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ISEAL Code of Good Practice for Setting Social and Environmental Standards

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Foreword

The International Social and Environmental Accreditation and Labelling (ISEAL) Alliance is a formal collaboration of leading international standard-setting and conformity assessment organizations focused on social and environmental issues. The ISEAL Alliance supports credible standards and conformity assessment by developing capacity building tools to strengthen members' activities and by promoting voluntary social and environmental certification as a legitimate policy instrument in global trade and development.

ISEAL does not consider its members to be the only bodies that can legitimately develop environmental and social standards and conformity assessment procedures. Legitimacy in this area of work is determined by the suitability of the processes through which these standards are developed, adopted and implemented. The ISEAL Code of Good Practice for Setting Social and Environmental Standards is an initiative that aims to set a benchmark to assist standard-setting organizations to improve how they develop social and environmental standards. Future work by ISEAL may focus on the ways in which these types of standards are adopted and implemented, both by companies and by governments.

The consultation process to date has included establishing the need for an international normative document, drafting a Code based on existing international norms, and seeking stakeholder input through two public comment periods, email discussion forum and public workshop. Results of this consultation are available through the ISEAL Alliance website at the address below.

The ISEAL Alliance welcomes comments on the Code of Good Practice at any time. Please submit comments by mail or email to the address below, using the comment submission form that is available on the ISEAL Alliance website.

All enquiries and comment submissions related to the Code of Good Practice can be made through the following central focal point:

ISEAL Alliance Secretariat
Charles-de-Gaulle-Strasse 5
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email: secretariat@isealalliance.org
www.isealalliance.org/programs

Introduction

The ISEAL Alliance facilitated a multi-stakeholder dialogue to develop the 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 is intended primarily for application to standards that fulfil social and environmental policy objectives. By adhering to procedures that constitute good practices for setting standards, standard-setting organizations help to ensure that the application of their standard results in measurable progress towards their social and environmental objectives, without creating unnecessary hurdles to international trade. In addition, a Code of Good Practice can serve as a minimum bar against which to measure voluntary standards. Good practices are set out here in the form of a Code, applicable to process and production method standards, management system standards and supply chain relationship standards.

In order to be credible, criteria have been included 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 addition, standard-setting practices should be based on relevant international normative documents, where appropriate. The normative documents from which this Code draws are ISO/IEC Guide 59 *Code of good practice for standardization*, and the WTO Technical Barriers to Trade (TBT) Agreement Annex 3 *Code of good practice for the preparation, adoption and application of standards*. Where the criteria in these two documents are not appropriate or relevant to social and environmental standards, they have been excluded. Excerpts from the *TBT Second Triennial Review Annex 4, Principles for the Development of International Standards, Guides and Recommendations with Relation to Articles 2, 5 and Annex 3 of the Agreement* have also been incorporated where appropriate. Finally, the ISEAL Code of Good Practice is accompanied by a guidance document that provides additional interpretation of the criteria in the Code. The guidance document is an integral non-binding supplement to the Code and the two documents should be considered together when being applied to standard development.

1. Scope

1.1 This Code of Good Practice specifies general requirements for the preparation, adoption and revision of standards that address social and environmental practices. Compliance with this Code means that the process by which a standard is developed is credible.

1.2 This Code applies to process and production method standards, management system standards and supply chain relationship standards that promote progressive social and environmental practices and are operating at the international, regional, national or sub-national level. It applies to standards that are developed using procedures based on the principles of consensus.

2. Referenced Publications

ISO/IEC Guide 2:1996. *Standardization and related activities - General vocabulary*.

ISO/IEC Guide 59:1994. *Code of good practice for standardization*.

ISO/IEC Guide 14024:1999. *Environmental labels and declarations - Type 1 environmental labelling - Principles and procedures*.

OECD GD(97)137. *Processes and Production Methods (PPMs): Conceptual Framework and Considerations on Use of PPM-based Trade Measures*

WTO Agreement on the Application of Sanitary and Phytosanitary Measures (SPS)

WTO Agreement on Technical Barriers to Trade (TBT) Annex 3: *Code of good practice for the preparation, adoption and application of standards.*

WTO Agreement on Technical Barriers to Trade (TBT) Second Triennial Review Annex 4: *Principles for the Development of International Standards, Guides and Recommendations with Relation to Articles 2, 5 and Annex 3 of the Agreement*

3. Definitions

The definitions of ISO/IEC Guide 2:1996 apply to this Code with the following exceptions and additions.

3.1 **Consensus:** General agreement, characterized by the absence of sustained opposition to substantial issues by any important part of the concerned interests and by a process seeking to take into account the views of interested parties, particularly those directly affected, and to reconcile any conflicting arguments.

NOTE - Consensus need not imply unanimity.

(based on ISO/IEC Guide 2:1996)

3.2 **Interested party:** Any person or group concerned with or directly affected by a standard.

3.3 **Management System Standard:** A standard that sets out criteria for the organizational structure, responsibilities, practices, procedures, processes and resources for implementing a management system.

3.4 **Processes and Production Methods (PPMs):** The way in which products or services are manufactured, produced and/or processed or the way in which natural resources are extracted or harvested. PPMs can have two types of social and environmental impacts. A process or a production method can affect the characteristics of a product so that the product itself may have an impact when it is consumed or used (product-related PPMs). Alternatively, the process or the production method can have a social or environmental impact during the production, harvesting or extraction stage that does not have a discernible impact on the product or service (non-product related PPMs).

(based on OECD PPM paper)

3.5 **Processes and Production Methods Standard:** A standard that sets out criteria for the processes and/or production methods by which a product or service is produced, in pursuit of specific social and/or environmental objectives.

3.6 **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. It may also include or deal exclusively with terminology, symbols, packaging, marking or labelling requirements as they apply to a product, process or production method.

(based on Annex 1 of the WTO TBT Agreement)

3.7 Supply Chain Relationship Standard: A standard that sets out criteria for the characteristics of relationships between different actors in the supply chain.

4. General provisions

4.1 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.

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 publicly documented complaints resolution mechanism.

5. Procedures for the development of standards

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

5.2 Upon commencement of any new standard development activity, interested parties shall be given the opportunity to comment on terms of reference for the proposed standard. The terms of reference shall include a justification of the need for the standard and clear objectives that the standard seeks to achieve. Through a regular review process, interested parties shall also be provided opportunities to comment on the standard-setting process, which highlights the mechanisms by which they can participate.

5.3 Where the standard-setting organization is actively engaged in standard-setting activities, it shall publish a work programme at least once a year containing its name and address, a contact point, the standards it is currently preparing, amending or revising and the standards that it has adopted in the preceding period. A standard is under preparation from the moment a decision has been taken to prepare it 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.

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, where necessary. 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 modifications and justification shall be documented, and the comment period shall still be no less than 30 days.

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.

5.6 The standard-setting process shall strive for consensus among a balance of interested parties. The standard-setting organization shall establish and document procedures to guide decision-making in the absence of consensus. These procedures shall ensure that no group of interested parties can dominate nor be dominated in the decision-making process. Interested parties shall be made aware of these procedures at the outset of the standard-setting activity.

5.7 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 to obtain the relevant documents. On the request of an interested party, the standard-setting organization shall freely provide an electronic copy of its standard-setting procedures, most recent work programme or draft standard. 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. Where requested, organizations that have set international standards shall, within their means, provide translations of draft and final versions of these standards when relevant.

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

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.

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

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

6. Effectiveness, relevance and international harmonization

6.1 The social, environmental and/or economic objectives of a standard shall be clearly and explicitly specified in the standard. Standards shall be no more trade-restrictive than necessary to fulfil the legitimate objectives of the standard.

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

6.3 International standards shall be used as the basis for corresponding national or regional standards, except where they would be ineffective or inappropriate. Where international standards are designed as the basis for national or regional standards, they shall be

accompanied by clear guidance or related policies and procedures for taking into account local economic, social, environmental and regulatory conditions where the standard is applied. This guidance shall include criteria to judge the acceptability of proposed local variations in the standard.

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. Standards that are intended for direct implementation shall include objective and verifiable criteria, indicators and benchmarks, while being flexible enough to be applied by enterprises of all scales, and to account for local variations.

6.5 Standards shall be expressed in terms of a combination of process, management and performance 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.

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.

6.7 In order for standards to be mutually consistent and free from contradiction for the largest number of user communities, standard-setting organizations shall actively pursue harmonization of standards and/or technical equivalence agreements between standards, where there is a possibility to do so without compromising the rigour of the standard. The conformity assessment procedures linked with the standard are to be taken into account when pursuing technical equivalence agreements.

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 and/or be materially affected by the standard.

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 the standard development process, so that no single interest predominates. Standard-setting organizations shall include a balance of interested parties in their governance structures that are responsible for setting social and environmental standards.

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

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-sized enterprises.