

# Principles for Credible and Effective Sustainability Standards Systems

ISEAL Credibility Principles



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# ISEAL Credibility Principles

## Introduction

Voluntary sustainability standards systems are market-based tools, designed to address the most pressing social and environmental challenges of our time. The ISEAL Alliance works from the premise that sustainability standards that are credible and effective can bring about globally significant social, environmental and economic impacts. Their continued growth in size and scope is an indication of the influential role that standards systems can play in bringing about positive change on a global scale. However, it also highlights the pressing need for a broadly shared understanding of good operating principles for the movement as a whole.

Since 2004, ISEAL has been facilitating international consultations to determine what good practice looks like for sustainability standards. Based on our experience working with existing and emerging standards systems, and as a result of extensive global consultation, ISEAL has prepared this set of core Principles that define the foundations of credible sustainability standards systems. We believe that standards systems that actively seek to integrate these Credibility Principles are more likely to be effective tools for delivering positive sustainability impacts.

## Consultation process

ISEAL was guided in the development of these Principles by an international multi-stakeholder Steering Committee that is responsible for the final content of the document. The details of the Steering Committee can be found on the ISEAL website: [www.iseal.org](http://www.iseal.org).

The development process of this document included one 95 day consultation period and one 60 day consultation period. In-person workshops were held in São Paulo (Brazil), Washington, DC (USA), London, England (UK), Beijing (People's Republic of China) and New Delhi (India) in the first round with more than 200 participants in total, and again in Beijing and New Delhi in the second round. There was also an extensive online consultation generating contributions from more than 60 commenters in the first round and 200 in the second round.

All comments and feedback on these Principles are welcome at any time and should be submitted to [info@isealalliance.org](mailto:info@isealalliance.org).





## About ISEAL

ISEAL's mission is to strengthen standards systems for the benefit of people and the environment.

ISEAL shapes the context in which sustainability standards systems operate by building consensus on what good practice looks like for the sector. To date, ISEAL has developed three Codes of Good Practice through international multi-stakeholder consultations. These are:

- › **Standard-Setting Code:** ISEAL Code of Good Practice for Setting Social and Environmental Standards
- › **Impacts Code:** ISEAL Code of Good Practice for Assessing the Impacts of Social and Environmental Standards
- › **Assurance Code:** ISEAL Code of Good Practice for Assuring Compliance with Social and Environmental Standards

The latest versions of these documents are available for free from the ISEAL website. In addition, ISEAL has prepared several guidance documents and other tools (videos, infographics, slideshows, etc) that support the effectiveness of sustainability standards systems.

ISEAL also works to influence how external stakeholders think about and engage with credible voluntary standards systems. ISEAL supports cooperation among its members and other interested parties to shape an effective standards movement. By building a collaborative movement, the aim is to achieve a significant and increasing impact on the sustainability of products and services worldwide. More information about ISEAL and its membership is available at [www.iseal.org](http://www.iseal.org).

## Objectives

The ISEAL Credibility Principles can serve a number of complementary functions:

- › Provide an aspirational framework for standards systems to improve their knowledge and, thus, their ability to deliver sustainability improvements
- › Aid users of standards systems (such as producers, procurement officials, companies, NGOs, and financiers) in determining the relative credibility and effectiveness of the standards systems with which they are engaging
- › Provide a powerful communications tool that will build greater stakeholder understanding of what makes a credible and effective standard
- › Inform sourcing decisions that favour entities that comply with credible and effective sustainability standards
- › Distinguish good practice from good marketing – ensure standards systems and users are accountable for the claims they make, and that claims are backed up by substance.



## Scope and application

The ISEAL Credibility Principles apply to all standards systems that focus on sustainability performance and that incorporate a standard and a mechanism for assuring compliance with that standard. The Credibility Principles, therefore, will be applied by the whole standards system, which refers to the collective of organisations involved in and responsible for the activities involved in the implementation of a standard, including standard-setting, capacity building, assurance, labelling and monitoring.

Throughout this document, several terms are used that are similar but that have slightly different meanings. For example, ‘standards system’ has been most consistently used as described above, while ‘standards scheme owner’ is used intentionally to specify one actor within the standards system. A list of definitions is provided in Appendix 1 of this document.

While these Principles offer a high-level overview, additional guidance and information about the interpretation and application of these Principles is necessary and is captured in current and future ISEAL Codes of Good Practice.

The Credibility Principles are not intended to be used in isolation as a normative evaluation tool.

In applying these Principles, stakeholders should consider how the Credibility Principles are embraced and incorporated by a standards system, rather than attempting to determine whether a standards system meets – or complies with – the Credibility Principles. Standards systems may choose to combine these Principles in different ways, recognising that there are tensions and trade-offs between the various Principles, e.g. between the rigour of a system and how accessible it is. Standards systems aim to balance effective performance with ease of uptake by enterprises and end users.

# Credibility Principles - At a Glance

The ultimate aim of sustainability standards systems is to bring about positive social, environmental and economic **impacts** while decreasing negative impacts. Impacts can be difficult to demonstrate, particularly in the short-term. Integrating these principles increases the likelihood that a standards system will achieve its intended positive impacts.

## 1. Sustainability

Standards scheme owners clearly define and communicate their sustainability objectives and approach to achieving them. They make decisions that best advance these objectives.

## 2. Improvement

Standards scheme owners seek to understand their impacts and measure and demonstrate progress towards their intended outcomes. They regularly integrate learning and encourage innovation to increase benefits to people and the environment.

## 3. Relevance

Standards are fit for purpose. They address the most significant sustainability impacts of a product, process, business or service; only include requirements that contribute to their objectives; reflect best scientific understanding and relevant international norms; and are adapted where necessary to local conditions.

## 4. Rigour

All components of a standards system are structured to deliver quality outcomes. In particular, standards are set at a performance level that results in measurable progress towards the scheme's sustainability objectives, while assessments of compliance provide an accurate picture of whether an entity meets the standard's requirements.

## 5. Engagement

Standard-setters engage a balanced and representative group of stakeholders in standards development. Standards systems provide meaningful and accessible opportunities to participate in governance, assurance and monitoring and evaluation. They empower stakeholders with fair mechanisms to resolve complaints.

## 6. Impartiality

Standards systems identify and mitigate conflicts of interest throughout their operations, particularly in the assurance process and in governance. Transparency, accessibility and balanced representation contribute to impartiality.

## 7. Transparency

Standards systems make relevant information freely available about the development and content of the standard, how the system is governed, who is evaluated and under what process, impact information and the various ways in which stakeholders can engage.

## 8. Accessibility

To reduce barriers to implementation, standards systems minimise costs and overly burdensome requirements. They facilitate access to information about meeting the standard, training, and financial resources to build capacity throughout supply chains and for actors within the standards system.

## 9. Truthfulness

Claims and communications made by actors within standards systems and by certified entities about the benefits or impacts that derive from the system or from the purchase or use of a certified product or service are verifiable, not misleading, and enable an informed choice.

## 10. Efficiency

Standards systems refer to or collaborate with other credible schemes to improve consistency and efficiency in standards content and operating practices. They improve their viability through the application of sound revenue models and organisational management strategies.

# Applying the Credibility Principles

## 1. Sustainability

Standards scheme owners clearly define and communicate their sustainability objectives and approach to achieving them. They make decisions that best advance these objectives.

### Why it's important

Defining the sustainability objectives of the system and the approach to achieving them ensures that the system is aligned and oriented towards sustainability. Standards systems that have their sustainability objectives at the heart of their operations are more likely to make decisions that are in the best interests of society and the environment, rather than primarily for their own profit or benefit. The way in which an organization defines sustainability (which is usually through its standard), in and of itself, has profound impacts on its credibility and effectiveness. Communicating these objectives ensures that stakeholders are clear on what the system seeks to achieve.

### What it looks like in practice

**Standard-setting:** The standards system clearly defines and communicates its sustainability objectives from the outset to help align stakeholders engaged in the process and to make clear the focus it is taking on sustainability.

**Standard content:** The requirements in the standard each contribute directly to achievement of the defined sustainability objectives. The objectives lead to setting standards performance levels that comply at least with relevant national and international laws and conventions.

**Assurance:** The assurance process balances the need for accurate results with structures to support the achievement of sustainability outcomes (e.g. capacity building). Standards systems implement alternative approaches that are appropriate for specific target groups so as to achieve better sustainability outcomes.

**Claims, labelling and traceability:** The claims made by a standards system and its users are consistent with the sustainability objectives of the standard. Claims are supported by the use of an appropriate traceability model, and can be substantiated.

**Governance and Operations:** The sustainability objectives underpin and inform all decisions and actions taken by the standards system. The standard setter also clearly defines its approach to achieving these objectives, and determines the appropriate operational model for the context in which they are working. The scheme owner may use a 'theory of change' to define and explain its strategy.

**Impacts:** There is a monitoring and evaluation programme in place to evaluate the effectiveness of the standards system in achieving its stated objectives.

## 2. Improvement

Standards scheme owners seek to understand their impacts and measure and demonstrate progress towards their intended outcomes. They regularly integrate learning and encourage innovation to increase benefits to people and the environment.

### Why it's important

Ultimately, the true test of the credibility and effectiveness of a standards system is whether it is improving sustainability performance in its target sector. A continuous improvement approach, combined with a robust monitoring and evaluation programme supports an understanding of what practices and strategies are working and why, and enables refinement of those practices to improve effectiveness of the standards system over time. As sustainability is an evolving concept, standards systems need to regularly review their standards to determine whether revisions are necessary to capture innovations and evolving understanding of good practice.

### What it looks like in practice

**Standard-setting:** Standards are reviewed and revised regularly to integrate learning about sustainability, good practices and results of monitoring and evaluation activities.

**Standard content:** Standards include requirements that have been shown to contribute to the system's defined sustainability objectives.

**Assurance:** The assurance system is reviewed and revised in response to learning from regular evaluation of its effectiveness. Information about improvements in performance is collected through the assurance system, leading to further learning.

**Claims, labelling and traceability:** Claims, the traceability system and any market-facing activities are reviewed and improved to strengthen their contribution to the system's sustainability objectives.

**Governance and Operations:** Management and governing bodies are committed to driving improvements in their system and to integrating the results of monitoring and impact evaluations. Adequate resources are allocated to monitoring and evaluation.

**Impacts:** Learning from monitoring and evaluation programmes and impact evaluations is integrated to improve the structure of the system and the content of the standards, so as to achieve the desired sustainability objectives.

### 3. Relevance

Standards are fit for purpose. They address the most significant sustainability impacts of a product, process, business or service; only include requirements that contribute to their objectives; reflect best scientific understanding and relevant international norms; and are adapted where necessary to local conditions.

#### Why it's important

Standards that focus on the most critical sustainability issues are more likely to result in positive sustainability impacts. By only including criteria that are relevant to achieving the stated sustainability objectives, standards avoid adding unnecessary costs to the system and help to allay concerns that standards could create unnecessary barriers to trade. As a result, the practices that enterprises are asked to achieve are more likely to contribute to meeting the objectives underpinning the standard.

In many sectors, a wealth of information and knowledge exists about good practices for addressing sustainability issues. To ensure consistency in approach and to build on this existing knowledge, standards systems need to incorporate the best and most current scientific understanding about good environmental practices and relevant international norms for social and economic performance.

Ecosystems and, to a lesser extent, socio-economic value systems vary from region to region. While global standards should aim to harmonise performance for certified entities in different parts of the world, they should recognise and account for the variation in these natural and social systems. Standards that are not adapted to local conditions or different scales of operation can be irrelevant or, at worst, discriminatory.

#### What it looks like in practice

**Standard-setting:** There is an assessment of the most significant social and environmental challenges faced by the sector or industry. For environmental standards, this may include the use of a sustainability hotspots analysis. Detailed guidance or requirements for the development of local adaptations of the standard ensures stakeholders have a consistent understanding of the

principles and criteria. The process is sufficiently inclusive, participatory and transparent to avoid creating unintentional barriers to trade.

**Standard content:** Requirements in the standard primarily address the most significant sustainability issues. The requirements reflect best scientific or current understanding of good practice, and are written to enable an objective assessment of compliance, focusing on outcomes rather than approach. Standards are strengthened by a focus on performance-based outcomes. They are revised regularly to ensure they stay relevant.

Where a standard has a hierarchical structure, the high-level principles and criteria are consistent across the geographical scope in which the standard is applied. Standards are then adapted as needed, with the input of stakeholders, to be relevant to local socio-economic and ecological contexts.

**Assurance:** Certification assessments focus on compliance with relevant sustainability content contained in the standard and do not focus unnecessarily on minor criteria.

**Claims, labelling and traceability:** Claims relate to the content of the standard and do not claim to achieve more than the standard requires.

**Governance and Operations:** Governance bodies structure assurance to be relevant to different types and scales of enterprises, so as to ensure equitable access. Similarly, they ensure that standards are adapted so as to be relevant for enterprises operating at various scales.

**Impacts:** A monitoring and evaluation programme measures the effectiveness of the standard in achieving its stated sustainability objectives, while data is used to improve its quality and relevance. It takes into account local conditions, where applicable, without sacrificing comparability of data and results. The standards system is careful to maintain balance by ensuring that the focus on one issue does not unintentionally or inadvertently lead to negative impacts in other areas.



## 4. Rigour

All components of a standards system are structured to deliver quality outcomes. In particular, standards are set at a performance level that results in measurable progress towards the scheme's sustainability objectives, while assessments of compliance provide an accurate picture of whether an entity meets the standard's requirements.

### Why it's important

The performance level required in the standard has a direct bearing on the sustainability of the resulting practices. Standards that require status quo practices are not going to result in measurable improvements. While there are valid justifications for setting performance requirements at different levels, depending on the role of the standards system in driving change and who the system aims to target, all sustainability standards systems are aiming to make improvements in sustainability practices and, therefore, the standards need to reflect this.

Having a meaningful standard contributes little to sustainability if the assessment of compliance with that standard does not provide accurate results. Regardless of the intensity or formality of the assurance process, technical competence and checks and balances need to be in place to ensure that certified entities do actually meet the standard. In addition, the outcomes of the assessment process must be reliable to allow for accurate claims to follow.

### What it looks like in practice

**Standard-setting:** Stakeholders involved in setting the standard need to have a shared understanding of the objectives of the system and a degree of expertise or first-hand experience in the subject matter so that they can set the performance level accordingly.

**Standard content:** The requirements of the standard are at a performance level aligned with the sustainability objectives of the standards system. For example, a standards system with aspirations of setting the gold standard in a sector must include criteria that reflect best practice. In contrast, an entry-level standard, designed to raise the performance level of lower performing entities across a whole population, should be more broadly

achievable in order to serve as a step towards better practice.

The standard is clear and adequate guidance documents are in place such that different but equally competent auditors assessing the same enterprise would arrive at the same result.

**Assurance:** An accurate assessment requires a consistent interpretation of what compliance with the standard looks like in practice, contributing to replicable results. This is supported in part through clearly written standards and the provision of interpretation or guidance documents. It also requires that assessors possess the right personal attributes needed for their role and have sufficient training and calibration to be able to demonstrate their competence at evaluating compliance with the standard. Assurance providers have sufficient procedures and systems in place to ensure that audits are carried out in a comprehensive, consistent, and objective manner. This is then checked through oversight of these assurance providers. The results of an assurance process are predictable and, where surprising results emerge, there are systems to detect and investigate these cases. There is a mechanism in place to grade non-compliances and to sanction enterprises that do not comply.

**Claims, labelling and traceability:** Scheme owners control the claims made by participants in their systems and have appropriate traceability systems in place. Product-related claims can be traced back to certified operations.

**Governance and Operations:** The standards system measures key performance indicators to evaluate and improve performance.

**Impacts:** The monitoring and evaluation programme delivers clear and quantifiable information about the effectiveness of the standard and supporting activities. Where results show that objectives are not being achieved, the standards content, the theory of change behind it, the supporting strategies and the assurance process are reviewed to identify the causes, and this learning is integrated to improve the system's performance against its objectives.

## 5. Engagement

Standard-setters engage a balanced and representative group of stakeholders in standards development. Standards systems provide meaningful and accessible opportunities to participate in governance, assurance and monitoring and evaluation. They empower stakeholders with fair mechanisms to resolve complaints.

### Why it's important

Stakeholders are often experts in their fields, with an interest in the success of a standards system but diverse visions of what success means. Sustainability standard-setting is a process of seeking agreement among the subjective and varying values of these stakeholders. Multi-stakeholder standards development helps to build a sense of ownership of the standard by stakeholders who can advocate for its uptake. A standard is more likely to be representative of the diversity of stakeholder views if the mechanisms for including input and decision-making are representative of the stakeholder groups identified. However, a consensus-driven approach may not be appropriate for all standards, such as for gold-level standards that seek to recognise only the top performers.

Giving stakeholders a voice in the formal governance of a standards system ensures their continued input on the overall direction taken by the standards system. Opportunities to participate in assurance and monitoring and evaluation activities also give stakeholders a mechanism for continuing to have oversight and to provide expert input to the standards system.

Complaints and appeals processes provide necessary checks and balances that the stakeholder engagement or assurance processes are working and provide a means for participants in the standards system to be held accountable. Stakeholders, including applicants for certification, will have greater confidence in the objectivity of the system if they know they have an opportunity to question decisions that they feel do not adequately take into account their views.

### What it looks like in practice

#### In all components of the standards system:

Affected stakeholders are identified through an initial stakeholder mapping exercise in the standard-setting stage, and are then given opportunities to participate in the governance and assurance processes as appropriate. Representatives of stakeholder groups are able to represent the views held by, and are accountable to, their constituency. As the system develops, the stakeholder map is regularly updated.

**Standard-setting:** The standard-setter outlines to stakeholders why the standard is important and how they can engage in the system. The standard-setter then identifies stakeholder groups and key representatives within those groups who are likely to have an interest in the standard or who are likely to be affected by its implementation.

The standard-setter brings together a balanced and representative group of interested stakeholders for deliberation and decision-making in the drafting and consultation process, paying particular attention to those stakeholders who will be directly affected by the standard's implementation. The standard-setter offers a range of mechanisms for soliciting input from stakeholders, and implements proactive strategies for engaging them. Extra efforts are made to engage stakeholder groups in the standards development process that are under-represented or disadvantaged. The standard setter publishes comments received, and how they took these comments into account.

**Standard content:** As a result of stakeholder engagement the standard is balanced appropriately across the three pillars of sustainability, and across the most significant sustainability issues.

**Assurance:** In certification assessments, stakeholders have defined opportunities to provide input prior to certification decisions. In some assurance models they participate directly in the assessment and decision-making process (in assurance or oversight). Stakeholders have increased opportunities to raise concerns with assurance providers when those providers are based in the regions where the assessments are carried out.

**Claims, labelling and traceability:** Stakeholders are consulted in the development of the claims of the system, and with regard to the appropriate traceability system for those particular claims. There are clear ways for concerned stakeholders to submit information about incorrect or misleading claims.

**Governance and Operations:** Stakeholders have an opportunity either to participate directly in the governance bodies of a standards system or at minimum to have their positions and priorities represented in governance discussions and

decision-making. Governance bodies are often either elected or appointed and the process by which these bodies are constituted should be transparent, along with the balance in composition of the bodies.

An accessible complaints mechanism is in place that includes a consistent and independent mechanism for considering complaints for both standard-setting and assurance (assessments and decisions). The results are provided within a reasonable timeframe at least to the complainant and the entity against which the complaint was lodged.

**Impacts:** Stakeholders can be consulted on the focus of the monitoring and evaluation programme, are asked to provide information on any unintended consequences of the system's implementation, may provide data, and have access to results of evaluations.

## 6. Impartiality

Standards systems identify and mitigate conflicts of interest throughout their operations, particularly in the assurance process and in governance. Transparency, accessibility and balanced representation contribute to impartiality.

### Why it's important

Fairness is essential in a credible standards system, and striving for impartiality in all areas is key in achieving this. However, many scenarios for potential conflicts of interest exist within a standards system, and these must be sufficiently managed. Greater transparency is one of the best ways to deal with conflict of interest and should be at the core of any policy or strategy – not serving as a substitute for rules and oversight, but rather reinforcing them and allowing more flexibility where appropriate.

Impartiality is particularly crucial in the assurance process of a standards system. Assurance is a proxy for a direct connection between the producer and the consumer, and between the entity being assessed and the claim being made. The assessment is intended to establish a credible level of assurance that practices conform with the standard's requirements. As such, it is critical that consumers and other stakeholders, including producers, have confidence in the assurance process. This derives in large part from the actual and perceived impartiality and the effective management of conflict of interest within the assurance process.

### What it looks like in practice

**Standard-setting:** Balanced and transparent rules for participation and decision-making contribute to impartiality.

**Standard content:** Clearly drafted requirements can lead to fewer challenges to impartiality in the assurance process as a result of less need for interpretation.

**Assurance:** Independence of the assurance body and its personnel from the enterprise being assessed is a significant factor contributing to impartiality. None of the individuals engaged in the assurance process (auditors, decision-makers, etc.) have vested interests in the outcomes of the certification, nor are they unduly influenced in their decisions. The organisation responsible for assessments is most often independent of other functions of the standards system such as standard-setting and marketing.

**Claims, labelling and traceability:** Mechanisms are in place to manage conflict of interest in the control of claims and labels, and in the operation of associated traceability systems.

**Governance and Operations:** The scheme owner identifies the potential areas for conflicts of interest in the design of the system. The scheme owner establishes the mechanisms and approaches available to manage the potential conflicts and assesses the impacts of different options on the delivery of the scheme's overall mission. Financial models and governance decisions are structured to mitigate potential conflicts of interest.

Checks and oversight procedures are incorporated into the system to manage conflicts of interest. The balance of representation (e.g. on boards and in committees) of respective constituencies and their relative strengths must be defined. This is used as a powerful way of overcoming potential conflicts related to particular interest groups.

**Impacts:** The standards system presents the results of monitoring and evaluation and impact studies faithfully and without skewing or misrepresenting the information to serve particular goals. Impact evaluators can demonstrate their impartiality.



## 7. Transparency

Standards systems make relevant information freely available about the development and content of the standard, how the system is governed, who is evaluated and under what process, impact information and the various ways that stakeholders can engage.

### Why it's important

Transparency is a cornerstone of a credible sustainability standards system. Fundamentally, it builds trust in the process by allowing stakeholders to understand how decisions are made or how content is determined. This allows stakeholders to then make their own decisions about the validity or legitimacy of the process, or to submit additional or corrective information.

### What it looks like in practice

#### In all components of the standards system:

Transparency is enhanced through the provision of high-quality information presented in clear and accessible formats. This prevents stakeholders from becoming overwhelmed with too much or disorganised information which, in effect, can reduce transparency. In all publicly available materials, confidentiality of participants is respected where appropriate.

**Standard-setting:** Information about standards development is made freely and publicly available at least through an organisation's website. This includes, at least, information on governance (how decisions are made and by whom, and how to participate in decision-making and standards development) and on consultation (stakeholder input and how it was addressed in standards development).

**Standard content:** All draft and final standards are freely available to interested parties, either on the organisation's website or in response to direct requests.

**Assurance:** In assurance, information made available includes, at minimum, the status of certification assessments, stakeholder input and how it was addressed, decisions on assessments, the names and status of certified enterprises, the scope of the certificate, as well as those whose certificates have been withdrawn or suspended, and the name of the assurance provider. Within standards systems with tiered levels of compliance, the criteria that have been met by each certified entity are made available.

**Claims, labelling and traceability:** Information that substantiates claims is made available to interested parties, including information about product-specific claims and the traceability systems that support these claims.

**Governance and Operations:** Information about how a standards system operates and makes decisions is made easily available. This includes information about the scheme owner's governance system and members, its business model and its funding sources. Stakeholders have access to documented decision-making where it does not compromise confidentiality. Information is available on how to make a complaint, any recorded complaints, their status and resolution.

**Impacts:** In monitoring and evaluation, information made available includes indicators being measured, sources of data, outcome and impact evaluation reports, and resulting changes to the system.

## 8. Accessibility

To reduce barriers to implementation, standards systems minimise costs and overly burdensome requirements. They facilitate access to information about meeting the standard, training, and financial resources to build capacity throughout supply chains and for actors within the standards system.

### Why it's important

In standards development and certification, interested parties have an equal right to participate. Standards systems must be accessible to encourage participation by potential users, thereby increasing uptake and the resulting sustainability impacts. Uptake is most often limited by the costs to access certification and by a lack of capacity to meet the requirements of the standard. Standards systems are well placed to provide or facilitate the delivery of information and capacity building services for enterprises seeking assurance. Lack of availability of local assurance providers is another barrier to uptake that can result in increased costs or shortcomings with regard to local language or culture. Overly burdensome requirements are those that do not add sufficient benefits to justify inclusion in the standard. Removing these can increase accessibility, while not compromising the rigour of the standard or the assurance process.

### What it looks like in practice

**Standard-setting:** Standard-setters provide meaningful opportunities for stakeholders to participate in the standard-setting process. They identify and support disadvantaged or vulnerable stakeholders to participate through appropriate mechanisms, including regional visits and using local languages, to ensure that their input is considered.

**Standard content:** The content of the standard is equally applicable to all types of enterprises, is focused on outputs and does not discriminate based on the size of the enterprise. The content is aligned with other standards where there are shared objectives. There is a system and/or tools in place to support the enterprise's understanding of requirements and how to meet them, including translation of the standard where appropriate.

**Assurance:** Accessible assurance is affordable to clients who fall within the scope, is culturally sensitive, comprehensible and within the reach of target clients. The assurance process is no more onerous than necessary to deliver the level of assurance relevant to the end use of the system (e.g. on-product label, business-to-business communication, etc.). Risk-based assurance models provide a mechanism for ensuring the intensity of assurance is appropriate to individual circumstances. Steps are taken to improve access, including the provision of guidance tools and training to enterprises or for the purpose of developing local assurance providers.

**Claims, labelling and traceability:** Costs for using labels or making claims are not prohibitive. The traceability process is no more onerous than necessary to support the associated claim.

**Governance and Operations:** The standards system does not discriminate against interested parties on the basis of cost, restrictions on access or overly burdensome requirements. Costs for participation are offset by the scheme owner if necessary to ensure balanced participation in the governance of the standards system.

Depending on the standards system's approach, its strategies for increasing accessibility will take different forms. These will range from direct field support to simply listing approved capacity-building providers on the standards system's website. Regardless of the approach, the standards system takes care to avoid potential conflicts of interest that could arise from assessment of enterprises that have received technical support.

**Impacts:** Data collection does not create undue additional burdens nor add significant costs to entities being assessed.

## 9. Truthfulness

Claims and communications made by actors within standards systems and by certified entities about the benefits or impacts that derive from the system or from the purchase or use of a certified product or service are verifiable, not misleading, and enable an informed choice.

### Why it's important

Claims and labels convey the benefits of purchasing a certified product or service. If the claims overstate the benefits or are overly vague, there is likely to be confusion in the marketplace as well as a loss of confidence in the value and legitimacy of the standards system. This can lead to accusations of greenwashing, which can seriously damage the reputation of a standards system. Claims that a product is derived from a process that meets sustainability criteria require that there is a clear link between the process and the product. Traceability contributes to confidence in the legitimacy and credibility of the standards system.

### What it looks like in practice

**Standard-setting:** The standard-setter sets clear sustainability objectives for the standard, which provides a foundation and reference point for the future development of claims. Stakeholders are consulted to develop credible, clear and appropriate claims, and to ensure appropriate traceability for those claims.

**Standard content:** The standard includes the necessary requirements to substantiate the desired claims.

**Assurance:** Assurance providers check claims being made by the enterprises being assessed. They follow clear procedures when encountering a false claim or misuse of a label and have a sanction mechanism. Scheme owners have a defined procedure for surveillance activities to monitor claims in the marketplace that they carry out directly or delegate.

**Claims, labelling and traceability:** All claims made about the standards system are accurate and can be substantiated, whether they are on-product claims or otherwise. Claims are easy to understand, avoid overstating the benefits resulting from the standards system and are accurate and precise in their language. Claims are comparable, or at least provide comparable data. While claims cannot convey all the relevant details about a certified product or service, they provide sufficient information to be verified, either directly or through links to websites or other sources of information.

Claims related to product origin (such as through on-product labels about production practices) will have a traceability system in place suitable for the type of supply chain and claim being made. As appropriate, these include product tracking through the supply chain (product origin claims), mixing of certified and non-certified product ('contributes to/supports' or percentage-based claims), or trading volume certificates separately from the certified product ('contributes to/supports' type claims).

**Governance and Operations:** Claims regarding participation in the development of and support for a standard are true and substantiated. The scheme owner discloses what the claim does not cover, as well as what it does. They have clearly defined procedures for making claims and systems to control the use of claims. Within the standards system there will be licensing and/or monitoring systems in place to control the claims made by participants in the supply chain. Standards system actors publicise instances where false claims of "sustainability" or compliance with a standard are made.

**Impacts:** Ideally, claims are based on knowledge about the actual benefits that have been achieved, as identified through monitoring and evaluation or impact assessment. Claims are revised over time in response to learning from the monitoring system.

## 10. Efficiency

Standards systems refer to or collaborate with other credible schemes to improve consistency and efficiency in standards content and operating practices. They improve their viability through the application of sound revenue models and organisational management strategies.

### Why it's important

Standards systems do not operate in isolation but each contributes to the achievement of common sustainability goals. Where standards systems overlap, either in the content of their standard or in the sector or entities to which the standard applies, improved consistency and compatibility between systems leads to increased operational efficiencies and opportunities for scaling up the impacts that result. It also helps to avoid duplication or minor inconsistencies that decrease accessibility and could then be perceived as barriers to trade. Coordination and communication between systems can also help to avoid 'double counting' of certified product for more than one standard which can result in loss of credibility.

When stakeholders invest in or support a standards system, they are relying on that system to operate efficiently and effectively over time so as to continue to deliver on its sustainability objectives. While stakeholder engagement is critical in parts of the standards system, other parts need to operate as businesses with streamlined decision-making and measured progress against key performance indicators. In order to deliver on their objectives, standards systems need to operate efficiently and be willing to cooperate to ensure their viability and to deliver greater sustainability impacts.

### What it looks like in practice

**Standard-setting:** When standard-setting organisations are developing a new standard or expanding the scope of a standard, they undertake a review of the existing landscape of relevant standards and public policy and work proactively where overlaps exist to ensure consistency in standards content (e.g. terminology or language) and in operating practices such as audit procedures and reporting requirements.

**Standard content:** The standard uses language that is consistent with other relevant standards when referring to the same concepts. If terminology differs, this is highlighted with clear definitions. All original sources of standards content are attributed or cited.

**Assurance:** The assessment process operates in an organised, efficient way. Assurance processes such as traceability systems and accreditation are shared or combined by standards systems where this results in significant efficiency gains and/or improved accessibility for users.

**Claims, labelling and traceability:** If a standard is developed where another system already exists, the level or approach of the standards system, as well as resulting claims, are sufficiently different to avoid confusion by users.

**Governance and Operations:** The business model that the standards system chooses to implement can vary, from a focus solely on standard-setting, to a compliance focus, to an emphasis on capacity building. The scheme owner chooses the model that will enable the greatest impact on the sustainability of the enterprise being considered, taking account of the nature and structure of the sector, the sustainability issues being addressed and the existing landscape of related standards systems.

Adequate attention is paid in a standards system to the financial viability of the system, with a financial model in place that is appropriate to the stage of development of the system. The standards system is streamlined in decision-making and operations and seeks to cut costs for accessing the system while maintaining quality. There is co-ordination with other standards systems for the delivery of specialised support functions such as data capture and management where appropriate.

Areas where stakeholders have a voice in decision-making are clearly defined, and it is clear how they are engaged. There can be a tension between meaningful stakeholder engagement and efficiency of the standards system. It is important to determine the most appropriate opportunities for stakeholder engagement, but not to engage stakeholders unnecessarily at the expense of efficiency. Conversely, arguments regarding efficiency are not used as excuses to avoid meaningful stakeholder engagement. A balance must be achieved.

**Impacts:** Monitoring and evaluation is integrated into the core business operations of the standards system. Where collaboration occurs, the monitoring of impacts is aligned where possible to avoid duplication between systems.



# Appendix 1. Definitions

**Assurance:** Demonstrable evidence that specified requirements relating to a product, process, system, person or body are fulfilled (*adapted from ISO 17000*)

**Capacity building:** Activities which strengthen the knowledge, abilities, skills and behaviour of individuals and improve institutional structures and processes such that the organisation can efficiently meet a standards' requirements (*adapted from the World Customs Organisation*)

**Credibility:** Recognition bestowed upon a standards system as a result of its effectiveness in delivering on its sustainability objectives

**Entity:** The product, process, business or service that is the subject of the standard

**Scheme owner:** The organisation that determines the objectives and scope of the standards system, as well as the rules for how the scheme will operate and the standards against which conformance will be assessed. In most cases this is the standard setter, however it may also be an assurance provider, a governmental authority, trade association, group of assurance providers or other body (*adapted from 'Standards system owner' in the ISEAL Assurance Code*)

**Standard:** Document that provides, for common and repeated use, rules, guidelines or characteristics for products or related processes and production methods, with which compliance is not mandatory (*from ISEAL Standard-Setting Code*)

**Standards system:** The collective of organisations responsible for the activities involved in the implementation of a standard, including standard-setting, capacity building, assurance, labelling and monitoring (*from ISEAL Assurance Code*)

**Sustainability hotspots analysis:** a qualitative assessment based on stakeholder involvement, which is used to identify major concerns related to the sustainability of the entire value chain of a product, process, business or service.

**Sustainability standard:** A standard that addresses the social, environmental or economic factors of a defined entity, or a combination of these

**Theory of change:** A planning and management tool that defines all building blocks required to bring about a given long-term goal. This set of connected building blocks—interchangeably referred to as outcomes or results is depicted on a map known as a pathway of change/change framework, which is a graphic representation of the change process (*adapted from [www.theoryofchange.org](http://www.theoryofchange.org)*)

## ISEAL Credibility Principles

The ISEAL Credibility Principles are the result of a year long consultation with contributions from more than 400 stakeholders from five continents.

They represent the values and concepts that are embraced by sustainability standards systems that are most likely to achieve the ultimate aim of bringing about positive social, environmental and economic impacts, while decreasing negative impacts.

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*ISEAL is the global membership association of sustainability standards. Our mission is to strengthen standards systems for the benefit of people and the environment.*

