

ISEAL Code of Good Practice for Sustainability Systems – FAQ

v1.0, June 2024

About the ISEAL Code

What is the ISEAL Code?

The ISEAL Code defines practices for effective and credible <u>sustainability systems</u>. It provides a holistic picture of all the components of a credible sustainability system and how they fit together.

What is a 'Sustainability System'? How do they use the ISEAL Code?

A <u>sustainability system is a</u> market-based tool that has been designed to address the most pressing social and environmental challenges of our time. The term includes a range of organisations and approaches that have common elements of; defining sustainability performance levels or improvement pathways; measuring, monitoring, or verifying performance or progress; and allowing for claims and communications. Other terms you may be familiar with include Voluntary Sustainability Systems, scheme, or certification programme.

The ISEAL Code is relevant to the broad diversity of sustainability systems, from certification programmes to improvement programmes, or in-house sustainability programmes to landscape and jurisdictional approaches. The ISEAL Code can be used to inform strategy development and understand what is needed to improve effectiveness.

As a researcher/consultant/technical expert, why is the ISEAL Code relevant to me?

The ISEAL Code is applicable across a breadth of sectors and sustainability issues. Researchers, consultants or technical experts can use the ISEAL Code to better understand what credible practice looks at a holistic level, or from the perspective of a specific issue or credibility principle.

As a policy maker, why is the ISEAL Code relevant to me?

Policy makers can use the ISEAL Code as a reference point to understand credible practice for sustainability systems, and to understand the actions that underpin effective partnerships between sustainability systems and other stakeholders.

As a business, why is the ISEAL Code relevant to me?

The ISEAL Code can help businesses identify sustainability systems that are well-placed to support their defined sustainability objectives, and/or refer to the ISEAL Code when developing sustainability criteria, benchmarks, or guidance.

What is the difference between the ISEAL Code and the ISEAL Credibility Principles?

The key difference is the level of detail in which credible practice is defined. The <u>ISEAL Credibility Principles</u> define the core values of credible and effective sustainability systems. The ISEAL Code is underpinned by these values, but takes a more detailed approach, defining practices for effective and credible sustainability systems.



What is the difference between the ISEAL Code and the Assurance, Impacts and Standard-Setting Codes of Good Practice?

The ISEAL Code superseded these three Codes of Good Practice when it came into effect on 1 March 2024. Development of the ISEAL Code included the revision and integration of these three Codes, but much of the intent and level of ambition remains the same. For a summary of the changes, including a summary of new content on claims, due diligence, and gender, see this <u>overview</u>. To see how the ISEAL Code has changed on a clause-by-clause basis, see this <u>comparison table</u>.

How was the ISEAL Code developed?

Formal development of the ISEAL Code began in May 2020, when the ISEAL Board approved the revision and integration of the ISEAL Impacts, Standard-Setting, and Assurance Codes of Good Practice, along with the incorporation of essential practices from the ISEAL Sustainability Claims Good Practice Guide. Following this, a multi-stakeholder steering group was created, and with additional input from the ISEAL Technical Committee, drafting of the ISEAL Code began. After two rounds of stakeholder consultation in 2022 and 2023, the ISEAL Code was approved by the ISEAL Board in November 2023 and published in the following month. For more information on the public consultation and development process, see ISEAL Code of Good Practice revision and integration | ISEAL Alliance.

The terminology used in the ISEAL Code is different to phrases we use in our organisation. Is it still relevant?

The ISEAL Code has been designed to be applicable to a wide range of sustainability systems, including certification programmes, certification systems, jurisdictional or landscape-level verification schemes, enterprise-level certification, improvement monitoring programmes and ratings systems. The terminology used is intended to be applicable to all these organisations, but may differ from terms you use (e.g., the ISEAL Code refers to assurance providers, which is inclusive other terms that organisations may use such as certification bodies or conformity assessment body). The glossary within the ISEAL Code includes similar terms which can help identify which phrases can be used interchangeably.

Who can I ask for more information about the development or use of the ISEAL Code?

Please send any feedback or questions to compliance@isealalliance.org

Transition

How is the ISEAL Code being rolled out?

The ISEAL Code was published in December 2023 and is available to all stakeholders on the <u>ISEAL website</u>. For <u>ISEAL Code Compliant</u> members, there is an 18-month transition period to align their systems to the ISEAL Code. Independent evaluations against the scope of the ISEAL Code are anticipated from Q4 2025.

What does Code Compliant status mean during the transition period?

ISEAL Code Compliant recognises ISEAL Community Member who currently demonstrate adherence to all three of the ISEAL Codes of Good Practice on Standard-Setting, Assurance and Impacts through independent evaluations, and have committed to adhere to the ISEAL Code. During the transition period, Code Compliant members are aligning their systems to requirements in the ISEAL Code, through completing self-assessments, developing alignment plans, and implementing changes across the scope of their system.



Technical

How does the ISEAL Code align to the EU Green Claims Directive and other upcoming claims regulations?

The rapidly changing regulatory context was a factor that informed revision and integration of the ISEAL Code, where increased scrutiny on the accuracy and relevance of sustainability claims will affect a sustainability systems own claims and how they support and communicate with wider stakeholders. However, as a globally recognised framework for credible practice, the aim of the ISEAL Code was not to specifically align with the content within any one regulation, but to ensure that the claims and communications made by the sustainability system about its approach and users performance results are clear, accurate and reliable. It aims to provide the foundations to underpin efforts to meet these regulations.

The ISEAL Code introduces content on due diligence. How does this apply to sustainability systems? Firstly, it is important for sustainability systems to be clear on what their roles are in due diligence, if at all (see 1.4). Secondly, sustainability systems should be conducting their own due diligence with clients and implementing partners (see 2.6). More guidance is being developed on this topic.

Changes made during revision and integration

How do I know which clauses are new or adapted?

<u>This spreadsheet</u> compares the ISEAL Code with the ISEAL Impacts, Standard-Setting, and Assurance Code, and the ISEAL Sustainability Claims Good Practice Guide. Filter in column F to identify which clauses are new, adapted, or deleted.

Why is a Theory of Change no longer required?

The ISEAL Code was designed to be applicable to all ISEAL Community Members, moving away from being focused on traditional certification systems to encompassing a wider range of sustainability systems. During public consultation, some stakeholders indicated that the term 'Theory of Change' was not applicable or well understood. As a result, the requirement was adapted to emphasise the processes involved in developing a Theory of Change (e.g., defining short, medium and long outcomes and impacts, identifying causal pathways), so the clause can achieve the same outcome but with a less prescriptive approach. A Theory of Change is mentioned in the clause guidance, as this is likely to be the tool that many sustainability systems use to achieve this clause.

Why aren't sustainability systems required to conduct monitoring & evaluation activities on an annual hasis?

The ISEAL Code aimed to be less prescriptive than the Impacts, Standard-Setting and Assurance Codes, with a stronger emphasis on outcomes. Within section 5 in particular (scheme performance and continual improvement), there were a number of opportunities to achieve this goal as the effectiveness of monitoring, evaluation and learning activities is largely dependent on context and may change over time; what the sustainability issues are, what objectives have been defined, and what resources are available. The requirements in the ISEAL Code aim to ensure that sustainability systems monitoring, evaluation and learning activities provide insights against all priority learning topics at least every 5 years (see 5.2). This allows scheme owners to define the frequency of research, monitoring and data collection, and analysis activities that are best able to achieve these learnings.

Do you have a question that you think should be included in this FAQ? Or further questions about any of the answers? Please contact compliance@isealalliance.org