

The ISEAL Code of Good Practice

Consultation briefing note: an overview
of the second draft of the Code



May 2023

About this document

This document provides a summary of the consultation process for the ISEAL Code of Good Practice, and a brief overview of the second draft of the Code. It also highlights the key questions that we are seeking feedback on during the second public consultation.

This document is relevant to those that had not provided feedback on the first draft of the Code. We have produced a [separate briefing note](#) for stakeholders that participated in the first round of consultation, which focuses on the key changes between the first and second draft.

For more information about the draft Code, visit the [Code consultation webpage](#).

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- › Overview of the second draft
- › Aims of the second public consultation
- › Revision and transition processes

Background to the ISEAL Code of Good Practice

About the ISEAL Code of Good Practice
Code consultation

About the ISEAL Code of Good Practice

In 2021, ISEAL updated its [Credibility Principles](#). The principles define the core values of credible and effective sustainability systems – from stakeholder engagement and measurable progress to transparency and truthfulness.

We are now updating and integrating our [Codes of Good Practice](#) into a single Code of Good Practice. Until now, ISEAL has had three separate Codes defining requirements for sustainability systems in the areas of Impacts, Standard-Setting and Assurance. The integrated Code takes a more holistic approach to how sustainability systems operate, and it provides a global reference on how sustainability systems can put the ISEAL Credibility Principles into practice.



About the ISEAL Code of Good Practice

The revised and integrated Code enables:

- › the link with the Credibility Principles to be strengthened
- › updates to reflect recent developments in the sustainability landscape such as changes in the legislative and regulatory approach to claims and due diligence
- › rationalisation and harmonisation of requirements from the existing Codes
- › updates that ensure the Code is relevant to a wider range of sustainability systems

The ISEAL Code of Good Practice terms of reference were approved by the ISEAL Board in May 2020. The development of the Code is informed by a multistakeholder [Steering Group](#) and overseen by the ISEAL [Technical Committee](#).

Code consultation

From mid-September to mid-December 2022, we held a public consultation on the first draft of the Code. With input from the Steering Group, we have now used this feedback to inform development of the second draft of the Code.

We are holding a second round of public consultation which will run from 31 May to 30 July 2023. We need your feedback to ensure the Code is relevant in your context and accurately reflects credible practice.

All stakeholders are encouraged to provide feedback or to support our efforts by sharing information about the consultation with stakeholders and colleagues. 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.

Code consultation

There are a range of ways to provide feedback, including to:

- › Complete the [survey](#)
- › Provide comments against individual clauses in the [spreadsheet version of the draft](#)
- › Email consultation@isealalliance.org

You can find more information about the Code on the [consultation webpage](#), including:

- › Spreadsheet version of the second draft of the Code
- › Synopsis of feedback and changes from the first consultation
- › Schedule and recordings of webinars to support the consultation
- › Glossary

Overview of the second draft

Code structure

Summary of each chapter

Summary of cross-cutting themes

Code structure

The Code is split into nine chapters. The clauses with each chapter reflect practices identified as necessary for system credibility.

0. Policies, procedures, and responsibilities for scheme components
1. Strategy for creating impact
2. Scheme integrity, governance, and operations
3. Scheme performance and continual improvement
4. Data and information management
5. Stakeholder engagement
6. Standards development and maintenance
7. Assurance
8. Claims

There are also cross-cutting themes that occur throughout the Code: **due diligence**, **remediation**, and **publicly available information**.

Chapter 0: Policies, procedures, and responsibilities for scheme components

Intent: The essential procedural aspects of scheme management are in place to support the reliability of the scheme and effective stakeholder engagement.

Key desired outcomes:

- › Policies and procedures support high-quality, consistent and transparent implementation of each component of the scheme, and are reviewed and revised when necessary.
- › There are clear lines of responsibility for implementing and maintaining policies and procedures.
- › Stakeholders know who to contact with their feedback or queries.

Chapter 1: Strategy for creating impact

Intent: The scheme has a clear focus and strategies to drive sustainability outcomes and impacts. The scheme is transparent about its approach and conducts regular reviews to ensure they remain relevant over time.

Key desired outcomes:

- › The scheme makes informed decisions about how to focus its work to maximise its potential sustainability impacts.
- › The scheme has a clear purpose and defined strategies to drive its intended sustainability outcomes and impacts
- › Staff and leadership of the scheme are committed to implementing the scheme's strategies.

Chapter 2: Scheme integrity, governance, and operations

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

Key desired outcomes:

- › The scheme owner implements good governance practices.
- › The scheme owner proactively manages threats to the integrity of its scheme.
- › The scheme owner has sufficient control measures in place to ensure the integrity of delegated activities.
- › Staff and external partners are competent.
- › Stakeholders have access to relevant information about scheme governance and operations.

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.

Key desired outcomes:

- › The scheme owner has a consistent framework to guide and plan its MEL activities.
- › The scheme owner implements MEL activities that aim to answer defined learning questions.
- › The results of MEL activities are methodologically sound.
- › The scheme owner uses outputs from MEL activities to improve the effectiveness of its scheme.
- › Stakeholders understand how the MEL system is implemented.

Chapter 4: Data and information management

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

Key desired outcomes:

- › The scheme owner manages its data and information so that it can be used effectively.
- › The scheme owner ensures the quality and integrity of the data and information it manages.
- › Ownership and governance of data is clear.
- › Confidential and proprietary data is secure.
- › The scheme complies with legal requirements for working with data and information.

Chapter 5: Stakeholder engagement

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

Key desired outcomes:

- › The scheme owner understands who its stakeholders are.
- › Stakeholders have a range of opportunities to contribute to the scheme.
- › The scheme supports under-represented stakeholders to contribute to the scheme.
- › The scheme has impartial and accessible mechanisms in place for resolving complaints, grievances and allegations

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.

Key desired outcomes:

- › Development and maintenance of standards follows a robust and consistent process.
- › The scheme owner has clearly articulated what the standard aims to achieve and why it is needed. It ensures the standard remains relevant over time.
- › The impact of the scheme is strengthened through alignment with other standards.
- › Consultation processes enable participation from a broad cross-section of stakeholders.
- › Decision-making processes about the standard are transparent and aim for consensus.
- › The scheme owner is responsive to stakeholder input.

Chapter 7: Assurance

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

Key desired outcomes:

- › The scheme's assurance model gives confidence in the results of assurance.
- › Operating policies and procedures support consistent implementation of the assurance system.
- › The assurance system delivers insights to clients.
- › There is scope to appeal assessment decisions.
- › There is a robust approach to correcting non-conformities.
- › Assurance personnel interpret requirements consistently.
- › Oversight of assurance improves the quality and integrity of assurance results.

Chapter 8: Claims

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

Key desired outcomes:

- › Allowed claims are clear, relevant and accurate.
- › Allowed claims are substantiated.
- › The scheme's approach to traceability is sufficient to prevent fraud and appropriate for the types of claims it allows.
- › The scheme owner mitigates the misuse of claims.
- › External partners are clear on their responsibilities for implementing the claims system.

Cross-cutting theme: due diligence

Intent: The scheme takes responsibility for its own responsible business conduct by defining its role in addressing due diligence risks. It also defines its role in supporting corporate due diligence efforts, ensuring the its strategy is aligned to the scheme's scope and activities

Summary of desired outcomes:

- › The scheme has defined the role it intends to play in corporate due diligence efforts (1.3).
- › The scheme owner assesses the risks of associating with its business partners (2.6).
- › Allowed claims are clear, relevant and accurate (8.3).

Cross-cutting theme: remediation

Intent: The scheme has a dispute resolution system that facilitates access to remedy. It considers the type of harm that could occur within its scope and defines its roles and responsibilities in facilitating the remediation of harm.

Summary of desired outcomes:

- › The scheme has defined the role it intends to play in the remediation of harm (1.4).
- › The scheme has impartial and accessible mechanisms in place for resolving complaints, grievances and allegations (5.4).
- › The dispute resolution system is robust and transparent (5.5).

Cross-cutting theme: publicly available information

Intent: The scheme is transparent and ensures information about each scheme component is easily accessible to the public. Stakeholder confidentiality is protected.

Summary of desired outcomes:

- › Stakeholders have access to relevant information about the scheme's intended purpose and strategies (1.6).
- › Stakeholders have access to relevant information about scheme governance and operations (2.2).
- › The scheme's standards and supporting information are easily accessible (6.2).
- › Stakeholders have access to relevant information about how the assurance system operates (7.3).
- › Stakeholders have access to relevant information about how the claims system operates (8.2).

Aims of the second public consultation

Consultation objectives

Priority questions

- › Due diligence and remediation
- › Gender
- › Claims
- › Relevance

Consultation objectives

The public consultation is a valuable opportunity for us to reflect on whether the Code has met its objectives and if the changes made to the second draft enhance the relevance and clarity of the Code.

We welcome your feedback on all aspects of the Code, but there are several changes and topics that we would especially value your input on. These are summarised in the following slides. Your feedback would help us to assess whether:

- › queries made in the first consultation have been adequately addressed
- › content introduced into scope of the Code is necessary for credible practice
- › there is sufficient clarity

Priority question: due diligence and remediation

During the first consultation, it was evident that further clarity was needed on the approach to due diligence and remediation. We sought input from external experts and made significant changes to address this feedback, including:

- › Clause adaptations to improve the clarity: see [due diligence](#) and [remediation](#)
- › Simplified intent and desired outcomes: see [due diligence](#) and [remediation](#)
- › Supporting guidance on [due diligence](#)

We welcome your feedback on whether the requirements are clear and reflect credible practice in these areas.

Due diligence: key clauses

No.	Topic	Desired Outcome	Requirements
1.3	Intended role in corporate due diligence	The scheme has defined the role it intends to play in corporate due diligence efforts.	<p>The scheme owner decides whether its system is intended to support corporate sustainability due diligence and, if so, documents which specific elements of due diligence the scheme supports and/or assesses.</p> <p>[Guidance: The OECD Guidelines for Multinational Enterprises, OECD Due Diligence Guidance for Responsible Business Conduct and UN Guiding Principles on Business and Human Rights set out internationally agreed standards on responsible business conduct and the key principles, steps and practical actions for companies. The scheme could choose to play no role in due diligence, but should still define and document this decision.]</p>
2.6	Risk assessments of business partners	The scheme owner assesses the risks of associating with its business partners.	<p>The scheme owner carries out due diligence risk assessments of its existing and proposed business partners on a regular basis. It has measures to address the risks that are identified.</p> <p>[Guidance: Business partners include implementing partners (e.g., certification bodies) and corporate partners (e.g., certified clients, members, licensees, parent companies of certified sites, etc.).]</p> <p>[Guidance: As measures to address identified due diligence risks, a scheme can choose to use tools such as a policy of association or a code of conduct requiring commitments to corporate due diligence as laid out in frameworks such as the OECD Guidelines for Multinational Enterprises, OECD Due Diligence Guidance for Responsible Business Conduct and UN Guiding Principles on Business and Human Rights.]</p> <p>[Guidance: Measures to address identified risks could be incorporated in the scheme's risk management plan (see 2.4).]</p>

Remediation: key clauses

No.	Topic	Desired Outcome	Requirements
1.4	Role in facilitating remediation	The scheme has considered and defined the role it intends to play in the remediation of harm.	<p>The scheme owner defines and documents its role and responsibilities in facilitating the remediation of harm. This includes clarifying its role relative to other parties such as clients, non-governmental organisations, governmental bodies and enforcement agencies, etc.</p> <p>[Guidance: When defining its role and responsibilities, the scheme owner should consider the types of harm that could be within its scope. It can identify types of harm through exploration of any negative unintended consequences of its actions and strategies (3.1); through its assessments of clients (7.10); or through complaints, grievances or allegations raised through its dispute resolution system (5.4). It should also consider whether to include the elimination or remediation of negative impacts as a deliberate strategy (1.2).]</p>
5.4	Scope and design of dispute resolution system	The scheme has impartial and accessible mechanisms in place for resolving complaints, grievances and allegations.	<p>The scheme owner has in place a documented dispute resolution system that facilitates access to remedy and supports the impartial handling of complaints, grievances and allegations about clients, implementing partners such as assurance providers, and the scheme itself. The scope of complaints that can be submitted through the dispute resolution system includes, at a minimum, complaints related to standards development and maintenance, assurance processes and decisions, and claims processes and controlled claims.</p> <p>.... [see draft Code for full text]</p>

Priority question: gender

There is a growing understanding of a sustainability system's role in addressing gender considerations. In recognition of this, we have introduced references to gender into three chapters of the draft Code:

- › [Strategies for creating impact](#), where gender is considered during assessment of sustainability risks and opportunities
- › [Monitoring, evaluation and learning](#) activities, where findings from MEL activities are disaggregated by gender and relevant data collected to enable this
- › [Standards development and maintenance](#), where gender balance is considered as part of obtaining balanced participation in consultations and decision making

We welcome your feedback on whether the clauses on gender reflect credible practice in this area.

Gender: key clauses

No.	Topic	Desired Outcome	Requirements
1.1	Sustainability assessment	The scheme makes informed decisions about how to focus its work so as to maximise its potential sustainability impacts.	<p>As background for its work, the scheme owner undertakes a regular assessment of the sustainability risks and opportunities, their root causes, and where and how the scheme is well-placed to exert influence across its full scope and reach (e.g. product, sector, geography, etc.)... <i>[see draft Code for full text]</i></p> <p>[Guidance: Assessment of sustainability risks and opportunities should include an assessment of possible unintended negative impacts of the scheme's strategy and activities. It should also include an assessment of gender-related trends and risks within the scheme's scope and its potential to deliver positive gender outcomes through its work.]</p>
3.1	MEL Guiding framework	The scheme owner has a consistent framework to guide and plan its MEL activities.	<p>... <i>[see draft Code for full text]</i></p> <p>The priority topics the MEL activities seek to address include at least the following: 6. whether there are differences in scheme effectiveness, reach, outcomes and impacts by gender and other groupings of special relevance to the scheme.</p>

Gender: key clauses

No.	Topic	Desired Outcome	Requirements
6.12	Balanced participation	Consultation processes enable participation from a broad cross-section of stakeholders.	<p>The scheme owner ensures that the consultation process:</p> <ol style="list-style-type: none"> 1. is open to all stakeholders and communicated in a timely manner 2. aims to gather input from a balanced and diverse group of stakeholders with an interest in the subject matter and geographic scope of the standard, or who are affected by its implementation 3. addresses barriers faced by stakeholder groups who have been under-engaged or under-represented and proactively seeks their contributions (see 5.3). <p>[Guidance: The goal of seeking input from a balanced and diverse group is to ensure that all stakeholders can see their views represented in consultation.]</p>
6.15	Balanced decision-making	Stakeholders can see that their views are represented in decision-making.	<p>The scheme owner ensures that there is a governance body responsible for making decisions on the content of the standard and that this body:</p> <ol style="list-style-type: none"> 1. is open to all stakeholders 2. constitutes a balanced and diverse group of stakeholders, including those that are directly affected by implementation of the scheme or by the industry/sector the scheme seeks to impact. <p>[Guidance: Similar to 6.12, the goal of engaging a balanced and diverse group in decision-making is so that stakeholders feel that their voice is represented in those decisions. All major stakeholder groups should be represented and gender balance should be considered, so that no one stakeholder group or set of interests can control decisions.]</p>

Priority question: claims

The integrated Code brings in scope essential practices from [ISEAL's Sustainability Claims Good Practice Guide](#). This decision was made in recognition of two recent trends; the increasing legislative action to tackle misleading claims, and an increase in sustainability communications driven by consumer and investor expectations.

Chapter 8 includes requirements that focus on schemes implementing an effective and robust claims system.

We welcome your feedback on whether the requirements in the Code reflect credible practice in this area.



No.	Topic
8.1	Claims policies and procedures
8.2	Public information on claims
8.3	Truthfulness of allowed claims
8.4	Substantiation of claims
8.5	Traceability
8.6	Claims approval
8.7	Supporting information for claims
8.8	Monitoring use of claims
8.9	Reporting misuse of claims
8.10	Responsibilities for claims system

Priority question: relevance

A variety of stakeholders in the first public consultation noted concerns that a range of requirements were not feasible and/or relevant to schemes of different sizes or types.

During development of the second draft, we made various adaptations to either improve the clarity of clauses, or to amend the phrasing to ensure wider relevance. We also sought additional feedback through stakeholder interviews and commissioning consultants to review the revised draft of the Code.

As part of the second consultation, we are also seeking opportunities to engage with a wider demographic and range of stakeholders. To support assessment of whether the changes improve relevance, we welcome your feedback on whether the Code is relevant in your context.

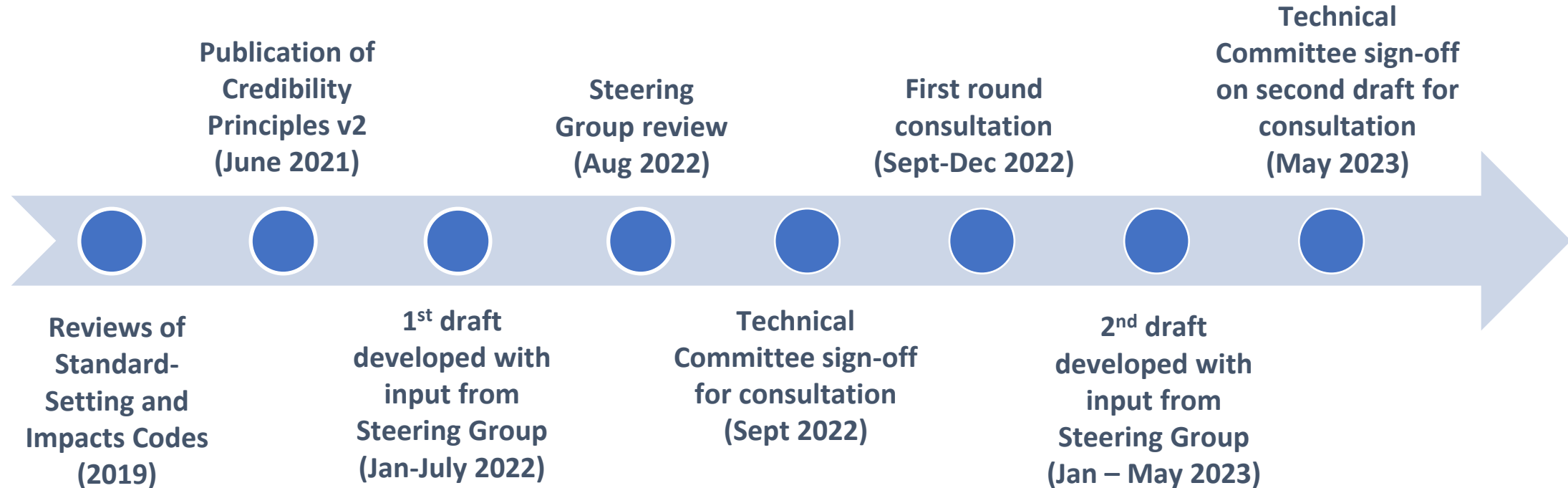
Revision and transition processes

Progress so far

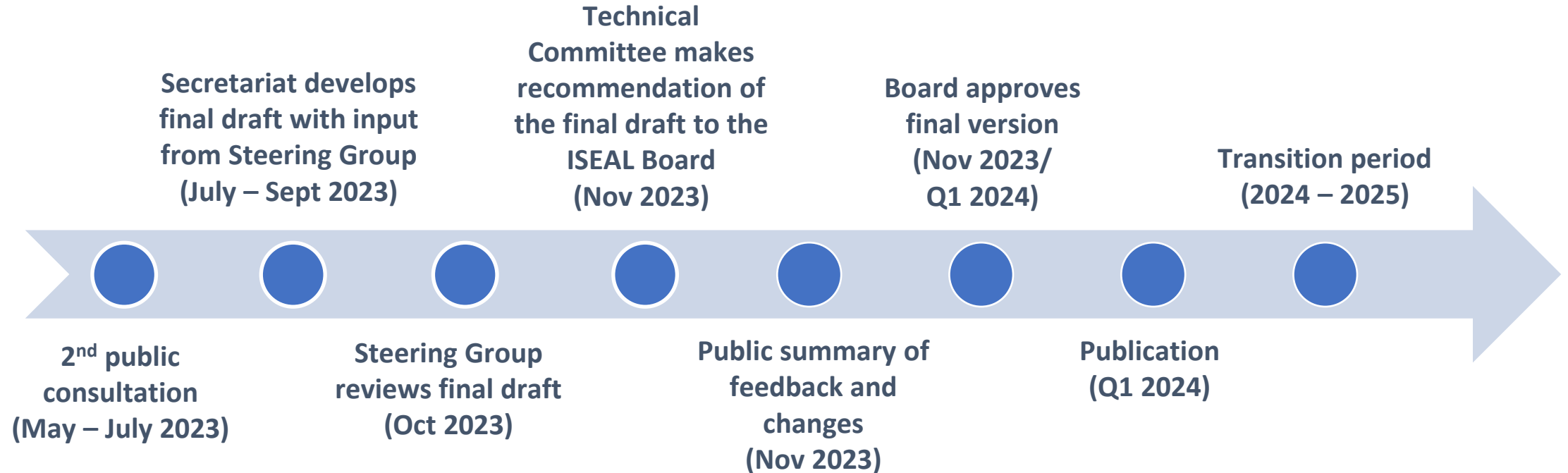
Next steps

Intended approach to transitioning the Code

Progress so far



Next steps



Intended approach to transitioning to the Code

- › After publication, an 18-month transition period will allow schemes to prepare for evaluations against the integrated Code. The format of the transition period accounts for the context of each scheme:
 - › Existing ISEAL Code Compliant members will complete a self-assessment to identify changes needed to achieve compliance with the integrated Code. The scheme uses this to develop a transition plan, which must be implemented within 18 months of Code publication.
 - › Community Members in process of becoming Code Compliant will complete a similar self-assessment to identify changes needed to achieve compliance. This will inform the evaluation schedule, which must be completed within four years of the initial application to become ISEAL Code Compliant.
 - › New applicants will complete a self-assessment to inform the evaluation schedule, which must be completed within four years of the initial application to become ISEAL Code Compliant.
- › More information is available in the [transition and evaluation process guidance note](#).