ISEAL Alliance
Better Standards, Bigger Impacts

Membership strategic review:
Second round consultation draft
4 March – 4 April 2019
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Introduction
Motivation for ISEAL’s membership review

› Our 2020 strategic plan commits us to defining and embracing the evolving concept of credibility for standards and related sustainability approaches

› Engaging and collaborating with evolving systems can support learning and innovation across ISEAL’s membership.

› Keeping pace with changes in the sustainability standards landscape maintains ISEAL’s relevance, influence, and ability to strengthen sustainability standards systems in accordance with our mission.
Current stage of the membership review: Second round of consultation

Once you have reviewed this document, consultation responses can be provided via the consultation survey.

This consultation is open 4 March – 4 April 2019. The scope of the consultation is the membership structure (including names and claims) and the criteria for the learning community. For more information, please visit the consultation webpage.

The proposal presented in this document was developed following extensive engagement with members and key stakeholders. This included a first round of consultation on the learning community criteria and a feasibility assessment, both conducted Jun-Aug 2018. See Annex A for further information regarding the process to date.
1. The *learning community* is open to standards (and standards-like) systems that meet certain criteria.

2. The *compliance programme* assesses adherence to ISEAL’s Codes of Good Practice. This programme is exclusively available to the learning community.
Objectives for learning community criteria

The following objectives* informed the learning community criteria:

› Broaden the range of organisations that can participate; allow for a simplified evaluation process to qualify

› Ensure a minimum level of alignment and commitment; seek consistency with the ISEAL Codes of Good Practice to set applicants on a path to Code compliance

› Provide a reference point for participants to improve practices and against which progress can be monitored

› Retain a level of rigour and transparency** that engenders trust between learning community participants

* See the consultation page for the full Terms of Reference, April 2018

** Transparency highlighted as a form of rigour effective for building trust, Board meeting, Nov 2018
Key lessons learned – first round of consultation

› Increase the distinction between the learning community and compliance
› Increase the focus on building trust between participants
› Ensure the learning community is genuinely accessible to evolving models while being more specific about the type of organisation that is eligible
› Provide greater clarity on the membership structure, including names and claims for membership categories
Objectives for names and claims

› Support a transition to a new membership structure (i.e. allow for distinct meanings to be clearly associated with the learning community and the compliance programme)
› Protect value for current members
› Attract new members
› Respond to the needs of external stakeholders
Key lessons learned – stakeholder feasibility assessment

› Keep names and claims simple and specific

› Make a clear distinction between membership categories to avoid confusion or misrepresentation

› Be transparent (i.e. make it easy for people to find out who is in each membership category and what ISEAL Code compliance means)
Proposed structure: benefits, names, and claims
Proposed membership categories

We are proposing two elements to the membership structure:

1. The learning community
2. The compliance programme

This creates two categories of membership:

1. Organisations in the learning community
2. Organisations in the learning community who are also recognised for their compliance to ISEAL’s Codes of Good Practice
Summary of benefits

LEARNING COMMUNITY

SUPPORTS CONTINUAL IMPROVEMENT THROUGH LEARNING, COLLABORATION AND INNOVATION

COMPLIANCE PROGRAMME

PROVIDES CREDIBILITY THROUGH RECOGNITION OF ADHERENCE TO ISEAL’S CODES
Benefits of the learning community

The learning community supports continual improvement by providing access to ISEAL’s learning, collaboration and innovation resources.

Those in the learning community:

• Learn and discover new ideas through ISEAL’s expertise, advice and training, including strategic intelligence on trends, news, opportunities and threats
• Reach better solutions with peers through ISEAL’s forums for networking, sharing of experience, collective action and collaboration
• Test and explore new ideas through ISEAL’s innovation and scaling initiatives
• Improve effectiveness and transparency by implementing, at minimum, a subset of ISEAL’s Impacts Code criteria within the first three years of participation

The learning community is open to sustainability standards and standards-like systems that demonstrate alignment with ISEAL’s mission and Credibility Principles, improve their systems over time, build trust and are transparent. Participation in the compliance programme is not required. See next section on learning community criteria for detail.
Benefits of compliance

The compliance programme provides credibility by recognising adherence to ISEAL’s Codes of Good Practice.

Those who are compliant:

• Demonstrate a rigorous approach to improvement by implementing ISEAL’s Standards-Setting, Impacts and Assurance Codes of Good Practice
• Differentiate themselves through the exclusive use of protected statements and/or trademarks in line with ISEAL’s claims guidelines
• Are seen as best in class through ISEAL’s advocacy and outreach activities

The compliance programme is exclusively available to the learning community.

Systems are recognised as compliant when they have demonstrated adherence to the baseline and improvement criteria of the Standards-Setting, Impacts, and Assurance Codes in accordance with ISEAL’s independent evaluation procedure.
Naming options proposed for consideration

1. For the learning community:
   A. ISEAL Community Member OR
   B. ISEAL Participant

2. For those who are Code compliant:
   A. ISEAL Leader OR
   B. ISEAL Recognised
### Proposed claims

<table>
<thead>
<tr>
<th>LEARNING COMMUNITY</th>
<th>COMPLIANCE PROGRAMME</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>POSSIBLE HEADLINE CLAIM</strong></td>
<td>YYYYY is an ISEAL Leader / ISEAL Recognised. We adhere to ISEAL’s Codes of Good Practice, a globally-recognised framework for the operation of effective, credible sustainability standards. More information about ISEAL’s Codes and independent evaluations at isealalliance.org.</td>
</tr>
<tr>
<td>As an ISEAL Community Member / Participant, XXXX is continually improving its system by taking part in ISEAL’s learning, collaboration and innovation activities.</td>
<td></td>
</tr>
<tr>
<td><strong>POSSIBLE ADDITIONAL CLAIMS</strong></td>
<td>In addition to the compliance claim, compliant organisations may use the headline claim or additional claims allowed for the learning community. They may refer to themselves either by the name used for the learning community, or by the name used for the compliance category, or both.</td>
</tr>
<tr>
<td>• XXXX makes the most of ISEAL’s expertise, advice and training by _______.</td>
<td></td>
</tr>
<tr>
<td>• XXXX has worked with ISEAL peers to _______.</td>
<td></td>
</tr>
<tr>
<td>• XXXX takes part in ISEAL’s innovation and scaling initiatives by _______.</td>
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</tr>
</tbody>
</table>
Additional recognition for Code compliance

› It is proposed that Code compliant organisations may also use a logo version of the name for the compliance category.

› This would replace previous use of the ISEAL Alliance logo by members and would be exclusively available to Code compliant organisations.

The visuals prepared at this stage are for demonstration purposes only.
Proposed criteria for the learning community
Who is eligible for the learning community?

Standards systems or standards-like systems that:

› Have a sustainability-focused mission
› Define a voluntary standard, performance level, or improvement pathway (e.g., KPIs and targets) relative to one or more sustainability topics
› Undertake monitoring, verification or assurance of their standard, performance level, or improvement pathway
› Manage claims related to their standard, performance level or improvement pathway
What must one do when participating in the learning community?

A. Demonstrate Alignment
B. Demonstrate Improvement
C. Build Trust
D. Be Transparent

The following slides present the criteria grouped against these objectives.

See Annex B for a process-based view of these same criteria, with the monitoring approach identified, and any new criteria for current members highlighted.
A. Demonstrate alignment

› Undergo a benchmarking assessment against the Standards-Setting, Assurance and Impacts Codes at application* and use this to develop annual improvement plans.
› Enter into an agreement with ISEAL and commit to making continual improvements in alignment with ISEAL Credibility Principles and Codes of Good Practice
› Provide ISEAL with annual basic scope and reach data against agreed indicators.

*If a Code of Good Practice criteria does not apply to the organisation’s model or system, a clear rationale must be provided.
B. Demonstrate improvement

› Submit annual improvement plans against ISEAL’s Codes of Good Practice and annual reports of progress against those plans.
   » Self-directed continual improvement is required; however, Code compliance is not required.

› Achieve a defined minimum level of implementation of the Impacts Code within the first three years of participation.
   » This minimum level of Impacts Code implementation ensures participants are learning from their activities, with a view to ensuring they have learnings to share with others. (See Annex C for a detailed view of these criteria.)
C. Build trust (1/2)

› Be registered as a legal entity
› Declare corporate structure and annual incomes to ISEAL
› Have a conflict of interest policy
› Have a publicly available complaint or dispute resolution mechanism
› Abide by ISEAL’s claims and logo use policies
C. Build trust (2/2)

› Abide by ISEAL’s Code of Conduct*

• Undertake individual and collective action in support of ISEAL’s mission and strategic plan
• Participate in peer exchange: share information and knowledge
• Respect the confidentiality agreed in ISEAL’s working spaces and groups
• Be open to collaboration with other participants
• Communicate about such collaborations only when this is agreed amongst all parties
• Refrain from making misleading statements about other participants or about ISEAL

*The Code of Conduct is adapted from and would replace the current Code of Ethics. The Code of Conduct focuses on expected behaviours. Other obligations under the current Code of Ethics are either reflected directly in other learning community criteria or should form part of the agreement with ISEAL.
D. Be transparent (1/2)

› Make the following information publicly available and provide this to ISEAL as a system overview:
  • Theory of change (defined sustainability outcomes and strategies for achieving these)
  • Standards, performance levels, or improvement pathways
  • Description of the monitoring, verification or assurance system
  • Description of the claims model and the claims allowed
  • Income sources and governance structure
  • Description of stakeholder engagement in the development and revision of both the theory of change and the standards, performance levels or improvement pathways
D. Be transparent (2/2)

› Agree ISEAL will make the following publicly available:
  • Basic scope and reach data
  • Status of participation in the compliance programme (i.e. assessed, not assessed) and the permitted claims
  • For Code compliant organisations, system overviews and summary information from external assessments

› Agree ISEAL will make additional information available to the learning community:
  • System overviews*
  • Entry assessments, annual improvement plans and progress reports against ISEAL’s Codes

*Although organisations are required to make this information publicly available (as above), it is proposed that ISEAL also share this in the form of system overviews in order to ensure the community has easy access to this information.
Compliance programme
Who is eligible for the compliance programme?

› The compliance programme is exclusively available to the learning community.
What must one do to be recognised for ISEAL Code compliance?

› Demonstrate adherence to the baseline and improvement criteria of ISEAL’s Standards-Setting, Impacts, and Assurance Codes in accordance with ISEAL’s independent evaluation procedure

› Agree that ISEAL will make system overviews and summary information from external assessments publicly available
Further information is available on the consultation webpage. This includes the timeline, scope and survey link for this consultation. You can also find the terms of reference for the development of the learning community criteria and the results of the first round of consultation on these criteria.

You can also submit consultation responses directly via the consultation survey.
Annex A: Membership review process (2/2)

Engagement milestones to date:

› External stakeholder workshops (May-June 2017)
› AGM and Stakeholder Council meeting (June 2017)
› Subscriber survey (July 2017)
› Member consultation workshops (Sept-Oct 2017)
› Interviews with subscribers/potential members (Oct 2017)
› Board and CEO retreat discussion (Nov 2017)
› Follow-up surveys with members and potential members (Mar 2018)
› External stakeholder interviews (Apr-May 2018)
› AGM discussion (May 2018)
› Stakeholder feasibility assessment (included members) (Jun-Aug 2018)
› First 30-day consultation on learning community criteria (Jun-Aug 2018)
Annex B: The learning community criteria (1/4)

This annex presents a view of the learning community criteria according to the below process, with the monitoring approach identified. In addition, any new criteria for current members are highlighted.

**QUALIFICATION**
An organisation must have an eligible system, be capable of effectively participating and be aligned with ISEAL’s mission.

**ASSESSMENT OF ELIGIBILITY**
- Benchmarking against ISEAL’s Codes of Good Practice
- Transparency of governance, income, and system alignment with ISEAL’s Codes of Good Practice

**APPROVAL AND COMMITMENT**
An organisation must enter an agreement with ISEAL, committing to ongoing alignment, improvement and transparency.

**SIGNED AGREEMENT**

**PARTICIPATION AND IMPROVEMENT**
An organisation must participate effectively and improve their system.

- Abide by ISEAL’s Code of Conduct and claims guidelines
- Plan and report on improvement and make this transparent within the community

This annex presents a view of the learning community criteria according to the below process, with the monitoring approach identified. In addition, any new criteria for current members are highlighted.
<table>
<thead>
<tr>
<th>CRITERIA</th>
<th>MONITORING</th>
<th>NEW FOR CURRENT MEMBERS</th>
</tr>
</thead>
<tbody>
<tr>
<td>An organisation applying to the learning community must:</td>
<td>Secretariat entry assessment</td>
<td>NEW: Declaration of corporate structure</td>
</tr>
<tr>
<td>• Have a sustainability-focused mission</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Define a voluntary standard, performance level, or improvement pathway (e.g., KPIs and targets) relative to one or more sustainability topics</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Undertake monitoring, verification or assurance of their standard, performance level, or improvement pathway</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Manage claims related to their standard, performance level or improvement pathway</td>
<td></td>
<td></td>
</tr>
<tr>
<td>An organisation applying to the learning community must be registered as a legal entity and shall declare to ISEAL their corporate structure and annual incomes</td>
<td>Secretariat entry assessment</td>
<td>NEW: Declaration of corporate structure</td>
</tr>
<tr>
<td>An organisation applying to the learning community shall make the following publicly available and provide this to ISEAL as a System Overview:</td>
<td>Secretariat entry assessment</td>
<td></td>
</tr>
<tr>
<td>• Its theory of change (defined sustainability outcomes and strategies for achieving these)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Its standards, performance levels, or improvement pathways</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• A description of its monitoring, verification or assurance system</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• A description of its claims model and the claims it allows</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Its income sources and its governance structure</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• A description of stakeholder engagement in the development and revision of both its theory of change and its standard, performance level or improvement pathway</td>
<td>Secretariat entry assessment</td>
<td></td>
</tr>
<tr>
<td>An organisation applying to the learning community shall undergo a benchmarking assessment against the Standards-Setting, Assurance and Impacts Codes providing a clear rationale where elements of a Code do not apply to their model or system.</td>
<td>Independent evaluation</td>
<td></td>
</tr>
<tr>
<td>An organisation applying to the learning community shall have a publicly available complaint or dispute resolution mechanism</td>
<td>Secretariat entry assessment</td>
<td></td>
</tr>
<tr>
<td>An organisation applying to the learning community shall have a conflict of interest policy</td>
<td>Secretariat entry assessment</td>
<td></td>
</tr>
</tbody>
</table>
**Annex B: The learning community criteria (3/4)**

**APPROVAL AND COMMITMENT TO PARTICIPATE IN THE LEARNING COMMUNITY**

On joining the learning community, a qualifying organisation enters into an agreement with ISEAL where it shall:

<table>
<thead>
<tr>
<th>CRITERIA</th>
<th>NEW FOR CURRENT MEMBERS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maintain adherence to the qualifying criteria for the learning community</td>
<td></td>
</tr>
<tr>
<td>Commit to the participation and improvement criteria for the learning community</td>
<td></td>
</tr>
<tr>
<td>Commit to abide by ISEAL’s Code of Conduct, committing to:</td>
<td>NEW. Currently only System Overviews are made publicly available (in the form of public system reports)</td>
</tr>
<tr>
<td>• Undertake individual and collective action in support of ISEAL’s mission and strategic plan</td>
<td></td>
</tr>
<tr>
<td>• Participate in peer exchange: sharing information and knowledge with others</td>
<td></td>
</tr>
<tr>
<td>• Respect the levels of confidentiality agreed in ISEAL’s working spaces and groups</td>
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</tr>
<tr>
<td>• Be open to collaboration with other participants</td>
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</tr>
<tr>
<td>• Communicate about collaborations only when this is agreed amongst all parties</td>
<td></td>
</tr>
<tr>
<td>• Refrain from making misleading statements about other participants or about ISEAL</td>
<td></td>
</tr>
<tr>
<td>Agree that ISEAL will make the following information available to the public:</td>
<td></td>
</tr>
<tr>
<td>• Basic scope and reach data</td>
<td></td>
</tr>
<tr>
<td>• Status of participation in the compliance programme (i.e. assessed, not assessed) and the permitted claims</td>
<td></td>
</tr>
<tr>
<td>• For those participating in the compliance program, System Overviews and summary information from external assessments</td>
<td></td>
</tr>
<tr>
<td>Agree that ISEAL will make the following information available to the learning community:</td>
<td></td>
</tr>
<tr>
<td>• System Overviews</td>
<td></td>
</tr>
<tr>
<td>• Entry assessments against ISEAL’s Standards-Setting, Assurance and Impacts Codes</td>
<td></td>
</tr>
<tr>
<td>• Annual improvement plans against ISEAL’s Codes</td>
<td></td>
</tr>
<tr>
<td>• Annual progress reports against these plans</td>
<td></td>
</tr>
<tr>
<td>Agree to pay ISEAL’s annual membership fees</td>
<td>NEW. Currently only System Overviews are made available (in the form of public system reports)</td>
</tr>
</tbody>
</table>
## Annex B: The learning community criteria (4/4)

### PARTICIPATION AND IMPROVEMENT IN THE LEARNING COMMUNITY

#### ALL ORGANISATIONS

<table>
<thead>
<tr>
<th>CRITERIA</th>
<th>MONITORING</th>
<th>NEW FOR CURRENT MEMBERS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Submit annual improvement plans against ISEAL’s Codes of Good Practice, annual reports of progress against those plans, and annual updates of the System Overview</td>
<td>Secretariat validation of submission</td>
<td>NEW: Submission of annual improvement plans and reports (relevant in the context of Assurance Code 4.5.2, Impacts Code 9.2, aspirational criteria of the Codes of Good Practice, and corrective action)</td>
</tr>
<tr>
<td>Abide by ISEAL’s Code of Conduct</td>
<td>Secretariat moderation and dispute resolution</td>
<td></td>
</tr>
<tr>
<td>Achieve the minimum level of implementation of the ISEAL Impacts Code within the first three years of participation</td>
<td>Independent evaluation</td>
<td></td>
</tr>
<tr>
<td>Abide by ISEAL’s claims and logo use policies</td>
<td>Secretariat validation; Investigation of complaints</td>
<td></td>
</tr>
<tr>
<td>Provide ISEAL with annual basic scope and reach data against agreed indicators.</td>
<td>Secretariat validation of submission</td>
<td>NEW: Builds on the 2016-17 work to identify common indicators across ISEAL members.</td>
</tr>
</tbody>
</table>

#### ORGANISATIONS PARTICIPATING IN THE COMPLIANCE PROGRAMME

<table>
<thead>
<tr>
<th>CRITERIA</th>
<th>MONITORING</th>
<th>NEW FOR CURRENT MEMBERS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Demonstrate adherence to the baseline and improvement criteria of ISEAL’s Standards-Setting, Impacts, and Assurance Codes</td>
<td>Independent evaluation</td>
<td>NEW: It is proposed that claims of compliance will only be allowed after independent evaluation against all three Codes. It is also proposed that only independent evaluation (as opposed to self-assessments or peer reviews) be required for such claims.</td>
</tr>
</tbody>
</table>
### Annex C: Minimum level of implementation of the Impacts Code (1/2)

<table>
<thead>
<tr>
<th>Impact Code 5.5.1.</th>
<th>The scheme owner designates at least one person to be responsible for implementation of the M&amp;E system.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Impact Code 5.7.1</td>
<td>The scheme owner has procedures in place to protect confidential and proprietary data.</td>
</tr>
<tr>
<td>Impact Code 5.7.2</td>
<td>The scheme owner has procedures in place to address any legal barriers to the use of relevant data for the implementation of the organisation’s monitoring and evaluation system.</td>
</tr>
<tr>
<td>Impact Code 6.2</td>
<td>The scheme owner provides and publicizes (10.1) opportunities for the identified stakeholders to comment on at least the following aspects of the M&amp;E system:</td>
</tr>
<tr>
<td></td>
<td>a) the intended impacts and outcomes of the standards system (7.1);</td>
</tr>
<tr>
<td></td>
<td>b) the unintended effects of the system (7.3), including identifying the most significant and potentially damaging unintended negative effects; and</td>
</tr>
<tr>
<td></td>
<td>c) the scope and boundaries of the M&amp;E system (5.2).</td>
</tr>
<tr>
<td>Impact Code 7.1.1</td>
<td>The scheme owner defines and documents the intended long-term social, environmental or economic impacts of the standards system.</td>
</tr>
<tr>
<td>Impact Code 7.1.2</td>
<td>The scheme owner shall define and document the short and medium-term social, environmental or economic outcomes they expect to see as a result of compliance with their standard and through other strategies that the standards system employs (see 7.2.1).</td>
</tr>
<tr>
<td>Impact Code 7.2.1</td>
<td>The scheme owner identifies the strategies that the standards system employs to contribute to its intended outcomes and impacts.</td>
</tr>
</tbody>
</table>
Impact Code 7.2.2 - The scheme owner shall illustrate or describe the causal pathways that explain how identified strategies are expected to contribute to the intended outcomes and impacts.

Impact Code 7.3 - The scheme owner, a) consults with stakeholders to identify the possible unintended effects (both positive and negative), including the most significant and potentially damaging negative unintended effects of the standards system’s activities; and b) documents the results of this consultation.

Impact Code 8.3.2.2 - The scheme owner shall compile, analyse and produce reports on the results observed through performance monitoring at least once per year for internal purposes.

Impact Code 8.5.1 - If the scheme owner has had an operational standards system for at least two years, it shall conduct, commission or otherwise undergo at least one in-depth outcome or impact evaluation per year.

Impact Code 8.7.1 - The scheme owner shall include at least the following information in performance monitoring reports (8.3) and reports of outcome and impact evaluations (8.5):

a. The purpose of the evaluation or analysis and the guiding evaluation questions;
b. (For outcome and impact evaluations) Names of people involved in conducting the evaluation, their qualifications, and their connection to the entity or system being evaluated;
c. Methodology (e.g. what data was collected; specific methods used to gather data; thresholds employed; sampling; data manipulation; how data was analysed and conclusions drawn);
d. Findings and conclusions, including both positive and negative effects;
e. Any limitations of the evaluation or analysis (including limitations or uncertainties in the data, and assumptions);
f. (For outcome and impact evaluations) How the context (e.g. internal and external factors) might have affected the results of the intervention; and
g. Recommendations, where appropriate.