CEO will designate an EO representative to coordinate with the three Co-Chairs to ensure appropriate scheduling of meetings, distribution of relevant materials to Stakeholder Council Members and facilitation of voting processes.
- Notes of all meetings shall be kept by a Secretary of the Council appointed by the three Co-Chairs, and are available to any individual or group upon request.

### **Expenses**

- If members are unable to attend a Council meeting due to financial reasons they may apply to EO for financial support. EO shall seek to provide essential support according to the funds available.

### **Regional Stakeholder Councils**

EO encourages and supports the establishment of Regional Stakeholder Councils with local representation in countries and regions where oil and gas operators have expressed interest in EO100™ certification, are in the process of implementing the EO100™ Standard, or have achieved certification to the Standard.

Regional Stakeholder Councils facilitate on-the-ground stakeholder engagement and participation in field-testing the EO100™ Standard, the organizing of workshops to provide feedback during public consultation periods, the organizing of workshops to socialize the EO100™ Standard in new countries, participation in implementation, assurance and monitoring and evaluation activities, and identification of local and national contextual interpretations of the Standard, where needed.

Regional Stakeholder Councils follow the same composition rules as the global Stakeholder Council although a quorum of members in each pillar is not necessary for a Regional Stakeholder Council to be established. Regional Stakeholder Councils may modify the Terms of Reference according to their needs, subject to review by the global Stakeholder Council.