



*Approved by the GRI Board  
of Directors on 20 March  
2015*

## **Rules and Procedures for the GRI Nominating Committee**

The scope of the GRI Nominating Committee (GNC) is defined in the GRI Articles of Association. The GRI Board of Directors is the final arbiter within GRI regarding the interpretation of the articles. These Rules and Procedures provide further guidance and details on the GNC responsibilities and operations.

### **1 Responsibilities for nominations for the GRI Board of Directors and Stakeholder Council**

Key Responsibilities:

- Coordination and management of the annual nomination processes for the Board and Stakeholder Council
- Present a recommended slate of nominees to the Stakeholder Council and Organizational Stakeholders, respectively, based on a transparent, open and objective nomination process.
- Perform its duties with professionalism and integrity, safe-keeping confidential personal information divulged as a part of the nomination process.

#### **1.1 Proposed nominations for the GRI Board of Directors and Stakeholder Council**

GNC decisions are limited to the following specific duties:

##### **1.1.1 Board of Directors Nominations**

GNC proposes a slate of recommended nominees for the annual rotation of the Board of Directors. The slate is presented to the Stakeholder Council (SC) at its annual meeting. The SC will decide for or against the nominees on the slate on an individual bases by a simple vote of majority.

##### **1.1.2 Stakeholder Council Nominations**

The Stakeholder Council (SC) is selected in two phases. The first is the election process performed by the Organizational Stakeholders, who select 60% of the new SC members annually. The second phase is the appointment process performed by the Stakeholder Council, which selects 40% of the new members annually.



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#### Phase One: Organizational Stakeholders

- The GNC presents all nominations (summary list) to the Organisational Stakeholders (OS). OS are allowed to vote for candidates within their stakeholder constituency (i.e. business enterprises elect business members and mediating institutions elect mediating institutions members, etc.). SC members from the labor constituency are not elected but appointed by the global labor movement. Appointments of labor members do not need to coincide with the elections of members from other constituencies.
- The GNC indicates its recommended candidates within each constituency category.

#### Phase Two: Stakeholder Council

- Candidates not elected by the OS are eligible for SC appointment.
- The GNC proposes one slate of recommended candidates to the SC, and the SC will decide, as a whole, for or against the nominees on the slate on an individual bases by a simple vote of majority.

## **2 Structure and Membership of the GNC**

### **2.1 Composition**

For coordination and management of the annual nomination processes for the Board and Stakeholder Council the total committee size should be six (6):

- Board: 2 members plus the Board Chair (non-voting for SC candidates),
- Stakeholder Council: 2 members plus the SC Chair (non-voting for Board candidates).

#### **2.1.1 Constituent and Geographic Balance**

For purposes of maintaining balance amongst stakeholder groups, the GRI categorizes stakeholders into five (5) constituent categories as listed in Annex 1. Each of the five constituent categories should, whenever possible, be represented on the GNC:

- Business Enterprise
- Civil Society Advocacy Organization (CSO)
- Investment Institution (II)
- Mediating Institution (MI)
- Labor

Stakeholders are also organized into five major geographic categories based on the United Nations system of geographic distribution:

- Africa;



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- Asia/Pacific;
- Europe/North America;
- Latin America/Caribbean; and
- West Asia.

The GNC does not have a prescribed geographic balance. Members are encouraged to consult with Board and SC members from under-represented regions in order to improve diversity on all governance bodies.

### **2.1.2 Selection of GNC Members**

The Board of Directors shall appoint two (2) members to the GNC. The Board Chair serves ex-officio on the GNC. The Board determines the manner of selection of its representatives. The Board shall appoint its GNC members before the annual Stakeholder Council meeting, and must provide regional and stakeholder details of the relevant Board members to the SC.

The Stakeholder Council shall appoint two (2) members to the GNC. The SC Chair serves ex-officio on the GNC. The Stakeholder Council should consider the constituency balance of the GNC when appointing SC members to the GNC.

*Note: The Stakeholder Council shall not take into account the stakeholder background of the Board or SC Chair when selecting its representatives, since the SC and Board Chair shall serve their conscience and public interest and not their constituency in performing their duties.*

If there are more nominees than vacancies, then the election shall be by secret ballot.

### **2.1.3 Casual Vacancies and Resignations**

Casual vacancies and resignations must be filled within 90 days. SC vacancies are filled by the SC and Board vacancies by the Board and are for the remaining term of the vacancies.

If a GNC Member becomes the Chair, then that vacancy is filled by appointment of the GNC and not by the Board and SC until the end of the member's term.

#### **2.1.1 Chair and Member Term Limits**

The maximum time that GNC Members can serve is a term concurrent with their Board or SC term. A performance review of GNC members will be conducted every 2 years. Casual vacancies should be filled as soon as possible.

The maximum time for the Board and SC Chairs to serve on the GNC is concurrent with their terms as Board and SC Chair, respectively.

The GRI Chief Executive serves for the length of his/her term as Chief Executive.



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#### **2.1.4 Resignation and Expulsion**

If for any reason a GNC Member chooses to leave his/her position on the Board or SC, then the member shall be considered as having resigned from the GNC. The Board and SC will fill casual vacancies for their respective members.

If the behavior, activities, or absence of a GNC member becomes an issue of concern, then the Board and SC Chair shall confer with the member to determine a corrective course of action. If such discussion and follow up do not resolve the issue, the Board and SC Chairs may ask for the Member's resignation from the GNC, failing which the respective Chair may move resolutions to remove those members from the GNC.

#### **2.1.5 Position Description for Chair and Members**

GNC Members have specific obligations, duties, and expectations. Further, the GNC Chair have additional obligations. Please see Annex 2 for Member and Chair position descriptions.

### **3 Responsibilities for appointing the Independent Appointments Committee**

#### **3.1 Responsibilities**

Key responsibilities:

- Coordination and management of the annual appointment process for the Independent Appointments Committee (IAC)
- Appointing the Independent Appointments Committee Appointments  
The GNC together with three 'external individuals' will appoint the members of the Independent Appointments Committee (IAC). 'External individuals' are understood to be representatives from the field of international normative (sustainability) standard-setters. These organizations (still to be determined) will be eligible to nominate one senior employee each.

#### **3.2 Structure and Membership**

##### **3.2.1 Composition**

For coordination and management of the annual appointment process for the Independent Appointments Committee (IAC) the total committee size should be nine (9):

- Board: 2 members plus the Board Chair,
- Stakeholder Council: 2 members plus the SC Chair,



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- External individuals: 3 external individuals. Thereby 'external individuals' are understood as representatives drawn from the field of international normative (sustainability) standard setters. These organizations (still to be determined) would be eligible to nominate one senior employee each. This may include organizations such as IOSCO, ILO (specifically from their Labor constituency as advised by the Council of Global Unions) or UNEP.

### **3.2.2 External Individuals to the GNC**

For coordination and management of the annual appointment process for the IAC 3 external individuals are supplementing the GNC. The Board defines organizations from the field of international normative (sustainability) standard setters that are invited to nominate a senior employee as external individuals supplementing the GNC. Nominees are reviewed and maximum 3 representatives are appointed by the Board for an indefinite term or such other term as the Board may define. The work of the GNC supplemented by the external individuals for the coordination and management of the appointment process of the IAC shall not be invalidated by its failure at any time to have a full complement of external individuals.

## **4 Operations**

### **4.1 Meetings**

#### **4.1.1 Scheduling Meetings**

Generally the GNC will hold meetings over telephone or via electronic communication. When possible the GNC will have one physical meeting per year, coinciding with either a Board or Stakeholder Council meeting. Decisions can also be made in writing by a resolution signed by all those entitled to vote and delivered to the Secretary.

#### **4.1.2 Adequate Notice of Meetings**

The date and location of physical meetings will be given at least 45 days advance notice. Should the date or venue of a meeting need to be changed for logistical reasons, all GNC members will be notified of the change at least 30 days in advance. Meetings at shorter notice may only be held with the concurrence of all GNC Members entitled to take part. Meeting over phone or via electronic communication should be scheduled with a notice of 30 days, when possible.

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



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For preparation purposes the following materials will be distributed to GNC members in a timely fashion, preferably no less than 30 days before each meeting:

- Information about issues for discussion
- Identification of actions needed

Only upon agreement by all those present and taking into account fairness to those who are absent and have no notice of such proposals, may papers be tabled at the meeting and decisions taken thereon.

Meeting papers and discussions shall be considered confidential, in that they should not be broadcasted to the media or made generally public. For the purposes of clarity documents may receive the following categorizations:

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

When papers have to be shared “For Official Use”, the recipient should be held to the same degree of confidentiality as the sharer, and in case of any doubt, reference should be made to the respective Chair of the GNC or the Chief Executive.

#### **4.1.3 Establishing Meeting Agendas**

The GNC Chairs, in consultation with the Secretariat, will propose an agenda. Any GNC Member may propose an agenda item. These must be provided in writing in good time to the respective Chair with copy to the Secretariat.

The final agenda and meeting papers will be circulated a minimum of three weeks in advance of the meeting.

#### **4.1.4 Considering Last-minute Agenda Issues**

Last minute agenda items, including those proposed at the time of the meeting, are included at the discretion of the respective GNC Chairs. Chairs are encouraged to structure the agenda in a manner that allows time to deal with issues that arise during the course of a meeting.

#### **4.1.5 Conducting Meetings**

The Board Chair shall preside at deliberations of Board nominations and IAC appointments.

The Stakeholder Council Chair shall preside at deliberations of Stakeholder Council nominations.

The GNC Chair shall conduct meetings towards two distinct goals:



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1. Development of nomination slates for the Board, Stakeholder Council and IAC membership rotations.
2. An open, transparent and objective process for identifying and selecting qualified candidates for GRI governance positions.

If a GNC member is standing for re-nomination, the member shall recuse him/herself from all deliberations and decisions related to his/her nomination.

If items or circumstances that are not covered in these Terms of Reference should arise at a meeting, then the relevant Chair (Board or Stakeholder Council) in consultation with the Chief Executive shall decide on the course of action.

#### **4.1.5.1 Conducting meetings discussing Board and/or SC nominations**

A GNC meeting to discuss Board and/or SC nominations will not be held unless there is a minimum of three members present (either in person or by phone), of which one is from the Board and one from the SC. If the Chair is not present thirty (30) minutes after the time set for the meeting, or it is known that the Chair will not be able to attend, the meeting can still be held under the following conditions: if the Members present comprise a quorum, they may hold the meeting by appointing amongst themselves a Member to chair the meeting.

#### **4.1.5.2 Conducting meetings discussing IAC appointments**

A GNC meeting, supplemented with the external individuals, to discuss IAC appointments will not be held unless there is a minimum of five members present (either in person or by phone), of which one is from the Board, one from the SC, and at least one external individual. If the Chair is not present thirty (30) minutes after the time set for the meeting, or it is known that the Chair will not be able to attend, the meeting can still be held under the following conditions: if the Members present comprise a quorum, they may hold the meeting by appointing amongst themselves a Member to chair the meeting.

#### **4.1.6 Attendance and Representation**

All GNC members, and where applicable external individuals, are expected to attend all scheduled meetings.

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 considered. Verbal comments via another member should be avoided as far as possible.



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#### **4.1.7 GNC Chair and Secretary**

The Board Chair shall preside and vote at deliberations of Board nominations and IAC appointments. The Board Chair may attend deliberations of Stakeholder Council nominations when he/she may speak but not vote.

The Stakeholder Council Chair shall preside and vote at deliberations of Stakeholder Council nominations. The Stakeholder Council Chair may attend deliberations of Board nominations and he/she may speak but not vote.

The Board and Stakeholder Council Chairs shall serve as ex-officio<sup>1</sup> members of the GNC. Upon the termination of their term the subsequent Chair shall replace them. If the subsequent Chair is already an existing GNC Member, then that appointment shall be vacated and the GNC shall appoint a suitable replacement to serve out the term.

The GRI Chief Executive shall serve as Secretary to the GNC. He/she shall have a voice but no vote during deliberations. The Secretary shall be responsible for recording meeting notes and drafting slates of nominees provided to the Board, SC and Organizational Stakeholders for consideration.

#### **4.1.8 Vice Chairperson**

The Board and SC Chair may select a temporary Chair from the GNC in the case that they are unable to attend a meeting.

#### **4.1.9 Meeting Minutes**

The GRI Chief Executive shall arrange for minutes of each GNC meeting. The meeting minutes shall be approved by the relevant GNC Chair and distributed to members. All meeting minutes are confidential.

Meeting minutes will describe what was discussed and what was agreed. Minutes will not be a verbatim transcription of a meeting.

### **4.2 GNC Nomination Procedures**

#### **4.2.1 Solicitation of nominations**

All GRI nomination processes are operated with a standard set of procedures to ensure transparency, openness and objectivity.

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<sup>1</sup> Ex-officio means that service is concurrent with ones formal position.





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1. Open nominations are requested via the GRI website and notified to all Board, SC, IAC, GSSB and DPOC members (and media outlets, as needed) – minimum of 60 days notice period required.
2. All nominations must be in writing and submitted together with consents and curriculum vitae/resume to the Secretary of the GNC.
3. Nominations are compiled and a summary report is shared with members of GNC.
4. Re-nominated Board, SC and IAC members are evaluated for performance.
5. Members of GNC, Board, Stakeholder Council and IAC are encouraged to seek out and be on lookout for potential candidates at all levels.

#### **4.2.2 General Procedures**

The GNC shall establish an overall assessment of the relevant governance body's strengths and weaknesses with regards to the GRI mission and its opportunities and threats. The GNC has the discretion to determine the manner of such an assessment, but is encouraged to perform assessments in consultation with the relevant body assessed, including a self-assessment. The GNC is further encouraged to perform assessments with a focus on accountability and continuous improvement and learning.

- The assessment of the Stakeholder Council shall also take into consideration any changes in the stakeholder constituency and/or regional balance from the time of the last nominations.

The GNC shall define the governance body's needs regarding skills, access, and representation, and the candidate's potential to add value in these areas.

The GNC shall review all nominations and evaluations submitted. Nominations made during deliberations must be formally proposed and seconded by committee members.

The GNC shall determine whether the GRI is best served with the re-appointment of the retiring candidate or the identification of alternative candidate(s). The underlying philosophy for such decisions should be "choose the best person for the job."

When an alternative candidate is considered the GNC should then:

- Consider the needs regarding skills, access, and representation, and each candidate's potential to add value in these areas;
- Determine which candidate holds most promise to add value to the relevant governance body and the GRI. In the case of new candidates, must obtain their confirmation of interest in writing.



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#### **4.2.3 Decision-making**

Deliberations on nominations to the Board and SC will result in the production of slates to present to the SC, and Organizational Stakeholders (See 1.1.1 and 1.1.2 Proposed Slates of Nominations)

Deliberations on the appointments to the IAC will result in the appointment of members of the IAC (See 1.1.3)

The GNC, and where applicable supplemented by external individuals, will aim to achieve its decisions by consensus, and each member will employ their best effort to come to a consensus.

When a slate is to be determined by a vote, a simple majority GNC is required to pass the slate. Members of GNC undertake to abide by the majority decision and will support that result outside the GNC.

When an IAC appointment is to be determined by a vote, a simple majority is required to pass the appointment. Members undertake to abide by the majority decision and will support that result outside the committee.

All members shall strive to vote in a manner that mutually supports the long-term interests of the GRI and one's constituencies.

#### **4.2.4 Independence**

In order to assure fairness, equity and objectivity of the Board nomination process, independence is deemed an essential component of the process.

Independence is fundamentally achieved through the voice of the Stakeholder Council<sup>2</sup>, acting in its capacity of approving or rejecting the slate of Board nominees.

#### **4.2.5 Remuneration**

No member of the GNC shall receive any consideration or remuneration for service on the Committee. If a GNC member is requested to perform duties outside of normal GNC duties, then s/he should be hired as a contractor and must ensure all stipulations of Conflict of Interest Statement are addressed. Conflict of Interest is addressed in Board and Stakeholder Council Terms of References.

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<sup>2</sup> The Stakeholder Council consists of 50 cross-sectorial representatives that would act as an independent screen collectively.



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### **3.2 Reimbursement of Meeting Expenses**

The GRI Travel Policy applies to members of GNC in the cases of physical meetings.

## **5 External Relations**

### **5.1 Official Working Language**

The official working language of the GRI Nominating Committee is English. All communications will be prepared only in English.

### **5.2 Member Communication to External Parties**

GNC members commit to discuss and recommend only the joint GNC decision outside the GNC and not to comment on or advocate for the views of individual GNC members.



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## **ANNEX 1: Definition of Constituencies**

<b>Constituency</b>	<b>Definition</b>
<b>Business Enterprise</b>	<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>
<b>Investment Institution</b>	<p>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.</p>
<b>Labor</b>	<p>an organization established independently of employers and governments to represent the interests of workers.</p>
<b>Civil Society Organization</b>	<p>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.</p>
<b>Mediating Institution</b>	<p>an individual or organization that provides goods and/or services associated with the reporting process and derives benefit from doing so.</p>



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## **ANNEX 2: Position Descriptions for GNC Members and Chair**

### **Position Description for GNC Members**

- Regularly attend scheduled meetings: maximum one physical meeting per year, plus telephone and electronic mail communications;
- Be able to reflect broadly the views of one's stakeholder constituency and/or region;
- Adequately prepare for meetings by reviewing materials in advance and performing limited consultations and research on issues of importance to one's constituency and region;
- Be supportive of the GRI's mission, services, policies and programs;
- Follow conflict of interest and confidentiality policies;
- Refrain from making personal and unwarranted requests of the Secretariat staff;
- Act in good faith.

### **Position Description for GNC Chair**

- Chair meetings; Board Chair presides Board nominations and IAC appointments, SC Chair presides SC nominations.
- Ensure that members receive timely, relevant information, and that they are briefed properly on agenda items and other issues that may arise at meetings;
- Remain objective in the implementation of ones duties and to avoid partisanship based upon the constituency and region from which one originates;
- Ensure business of the committee is within the allocated budget.