



Terms of Reference

Version 1-0

Board of Trustees

I. Introduction

SCS Standards is a non-profit entity established by SCS Global Services to develop standards for underserved industry sectors and claims categories that offer important advances in one or more aspects of sustainability. These standards are created in accordance with our Standard Development Procedure developed in alignment with the requirements of ISEAL's Code of Good Practice for Setting Social and Environmental Standards.

II. Role

The Board of Trustees has ultimate responsibility for the activities of SCS Standards, in line with the policies and procedures prescribed by the by-laws, regulations, and policies and procedures.

III. Main responsibilities and tasks

By taking on the role of member of the Board, Trustees agree to the additional responsibilities and tasks placed on them by these Terms of Reference, the SCS Standards by-laws, regulations, and policies and procedures.

1. Powers, Proceedings and Duties

- i. The Board shall oversee the standards development activities of SCS Standards in accordance with the by-laws, regulations, policies, and procedures
- ii. Oversee SCS Standards ANSI-accredited and global standards development process
- iii. Act in SCS Standards best interests
- v. Act with reasonable care and skill

vi. Ensure SCS Standards is accountable

2. The role of the Board of Trustees is to:

- i. Ensure that SCS Standards has a clear vision and a strategy focused on achievement
- ii. Ensure that SCS Standards meets its objectives and retains its ethos and values
- iii. Ensure that the SCS Standards complies with its legal and regulatory requirements
- iv. Ensure that expert advice is taken from Standards Committees, Appeals Committees, before decisions are made
- vi. Agree performance targets for the Executive Director

3. To shape strategy by:

- i. Ensuring that SCS Standards pursues sound and proper principles, policies and procedures in relation to all areas of its work
- ii. Shaping and approving SCS Standards annual corporate strategy, identifying priorities
- iii. Engaging actively in strategic decision making and policy decisions to implement the agreed strategy. Keeping under review the long-term development and growth of SCS Standards in light
- v. Approving major expenditure and transactions

4. To inspire effective leadership by:

- i. Appointing the Executive Director and reviewing their performance and that of their team
- ii. Agreeing and delegating appropriate levels of responsibility and authority to the Chair, Committees of the Board, Board members, groups of Board members and the Executive Director
- iii. Lending their own expertise to SCS Standards
- iv. Acting as advocates of the SCS Standards
- v. Advising and giving feedback to the Executive Director and Senior Management Team

5. To monitor performance by:

- i. Ensuring that the appropriate risk management and effective internal control systems are in place
- ii. Ensuring that the necessary management information systems exist to assess SCS Standards performance and progress in meeting its objectives, including evaluation of operational effectiveness and efficiency, compliance with policies and procedures.
- iii. Annually evaluating its composition to ensure sufficient expertise to provide SCS Standards oversight

6. To ensure accountability by:

- i. Actively monitoring the performance of the employees of SCS Standards, ensuring clear accountability
- ii. Accounting for the Board's action in appropriate ways as required by law and best practice, approving the form and content of the Annual Reports to members and making arrangements

- for the general meetings of SCS Standards
- iii. Proposing changes to by-laws, policies, and procedures where necessary
- iv. Reviewing its own performance and effectiveness

IV. Membership of the Board of Trustees

The Board shall comprise a maximum of 13 Trustees as follows:

- i. President (who shall act as Chair)
- ii. President Elect, who shall be elected every other year and who shall become President on expiry of their year of office as President Elect and who will then hold office as President for a continuous term of no more than 2 years
- iii. The Executive Director shall be a non-voting member of the Board Trustees
- iv. The Executive Director and its team shall serve in the capacity of Secretariat to assist the Board of Trustees
- v. Other roles as defined by the Board

1. Board Terms of Office

The maximum length of continuous service as a member of Board as any type of Board member other than the President-Elect shall normally be 3 terms of 2 years in that particular capacity.

2. Board Meetings and Quorum

The Board shall generally meet at least 4 times each year and shall follow such formal business agenda as shall be circulated at or prior to the meeting.

- i. Meetings of the Board may be held in person or by suitable electronic means agreed by the Board in which all participants may communicate with all other participants.
- ii. Majority of Trustees present in person or by electronic means shall form a quorum.
- iii. All Board meetings shall be chaired by the President. If the President is not present within fifteen minutes after the time appointed for holding the meeting, or is unwilling to act as chair, the Vice-President, or failing the Vice-President, any other member of the Board elected by the meeting shall be the chair.
- iv. Questions arising at any Board meeting shall be decided by a majority of votes. Every Trustee shall have one vote. If the votes are equal, the Executive Director shall have a casting vote.
- v. The minutes of all Board meetings shall be documented, maintained, and distributed to the Board.
- vi. The Executive Director and its team shall serve in the capacity of secretary and maintain the meeting notes which shall be reviewed and approved by the President or acting Chair of the respective meeting
- vii. The Trustees may by a simple majority take decisions, without holding a meeting, by any means (including by electronic means). Such as decision may, but need not, take

the form of a resolution in writing.

3. Eligibility for Board Positions

The Board of Trustees shall be comprised of subject matter experts in the field of standards development and compliance in the areas of sustainability and social responsibility.

- i. On an annual basis, the Board shall revisit its composition and evaluate if additional representation and expertise is needed
- ii. Members of the Board of Trustees shall vote and use simple majority measures for the nomination and candidacy of the President and President-Elect roles
- iii. The Executive Director and its team shall serve in the capacity of Secretariat with the approval of the President or Chair. The Secretariat shall work with the President or chair to
 - a. Prepare and pre-approve meeting agendas;
 - b. Assist the President or Chair in presiding over meetings;
 - c. Help assure that business is conducted in an orderly fashion
 - d. Assist in making procedural decisions in coordination with SCS Standards (e.g., preparations for meetings, participation of observers);
 - e. Overall, documenting meeting minutes and decisions, and revising documents in accordance with committee decisions.

4. Remuneration

Participation in the Board of Trustees is voluntary and generally is not subject to remuneration. In exceptional cases, remuneration requests may be considered. If requested, Board members will be reimbursed for reasonable expenses related to their participation, if any.

V. Working Principles

A. Language

The working language of the Board of Trustee is English for both oral and written communication.

B. Confidentiality

Board of Trustee members agree to keep confidential and not to share with third parties any information they receive or are privy to in their role as Board of Trustee members unless the information is explicitly or in writing declared to be non-confidential.

C. Meetings

At its initial meeting, the Board of Trustees decides on the meeting schedule and work plan to accomplish

its main tasks. The Board of Trustees also determine tasks required by Board of Trustees members prior to meetings. Meetings take place by teleconference, unless the committee deems an in-person meeting necessary.

Between meetings, e-mail consultation may take place for matters that require attention or cannot wait for approval until the next meeting. E-mail consultations are transparent, with all relevant Board of Trustees members included.

Draft minutes of all Board of Trustees meetings are taken by the Committee Secretary, and at minimum include participants, agenda, key issues and any action points or decisions taken. Draft meeting minutes are circulated within two weeks.

Meeting agendas and supporting materials are prepared and distributed to the Board of Trustees by the Secretariat in writing.

VI. Additional SCS Standards Responsibilities to Support the Board of Trustees

In addition to those tasks identified above, SCS Standards supports the Board of Trustees by:

- Ensuring that decisions are viable for implementation
- Helping to set Board of Trustees meeting agendas and facilitate meetings;
- Communicating Board of Trustees meeting decisions and outcomes as needed

