

Global Carbon Standard

Governance Overview



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1. Introduction

1.1 Purpose of Governance Overview

A governance overview serves several critical purposes within the Global Carbon Standard organization. Some of these purposes include:

- Guiding Principles and Policies
- Accountability and Transparency
- Strategic Direction
- Risk Management
- Performance Measurement
- Conflict Resolution
- Ethical Conduct

It is vital to ensure the organization operates efficiently, ethically, and in alignment with its strategic goals, ultimately contributing to the overall success and sustainability of the organization.

1.2 Importance of Effective Governance

Effective governance outlines the fundamental principles, policies and frameworks that guide the organization's operations. Governance ensures that there is accountability and transparency in decision-making processes, which fosters trust among stakeholders, including employees, donors, registered projects and the community.

It helps in setting the strategic direction of the organization by defining clear objectives and goals. Governance frameworks ensure that all actions align with the long-term vision and mission of the organization. It also includes mechanisms for identifying, assessing and managing risks, which is crucial for maintaining the stability and longevity of the organization.

Governance provides guidance for resolving disputes and conflicts within the organization, promoting harmony and smooth operation. Following good governance practices ensures the organization operates in a socially responsible manner, considering the interest of all stakeholders.



2. Role of the Board of Directors

2.1 Overview of Responsibilities and Composition

The Board of Directors oversees Global Carbon Standard's organization and certification programs. Its primary duty is to support and guide the operations, processes and overall decision making within the organization.

By providing guidance in these important areas, the organization will benefit from improved organizational decision-making processes and program certification. Other functions of the Board of Directors include, but are not limited to:

- Duty of Care, Loyalty and Obedience
- Financial Oversight
- Hiring and Evaluating the Executive Directory or other critical roles
- Strategic Planning
- Approval of Major Transactions
- Amending Bylaws
- Approval of major changes in the GCS certification program
- Fiduciary Responsibilities
- Compliance with Legal and Ethical Standards
- Fundraising Oversight
- Risk Management

The Board of Directors consists of individuals selected to serve as advisors and represent the interests of the organization and its members. It is composed of a group of no fewer than **three** members and no more than **five** members. Eligibility for board membership will be based on a variety of considerations including skills and experience, organizational needs and value they bring to the organization.

New members may be nominated by a nominating committee, to be formed when necessary. This committee will be responsible for identifying potential candidates who exemplify the values of the organization and those that existing board members will subsequently vote on during one of the **four** (or more) annual board meetings.

Meetings may be called by any board member with sufficient notice, no sooner than seven days after the meeting request. These meetings may be held in person or virtually to accommodate all board member attendees.



2.2 Decision-making Process

Decisions made by the Board of Directors require a majority vote from members who are not personally affected by the issue at hand or hindered by a Conflict of Interest. For any meeting, a simple majority of the current members is needed to conduct business. While the board of directors aims for unanimous decisions, a majority vote from members present at a meeting with a quorum is sufficient to represent the board's actions.

Certain actions will always require at least a 75% majority of all current board members:

- Any change to the organization's objectives, purpose, or mission statements.
- Addressing other significant matters as identified by a member.
- Forming strategic alliances to further the organization's goals.
- Creating external support or consulting bodies.
- Making significant changes to procedures, protocols, standards, or programs.
- Appointing the Chief Executive Officer (CEO).

2.3 Conflict of Interest

All staff, board members, and contractors are required to disclose any potential or existing conflicts of interest promptly. A Conflict of Interest Disclosure form is available for submission on the Global Carbon Standard website.

The board or committee will review and assess whether the disclosed interest poses a risk of bias or compromise the integrity of the decision-making process. Factors considered include financial relationships, family connections and professional affiliations.

If a conflict is identified, appropriate mitigation measures may be implemented:

- **Recusal:** Individuals with a direct interest in a decision must recuse themselves from discussions or voting related to that matter.
- **Transparency:** Transparency is ensured by documenting the conflict and the steps taken to address it.
- **Independent Review:** In complex cases, an independent third party may evaluate the situation and recommend further actions.
- **Alternative Decision-Making:** When necessary, decisions are made by unaffected parties or through consensus.



3. Organization Committees

3.1 Purpose and Function of Committees

Committees may be formed to serve several important purposes:

- **Efficiency and Focus:** Committees allow the board to delegate specific tasks to smaller groups, enabling more detailed and focused work on issues. This helps the board manage its responsibilities more efficiently.
- **Expert Guidance:** By involving board members, staff, and volunteers with relevant expertise, committees provide valuable insights and recommendations to the board, enhancing decision-making.
- **Skill Utilization:** Committees leverage the diverse skills and talents of board members and other participants, ensuring that the organization benefits from a wide range of knowledge and experience.
- **Task Management:** They help in managing routine tasks and responsibilities, freeing up time during full board meetings for more strategic discussions.
- **Engagement and Empowerment:** Committees empower members to take ownership of specific areas, fostering a sense of involvement and commitment to the organization's mission.

Subjects that may warrant a committee include *finance, governance, fundraising, and program or methodology review* committees, each focusing on different aspects of the organization's operations.

3.2 The Chief Executive Officer (CEO)

The Chief Executive Officer is the highest-ranking executive in the organization, responsible for overseeing all operations and performance metrics. The CEO provides guidance and intervenes as necessary to ensure alignment with business and strategic planning goals, including program growth, financial performance, and overall operations management.

As the primary operational decision-maker, the CEO reports to the Board of Directors. The CEO is authorized to execute all contracts, certificates, and other instruments on behalf of the organization, except those requiring exclusive legal representation.

The CEO is responsible for overseeing all aspects of the organization, including:

- Developing and implementing the company's long-term strategy and vision.

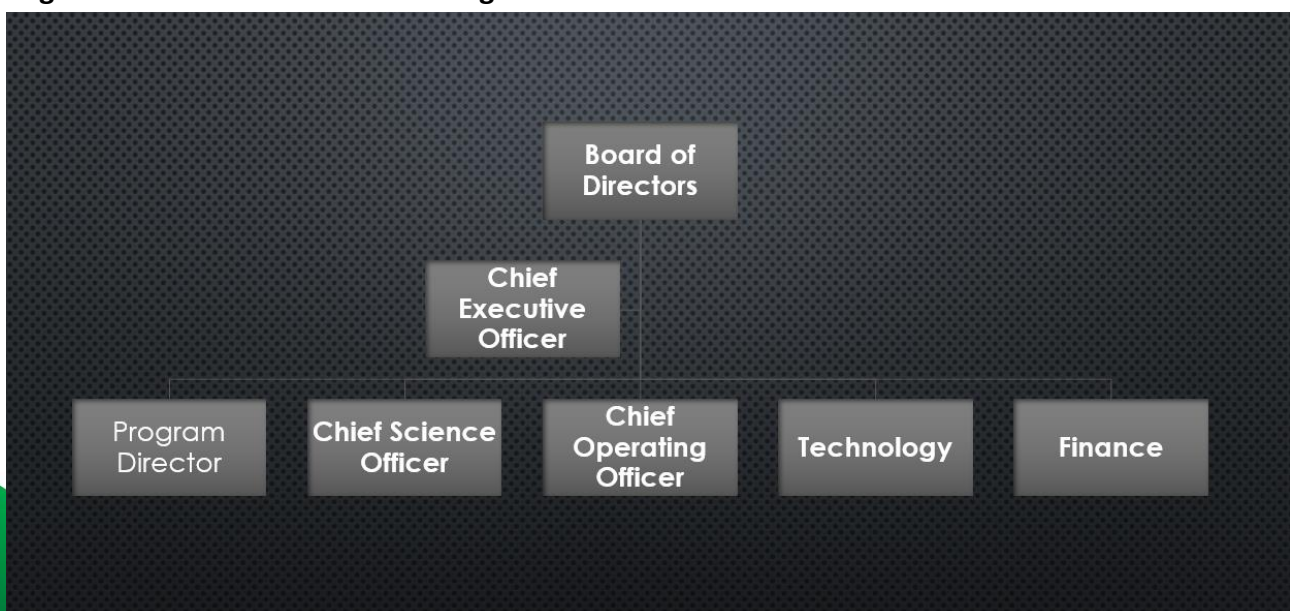


- Providing overall direction and leadership for the company, including motivating and guiding employees.
- Making major corporate decisions, including those related to policy and strategy.
- Overseeing the company's financial performance, including budgeting, forecasting, and financial reporting.
- Ensuring efficient and effective day-to-day operations of the company.
- Serving as the public face of the company, representing it in media and public engagements.
- Reporting to and working closely with the Board of Directors to ensure alignment with the company's goals.
- Identifying and managing risks to the company's business and operations.
- Building and leading a capable executive team and ensuring the company attracts and retains top talent.
- Ensuring the company complies with all legal and regulatory requirements.
- Signing Carbon Debit Issuance, Certificates and Reports

The Chief Operating Officer (COO) and Chief Science Officer (CSO), along with any other officer roles established to support the organization, report directly to the CEO. In the event that the CEO position is vacant, the responsibilities can be shared among the existing senior executives or directors to ensure that essential functions are managed collectively until a new CEO is appointed. Additionally, during such a transition period, the Board of Directors may become more actively involved in overseeing the organization's operations, which could include holding more frequent meetings and closely monitoring key performance indicators.

The organizational chart for Global Carbon Standard can be found below,

Organizational Chart Reference Image



4. Stakeholder Engagement

4.1 Stakeholder Engagement Procedure

Definition of “Stakeholder”:

A stakeholder is any individual or group with a vested interest in the GCS project. This includes investors, employees, customers, suppliers, and community members. Stakeholders play a crucial role in shaping project outcomes.

30-Day Public Consultation for New Program Documents and Revisions

- Whenever new program documents are developed or existing ones are revised, a mandatory 30-day public consultation period will be initiated.
- During this period, stakeholders—both internal and external—will have the opportunity to review and provide feedback on proposed changes.
- The consultation process will involve sharing relevant documents through accessible channels (such as the organization’s website, email notifications, or community meetings) and actively seeking input from stakeholders.

30-Day Public Consultation During Methodology Development

- When creating new methodologies or refining existing ones, a similar 30-day public consultation period will be implemented.
- This ensures that stakeholders can contribute insights, expertise, and concerns related to proposed methodologies.
- Clear explanations of the methodologies, their potential impact, and how stakeholders can participate in the consultation process will be provided.

Project Consultation Documents in Relevant Local Languages

- Recognizing the importance of effective communication with local stakeholders, all project consultation documents will be made available in relevant local languages.
- Translation services will be utilized to ensure accessibility for diverse language groups within the community.

Inclusion of Stakeholder Engagement Results in Validation and Verification Documents

- The results of stakeholder engagement will be documented and incorporated into project validation and verification documents.
- These documents provide evidence of compliance with stakeholder engagement requirements.
- The organization will clearly outline how stakeholder feedback influenced project decisions, mitigations, and adaptations.



5. Dissolution

5.1 Dissolution Process

In the event of dissolution, the Board of Directors and CEO will execute the following items to complete the dissolution process:

- Board Approval and Plan of Dissolution
 1. The board of directors must approve the dissolution. This typically involves a formal vote.
 2. The board of directors and CEO will draft a plan of dissolution, detailing how the organization will settle its debts, distribute its assets, and handle any remaining obligations.
- Notify and Obtain Approval from the State Attorney General
- Notify the IRS
 1. The CEO will inform the IRS of the organization's intent to dissolve. This includes filing the final Form 990 and any other required tax documents.
- Asset Distribution
 1. The organization will distribute the remaining assets according to the plan of dissolution. Typically, assets must be transferred to another nonprofit organization with a similar mission.
- Filing Articles of Dissolution:
 1. The CEO, with the help of the board of directors, will file Articles of Dissolution documents with the state agency that handles corporate registrations.
- Settling Debts and Liabilities
 1. The CEO will ensure all debts and liabilities are settled. This includes paying off any outstanding bills and obligations.
- Additional Steps:
 1. The CEO will cancel any licenses, subscriptions, permits, and registrations.
 2. The CEO will notify stakeholders, including donors, members, and partners, about the dissolution.



6 Document history Version	Date	Comments or changes
1.0	04/17/2024	Published version.
2.0	5/9/2024	Added section 4 (Stakeholder Engagement)

