

Critical Indicators - supporting information

ASC Farm Standard Consultation March 2022



Introduction

Critical Indicators identify parts of a standard where sanctions beyond those applied for major non-conformity are needed. Any non-conformity found on these critical indicators would trigger a “critical non-conformity” (defined in CAR v2.3) leading to immediate suspension of the UoC and a limited timeframe to correct the non-conformity. Failure to do so would lead to certificate withdrawal.

An initial proposal, applying critical indicators widely across the standard, would have limited the ability to drive positive change by excluding farms with these issues from the ASC programme.

Rationale

Following advice from the ASC Technical Advisory Group in 2020, the following insights have been taken into consideration when proposing use of critical indicators within the ASC Standards:

- i. There is growing consensus amongst regulators that eradication of worst practices in supply chains is done more effectively through collaboration between (vs. avoidance of) supply chain actors. Examples of this can be found embedded in the EU Resolution on Corporate Due Diligence and Corporate Accountability¹ and the Dutch Child Labour Due Diligence Law². Central to these policies is that the relationship with the supplier (e.g. producer or manufacturer) is maintained after detection of worst practices, and that remediation steps are taken to drive the needed change forward. This is in line with the UN Guiding Principles on Business and Human Rights (the Ruggie Principles) of protect, respect and remedy, that ask for remediation of adverse impacts by businesses³;
- ii. Voluntary sustainability schemes (e.g. Rainforest Alliance) active in commodities often associated with child labour and forced labour (e.g. cocoa, coffee, spices) are adopting an approach of “assess and address” to prevent, engage, improve and incentivise producers to tackle human rights issues rather than to hide them. This stems from insights generated over years of certification experience that prohibition of these violations alone is not enough. In fact, decertification when abuses are confirmed with no concrete steps to help the certificate holder address the problem, often drives the issue underground. This makes it harder to detect and further perpetuates the problem⁴.

Proposal

ASC has developed a revised proposal in which:

- i. Remediation indicators⁵ have been added under the Child Labour and Forced Labour Criteria in both the Feed Standard and in (aligned) P3. These remediation indicators are triggered when a UoC has a non-conformity in relationship to child labour and/or forced labour and require the UoC to develop and implement an action plan to remediate the issue, as well as prevent its re-occurrence. This approach aligns ASC with other leading certification schemes (incl. Rainforest Alliance).
- ii. The indicators to which the remediation approach is applied (i.e. indicator 3.2.1 and 3.3.1) are classified as “critical indicators”. This means that any non-conformity on these indicators would:
 - a. Trigger a critical non-compliance, which is an appropriate measure given the severity of the issue addressed in the indicator;
 - b. trigger the subsequent remediation indicators (3.2.2 and 3.3.2).

¹ Source: https://www.europarl.europa.eu/doceo/document/TA-9-2021-0073_EN.html#title1

² Source: <https://zoek.officielebekendmakingen.nl/stb-2019-401.html>

³ Source: https://www.ohchr.org/documents/publications/guidingprinciplesbusinessshr_en.pdf

⁴ Source: <https://www.rainforest-alliance.org/business/certification/piloting-our-2020-sustainable-agriculture-standard-how-our-assess-and-address-approach-is-tackling-human-rights-issues/>

⁵ Under aligned P3, these are indicators 3.2.1 and 3.3.1.