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## **Guidance on ISEAL Code of Good Practice for Setting Social and Environmental Standards**

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### **Introduction**

The ISEAL Alliance is facilitating an open stakeholder dialogue to develop a Code of Good Practice for Setting Social and Environmental Standards as a means to evaluate and strengthen voluntary standards, and to demonstrate their credibility on the basis of how they are developed. The Code includes criteria that help to ensure that a standard reflects the priorities of interested parties, that it addresses all material issues, and that it is effective in achieving its stated social and environmental objectives. In order for the Code to be applied in a uniform and consistent manner, additional guidance material is provided in this document. The guidance provides supplemental information to the criteria that are included in the Code as well as interpretation of key terminology and phrases in the criteria. No additional guidance is proposed for sections 1 to 3 of the Code. The substantive criteria of the Code (sections 4 to 7) are included in their entirety with this guidance document. The guidance is interspersed in italics between the Code criteria.

### **Provisions of the Code**

#### **4. General provisions**

4.1 Application of this Code is mandatory for ISEAL member organizations for their social and environmental standards. Application of this Code is voluntary for other standard-setting organizations. This Code shall only be applied in its entirety. A standard-setting organization that applies this Code to a relevant standard shall include a statement to this effect, both in its proposal to establish the standard and in the final text of the standard. The standard-setting organization shall also notify the ISEAL Alliance of their intention to apply the Code.

*Part of the strength of the Code comes from its enforceability. ISEAL members are required to comply with the Code for each of the social and environmental standards that they set. The Code will come into effect after the second round of input is incorporated and the Code is accepted by the ISEAL members. ISEAL members will have 1 year from this date to come into compliance with the Code. The compliance mechanism will be developed as a separate document and will likely include the following components:*

- *ISEAL members shall submit a copy of their standard-setting procedures, indicating in detail where their procedures or associated practices meet each of the Code criteria.*
- *The ISEAL Secretariat shall review and ensure the completeness of this documentation and shall circulate it to other ISEAL members for an informal peer review.*
- *ISEAL members shall submit their comments on the procedures to the member in question and the ISEAL Secretariat.*

*For other standard-setting organizations, claims of compliance with, or reference to the Code of Good Practice can only be made by organizations that have applied the Code in its entirety. This is to avoid that organizations apply criteria in an ad hoc manner that suits them. Notification to ISEAL by an organization of their application of the Code will strengthen the enforceability of the Code. The ISEAL Alliance may develop a compliance assessment mechanism for organizations that request assessment of their compliance with the Code, or may include them in the informal peer review process.*

4.2 Where a standard-setting organization that has accepted this Code receives a complaint regarding its compliance with the provisions of the Code, it shall make an objective and documented effort to resolve the complaint, based on a documented appeals mechanism.

*The two elements of complaints resolution that make it credible are that it is objective and documented. Objective means that it is based on a consistent procedure that does not favour one party over another. A documented effort means that the process used to come to a decision and what that decision is, is written down and made available to all those who request it.*

## **5. Procedures for the development of standards**

5.1 Documented procedures for the process under which each standard is developed shall guide the activities of a standard-setting organization. These procedures shall be developed with the active involvement of a representative range of interested parties. They shall contain an appeals mechanism for the impartial handling of any substantive or procedural complaints. All interested parties shall have access to this appeals mechanism.

*It is important that interested parties are involved even in elaboration of the standard development procedures. However, it would be difficult to manage a process involving all interested parties. Therefore, in this component of the process, as in other stages of standard development, the Code requires the participation of a representative range of interested parties. A representative range needs to be defined by the standard-setting organization but should include some form of balanced participation from all major interest sectors.*

*The emphasis on substantive and procedural complaints is necessary so as to avoid frivolous complaints. Substantive complaints relate to the content of the standard, while procedural complaints relate to the way in which the standard was developed. Some discretion is required by the standard-setting organization to consider the basis of the complaint. All decisions on whether to consider a complaint need to be based on documented criteria.*

5.2 Upon commencement of any standards related activity, interested parties shall be given the opportunity to comment on both a terms of reference for the proposed standard, and an outline of the standard-setting process, which highlights the mechanisms by which they can participate. The terms of reference shall include a justification of the need for the standard and clear objectives that the standard seeks to achieve.

*Giving interested parties an opportunity to comment requires both that they are notified of the opportunity and that they have adequate mechanisms to comment. Some of the actions that constitute appropriate notification include email notices, prominent posting to websites, and notices in the organization's publications. Mechanisms to comment include submission of comments by email, fax or mail, and through workshops and other face to face gatherings.*

*An underlying element of notifying interested parties is that many of these parties should have been previously identified by the standard-setting organization. The standard-setting organization should work to refine the objectives of the standard at an early stage, as this will make it easier to identify which different interest groups will be impacted by the standard. The standard-setting organization also needs to be proactive in identifying and involving disadvantaged groups. This point is addressed in 7.2.*

*Justification of the need for the standard is an important first step to avoid the development of redundant standards. The two elements that should form part of this justification are an assessment of whether the proposed standard will meet an expressed need, and documentation of what other standards exist or are in the process of development, that meet all or part of the expressed need.*

5.3 At least once every six months, the standard-setting organization shall publish a work programme containing its name and address, a contact point, the standards it is currently preparing, amending or revising and the standards which it has adopted in the preceding period. A standard is under preparation from the moment a decision has been taken to conduct a feasibility assessment until that standard has been adopted. For each standard listed in the work programme, a brief description shall be included of the scope of the standard, including the objectives and rationale for the standard.

*Publishing a work programme means that the work programme should be made available in electronic form or in hard-copy to interested parties upon request. Hard-copies should be priced to reflect the real costs of processing and distribution. In addition, the work programme should be posted on the organization's website. Standard-setting organizations are encouraged to provide information on recent standard developments to relevant international clearing house mechanisms on environmental and health requirements.*

5.4 The public review phase in the development of a new standard or revision of an existing standard shall include at least two rounds of comment submissions by interested parties. Each round shall include a period of at least 60 days for the submission of comments. However, this period may be shortened in exceptional circumstances where justified by a policy of the standard-setting organization. In such cases, the justification shall be documented.

*The period allowed for initial comments should take into account any translation requirements, means of transmission to the interested parties and the return of their comments, and the methods used to communicate with interested parties. Standard-setting organizations are encouraged to increase the comment period if required by these circumstances.*

*Some of the circumstances where a standard-setting organization can be justified in decreasing the comment period include cases where urgent problems of safety, health or environment arise or threaten to arise, as well as where necessary to meet rapid changes in the marketplace. Extensions to the scope or revisions to technical elements of an existing standard may also constitute justifiable circumstances. Where the comment period is reduced, the standard-*

*setting organization should give consideration to the impact that this may have on the acceptance of the standard by the interested parties.*

5.5 The standard-setting organization shall take into account, in the further processing of the standard, the comments received during the period for commenting. The standard-setting organization shall compile comments received according to the issues raised and shall prepare a written synopsis of how each material issue has been addressed in the standard revision. This synopsis shall be made publicly available in electronic format.

*Comments received by the standard-setting organization should each be considered on an equal and objective basis. Taking a comment into account means that it is considered in the revision of the standard and a justification given if the issue area that the comment addresses is not to be incorporated.*

*Public availability of the synopsis means that it is posted to the website of the standard-setting organization and a notice of its availability is distributed to interested parties by email.*

*The standard-setting organization shall establish a permanent mechanism through which comments and requests for clarifications on existing standards are documented, so that they can be considered in the next revision process for the standard.*

5.6 Decision-making at all stages of the standard-setting process shall strive for consensus among a representative balance of interested parties. Documented procedures to guide decision-making in the absence of consensus shall be established and agreed in consultation with these interested parties prior to initiation of the work.

*As in the guidance to 5.1, for a decision-making process to be manageable, some form of representation from interest sectors is required. It is the responsibility of the standard-setting organization to ensure that sectors are identified and balanced in their representation in the decision-making process.*

*The range and diversity of interested parties related to social and environmental standards makes the likelihood of reaching true consensus very low, even with representation. It is acceptable to work towards consensus but to have a fall-back mechanism for making decisions should consensus not be reached on a given issue. It is important that the standard-setting organization develop the decision-making process in consultation with a balanced representation of interested parties before the start of standard development or revision. This decision-making process should include criteria to determine at what point consensus is not achievable and when alternative decision-making procedures should come into effect.*

5.7 On the request of an interested party, the standard-setting organization shall freely provide a copy of its standard-setting procedures, most recent work programme or draft standard. All approved standards shall be published promptly. Final international standards shall be placed in the public domain and shall be made freely available in electronic format. Other final standards shall be available at as low a cost as possible, and provisions should be made to assist parties with legitimate financial constraints. Procedures shall be in place to enable hard copies of notices, standards and other related materials to be made available upon request at as low a cost as possible. Organizations that have set international standards shall, within their means, provide translations of draft and final version of these standards when relevant and where requested.

*The Code recognizes that International standards hold a special distinction among standards, given their explicit prioritization in the WTO Agreement on Technical Barriers to Trade. Annex 3 of the TBT Agreement states that “Where international standards exist or their completion is imminent, the standardizing body shall use them, or the relevant parts of them, as a basis for the standards it develops...” (Provision F) Given that international standards should be used as references for the development of national and regional standards, it is important that they are placed in the public domain and are available without cost. Placing them in the public domain makes them accessible to interested parties and to other standard-setting organizations. This will also facilitate assessments of the need for new standards and avoid redundancy.*

*All other final standards should not be priced out of reach of interested parties. Costs should reflect the real costs of processing and delivery and the lowest cost required to recoup the expenses of the standard-setting organization associated with the development of the standard.*

5.8 Proper records of standards development activity shall be prepared and maintained by the standard-setting organization.

*Proper record-keeping includes keeping on file documentation of the standard development process, lists of the interested parties involved at each stage of the process, comments received, and all draft and final versions of the standard. Records should include indications of the stage of development of the standard, as well as future opportunities for public comment. Records should be kept for a minimum of five years.*

5.9 Standards shall be reviewed on a periodic basis for continued relevance and effectiveness in meeting their stated objectives and, if necessary, revised in a timely manner. A review process shall occur at least every five years. The date of any revisions or reaffirmations of a standard shall be noted in the standard. A process to receive comments and requests for clarification shall be established and maintained upon publication of the initial standard. Proposals for revisions can be submitted by any interested party and shall be considered by the standard-setting organization through a consistent and transparent process.

*The review process should consider whether a need continues to exist for the standard and whether external circumstances have changed to the point of requiring changes in the standard. The review process should also include a formal comment submission period, while recognizing that interested parties are able to submit comments or proposed revisions at any time. The decision on whether to revise the standard should be based on the results of the review process, which incorporates comments received to date.*

*The process for considering proposals for revisions should be similar to that for taking comments into account, as detailed in 5.5 above.*

5.10 The standard-setting organization shall identify at least one focal point for standards-related enquiries and for submission of comments. Contact information for this focal point shall be made easily available.

*Contact information should be included on all documentation associated with the standard and the standard development process. It should also be included on the website and in work programmes.*

5.11 Administrative requirements relating to conformity assessment and marks of conformity shall be presented separately from technical, process or management requirements.

*While administrative requirements related to conformity assessment are better addressed separately, administrative requirements related to the application of the standard by operators are often integral to the effectiveness of the standard and should be included in the standard.*

## **6. Effectiveness, relevance and international harmonization**

6.1 The standard-setting organization shall take account of relevant regulatory and market needs, as well as scientific and technological developments in the standards development process.

*The emphasis of this criteria is to ensure the relevance of a given standard. A standard should build on and complement existing regulatory requirements and should reflect a defined market need. It is the responsibility of the standard-setting organization to determine whether a scientific or technological development is relevant to the standard and supports the objectives of the standard. This can occur during the standard review process.*

6.2 The social, environmental and economic objectives of a standard shall be clearly and explicitly specified in the standard. Standards shall not inhibit commerce or distort international trade beyond that necessary to fulfil the legitimate objectives of the standard.

*Among the types of objectives that can be considered legitimate are requirements for local compatibility, environmental protection, health and safety, labour and social welfare, and cultural considerations. The standard-setting organization is ultimately responsible for determining whether an objective is legitimate and should look to the types of objectives being used by other standard-setting organizations.*

6.3 International standards shall be used as the basis for corresponding national or regional standards, except where they would be ineffective or inappropriate. International standards shall include, or be accompanied by clear guidance for taking into account local economic and social conditions where the standard is applied. This guidance shall include criteria to judge the acceptability of proposed local variations in the standard.

*Criteria for assessing whether international standards are ineffective or inappropriate include fundamental climatic, geographic or technological factors, local economic conditions, regulatory conditions (including where local law is stricter than the standard), cultural factors, and special considerations for nascent industries.*

*Guidance for taking account of local conditions should ideally be presented in a separate policy document from the standard. In general, criteria for assessing the acceptability of a proposed local variation should include a determination of the need and necessity for the variation, consistency with the objectives of the standard, sound and verifiable support for the variation, distinguishable improvement, and that the variation is beneficial to international harmonization. Local market condition is one of the economic considerations that need to be taken into account when assessing the need for a local variation.*

6.4 International standards that are to be interpreted at the local level and/or by certification bodies shall avoid language or structure that may create ambiguities in the interpretation of the standard, and shall give clear guidance (including indicators and benchmarks) on those criteria that are specified for direct implementation. Standards that are intended for direct implementation shall include objective and verifiable criteria, indicators and benchmarks.

*All standards should be structured and use language to support consistent interpretation. The basis for consistent interpretation is criteria that are objective and verifiable. Objective criteria do not favour any one type of production or interest group. Standard-setting organizations should be aware especially of biases that favour local conditions, to the exclusion of, or discrimination against conditions in other geographic areas.*

*Verifiable criteria can be checked for compliance through an audit process. During the standard drafting stage, standard-setting organizations should consider whether and how compliance with each criteria can be ascertained. The emphasis on including indicators and benchmarks is important as it requires that standards not only indicate what they measure (criteria), but also how the criteria are measured (indicators) and where the line is drawn between what is acceptable and what is not acceptable practice (benchmarks).*

6.5 Standards shall be expressed in terms of a combination of process and management criteria, rather than design or descriptive characteristics. Standards shall only include criteria that contribute to the achievement of the stated objectives. Standards shall not favour a particular technology or patented item.

*The Code applies to social and environmental standards that are concerned primarily with the process or production method by which a product is produced. Standards that address the environmental life cycle impact of a product should seek to be compliant with ISO Guide 14024 Environmental labels and declarations - Type I environmental labelling - Principles and procedures.*

6.6 With a view to harmonization of standards, a standard-setting organization shall participate within its means in the preparation of relevant international standards that are in line with the vision and objectives of the standard-setting organization.

*Relevant international standards are those that address the same subject matter as standards developed by a standard-setting organization. There is a potential for significant costs associated with active participation in a standard development process. Standard-setting organizations should seek to incorporate these potential costs into their financial planning.*

6.7 In order for standards to be mutually consistent and free from contradiction for the largest possible user communities, standard-setting organizations shall help to promote harmonization of standards wherever there is a possibility to do so without compromising the rigour of the standard. Standard-setting organizations should pursue technical equivalence agreements between standards that share similar objectives.

*Standard-setting organizations should identify other standards that overlap in the scope of their application and in their content. This should be part of the initial scoping phase in the development of a standard, as indicated in the guidance to 5.2, and should also occur during each review of the standard.*

*Harmonization should be seen as a continuum that extends from the use of common criteria and indicators, the statement of common objectives and the adoption of common structures for presentation of the standards, to the negotiation of technical equivalence agreements and the development and adoption of a single international standard. Where appropriate international standards exist, these can provide a common template to facilitate negotiations on technical equivalence.*

## 7. Participation in the standards development process

7.1 Standard-setting organizations shall ensure that participation reflects a balance of interests among interested parties in the subject matter and in the geographic scope to which the standard applies. Participants in the standard-setting process should have expertise relevant to the subject matter of the standard or be materially affected by the standard.

*It is important to recognize that there are a number of equally valid approaches to participation and voting that arrive at a balance of interests. Standard-setting organizations should consider the following factors when seeking to achieve a balance of interests: a balance of sectors including those indirectly affected, geographic representation, gender, climate, the scale of the facilities, and different types of organizations. Standard-setting organizations should set stakeholder participation goals at the beginning of a standard development process so that there are clear targets and success criteria.*

*Materially affected parties are those that will be directly impacted by the application of the standard. The standard-setting organization should ensure that interest groups that are not materially affected, but that have an interest in the standard, do not make up a disproportionate segment of the participants. Ideally, the standard-setting organization should support the participation of materially affected parties that have relevant expertise in the subject matter of the standard. However, if this is not the case, the standard-setting organization should identify other participants with relevant expertise.*

7.2 Interested parties shall be provided with meaningful opportunities to contribute to the elaboration of a standard. Standard-setting organizations shall identify parties that will be directly affected by the standard and proactively seek their contributions. Impartiality shall be accorded throughout all stages of the standard development process, so that no single interest predominates. Standard-setting organizations shall include a representative range of interested parties in their standards-related governance structures.

*A meaningful opportunity means that an interested party is provided with an opportunity to submit comments at each stage of the standard development process, and that those comments are duly considered by the standard-setting organization, as per criteria 5.5 and its guidance. Where discussions or decisions happen between a representative group of interested parties, the standard-setting organization should have a procedure in place to ensure that the interested parties have an equal opportunity to be part of the representative group.*

*Parties that will be directly affected by the implementation of a standard are the most important stakeholders in the standard-setting process. As such, it is important that standard-setting organizations take a proactive role in supporting these stakeholders to participate. Identification of these parties at an early stage in the standard development process is important for encouraging full participation. Strategies for seeking comments can include targeted email, phone or mail solicitation.*

*It is important not only to ensure that the full range of interested parties has meaningful opportunities to contribute to a standard development process, but to have those parties represented in the decision-making structures of the standard-setting organization. In order for a standard to be truly representative of the range of interested parties, those parties need to have a real opportunity to affect decisions at all levels of the standard-setting organization.*

7.3 Where a standard-setting organization has members, membership criteria and application procedures shall be transparent and non-discriminatory.

*While many standard-setting organizations are not membership-based, all standard-setting organizations should incorporate a representative range of interested parties into their governance structures that relate to standard-setting. This supports criteria 7.2.*

*For those standard-setting organizations that do have members, the emphasis should be on ensuring that all parties that are interested in applying for membership are afforded objective and transparent treatment, based on the membership criteria and application procedures.*

*Transparency means that the decision-making process and the justification for a decision on a membership application are made available to the applicant and are based on clear criteria and application procedures. Membership-based organizations can avoid discrimination against any applicants for membership by basing decisions only on the membership criteria.*

7.4 Constraints on disadvantaged groups to participate effectively in standard development shall be addressed in the standard development process. Standard-setting organizations should consider how the influence of these groups can be increased, even if their participation rates cannot. Particular attention should be paid to the needs of developing countries and small and medium size enterprises.

*Interested parties in developing countries often face additional hurdles to participation in a standard development process including lack of expertise, knowledge of the existence of the standard, funds and infrastructure. These constraints should be considered by the standard-setting organization, with the objective of ensuring their meaningful participation.*

*Funding constraints are often a primary cause of low participation. Standard-setting organizations should seek to include in their financial planning, funds to enable participation of disadvantaged groups that will be directly affected by the implementation of the standard. However, given that this is not always possible, the standard-setting organization should look to other means by which to facilitate their participation. This can include identifying and communicating with materially affected stakeholders at the beginning of the standard development process, ensuring that developing country stakeholders can make their comments from afar, and notifying organizations or mechanisms that spread information about standards.*