The ISEAL Code of Good Practice

Overview of the first consultation draft of the revised and integrated ISEAL Code of Good Practice

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Outline of contents

Background

ISEAL Code of Good Practice

Terms of Reference: Scope and objectives

The ISEAL Code of Good Practice is a normative reference that operationalises the ISEAL Credibility Principles.

The Code defines credible management of the components of a sustainability system where these components include standard-setting, assurance, claims, and impacts (monitoring, evaluation, and learning).

Approved by the ISEAL Board, May 2020

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ISEAL Code of Good Practice

Revision and integration process

The Code revises and integrates the ISEAL Impacts, Standard-Setting, and Assurance Codes of Good Practice, and also incorporates essential practices from the ISEAL Sustainability Claims Good Practice Guide.

Development of the Code is informed by a multistakeholder Steering Group and overseen by the ISEAL Technical Committee.
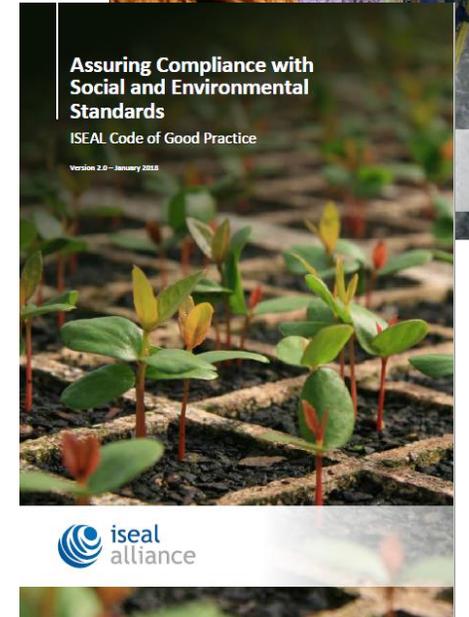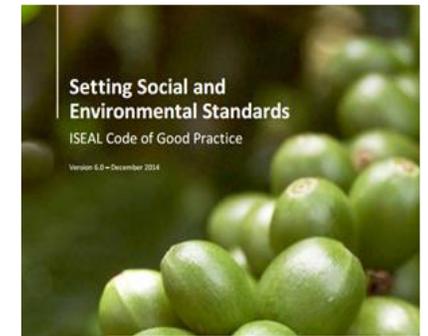
Aims of the revision and integration process

› To more effectively support adoption and implementation of the Code

› To rationalise requirements

› To strengthen the link between the Credibility Principles and the Code

› To expand the scope of an integrated Code to include essential good practices in claims management

› To retain good practices in decision-making and include additional good practices in transparency currently established as Community Member requirements

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Code consultation

Consultation aims

› Consultation opens 22 September 2022 and closes 16 December 2022.

› All stakeholders are encouraged to review the draft Code and provide feedback.

› Your feedback on the consultation draft will allow us to assess whether

- the desired outcomes are clear and relevant
- the requirements are likely to achieve the desired outcomes
- the structure of the Code is likely to support adoption of the requirements

› All comments received will be anonymised and made publicly available. We will also publish a summary of the feedback received and how this was addressed.

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Get involved

› Review the consultation draft

› Provide your feedback on the draft by completing the survey

› Or you can provide comments on individual requirements in the excel document

› Attend Code consultation workshops and webinars

› Share the consultation with others in your networks: #ISEALCode

› Find out more about the consultation here: iseal.org/iseal-code-consultation

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Overview of the Code

Code structure

Narrative structure: eight chapters following a logical sequence for scheme implementation

1. Strategy for impact
2. Scheme governance, operations and integrity
3. Scheme performance and continual improvement (monitoring, evaluation, and learning)
4. Data and information management
5. Stakeholder engagement
6. Standards development and maintenance
7. Assurance
8. Claims

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Key changes

› **Broader scope of application**

The Code applies to standards and certification schemes as well as a wider range of sustainability systems such as improvement monitoring programmes, ratings systems, etc.

› **Less prescriptive**

There is a stronger emphasis on outcomes, and requirements are often less prescriptive.

› **Impact**

The theory of change is the foundation for scheme operations. Performance monitoring is integrated in daily operations. Monitoring, evaluation, and learning (MEL) is embedded across the scheme with learning driving continual improvement.

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Key changes

› **Scheme management**

Requirements from the ISEAL Codes of Good Practice have been harmonised and applied to the scheme as a whole.

› **Claims**

Claims are included in scope for the first time, drawing on essential practices from the ISEAL Sustainability Claims Good Practice Guide.

› **Due diligence**

Requirements address the scheme's own responsibilities and support the scheme in defining the role it intends to play in corporate due diligence efforts.

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Areas of focus for users of the previous Codes

Current Code / Guidance	Relevant chapters in the draft Code
› **Impacts Code**	1. Strategy for impact; 2. Scheme governance, operations and integrity; 3. Scheme performance and continual improvement; 4. Data and information management; 5. Stakeholder engagement; 8. Claims
› **Standard-Setting Code**	1. Strategy for impact; 2. Scheme governance, operations and integrity; 4. Data and information management; 5. Stakeholder engagement; 6. Standards development and maintenance; 8. Claims
› **Assurance Code**	2. Scheme governance, operations and integrity; 4. Data and information management; 5. Stakeholder engagement; 7. Assurance; 8. Claims
› **Sustainability Claims Good Practice Guide**	2. Scheme governance, operations and integrity; 5. Stakeholder engagement; 7. Assurance; 8. Claims

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Summary of each chapter of the Code

Chapter 1: Strategy for impact

Intent

The scheme has a clear focus and strategies to drive sustainability outcomes and impacts.

Summary of requirements

› Analysis and input from stakeholders inform the scheme's focus and strategies, and the development, review and revision of its theory of change
› Impact strategies guide the scheme's activities and its work with partners
› There is effective communication of the theory of change with the public, partners, and staff.

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Chapter 1: Strategy for impact

Key changes

› The scope of the theory of change is expanded so that it clearly applies to the entire scheme and informs all scheme activities.

› There is a stronger emphasis on the processes to develop, review and revise the theory of change. Background analysis to inform the selection of strategies is specified, as are the responsibilities and procedures to ensure the theory of change remains relevant over time.

› Communication of the theory of change is strengthened, specifying the engagement needed with the public, stakeholders, and within the scheme.

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Chapter 2: Scheme governance, operations, and integrity

Intent

The scheme is governed and managed with integrity and transparency, delivering reliable results.

Summary of requirements

› Scheme has good governance practices and is transparent about operations and governance

› Management system ensures high-quality and consistent implementation of the scheme.

› Risks to the integrity of the scheme are managed.

› Due diligence is carried out on business partners.

› Measures are in place to ensure competency of staff and external partners.

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Chapter 2: Scheme governance, operations, and integrity

Key changes

› Scheme is supported by a management system.

› Risk management and personnel competency requirements apply at scheme level. The requirements are less prescriptive with a stronger focus on outcomes.

› Use of contractual measures to manage risks to the integrity of the scheme are broadened and strengthened by introducing the requirement to conduct due diligence on business partners.

› Building on ISEAL Community Member requirements, good governance practices are introduced.

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Chapter 3: Scheme performance and continual improvement

Intent

The monitoring, evaluation and learning (MEL) system assesses the performance of the scheme and of its clients. Learnings drive continual improvement.

Summary of requirements

› MEL system is designed to answer priority questions, allowing the scheme to assess performance.
› Theory of change drives the MEL system.
› Performance monitoring is integrated into daily operations.
› Stakeholders have access to high-quality information.
› Scheme strategies are adapted based on learnings from the MEL system.

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Chapter 3: Scheme performance and continual improvement

Key changes

› There is more emphasis on the purpose of the MEL system, with greater specificity provided about the evaluative questions the MEL system should address. The topic of cost-benefit considerations is introduced.

› There is less specificity about the format and frequency of evaluations, and details on the process of conducting or commissioning research has been transferred to supporting guidance documents.

› The theory of change and the MEL system are more embedded within the scheme. MEL learnings inform improvements to the scheme.

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Chapter 4: Data and information management

Intent

The scheme uses data to manage the performance, integrity, and continual improvement of its scheme.

Summary of requirements

› Scheme collects, analyses, stores, and governs the data it needs.
› MEL system, risk management, and stakeholder engagement are informed by effective use of data.
› The scheme takes responsibility for data quality, data protection and legality of data use.

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Chapter 4: Data and information management

Key changes

› Requirements on data and information management are consolidated and applied with a broader scope. Data is used across the scheme as an integrated element of daily operations, with an emphasis on monitoring the performance of clients and the scheme.

› There is greater specificity on the scope of data to be included in the data and information management system.

› Requirements on data collection, analysis, storage and governance have had editorial changes to improve clarity.

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Chapter 5: Stakeholder engagement

Intent

The scheme identifies their stakeholders and empowers them to participate in the scheme.

Summary of requirements

› Scheme engages under-represented stakeholders.
› Scheme has a mechanism for stakeholders to provide feedback or raise complaints with confidence that these will be addressed in a sensitive and appropriate manner.
› Scheme's role and and responsibilities in remediating negative impacts is defined.

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Chapter 5: Stakeholder engagement

Key changes

› Code requirements are consolidated and broadened in scope, recognising the relevance of stakeholder engagement in all aspects of a scheme.

› Requirements relating to remediation of negative impacts are introduced. The scheme defines its role in remediation and acts accordingly. This also provides clarity about the scheme's intended role in supporting corporate due diligence.

› Dispute resolution requirements are strengthened, and more specificity is provided on processes and public disclosure.

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Chapter 6: Standards development and maintenance

Intent

The standard aligns to the scheme's strategies for impact. It is reviewed and revised to ensure its ongoing relevance and effectiveness.

Summary of requirements

› Procedures ensure the standard is relevant in its context and that it advances the scheme's sustainability objectives.
› Standard development and revision is transparent and accessible.
› Stakeholders have meaningful opportunities to contribute and can see how their views have been taken into account.

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Chapter 6: Standards development and maintenance

Key changes

› Predominantly based on the Standard-Setting Code, requirements are consolidated and broadened, reducing prescriptiveness to focus on outcomes.

› Expected quality of standard reviews are better defined.

› Relevance of the standard to the claims system is highlighted.

› Language is updated to ensure relevance to all types of sustainably system, including those without traditional standard systems.

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Chapter 7: Assurance

Intent

The assurance system is fit for purpose and ensures the integrity and reliability of the scheme.

Summary of requirements

› Approach to assurance, traceability and oversight is consistent with the scheme's theory of change and its activities.

› Policies, procedures, and assessment methodologies support reliable implementation of the assurance system.

› Risks to integrity of assurance, and to the impartiality of assurance activities in particular, are managed.

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Chapter 7: Assurance

Key changes

› Predominantly based on the Assurance Code, requirements have been updated to reflect the wider scope of the Code, but the outcomes of the requirements are largely unchanged.

› Relevance of traceability model highlighted.

› Cross-cutting themes of theory of change, claims, data management, stakeholder engagement, and remediation are integrated.

› Editorial changes to language ensure relevance to a wide range of sustainability systems.

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Chapter 8: Claims

Intent

The scheme can be relied upon to control claims, and the claims that are made are clear, relevant and accurate.

Summary of requirements

› Procedures ensure the integrity, quality and substantiation of claims.

› Stakeholders can access information about claims and the claims system, and are able to report claims misuse.

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Chapter 8: Claims

Key changes

› Essential practices from the ISEAL Sustainability Claims Good Practice Guide are brought into scope of the Code. This includes establishing procedures for ensuring the integrity, quality and substantiation of claims. There is transparency of the claims system, with mechanisms for stakeholder to provide input and report claims misuse.

› The claims system is integrated with other scheme activities.

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Annex

Process to date

Reviews of Standard-Setting and Impacts Codes (2019)

Publication of Credibility Principles v2 (June 2021)

Steering Group provides input to the first draft (Jan-Feb 2022)

Steering Group reviews first draft of the revised Code (Aug 2022)

ISEAL Board approves ToR for the integrated Code as recommended by the Technical Committee (May 2020)

Steering Group formed (Nov 2021)

Secretariat further develops first draft (Jan-July 2022)

Technical Committee approves first draft (Sept 2022)

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Next steps

1st public consultation held (Sept-Dec 2022)

2nd consultation draft developed with input from Steering Group (Jan-Apr 2023)

2nd public consultation held (Apr-Jun 2023)

Secretariat develops final draft with input from SG (July-Sept 2023)

Steering Group reviews final draft (Sept 2023)

Technical Committee makes recommendation of final draft to the Board (Nov 2023)

Board approves final version (Dec 2023)

Transition period before implementation (2024)

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Intended approach to transitioning to the Code

› Assessments against the Code will begin 12 months after publication, when the Code comes into effect.

› During the transition, evaluation frequencies will be determined per system:

    › Existing ISEAL Code Compliant members will retain their status of Code Compliant. A series of assessments with different scopes will be offered, and the member must select an assessment combination that enables evaluation against the full scope of the Code within 4 years.

    › ISEAL Community Members working towards becoming ISEAL Code Compliant will be required to successfully complete a full scope evaluation within 4 years of applying to become ISEAL Code Compliant

You can find information about the transition [here](.).

Ensure sustainability systems deliver the most effective solutions

Take part in ISEAL's Code of Good Practice consultation:

www.iseal.org/iseal-code-consultation

consultation@isealalliance.org
www.isealalliance.org