![iseal alliance logo]

Policy for the Refusal of ISEAL Community Member applications

Version 1, Effective 2 November 2020

Context

ISEAL's community membership programme promotes learning and collaboration amongst organisations that share ISEAL's goal to advance sustainable development[1] through the design and implementation of credible sustainability standards and similar systems.

ISEAL Community Members are committed to improving their sustainability systems. Members network share experience and collaborate to advance better sustainability solutions.

ISEAL Community Members share a responsibility for the reputation of ISEAL membership and for creating an effective space for peer collaboration and exchange.

Purpose and scope of this policy

This policy is a corollary document to the *ISEAL Community Member Requirements*.

This policy is intended to support ISEAL and its governing bodies in applying a sufficient degree of due diligence when reviewing ISEAL Community Member applications, ensuring that organisations approved as ISEAL Community Members meet the eligibility criteria and are committed to improving their systems, building trust and demonstrating transparency.

This application of this policy is supported by the *ISEAL Application Procedure for Community Members*.

Grounds for refusal of an application

1. Applications can be refused on the basis of insufficient evidence to demonstrate that the applicant meets the eligibility criteria defined by the *ISEAL Community Member Requirements.*

   This includes insufficient evidence to demonstrate that

   - the applicant has a mission that is focused on sustainable development

   - the applicant's standards or tools are intended to advance sustainable development

   - the applicant manages claims related to their standards or tools and has a system intended to monitor, verify, or assure their standards or tools

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[1] ISEAL's objects as laid out in its articles of association refer to sustainable development as "development that meets the needs of the present without compromising the ability of future generations to meet their own needs." This is the definition drawn from *Our Common Future, From One Earth to One World: An Overview by the World Commission on Environment and Development*, 1987 (also known as the Brundtland report). This report also recognises that "sustainable development is not a fixed state of harmony, but rather a process of change in which the exploitation of resources, the direction of investments, the orientation of technological development, and institutional change are made consistent with future as well as present needs."

- the public can easily access and understand information that accurately describes the applicant's organisation, its sustainability system, and its intended sustainability outcomes

- the applicant manages conflicts of interest

- the applicant has a publicly available complaint or dispute resolution mechanism

- the applicant has the means to pay ISEAL membership fees

The application process allows applicants an opportunity to respond to initial findings of insufficient evidence and provide further evidence. Refusal is based on final findings.

2. Applications can also be refused on the basis of past or current conduct that calls into question the intent of the applicant to fulfil the commitments required of Community Members, such as the commitments to ongoing improvement and trust-building, to the *ISEAL Code of Conduct*, and to the *ISEAL Claims and Logo Use* policy.

   This includes evidence that the applicant has previously:

   - violated confidentiality agreements or circulated embargoed communications ahead of their release date

   - failed to meet stated commitments to improve their systems

   - failed to meet stated commitments to disclose information publicly

   - made or allowed claims that are not proportionate to the nature or impacts of their system

   - made false or misleading statements about ISEAL or their relationship with ISEAL

   - made false or misleading statements about other ISEAL Community Members

   - engaged with stakeholders in ways that are likely to bring ISEAL membership into disrepute

   The application process allows applicants an opportunity to respond to evidence of past or current conduct that calls into question their intent to fulfil their commitments. Applicants may outline how they intend to adapt or change their approach to ensure they can fulfil their commitments. Refusal is based on a final assessment as to the severity of the past conduct and/or the inadequacy of any plan to adapt or change.

   In exceptional circumstances, applicants may be offered conditional acceptance to ISEAL Community Membership based on their plan to adapt or change their approach. Refer to the *ISEAL Application Procedure for Community Members*.

Annex: Supporting Guidance

Purpose and scope of this guidance

This guidance supports ISEAL and its governing bodies in consistently interpreting the *ISEAL Community Member Requirements* and the *Policy for the refusal of ISEAL Community Member applications* when following the *ISEAL Application Procedure for Community Members*.

This guidance is not exhaustive; it may be reviewed and amended or expanded as need arises.

Guidance on "advancing sustainable development"

ISEAL's charitable objects refer to the Brundtland definition of sustainable development: "development that meets the needs of the present without compromising the ability of future generations to meet their own needs." In accordance with the Brundtland report, ISEAL recognises that sustainable development is not a fixed state but rather a process of improvement and transition.[2]

Organisations eligible for ISEAL Community membership may have a wide range of strategies for advancing sustainable development. For instance, Community Members may be focused on raising the floor of sustainability performance across a sector or they may be focused on rewarding the highest performers.

This means that some Community Members may have standards or tools that are primarily focused on mitigating negative impacts. Nonetheless, all members should have defined positive impacts that they are seeking to achieve, and their standards or tools must meet or exceed existing regulatory requirements. In its review the Secretariat will pay particular attention to applicants with ambitions that do not materially exceed regulatory requirements.

ISEAL recognises the inter-relationship between the economic, social and environmental aspects of sustainable development. ISEAL does not accept applicants whose system focuses exclusively or primarily on the economic aspects of a given product, process, business or service. However, Community Members may focus primarily on the environmental **or** on the social aspects **if** these represent the most important sustainability issues falling within the scope of the standard or tool. Such a focus must be justified by an assessment of the most important sustainability issues falling within the scope of the standard or tool. In its review the Secretariat will pay particular attention to applicants with narrowly focused standards or tools.

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[2] ISEAL's objects as laid out in its articles of association refer to sustainable development as "development that meets the needs of the present without compromising the ability of future generations to meet their own needs." This is the definition drawn from *Our Common Future, From One Earth to One World: An Overview by the World Commission on Environment and Development*, 1987 (also known as the Brundtland report). This report also recognises that "sustainable development is not a fixed state of harmony, but rather a process of change in which the exploitation of resources, the direction of investments, the orientation of technological development, and institutional change are made consistent with future as well as present needs."

In accordance with the concept of sustainable development defined in the Brundtland report, organisations whose scope is focused on renewable resources should account for maximum sustainable yield and the conservation of biodiversity. Organisations whose scope is focused on non-renewables should have strategies that minimise use of these resources and that support transition to renewables. In its review the Secretariat will pay particular attention to organisations whose scope is focused on fossil fuels.[3]

As such, when the Secretariat is evaluating applicants, clauses 5.1 and 6.2 of the Standard-Setting Code are particularly relevant aspects of the gap analysis to consider.

Guidance on "proportionate claims"

Although ISEAL embraces organisations with tools and standards that may vary greatly from one another in their scope and strategies, all Community Members must be proportionate and not misleading in their claims. ISEAL does not validate or endorse claims for accuracy but rather screens for misleading claims or claims that are not proportionate.

Claims include statements made by the organisation (whether public-facing or communicated to users) and those claims that they allow users to make (whether in a business-to-business or business-to-consumer context).

Proportionate and not misleading claims are claims that correspond to the nature and impacts of the system and are supported by evidence. In particular, claims should be consistent with:

- The scope and objectives of the organisation's standards or tools

- The scale of the organisation's reach

- The traceability model used by the system

- The nature of the monitoring, verification or assurance system and its degree of independence

- The degree and quality of evidence available about the performance and impacts of the system

Organisations may make different types of claims and many organisations will make multiple types of claims. Proportionality is understood differently depending on the type of claim. For instance,

- **Aspirational claims** must closely correlate to the content of the standard or tool, should be time-bound and should be accompanied by a clear plan to measure progress over time. This type of claim is more acceptable in the early phases of development of a system.

- **Scale-based claims** (e.g. claims referencing volume or reach) must be contextualised and not conflated with performance or impacts without evidence. Again, this type of claim is more acceptable in the early phases of development of a system.

- **Assurance-based claims** must be supported by the assessment methodology.

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[3] The guidelines outlined in this paragraph are drawn from *Our Common Future*, Chapter 2: Towards Sustainable Development I. The Concept of Sustainable Development.

- **Practice-based claims** should be consistent with the core requirements or indicators of the standard or tool. Practice-based claims should not be based on optional requirements or indicators.

- **Performance-based claims** must be supported by credible performance data.

- **Improvement-based claims** must be contextualised, supported by credible performance data, and measured against either a baseline or a defined target.

- **Impact-based claims** must be supported by credible data and evidence of attribution.

In its review, the Secretariat will pay particular attention to the use of subjective terms such as "sustainable" and "responsible".

As such, the following clauses of the ISEAL Codes of Good Practice are particularly relevant aspects of the gap analysis when evaluating applicants: Standard-Setting Code 6.1, Impacts Code 10.3, Assurance Code 4.3 and 5.1.