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EO Standard Development and Governance

- Policy
 - Procedures**
 - Operational Control
-

OWNER: Board of Directors, Equitable Origin Inc.
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FOREWORD

The mission of Equitable Origin Inc. (EO) is to protect people and the environment by ensuring that energy development is conducted under the highest social and environmental standards. EO is an independent, stakeholder-negotiated, market-driven certification system that distinguishes and rewards operators for outstanding social, environmental and safety performance. The official languages of EO are English and Spanish.¹

To maintain the highest levels of quality and transparency, EO develops its standards according to the principles of the ISEAL Alliance Code of Good Practice for Setting Social and Environmental Standards² and related documents. This procedure describes the bodies that govern EO standards, as well as the practices by which EO develops and revises its standards.

As a central tenet of our work we also encourage any individual or organization to propose new standards, suggest revisions or comment on any standard, policy or procedure at any time. EO conducts periodic reviews of its standards in order to ensure they remain relevant and meaningful. EO also conducts “issue-based” reviews of existing standards, triggered by comments or other considerations.

¹ Where there is inconsistency in translation, the English version shall take precedence.

² ISEAL Alliance Code of Good Practice: Setting Social and Environmental Standards v5.0, June 2010.

EO Standard Development and Governance

1. Scope and Purpose

- 1.1 This procedure applies to Equitable Origin Inc. (EO). It describes the process by which EO revises existing standards and develops new standards.
- 1.2 The purpose of this procedure is to ensure the credibility of standards developed by EO by incorporating the values of transparency, participation and fairness and through compliance with best international practices for standard development.

2. References

2.1 Normative References

- 2.1.1 ISEAL Alliance Code of Good Practice: Setting Social and Environmental Standards v5.0, June 2010 (“ISEAL Standard-Setting Code”)

2.2 Supporting References

- 2.2.1 EOP-201: Assessment Body Approval Procedure
- 2.2.2 EOP-202: Certification Handbook
- 2.2.3 EOP-203: EO Certification System Certification Comments, Complaints & Appeals
- 2.2.4 Terms of Reference of the Board of Directors of Equitable Origin Inc.
- 2.2.5 Terms of Reference of the EO Standards Technical Committee

3. Terms and Definitions

- 3.1 “Equitable Origin Board of Directors” (EO Board) is the Board of Directors of Equitable Origin Inc.
- 3.2 “Chief Executive Officer” (CEO) is responsible for design, execution and oversight of EO’s standard development activities..
- 3.3 “Consensus” is general agreement, characterized by the absence of sustained opposition to substantial issues by any important part of the concerned interests and by a process that involves seeking to take into account the views of all parties concerned and to reconcile any conflicting arguments. Consensus need not imply unanimity. (ISO/IEC Guide 2:2004)
- 3.4 “EO Standards” means the EO100™ Standard and other EO standards.
- 3.5 “Stakeholder” is an individual or group that has an interest, financial or otherwise, in any decision or activity of EO (adapted from ISO 26000:2010 §2.20).

4. Standards Development and Revision

4.1 Policy on Management of Change

- 4.1.1 Equitable Origin’s standard development process supports our mission to protect people, the environment and biodiversity affected by energy development through an independent, stakeholder-negotiated, market-driven certification system that

distinguishes and rewards operators for outstanding social, environmental and safety performance.

- 4.1.2 To achieve this goal, we need an independent, credible and effective certification system that is applicable globally and continuously improved. Comments on the EO100™ Standard are assessed in the context of our strategic priorities and changes need to be demonstrably aligned with our strategic direction, specifically by contributing to at least one of these outcomes:
 - 4.1.2.1 Certification requirements are clear, comprehensive and widely respected;
 - 4.1.2.2 Assessments against EO standards are consistent, efficient and robust
 - 4.1.2.3 EO standards are applicable globally and are consistent with and inform international best practice;
 - 4.1.2.4 The benefits of certification are recognized by stakeholders.

4.2 **Process to Develop New Standards**

- 4.2.1 Proposals to develop a new standard may be submitted by any stakeholder.
- 4.2.2 The Technical Committee shall evaluate proposals to develop a new standard, and shall provide a recommendation to the EO Board. The decision to develop a new standard shall rest solely with the EO Board.
- 4.2.3 All standards development activities shall comply fully with the ISEAL Standard-Setting Code.
- 4.2.4 The Technical Committee and EO staff shall request comment from the Stakeholder Council on every major decision throughout the process of developing the standard, including decisions about the process itself.
- 4.2.5 Following a BOD decision to develop a new standard or revise an existing standard, the Technical Committee shall draft a terms of reference and a public summary. These documents shall be publicly available on the EO website and through other means as appropriate to provide opportunities for the participation of important stakeholders. The terms of reference and public summary shall be available for a public consultation of at least thirty calendar days.
- 4.2.6 Based on comments on the terms of reference and public summary, EO shall draft and the Technical Committee shall review and approve a work plan, including revised terms of reference if needed, for the standard development activity. The work plan shall include the process by which EO will identify relevant stakeholders, intended beneficiaries, technical experts and other interested parties to proactively engage during the public consultation periods and shall set stakeholder participation goals to ensure a comprehensive and inclusive consultation and to ensure that underrepresented and/or disadvantaged stakeholders have the opportunity to participate.
- 4.2.7 Draft standards shall be made publicly available for two rounds of public comment and consultation; each consultation period shall be open for at least sixty calendar days. In accordance with ISEAL guidelines, one round of consultation may be sufficient, and consultation periods may be shortened to thirty calendar days; the BOD shall determine if this is appropriate based on ISEAL guidelines.

- 4.2.8 EO will make every effort possible within the limits of organizational resources to make draft standards accessible for public comment by all stakeholders, including those with limited access to communications technology and infrastructure.
- 4.2.9 The Technical Committee (working with EO staff as necessary) shall compile a summary of substantive comments received, and shall document its consideration of and response to the substantive comments within each major issue area. This summary shall be published on EO's website and distributed to all commenters in a timely manner.
- 4.2.10 Operators will have one year from the date of publication of the revised Standard to implement any additional requirements contained in the revised version in line with the audit procedure described in EOP-202 Certification Handbook.
- 4.2.11 Minutes of all meetings shall be kept for five years and shall be made available to stakeholders upon request.
- 4.2.12 Following consultation, the Technical Committee shall submit to the EO Board the proposed standard, a summary of comments received and responses to those comments, and documentation of the development process. The EO Board shall either approve the standard or return the standard to the Technical Committee for further development (with specific comments and recommendations).

4.3 **Process to Review Existing Standards**

- 4.3.1 The Technical Committee shall review each EO standard periodically, such that a review is initiated within five years or less from the date of adoption of the previous version of the standard ("periodic review").
- 4.3.2 The Technical Committee may at its discretion undertake an "issue-based review" of a standard based on comments received, new scientific or legal developments, strategic considerations or other factors. Following its review, the Technical Committee may, at its discretion, recommend to the EO Board that a standard be revised. The Technical Committee shall provide a report to the EO Board no less than once per calendar year summarizing comments received on each standard and a recommendation as to whether the standard should be revised.
- 4.3.3 Technical Committee reviews, either periodic or issue-based, shall consider comments received, new scientific and regulatory developments, effectiveness of the standard as measured by EO's monitoring and evaluation program, and other factors the committee considers relevant.
- 4.3.4 In evaluating comments, the Technical Committee shall consider comments on their technical merits and applicability, regardless of the individual or organization submitting the comment, the language in which the comment is submitted, or the medium used to deliver the comment (e.g. electronic, hard copy, or oral). Comments will be evaluated based on the following elements:
 - 4.3.4.1 Technical merits:
 - 4.3.4.1.1. Reflecting new and emerging best/exceeding/leading practices;
 - 4.3.4.1.2. Contributing to clarity of language;
 - 4.3.4.1.3. Enhancing implementation effectiveness;
 - 4.3.4.1.4. Reflecting new and emerging international standards;

- 4.3.4.1.5. Addressing gaps in current coverage.
- 4.3.4.2 Applicability to the scope of the standard (global/industry/topic);
- 4.3.4.3 Stakeholder weighting;
- 4.3.4.4 Conformance with ISEAL Standard-Setting code.

4.4 Process to Revise Existing Standards

- 4.4.1 When it feels a revision is necessary, the Technical Committee shall identify the nature of the revision and provide a brief summary for the Chair of the Board, including whether the revision is to be considered substantive.
- 4.4.2 If the Chair of the EO Board determines that the revision is warranted but would not be substantive, then the Technical Committee may revise the standard accordingly, without further consultation, other than to provide the standard to the Chair of the BOD at the conclusion of its work.
- 4.4.3 If the Chair of the EO Board determines that the revision is warranted and would be substantive, then the revision shall proceed according to the process described above for “Process to Develop New Standards”. For minor substantive amendments, the comment period can be limited to one round of thirty calendar days. The amended standard shall be renamed to include a suffix of (A), indicating the amendment(s).
- 4.4.4 If the Chair of the EO Board determines that the revision is not warranted, then the revision shall not proceed, unless the Technical Committee chooses to present their recommendation to the whole EO Board to appeal the determination of the EO Board Chair. In the event this occurs, the decision of the EO Board as to whether the revision is warranted, and whether it is substantive, shall be final.

4.5 Availability of EO Standards

- 4.5.1 EO standards shall be publicly available on the EO website for free download by any interested party.
- 4.5.2 EO shall make print versions of EO standards available upon request, for which it may charge an administrative fee. The fee, if any, shall cover only reasonable administrative costs.

4.6 Comments on EO Standards

- 4.6.1 EO invites and welcomes comments on any EO standard at any time, from any individual or organization. EO shall provide instructions for submitting comments on its website.
- 4.6.2 EO shall keep electronic records of all comments received, and shall maintain these records for a period of at least five years.
- 4.6.3 EO shall acknowledge receipt of comments received, and shall provide a preliminary response to the substantive issues raised in the comment in a timely fashion, subject to the discretion of the CEO, but usually within thirty calendar days.
- 4.6.4 At least every ninety calendar days, EO shall compile comments on EO standards and forward to the Technical Committee all comments received.

Revision History:

Revision No.	Date	Substantive Revisions	Revision by	Approved by
1	8/17/12	<ul style="list-style-type: none"> • Inclusion of Stakeholder Council. • Clarification of responsibilities of EOS BOD and EOS TC. • Clarification of TC role in Process to Revise Existing Standards. • Removal of TC TOR from appendix. 	R.Fetter	CTO
2	1/25/13	<ul style="list-style-type: none"> • Consistency with EOS BOD and EOS TC Terms of Reference and removal of duplicative language. • Clarification that EO BOD makes final decision on whether to develop a new standard. • Clarification that the EOS TC does not approve certification bodies. • Incorporation of stakeholder identification and accessibility in the public consultation process. • Removal of schematic process flow for developing new and revising existing standards. • Inclusion of policy on management of change. 	S.Milius	CTO
3	12/1/14	<ul style="list-style-type: none"> • Removal of CTO references. • Clarification of EOS responsibilities. • Clarification on requirements for operators during the transition to a revised standard. 	S. Mills	Approved by EOS Board 12/11/14
4	29JUL15	<ul style="list-style-type: none"> • Updated EO LLC and EOS LLC with EO Inc. • Updated EOS Board with EO Board. • Updated EOS with EO. • Replaced “oil and gas production” with “energy development”. • Replaced EO Board of Directors Operating Agreement with EO Board of Directors Terms of Reference. • Added Technical Committee Terms of Reference as a supporting reference. • Replaced VP of Standards with CEO or EO, as relevant. 	S.Mills	EO Board (EO-BM02-01JUL15)