

Global Impact Sourcing Coalition Operating Charter

ORIGINAL ADOPTED BY GISC: FEBRUARY 2017
MOST RECENT UPDATE (V2): SEPTEMBER 2018

1. PURPOSE

- 1.1. This Operating Charter ('Charter') makes up the foundational document of the Global Impact Sourcing Coalition ('the Coalition'), which is a collaboration of Business for Social Responsibility ("BSR"), and the Coalition's members (the 'Members'). This Charter describes how the Coalition will be governed and outlines rights and obligations of membership, in addition to other key organizational elements of the Coalition.
- 1.2. The mission of the Coalition is to build more inclusive global supply chains through advancing wide-scale adoption of Impact Sourcing. The Coalition's vision is that all people in the world have the opportunity to obtain productive employment and decent work. The Coalition will undertake activities in support of the vision and mission of the Coalition, including:
 - a) Organizing Member Meetings;
 - b) Developing a Coalition strategy, including establishing Coalition goals and objectives;
 - c) Identifying and recruiting new Members to the Coalition;
 - d) Establishing a measurement and evaluation system;
 - e) Developing marketing and public promotion materials;
 - f) Developing tools and resources for implementing Impact Sourcing;
 - g) Leading on national level advocacy;
 - h) Developing an Impact Sourcing Standard and Assurance methodology;
 - i) Facilitating partnerships and collaborative actions.
- 1.3. Impact Sourcing is a business practice where a company prioritizes suppliers that intentionally hire and provide career development opportunities to people who otherwise have limited prospects for formal employment.
- 1.4. The Charter serves the purpose of providing an operational model for the Coalition. The Charter may be revised to reflect how the Coalition evolves.

2. GOVERNANCE

- 2.1. The Coalition is a business-to-business network governed by a Steering Committee and by Member Meetings. It is not a legal entity.
- 2.2. The address of the GISC will be the address of the Secretariat.
- 2.3. BSR shall be the only party to the GISC that can make legal or financial commitments on part of the GISC. Such commitments shall be subject to the advice of the Steering Committee.

3. MEMBERSHIP

3.1. Membership of the Coalition is available in one of two groups:

I. Regular Members (Voting), are companies falling in one of the two categories below:

- a) Buyer (or client firms): Organizations (e.g., multi-national corporations, small to medium-sized enterprises, government units, private sector units) that outsource business processes to providers;
- b) Provider (or supplier): Companies that provide business services or products for client firms, such as business process outsourcing providers.

II. Associate Members (Non-voting) are members that support the advancement of Impact Sourcing and the GISC through provision of expertise, promotion and outreach to networks, and/or communications and advocacy support. This includes members falling in one of the two categories below:

- a) Companies and company representative organizations not falling in any of the two categories for Regular Members;
- b) Non-governmental Organizations such as membership organizations, investment agencies, universities, multi-stakeholder initiatives, and private foundations.

3.2. Companies joining the Coalition as Regular Members should define themselves as either a Buyer or a Provider, selecting the role that is most aligned with their core business. This selection will be used to define the company's role on the Steering Committee.

3.3. There is no limit to the number of Regular Members or Associate Members of the Coalition.

3.4. The Secretariat shall maintain a list of all admissions to and departures from membership.

4. RIGHTS AND OBLIGATIONS OF MEMBERS

4.1. Regular Members have the following obligations:

- a) To respect the Coalition's Operating Charter;
- b) To respect and adhere to the Coalition's Anti-Trust Compliance Policy and Non-Solicitation Policy;
- c) To promote the vision and mission of the Coalition;
- d) To pay annual membership dues in full and on time. Members that have not paid their dues in full will not be permitted to vote at Member Meetings until payment has been received;
- e) To endorse and use the definition of Impact Sourcing and associated Standard and Assurance systems developed by the Coalition;
- f) To participate in Coalition meetings and in-person convenings;
- g) To provide information for the purposes of the Coalition's reporting on activities, consistent with the objectives of the Coalition and the requirements of individual members;

4.2. Regular Members have the following rights:

- a) To receive notice of, attend and speak and vote at Member Meetings on the basis of one vote per member;
- b) To propose representatives for appointment to the Steering Committee as well as any other Committees established by Member Meetings;
- c) To participate in any Coalition Working Groups;
- d) To propose to the Steering Committee items for discussion at Member Meetings;
- e) To publicly promote their participation in the Coalition, e.g. on their website and through corporate communications channels.

- 4.3. Associate Members have the following obligations:
- a) To respect the Coalition's Operating Charter;
 - b) To respect and adhere to the Coalition's Anti-Trust Compliance Policy and the Coalition's Non-solicitation Policy.
 - c) To promote the vision and mission of the Coalition;
 - d) To actively contribute to the mission of the GISC through provision of expertise, promotion and outreach to networks, and/or communications and advocacy support;
 - e) To endorse and use the definition of Impact Sourcing developed by the Coalition;
 - f) To participate in Coalition meetings;
 - g) To provide information for the purposes of the Coalition's reporting on activities, consistent with the objectives of the Coalition and the requirements of individual members.
- 4.4. Associate Members have the following rights:
- a) To receive notice of, attend and speak (but not to vote) at Member Meetings;
 - b) To participate in Coalition Working Groups;
 - c) To publicly promote their participation in the Coalition, e.g. on their website and through corporate communications channels;
 - d) To provide voluntary financial donations to the GISC to advance its mission and vision.

5. APPLICATIONS FOR MEMBERSHIP

- 5.1. Applications for membership will be made to the Steering Committee, which may deny or grant membership based on a majority vote or by no objections. The Steering Committee will have 10 working days to review membership applications and submit their votes.
- a) If the Steering Committee decides to refuse admission, it shall inform the Applicant in writing of the reasons within twenty-one (21) working days of the decision.
- 5.2. Applicants are required to complete an application form, and may be asked by the Steering Committee to provide other information as it may require.
- 5.3. Membership commences when the Steering Committee has accepted the application and annual membership dues have been paid. Dues must be paid in advance and in full and are non-refundable. Non-payment of membership dues will result in cancellation of membership.
- 5.4. Membership is renewed for successive twelve (12) month periods on January 1 each year.
- 5.5. Members may cancel their membership at any time without penalty (but without refund of annual dues already owing or paid) by written notice to the Steering Committee.

6. MEMBER MEETINGS & QUORUM

- 6.1. The Steering Committee will call an Annual Member Meeting each calendar year and may convene other meetings as appropriate to advance the vision and mission of the Coalition (collectively referred to as 'Member Meetings').
- 6.2. All meetings will be conducted in accordance with the Coalition's Anti-Trust Compliance Policy, substantially in the form attached hereto as Exhibit A.
- 6.3. The business of the Annual Member Meeting will include (but not be limited to):

- a) Elections to the Steering Committee;
- b) Changes to this Charter;
- c) Approval of the Coalition's annual work plan;
- d) Approval of the Coalition's annual budget;
- e) Approval of the Coalition's Annual Membership Dues;
- f) Such other business considered appropriate by the Steering Committee.

6.4. Quorum for any Member Meeting will be one third of the total number of Regular Members. No business is to be transacted without a quorum. Regular Members may be present by proxy, an authorized representative, or through tele-presence.

6.5. If a Member Meeting has to be terminated for lack of a quorum, another Member Meeting will be held within six months. Any number of Regular Members attending this Meeting will constitute a quorum.

7. DECISION MAKING AND VOTING

7.1. The Coalition will make decisions through consensus. Consensus is achieved when no participating member company objects to a decision.

7.2. When consensus is not reached, the Coalition will make decisions through voting. Votes will occur according to the following rules:

- a) Votes will be gathered by the Secretariat via E-mail.
- b) Each Regular GISCS Member company's primary contact will be contacted, who may either vote themselves or designate another representative to vote on the organization's behalf.
- c) Member companies will be given a deadline for casting the vote with at least 10 working days to review of the documents and cast their vote. The final deadline and due date of a vote will be noted in the E-mail header.
- d) Every Regular GISCS Member company has one vote.
- e) If companies do not vote within the given time frame (min. 10 working days), their vote will not be recognized.
- f) Decisions will be made by majority and recorded by the Secretariat.

8. STEERING COMMITTEE

8.1. BSR shall be a permanent member of the Steering Committee. BSR will be a non-voting member, with the exception of any items put forward to the Steering Committee, membership, or any other body appointed by these for vote that relate to the following, on which BSR will hold a veto vote:

- a) The Coalition annual budget, or any new expenditures not included in the approved annual budget;
- b) Legal inquiries or responses;
- c) Decisions that it considers are inconsistent with the vision, mission or objectives of the GISCS.
- d) Decisions that it judges may put at risk the legal, financial, reputational or otherwise integrity of BSR.
- e) Coalition dissolution.

8.2. BSR shall exercise restraint in use of any veto, and no veto shall be used without prior consultation with the Steering Committee and/or Regular Members to find a consensus solution.

- 8.3. Funders that provide significant financial support may hold an honorary role on the Steering Committee for the period of their financial support of the GISC. The Steering Committee will determine the level of funding required to qualify for an honorary position
- 8.4. Subject to subsection 8.1 and 8.3 above, the Steering Committee is to be made up of representatives from Regular Members of the Coalition. The minimum number of member representatives in the Steering Committee is to be four and the maximum six. At any time, half of the Regular Members of the Steering Committee shall be Buyers and half of the Regular Members of the Steering Committee shall be Providers.
- 8.5. The Steering Committee will be led by a Chair and a Vice-Chair. When a Buyer holds the Chair, the Vice-Chair shall be a Provider, and vice versa.
- 8.6. The Chair and Vice-Chair will hold their positions for 1 year. When possible, the terms of the Chair and Vice-Chair will be staggered. When the Chair steps down, the Vice-Chair will advance to the Chair role, and a new Vice-Chair will be elected from the Steering Committee.
- 8.7. Except with respect to BSR, appointments to the Steering Committee are for a two-year term. Members can be reappointed to serve a second term after which they must stand down for at least one term.
- 8.8. Removal of Steering Committee Members
 - a) The Steering Committee may vote on the removal from the Steering Committee of one (1) or more members of the Steering Committee (the "Steering Committee Members") if there is reasonable doubt of the Steering Committee Member's commitment to the Coalition Mission or the Anti-trust Compliance Policy.
 - b) The Steering Committee may vote on the removal of a Steering Committee Member if the Steering Committee Member changes employment to that of another Regular Member of the Coalition (or an Associate Member, as the case may be).
 - c) If the Company that the Steering Committee Member represents is no longer a Regular Member of the Coalition (or an Associate Member, as the case may be), then that Steering Committee Member shall automatically cease to be a member of the Steering Committee.
 - d) If the Steering Committee Member ceases to be an employee of a Regular Member of the Coalition (or an Associate Member, as the case may be), then that Steering Committee Member shall automatically cease to be a member of the Steering Committee. In such an event, the Steering Committee, at its option, may vote that the vacancy left by such member be filled by another employee of that Regular Member (or Associate Member, as the case may be).
 - e) Decisions relating to the removal of Steering Committee Members require the affirmative vote of two-thirds of the Steering Committee Members entitled to vote (in which case the Steering Committee Member in question cannot attend the Steering Committee meeting and does not have a vote at the Steering Committee meeting).
 - f) Following a vote to remove a Steering Committee Member, the Steering Committee Member has a right of appeal to an *ad hoc* committee (made up of three (3) representatives of the Steering Committee and two (2) representatives of the Regular Members other than those represented on the Steering Committee), which shall make a final decision. There is no further appeal and the right lapses if not notified to the Steering Committee within the twenty-one (21) days of the date of termination.
 - g) In the instance that a Steering Committee Member is removed or resigns from the role, additional Steering Committee Members shall be elected as soon as possible.

- h) Notwithstanding any other terms contained herein, BSR shall not be subject to removal or suspension from the Steering Committee.
- 8.9. The business of the Steering Committee includes:
- a) Set the strategy and direction of the Coalition;
 - b) Set the agenda for Annual Member Meetings and other Member Meetings;
 - c) Approve admission of Members;
 - d) Suspend and terminate membership;
 - e) Recommend annual budget of the Coalition, including Annual Membership Dues;
 - f) In consultation with the Secretariat, invite and receive contributions, and raise funds where appropriate, to finance the work of the Coalition,
 - g) Support membership outreach and recruitment,
 - h) Recommend amendments to the Charter;
 - i) Establish Advisory Panels consisting of external experts and stakeholders.
- 8.10. Minutes will be taken at each meeting by the Secretariat or a person appointed by the Chair and will be available to Members.
- 8.11. The Steering Committee will not be remunerated or reimbursed expenses for participation in Steering Committee meetings. The costs of any third-party services or venues used for Steering Committee meetings will, be met out of the Coalition's annual budget.
- 8.12. Quorum for Steering Committee meetings is at least half of the Steering Committee.
- 8.13. The Steering Committee will aim to make decisions based on consensus and vote on the basis of simple majority, except for decisions relating to the suspension of Members which require approval by two-thirds of the Steering Committee Members (in which case any Steering Committee representative associated with the Member in question shall not attend the Steering Committee meeting and shall not have a vote at the Steering Committee meeting).
- 8.14. In case of a tie-vote, the motion is not passed. The motion may be put before a vote at the next Steering Committee meeting. In the case of a second tie-vote, the Steering Committee may bring the motion for a vote at a Member Meeting where the motion will be voted according to the rules for such meetings.
- 8.15. The Steering Committee will convene on a quarterly basis as a minimum.
- 8.16. The Steering Committee will act in the best interests of the Coalition, and Regular Members will indemnify them for any legal liabilities they incur whilst carrying out their responsibilities for the Coalition (save in the case of fraud). Each Regular Member will contribute an equal share, save to the extent that the Steering Committee personnel actions are covered by any insurance (for example Directors and Officers insurance).

9. SECRETARIAT

- 9.1. BSR shall be the Secretariat of the Coalition.
- 9.2. The Secretariat shall fulfil the duties and responsibilities set forth in this Charter. When the fulfilment of the Secretariat's duties and responsibilities requires additional funding beyond what has been agreed to in the annual budget, prior approval must be sought from the Members before the Secretariat takes further action.

- 9.3. Any changes to the duties and responsibilities of the Secretariat shall require approval by the Steering Committee and the consent of BSR.
- 9.4. The Secretariat shall oversee the transfer of any property following dissolution of the Coalition.
- 9.5. The Secretariat shall provide information on the finances of the Coalition to the Steering Committee on a quarterly basis.

10. WORKING GROUPS

- 10.1. The Steering Committee may set up Working Groups consisting of Regular Members, Associate Members, or other organizations considered relevant, in support of the Vision and Mission of the Coalition. No Working Group shall be established without the approval of the Steering Committee. Working Groups shall make recommendations to the Steering Committee.
- 10.2. The Steering Committee will determine the specific mandate for each Working Group including terms for reporting, requirements for consultation with Regular Members, and timeline. At a minimum, prior to submission of recommendations to the Steering Committee for final consideration, Working Groups will make recommendations available for written consultation with the full GISC membership for no less than two weeks.
- 10.3. Working Groups operate through a “member volunteer” model whereby Members and other participating organizations participate in Working Groups to manage specific tasks and make recommendations to the Steering Committee.

11. MEMBERSHIP DUES

- 11.1. The Coalition may establish and collect annual dues from its Members. Annual dues shall be proposed by the Steering Committee and approved by the Regular Members by simple majority vote at the Annual Member Meeting. Payment of dues shall be required sixty (60) days after the invoice is issued. A failure to make payment of annual dues or other sums due to the Coalition shall result in the suspension of the Member's rights in the Coalition.

12. OUTSIDE FUNDING

- 12.1. The Coalition may seek financial and other support from government, non-government, and private funders for projects and initiatives relevant to the pursuit of the Coalition Mission. The identities of those funders and the amount of the financial and other support shall be disclosed to all Regular Members.
- 12.2. The Coalition cannot at any time hold liabilities greater than the Coalition's annual budget.

13. PUBLIC REPORTING

- 13.1. The Coalition shall create and maintain a Coalition website that includes information about the activity, Members, Coalition Rules, the Anti-trust Compliance Policy, and the general policies of the Coalition.
- 13.2. The Coalition shall develop an annual report of its activities and make this publicly available.

14. SUSPENSION AND TERMINATION OF MEMBERSHIP

- 14.1. Membership of the Coalition is not transferable and ceases on resignation.
- 14.2. Membership may also be suspended and then terminated:
 1. On violation of this Charter that would result in injury to the reputation of the Coalition or its Members; or
 2. If a Member fails to honor its obligations; or
 3. If a Member has not participated in any Member Meeting, Working Group or other activities for more than a 12-month period.
- 14.3. Members have the right to withdraw from the Coalition at any time without penalty or further obligation. Any paid or currently owed annual membership dues are forfeited and not reimbursable.

15. DISSOLUTION

- 15.1. The Regular Members may vote by special resolution to dissolve the Coalition. If after satisfaction of all its debts and liabilities, there is remaining property, the Secretariat will ensure that such property is given or transferred to:
 - a) Any successor body to the Coalition, for example a registered company; if not then to
 - b) A body or bodies having a Vision and Mission similar to the Coalition provided that such body or bodies demonstrate a commitment and ability to handle the property in a responsible manner consistent with applicable law; if not then to
 - c) A generally recognized charitable body or bodies provided that such body or bodies demonstrate a commitment and ability to handle the property in a responsible manner consistent with applicable law; if not then to
 - d) Such body or bodies to be agreed by the Members at or before the time of dissolution (whether or not a recipient body is a Member of the Coalition).

16. LAW AND JURISDICTION

- 16.1. This Charter is governed by and construed in accordance with California law. Any dispute arising out of or in connection with this Charter shall be referred to the proper court in the State of which has exclusive jurisdiction.

17. AMENDMENT

- 17.1. The terms of this Charter may only be amended or waived by Special Resolution; provided that any such amendment or waiver that results in a change of position, responsibilities, or rights with respect to BSR shall require the additional consent of BSR.

GLOSSARY OF TERMS

- 1 “Applicants” are companies or incorporated organizations that have submitted an application for membership to the Steering Committee.
- 2 “Chair” is the person elected by the members of the Steering Committee.
- 3 “Incorporated organizations,” mean legal entities that are recognized by the law but are not natural persons.
- 4 “Other member meeting” means any other meeting decided by the Steering Committee
- 5 “Quorum” means a minimum number of the Coalition members that is required to be present in the Coalition meetings before any valid business can be transacted.
- 6 “Resignation” means the written statement from a Coalition Member notifying its desire to cease its membership with the Coalition.
- 7 “Resolution” means a decision that is taken by the Coalition members during Member meetings. A resolution can be special when it requires a vote of two thirds of Regular Members present and voting or ordinary when a simple majority of Regular Members present and voting can pass it.
- 8 “Secretariat” means the body appointed by the Steering Committee to fulfil any activities required by the Steering Committee.

EXHIBIT A

Global Impact Sourcing Coalition Anti-Trust Compliance Policy

The Members of the Global Impact Sourcing Coalition ('the Coalition') believe that the objectives of the Coalition can best be advanced through collaborative efforts. The Coalition and its Members acknowledge and understand that their activities must at all times be undertaken in compliance with all applicable laws and regulations, including but not limited to laws and regulations relating to antitrust and competition. These laws are intended to preserve and promote free, fair and open competition. Failure to abide by these laws can potentially have extremely serious consequences for the Coalition and its Members.

The policy of the Coalition and its Members is therefore to conduct all of its activities in strict compliance with all applicable antitrust and competition laws, in order to facilitate legitimate pro-competitive and other activities that help advance the objectives of the initiative, but which excludes any prohibited activities.

It is against the policy of the Coalition to sponsor, encourage or tolerate any discussion, communication of any kind, information sharing or agreement that would violate applicable antitrust or competition laws. Any discussion, communication of any kind or agreement relating to commercially sensitive information, including but not limited to the following, must therefore be strictly avoided at all times:

1. Do not engage in discussions that could result in (1) the allocation of customers or markets; (2) the fixing or stabilization of prices; (3) limitations on production; (4) boycotts of customers, suppliers or rivals; or (5) concerted actions that would competitively disadvantage other rivals or members of the Coalition.
2. Do not discuss proprietary or other competitively sensitive information with competitors. This would include:
 - a) prices, rates, credit terms or other terms of trade, pricing formulas or strategies, discount or rebate policies, targeted profit margins;
 - b) individual company bids or intentions to bid for particular products, procedures for responding to bid invitations, or specific contractual arrangements;
 - c) strategic R&D, production, or marketing or R&D plans that have not been publicly announced or that reveal targeted territories or customers;
 - d) past, present or projected production capacity levels or plans;
 - e) past, present or projected costs to procure, develop or manufacture products.
3. Do not discuss your firm's decisions regarding whether to target, work with, or not work with a customer, supplier, or other third party or the circumstances in which your firm will refuse to do deal with other companies;
4. Do not identify specific customers or transactions in discussing your firm's experiences or issues facing the industry.
5. Do not adopt standards unless they are based on objective criteria and designed to serve the Coalition's mission.

6. Do not remain silent in a discussion, including at informal meetings, that goes beyond appropriate subjects; take affirmative steps to distance yourself from the inappropriate conduct by expressing disapproval and/or leaving the meeting.
7. Do not use words or terms that imply concerted action, such as “boycott.” Do not use “power” words like “destroy” or “dominate” or “control.”

No discussion, communication or agreement of this type should occur during, in or around the Coalition meetings or calls, whether written, oral, formal, informal, by act or omission, in social settings, or “off the record.” Each Coalition Member is required to stop any discussions that violate this policy and report any violations to its own appropriate counsel.

The following guidelines are designed to help participants avoid topics of anti-trust concern:

1. Do prepare and adhere strictly to written meeting agendas.
2. Do object to any meeting that seems problematic from an anti-trust perspective; if the problematic discussion does not stop, leave the meeting.
3. Do ensure that proposed policies or standards are based on objective criteria.
4. Do consult with legal counsel before proceeding with a proposed standard that may have the effect of excluding certain market participants from competing in the marketplace, or if you are not sure of the effect of a proposed standard.
5. Do consult with legal counsel regarding any conduct or discussions that you think might be inappropriate, and to ensure compliance with anti-trust law.

Each Member will ensure that its representative(s) who attend meetings of, or are otherwise involved with, the Coalition have received adequate training in compliance with anti-trust law with particular reference to dealings with competitors, including exchange of information, and have reviewed the Coalition’s Anti-Trust Compliance Policy.

A copy of this anti-trust compliance policy statement will be provided to all Members. This statement is a general guide only and all questions concerning anti-trust and competition law compliance should be referred to appropriate counsel.

EXHIBIT B

Global Impact Sourcing Coalition Non-Solicitation Policy

Purpose

It is key to the success of the Global Impact Sourcing Coalition ('the Coalition') to have a healthy networking, dialogue and collaboration environment. In order to ensure such an environment for all of its members while protecting against unwanted sales pressure, the Coalition maintains a strict non-solicitation policy. This policy makes clear specific practices that are permitted or prohibited, as well as the spirit and intent of the environment the Coalition wants to maintain. In some cases there may be subjectivity, in which cases members shall rely on common sense and good behavior.

Applicability

Unless otherwise specified this policy applies at all times when attending any Coalition event such as Member Meetings, Working Groups, or other events organized by the Coalition, as well as when using or contributing to Coalition resources including on-line and off-line Coalition communication and marketing resources.

General Points

- *Solicitation* is the practice of engaging another person, with urgency or being overly persistent in the request, with the purpose of obtaining business from a potential customer.
- *Networking* and *business development* should be friendly in nature and only with mutual agreement, always respecting other people's comfort with the situation.
- *Respect* should always be exercised by both providers and prospective customers (Buyers). Providers must be respectful of another person's interest in dialogues or meetings. Customers must be respectful of a provider who is doing their job, within the guidelines of this policy, to meet new people and introduce their perspectives on matters relevant to the Coalition.
- Printed materials (business cards, literature, branded gifts, etc.) may only be distributed according to the rules of an event (Member Meetings, Working Groups, etc.).
- No organized event (meal, reception, networking activity, etc.) may be held on location of any Coalition event unless pre-approved by the Chair and Vice-chair of the Steering Committee of the Coalition.

Complaints, Resolution and Consequences

A Coalition member may report any activity they feel is in conflict with this policy by contacting the Secretariat and/or Chair of the Coalition Steering Committee.

Violations of this policy can result in loss of privileges or cancellation of membership in accordance with the Coalition's Operating Charter.

**This non-solicitation has been adapted from the International Association of Outsourcing Professionals' (IAOP) Non-Solicitation Policy.*