

METRO approach on assessing Human Rights related risk status of their OB and no-name producers

WHAT IS A RISKY PRODUCER?

METROs approach is to monitor all producers who contribute to the added value of a product and which are considered risky with regards to potential human rights violations in order to conduct a socially compliant business. Risk means a particular level of hazard and probability. Risk assessments typically cover fundamental labour rights like forced and child labour, discrimination and freedom of association as well as working conditions like living wages or health and safety topics and more. All producers producing in a so-called risk country (defined by amfori BSCI based on the level of risk related to the World Bank's dimensions of governance, https://www.amfori.org/sites/default/files/amfori-2020-11-12-Country-Risk-Classification-2021_0.pdf) are considered risky. Other producers will be evaluated based on the below listed criteria as well as based on case-by-case decisions.

Risky producers for **Non Food and Near Food** are considered to the following criteria (And/Or):

- I. **Inherent risk** - Producers located in a risk country
- II. **Fact based risk** - Critical incidents (site or worker level) (negative press, history of bad audit results, local union reports, NGO reports)

Risky producers for **Food** are considered to the following criteria (And/Or):

- I. **Inherent risk**
 - a. Producers located in a risk country
 - b. Producers that produce products from the following commodity groups and/or in a particular sector/industry independent from the risk country status:
 1. Fish and seafood (fishery on sea if the vessel is above 24 meters length or is more than 72 consecutive hours on sea and aquaculture farms if the farm is located in a risk country)
 2. Meat (slaughtering and processing factories)
 3. Fruit & vegetables (farm level when typically carried out by migrant seasonal / temporary workers)
 4. Coffee (farm level) → all sourcing countries
 5. Cocoa (farm level) → all sourcing countries
 6. Soy (Tier 1) (farm level) → all sourcing countries from deforestation areas
 7. Palm oil (Tier 1) (farm level) → all sourcing countries from deforestation areas

All process steps have to be considered (ultra)-fresh, processed, canned and frozen. This considers products where the commodity is main ingredient (first or second consideration in ingredient list).

Additionally, producers who produce products with:

8. Palm oil as ingredient
9. Soy as animal feed
- c. Governance & organisational structures: workforce mainly women or migrants or seasonal/temporary workers or workers without established or regular contracts
- II. **Fact based risk** – Critical incidents (site or worker level) (negative press, history of bad audit results, local union reports, NGO reports)