

Wal-Mart Stores, Inc.

Factory Certification Supplier Manual

Revision 3

Updated: September 30, 2003

Wal-Mart Factory Certification Supplier Manual

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SECTION 1 - INTRODUCTION

The Factory Certification (FC) program at Wal-Mart Stores, Inc. is based on Wal-Mart's Supplier Standards (or "Standards for Suppliers") that have evolved over time and are continually updated to reflect the sensitivities of an ever-closer global community. Please see appendix A for the Wal-Mart Supplier Standards. The program is aimed at ensuring the goods purchased in our stores comply with those standards.

Wal-Mart's Supplier Standards cover health and safety issues, compensation, working hours, forced labor, child labor, discrimination, compliance with applicable national laws; and the right of inspection by Wal-Mart or our designated third party. The FC audit program is designed to ensure that manufacturers are producing merchandise in a consistent manner with Wal-Mart Supplier Standards.

It is important to stress Wal-Mart has one set of Supplier Standards, and Factory Certification auditors are charged with ensuring those standards are applied in a consistent fashion.

Beyond identifying risk for Wal-Mart, Factory Certification program has three fundamental objectives:

1. To verify management practices
2. To educate factories regarding domestic law requirements, as well as the additional requirements embodied in our standards
3. To encourage implementation of necessary changes that will ultimately result in an improved quality of life for the workers who supply our stores with the merchandise our customers demand.

SECTION 2 - DEFINITIONS

The following terms shall have the following meaning when used in the Manual and in connection with the Audit and Certification

- **Wal-Mart**
Wal-Mart Stores, Inc. and its subsidiaries
- **Supplier**
The entity with whom Wal-Mart Stores, Inc. and its subsidiaries contract for goods/services.
- **Domestic Import Supplier**
Those suppliers providing merchandise for sale by Wal-Mart for which Wal-Mart is neither the importer of record nor the manufacturer.

The Wal-Mart Factory Certification Program for Domestic Import Suppliers includes a third party audit of factory conditions. The Supplier is responsible for requesting and financing such audits, and remediation of noncompliant findings.

- **Direct Import Supplier**
Wal-Mart is the importer of record.
- **Factory**
The facility that will produce the merchandise for sale by Wal-Mart Stores, Inc. Production is defined as the conversion or assembly of purchased material into a finished product.
- **Certification**
The audit - assessment process related to Wal-Mart's Supplier Standards; the resulting document communicating the audit findings and corresponding assessment.
- **Auditor**
The person(s) performing the Audit, whether a Wal-Mart employee or a third party auditor from a Wal-Mart approved audit firm.
- **Audit**
The evaluation process conducted by an auditor that will result in an assessment of the supplier's factory.
- **Assessment**
The Audit results, based on the Supplier Standards and violations observed in the factory during the Audit.
- **Disapproved**
Is the status assigned to suppliers/factories that do not comply with the FC process and its requirements. This status works as a holding center where non-compliant and/or uncooperative suppliers/factories are placed, and it should not be confused with FC assessments.

SECTION 3 – AUDIT TIMELINE

Annual Audit

Factories that produce Wal-Mart merchandise are required to be audited on an annual basis. The resulting assessment may require a follow-up schedule for re-audits.

The Supplier must ensure that the annual Audit is scheduled so that it is always performed within one year from the previous Audit date. Time records and salary sheets for the past 12 months must be available at the facility for all Initial and Annual audits.

Scheduling Re-Audit

If a factory assessment requires a re-audit, it is the responsibility of the supplier/factory to coordinate and schedule the re-audit with the appropriate GP offices. A supplier/factory that fails to be re-audited timely will be "disapproved" (see "Disapproved" under Factory Assessment Definitions for detail).

Re-audits of factories can only be scheduled once the corrective actions identified in the letter accompanying the audit findings are documented as implemented. (Please reference "Documenting a Factory's Corrective Action Plan")

Re-Audit

During a re-audit, the auditor will be checking on issues that originally caused the factory to receive the initial assessment. If all the issues are corrected, then the factory will be assigned an appropriate new assessment. However, occasionally the auditors notice some other non-conformances during the re-audit. In such cases, the auditor will evaluate the violation(s) very carefully.

SECTION 4 – THE FACTORY CERTIFICATION AUDIT PROCESS

1. The factory certification process must be initiated by suppliers.
2. Factory audits should be completed no less than 30 days prior to beginning production for Wal-Mart. For suppliers, this means requesting a factory certification no less than 90 days prior to beginning production.
3. An annual audit should always be performed within one year of the initial audit date. Annual audits should be scheduled no less than 60 days prior to the expiration of Certification to avoid a lapse in certification. Certification is based on the date of the Annual audit. It is the responsibility of the supplier to ensure that the factory is audited on appropriate due dates

Direct Import Supplier

The "Request to Certify" form must be submitted in order to initiate the audit process. This form can be obtained from the appropriate GP Merchandiser. For orders through Global Procurement offices (Direct Import Suppliers), audits are typically performed 60 days prior to the shipment date.

Domestic Import Supplier

The "Request to Certify" " (downloadable from Retail Link) form must be submitted to initiate the audit process. Domestic import suppliers' audits are typically performed within 30-45 days of submitting the factory for audit.

Audit findings and a letter stating the assessment and any additional requirements are provided, on average, within 2 weeks.

Scheduling

Audits are scheduled by Wal-Mart Global Procurement or authorized third party organizations. Third party auditors have been instructed to reference all Wal-Mart-related calls from suppliers and/or factories to Wal-Mart Factory Certification.

Contractors and Subcontractors

At times, a contractor may hire another factory to share in part or all of the production of an order. If a factory is hired to produce any portion of the merchandise for a contractor of the supplier, the factory is considered to be a Subcontractor.

Factory Certification will be required at Subcontractor's factories if:

- A. The Subcontractor is responsible for a significant portion of the manufacturing process of the product being sold to Wal-Mart; or,
- B. A Wal-Mart label is transported to the factory to be used as part of an assembly.

It is the responsibility of the supplier to disclose all subcontractors used for Wal-Mart production.

Corrective Action Plan (CAP)

Factory non-compliant audit findings require that the supplier submit a corrective action plan or CAP along with appropriate supporting documentation describing implemented corrective actions (i.e. photos of corrected violations, photocopies of corrected violations, etc.) prior to scheduling follow-up audits. See section 8 for detail.

4. Upon receipt of annual or re-audit findings, it is the responsibility of the supplier to follow up with Wal-Mart Factory Certification within the timeframe identified in the letter accompanying the audit findings.
5. Facilities where Wal-Mart appointed auditors are declined access will automatically receive 'Disapproved' (see section 7 for detail). Without access to the factory, an auditor is unable to determine whether or not or to what degree a factory is in compliance with the Supplier Standards. If the audit is being conducted for a domestic import supplier's factory, audit fees are charged.
6. The greatest impediment to the certification timeline is incomplete or incorrect factory contact information and a plant management team that is unfamiliar with the audit and access requirements for the factory and its management. Should access be denied to records or employees, the factory is 'Disapproved.' Suppliers are strongly encouraged to acquaint their supply base with the requirements of Wal-Mart's Supplier Standards.

AREAS OF EMPHASIS DURING AUDIT

Wal-Mart is continually evaluating and updating its audit checklist of considerations. Please see appendix B for detail. The list is by no means exhaustive. Rather, it is meant to provide a basic understanding of how Wal-Mart has viewed non-compliance issues in relation to the Wal-Mart supplier standards. The list is being constantly updated and revised.

SECTION 5 – AUDIT PROCEDURES

The Audit

It is preferred that audit teams are conversant in the local language.

Opening meeting

When auditors first arrive at the factory and meet with factory management, factory management should provide the completed factory questionnaire that is included in the factory certification Packet forwarded to each supplier. Auditors will confirm all factory information submitted for verification.

Factory tour

On concluding the opening meeting, the auditor will conduct a factory walk-through. Typically, the auditor conducts the walk-through with minimal assistance from factory management. Minimal oversight allows the auditor to perform the audit in the most efficient way possible. Obviously, time allocated to this portion of the audit varies substantially depending on the size of the factory.

Auditors will speak with factory employees briefly on the production floor, asking questions regarding the operation of machinery as well as other issues impacting Wal-Mart's Supplier Standards. Additionally, auditors may measure spaces, test fire equipment and other equipment under controlled conditions, as well as checking general maintenance records.

Upon completion of the walk-through, auditors will request documentation related to personnel, time, and pay records. Payroll review varies depending on the size of the factory.

Employee Interviews

Employee interviews are accepted as an industry standard in assessing code of conduct (supplier standard) issues. Wal-Mart considers the input of employees an integral component of the Audit process. Findings and observations are verified through such interviews.

Employee interviews are conducted away from the production floor in a private area. Ideally, factory management should provide a private room. Under no circumstances are interviews conducted with factory management or their representatives present. The objective of these interviews is to find out what the worker has to say relevant to the audit.

Interviews typically take between 5 and 15 minutes. No less than 15 workers and no more than 25, depending on the size of the factory, are interviewed. Ideally, interviews are representative of the male/female mix in the factory as well as the distribution of the departments present in the factory, although it is preferable to interview workers in key production positions. Typically, auditors will identify individuals for interviewing during the walk-through of the factory. Some workers may, however, be requested for interviewing as a result of observations surfaced in the document review portion of the audit.

Factory Visit Recap

The audit findings are summarized in a closing meeting with the factories. Areas noted out of compliance with Wal-Mart Supplier Standards are discussed with factory management as requiring corrective action. This recap is formalized in a corrective action plan.

Auditors are required to leave a copy of the signed audit findings for factory management to keep so that the factory has a record of the deficiencies observed during the audit.

SECTION 6 – FACTORY ASSESSMENT DEFINITIONS

All factories are inspected in order to confirm Wal-Mart products are being produced in conditions which meet Wal-Mart supplier's standards. Once a factory is inspected and audited for compliance, it is given an audit assessment. The audit assessments and their criteria are discussed below:

- Green
- Yellow
- Red
- Failed

GREEN

The following are some of the consequences when a factory receives a Green assessment:

- Orders can ship
- Future orders can be placed
- Corrective Action Plan (CAP) [If CAP is required]:
 - Direct Import Suppliers
 - ✓ CAP must be received in 90 calendar days from the initial audit date. Failure to do so, the factory will be disapproved. If CAP is acceptable, then the audit is good for one year from the initial audit date
 - Domestic Import Suppliers
 - ✓ CAP must be received in 90 calendar days from the day the assessment is submitted to the supplier. Failure to do so, the factory will be disapproved. If CAP is acceptable, the audit is good for one year from the initial audit date

YELLOW

The following are some of the consequences when a factory receives a Yellow assessment:

- Orders can ship
- Future orders can be placed
- Corrective Action Plan (CAP): Factory is required to submit a Corrective Action Plan (CAP) and supporting documents. Failure to do so, the factory will be disapproved.
 - Direct Import Suppliers
 - ✓ CAP must be received in 15 calendar days from the initial audit date.
 - Domestic Import Suppliers
 - ✓ CAP must be received in 45 calendar days from the day the assessment is submitted to the supplier.
- Factory will be re-audited within 120 calendar days from the initial audit. It is the responsibility of the factory/supplier to get re-audited within the allowed time. If this is not achieved by the factory/supplier, it will be disapproved
- If re-audit does not confirm the CAP, factory will be disapproved
- If a factory receives 3 Yellow assessments, it will be disapproved
 - **Exception for Continuous Improvement of Working Hours**
If a factory has received 3 yellow assessments solely for working hours violations, Wal-Mart may determine the factory is not “disapproved” if the factory has demonstrated continuous substantial improvement towards reducing working hours. The factory will be re-audited within 120 days of the third Yellow assessment. The factory has to aim to meet the industry standards for a 60 hours workweek. The factory management needs

to clearly indicate its proposal for improvement in the CAP.

The auditor also needs to determine the pattern of improvement from one visit to the next. The continuous improvement pattern will be captured in the audit report as a reason for exception.

- If re-audit confirmed the CAP, the audit is good for one year from the initial audit date

RED

The following are some of the consequences when a factory receives a Red assessment:

- Orders can ship
- Future orders can be placed
- Corrective Action Plan (CAP): Factory is required to submit a Corrective Action Plan (CAP) and supporting documents. Failure to do so, the factory will be disapproved.
 - Direct Import Suppliers
 - ✓ CAP must be received in 15 calendar days from the initial audit date.
 - Domestic Import Suppliers
 - ✓ CAP must be received in 45 calendar days from the day the assessment is submitted to the supplier.
- Re-audit must be performed in 60 calendar days from the initial audit date or be disapproved
- If a factory receives 2 Red assessments, it will be disapproved
- If re-audit does not confirm the CAP, factory will be disapproved
- If re-audit confirmed the CAP, the audit is good for one year from the initial audit date

FAILED

The following are some of the consequences when a factory receives a Failed assessment: (A "Failed" assessment could result from violations related to child labor, forced labor, corporal punishment, illegal transshipment, discrimination, human rights abuses and/or unsafe hazardous working conditions)

- No shipment is allowed
- If the carrier has left the port, the merchandise will be accepted if retail market agrees
- All outstanding orders are automatically canceled

DISAPPROVED PROCESS

"Disapproved" should not be confused with FC assessments. It is a status designed to manage suppliers/factories that do not comply with the new FC process and its requirements. This status works as a holding center where non-compliant and/or uncooperative suppliers/factories are placed.

In the Factory Certification process, a factory may be disapproved. The following are some of the criteria when a factory is "Disapproved":

- Re audit does not confirm the corrective action plan (CAP) received
- Factory receives three Yellow assessments
- Factory receives two Red assessments
- Factory/Supplier fails to provide the corrective action plan for a particular assessment in due time
- Factory was not re-audited in due time
- Right of Inspection
- Factory Denied access to factory or dormitory
- Factory fails to provide factory and/or personnel records
- Factory declined entry or review of required records
- Factory declined workers' interview

Disapproved due to Combinations of Consecutive Assessments

- Yellow + Yellow + Yellow = Disapproved*
- Yellow + Yellow + Red = Disapproved
- Yellow + Red + Yellow = Disapproved*
- Yellow + Red + Red = Disapproved
- Red + Yellow + Yellow = Disapproved*
- Red + Yellow + Red = Disapproved
- Red + Red = Disapproved

*NOTE: Factory must show sustained improvement from one audit to the next. Disapproval will be based on the level of improvement and the type of violations.

Consequences for a Disapproved factory

- No new/future order(s) can be placed in the factory for 90 days from the day the factory was audited.
- Orders cannot be placed while the factory remains disapproved
- All POs created before the factory is disapproved can be produced and shipped

Removal from Disapproved

- Supplier must first resolve the issues which initially caused it to be disapproved.
- Supplier must provide CAP with all supporting documents to the appropriate GP office/FC Coordinator.
- Supplier must submit a "Request to Certify" to the appropriate GP office/FC Coordinator no later than 30 days prior to the date where business would resume.
- The factory must have a FULL 3rd party audit with the result of at least a yellow assessment or better prior to placing orders. The supplier will be responsible for the 3rd party audit fees
- If a factory does not receive an acceptable 3rd party audit assessment, it will remain disapproved.
- Supplier can submit a "Request to Certify" again when the factory is ready to be re-audited. The supplier will be responsible for all 3rd party audit fees.

Supplier's Performance

Wal-Mart encourages suppliers to develop and improve their factory bases to meet Wal-Mart standards. For all suppliers, the following items will be monitored through exception reporting:

- The number of factories that are disapproved.
- The number of factories that are never used due to disapproval.

SECTION 7 - ACCESS DENIED/RIGHT OF INSPECTION

The Supplier Agreement for Wal-Mart Stores, Inc. stipulates that suppliers will provide access to their production base to ensure that Supplier Standards for Wal-Mart Stores are complied with in each facility.

The following are some examples which are by no means exhaustive. Rather, it is meant to provide a basic understanding of how Wal-Mart has viewed "ACCESS DENIED/RIGHT OF INSPECTION" issues in relation to the Wal-Mart supplier standards.

- The auditor was allowed to inspect all of the facility but was not allowed to check the documentation or dormitories.
- If the inspection was arranged through the factory management/supplier and entry to the factory was refused upon arrival without any valid explanation.
- When factory management states that only one unit within a compound produces Wal-Mart products but workers from other units are observed working in a so-called "dedicated" facility. The entire factory (all buildings) is to be audited.
- Occasionally factory management will refuse to provide related records, stating those records have been sent to another country/office or the person in charge is on leave, etc., hence, the factory is unable to provide the required information. Likewise, related to interviews, the factory may state that the appropriate authorizing individual is unavailable; therefore, interviews with workers will not be permitted.
- In such instances, auditor should observe the situation carefully. If the auditor believes that the factory's reasoning is acceptable then special arrangement should be made. Until the proper documents are reviewed and necessary worker interviews are performed, the factory should not receive any audit assessment.
- When the factory fails to provide personnel information for the workers, it becomes a right of inspection issue.

Since Wal-Mart Suppliers are advised of audit requirements at the time they sign the Supplier Agreement and all Wal-Mart suppliers are provided with an FC Supplier Manual, they are or should be aware of the documents that are required for an audit.

If an auditor is denied access to a factory, dormitories or relevant documentation, which includes payroll documents, time cards, contracts, worker interviews, etc. for inspection, the consequences are severe.

An "ACCESS DENIED/RIGHT OF INSPECTION" will result in the following:

- All Purchase Orders (POs) will be canceled.
- Future orders will not be placed until the factory is audited for compliance.
- No shipment will be allowed.
- All production not shipped will be cancelled.
- Factory can be reactivated upon re-audit using a 3rd party audit firm with an acceptable audit result.

- Once the PO's are canceled for the factory, they CANNOT be activated again. New POs has to be created for the supplier's factory if business should resume.

Removal from "ACCESS DENIED/RIGHT OF INSPECTION" status

- Business with Wal-Mart can resume anytime the supplier/factory is ready.
- Supplier must submit a "Request to Certify" to the appropriate GP office.
- The factory must have a FULL 3rd party audit. The supplier will be responsible for the 3rd party audit fees.

SECTION 8 - CORRECTIVE ACTION PLAN (CAP)

Based on a factory assessment, a supplier/factory must submit a corrective action plan or CAP.

CAP For Domestic Import Suppliers

As discussed in each assessment section, a CAP must be received:

- In 90 calendar days from the date the assessment is submitted to the supplier for a Green assessment. If no CAP is received in 180 days, the factory will be disapproved.
- In 45 calendar days from the date the assessment is submitted to the supplier for a Yellow assessment; and
- In 45 calendar days from the date the assessment is submitted to the supplier for a Red assessment.

Documenting a CAP for Domestic Import Suppliers

Hard copies of documentation are to be either mailed or sent via parcel service to Wal-Mart Factory Certification. (See Appendix E for mailing address)

Specific documentation is required to demonstrate implementation of required corrective actions.

Compliance can only be demonstrated through a re-audit.

Wage and Hour violations require documentation through photocopies of the most recent pay period (signed payroll) and corresponding random sampling of timecards for the same period. Wal-Mart strongly encourages implementation of electronic timing devices and transparent accounting methods related to payroll.

- Working hours are defined as those hours prescribed by law as a legal working day or shift.
- Overtime hours are defined as those working hours in excess of the hours defined by law as the legal working day.
- Wal-Mart does not recognize Comprehensive Working Hour schemes or other contractual agreements that modify applicable national standards for working hours.

Under no circumstances will Wal-Mart allow production in any factory which does not monitor its employees' birth dates / ages and register these in their personnel records. If the factory has no personnel records, no Wal-Mart orders are to be placed in that factory.

Most discrimination, harassment, and abuse violations can only be confirmed through re-audit. Photos of postings regarding policy revisions along with a copy of the actual policy change, copies of signed employee council agreements, etc. are acceptable for noting implemented corrective action. Violations related to workplace environment may be demonstrated as corrected through photographs.

Right of inspection includes the factory premises, personnel records, other relevant factory records, dormitory, and worker interviews. Photos and photocopies of relevant information are required prior to rescheduling follow up audit.

NOTE: All documents submitted as evidence of implemented corrective action are to be translated prior to submission. A detailed description of new calculation of wages must

accompany payroll records. All supporting photographs and photocopies are to be identified with factory name and country.

CAP For Direct Import Suppliers

Based on a factory assessment, a supplier/factory must submit a corrective action plan or CAP. As discussed in each assessment sections, a CAP must be received:

- In 90 calendar days from the initial audit date for a Green assessment
- In 15 calendar days from the initial audit date for a Yellow assessment
- In 15 calendar days from the initial audit date for a Red assessment

Documenting a CAP for Direct Import Suppliers

CAP for Green Assessment

If a CAP is required upon a green assessment, it should contain all supporting documentation, i.e. pictures, etc.

CAP for Yellow and Red Assessment

For the Yellow and Red assessment, a CAP must include a plan to correct all the findings reported by the auditor. The plan must contain a target date that may not exceed the re-audit date.

At the time of re-audit, the factory should produce any supporting documents for the CAP, e.g. personal records, payroll documents, etc. or be disapproved.

CAP for Disapproved Factory

Supplier/factory must submit full supporting documents with the CAP

SECTION 9 – WAL-MART PRODUCTION COMPLIANCE POLICY FOR SUPPLIERS (THE 3 STRIKE POLICY)

Consistent with Wal-Mart's policy and practice of conducting its business affairs with the highest ethical standards, Wal-Mart expects its suppliers to share and adopt its commitment to comply with all laws, wherever promulgated, as they relate to human rights and labor and customs laws. In instances where a supplier is found to be in violation of any material legal or ethical standard governing child labor, forced labor, unsafe working conditions, or transshipment of goods produced for or sold to Wal-Mart, the involved supplier will be deemed to be engaged in non-compliant production and in breach of this policy and Wal-Mart's Supplier Agreement and shall be subject to sanctions up to and including termination of its business relationship with Wal-Mart. Non-compliant production means goods produced under one or more of the following conditions as of the date the violation is identified:

- Child labor which is defined to be production of merchandise by persons under the age of 14, or the age specified by law in those countries where a higher standard has been applied.
- Forced labor, which is defined, to be production of merchandise by workers confined against their will within the factory compound, with the requirement of uncompensated work.
- Unsafe working conditions are defined as conditions in a place of production that a reasonable person would expect to pose a direct risk of serious bodily harm or documented long-term health risk to a person working under those conditions.
- Transshipment is defined as merchandise that is produced in Country A, identified as a product of Country B, and imported to Country C for consumption as a product of Country B.

The above examples of non-compliant production are not exhaustive, and therefore, it shall be the responsibility of each supplier to ensure that it is at all times in compliance with all relevant laws and policies with respect to goods produced for or sold to Wal-Mart. A supplier with production identified as non-compliant will be notified in writing of the violation and will be assessed the following sanctions:

FIRST STRIKE: All pending orders for the supplier's factory in violation of this policy will be cancelled. Non-compliant product in production or unshipped from this factory will be rejected.

Violations will be maintained on a supplier's record for two years from the date of the occurrence.

SECOND STRIKE: A second instance of non-compliant production by the supplier within 2 years of the initial violation shall result in cancellation of all pending orders, and all non-compliant product in production or unshipped will be rejected. The supplier, at its own expense, will be required to provide a satisfactory factory audit from an independent third party for all factories that the supplier uses for Wal-Mart production. No orders will be placed with the supplier until such satisfactory factory audit is received by Wal-Mart.

THIRD STRIKE: If at any time Wal-Mart, in its sole discretion, determines that a pattern and practice of non-compliance exists, Wal-Mart will terminate its relationship with a supplier. All

pending orders for the supplier in violation of this policy will be cancelled. Non-compliant product in production or unshipped will be rejected.

SECTION 10 –WAL-MART CONTINUOUS IMPROVEMENT

Wal-Mart believes in continuous improvement and open communication with its suppliers and factories. Wal-Mart will not tolerate child labor, forced labor, corporal punishment or illegal transshipment. However, Wal-Mart believes that for the majority of the violations observed, it can work with the supplier and the factory to help them become a successful business partner with Wal-Mart. There is on-going communication with our shareholders and business partners on the issues of human rights, integrity, and best practices.

APPENDIX A

STANDARDS FOR SUPPLIER: SUPPLIER'S RESPONSIBILITIES

STANDARDS FOR SUPPLIER: SUPPLIER'S RESPONSIBILITIES

The Standards for Supplier is an important document. It is referenced throughout the Factory Certification Manual as either Wal-Mart's "Standards for Suppliers" or Wal-Mart's "Suppliers Standards."

The Supplier Standards have been through a number of changes as the concerns of Wal-Mart have evolved over time. From time to time, the content of the standards may change.

As a supplier, you are asked to also sign the document for our records. Wal-Mart is required to keep all signed copies of the Supplier Standards for Direct Imports on file. Buyers working directly with suppliers forward all signed copies of the Supplier Standards to the Wal-Mart Vendor Master.

Wal-Mart requires that a poster version of the Supplier Standards in the local language and English be placed in each production facility servicing Wal-Mart. The poster version of the Supplier Standards has been translated into the 24 languages listed below:

Arabic	Hindi	Sinhala
Bengali	Indonesian	Spanish
Chinese (Simplified)	Italian	Tagalog
Chinese (Traditional)	Kannada	Tamil
English	Khmer (Cambodian)	Thai
French	Korean	Turkish
German	Portuguese	Urdu
Hebrew	Russian	Vietnamese

The request for "Standards for Suppliers" poster-order form is found at Appendix C.

Supplier No: _____

Department No.: _____

Effective Date: _____

WAL-MART STORES, INC.

STANDARDS FOR SUPPLIERS

Wal-Mart Stores, Inc. ("Wal-Mart") has enjoyed success by adhering to three basic beliefs since its founding in 1962:

1. Respect for the Individual
2. Service to our Customers
3. Strive for Excellence

Wal-Mart strives to conduct its business in a manner that reflects these three basic beliefs. Our suppliers are expected to conform to these beliefs and the values inherent therein and to assure these beliefs and values are reflected in their contracting, subcontracting or other relationships.

Since Wal-Mart believes that the conduct of its suppliers can be attributed to Wal-Mart and affect its reputation, Wal-Mart requires its suppliers to conform to standards of business practices which are consistent with the three beliefs described above. More specifically, Wal-Mart requires conformity from its suppliers with the following standards, and hereby reserves the right to make periodic, unannounced inspections of supplier's facilities to satisfy itself of supplier's compliance with these standards:

1. COMPLIANCE WITH APPLICABLE LAWS

All suppliers shall comply with the legal requirements and standards of their industry under the local and national laws of the jurisdictions in which the suppliers are doing business, including the labor and employment laws of those jurisdictions, and any applicable U.S. laws. Should the legal requirements and standards of the industry conflict, suppliers must, at a minimum, be in compliance with the legal requirements of the jurisdiction in which the products are manufactured. If, however, the industry standards exceed the country's legal requirements, Wal-Mart will favor suppliers who meet such industry standards. Suppliers shall comply with all requirements of all applicable governmental agencies. Necessary invoices and required documentation must be provided in compliance with the applicable laws. Suppliers shall guarantee to Wal-Mart that no merchandise sold to Wal-Mart infringes the patents, trademarks or copyrights of others and shall provide to Wal-Mart all necessary licenses for selling merchandise sold to Wal-Mart, which is under license from a third party. All merchandise shall be accurately marked or labeled with its country of origin in compliance with applicable laws and including those of the country of manufacture. [All shipments of merchandise will be accompanied by the required documentation issued by the proper governmental authorities, including but not limited to Form A's, import licenses, quota allocations and visas and shall comply with orderly marketing agreements, voluntary restraint agreements and other such agreements in accordance with applicable law.] The commercial invoice shall, in English and in any other language deemed appropriate, accurately describe all the merchandise contained in the shipment, identify the country of origin of each article contained in the shipment, and shall list all payments, whether direct or indirect, to be made for the merchandise, including, but not limited to any assists, selling commissions or royalty payments. Backup documentation, and any Wal-Mart required changes to any documentation, will be provided by suppliers promptly. Failure to supply complete and accurate information may result in cancellation or rejection of the goods.

2. EMPLOYMENT

At a minimum, Wal-Mart expects its “suppliers ” to meet the following terms and conditions of employment:

Compensation

Suppliers shall fairly compensate their employees by providing wages and benefits, which are in compliance with the local and national laws of the jurisdictions in which the suppliers are doing business or which are consistent with the prevailing local standards in the jurisdictions in which the suppliers are doing business, if the prevailing local standards are higher.

Hours of Labor

Suppliers shall maintain reasonable employee work hours in compliance with local standards and applicable laws of the jurisdictions in which the suppliers are doing business. Employees shall not work more than 72 hours per 6 days or work more than a maximum total working hours of 14 hours per calendar day (midnight to midnight). The factory should be working toward achieving a 60-hour work week. Wal-Mart will not use suppliers who, on a regularly scheduled basis, require employees to work in excess of the statutory requirements without proper compensation as required by applicable law. Employees should be permitted reasonable days off (at least one day off for every seven-day period) and leave privileges.

Forced Labor/Prison Labor

Forced or prison labor will not be tolerated by Wal-Mart. Suppliers shall maintain employment on a voluntary basis. Wal-Mart will not accept products from suppliers who utilize in any manner forced labor or prison labor in the manufacture or in their contracting, subcontracting or other relationships for the manufacture of their products.

Child Labor

Wal-Mart will not tolerate the use of child labor. Wal-Mart will not accept products from suppliers who utilize in any manner child labor in the manufacture or in the contracting, subcontracting or other relationships for the manufacture of their products. No person shall be employed at an age younger than the law of the jurisdiction of manufacture allows.

Where country laws allow children below the age of 14 years to work, Wal-Mart will only recognize the minimum working age of 14 years, regardless of the law of the jurisdiction.

Discrimination/Human Rights

Wal-Mart recognizes that cultural differences exist and different standards apply in various jurisdictions, however, we believe that all terms and conditions of employment should be based on an individual's ability to do the job, not on the basis of personal characteristics or beliefs. Wal-Mart favors suppliers who have a social and political commitment to basic principles of human rights and who do not discriminate against their employees in hiring practices or any other term or condition of work, on the basis of race, color, national origin, gender, sexual orientation, religion, disability, or other similar factors.

3. WORKPLACE ENVIRONMENT

Wal-Mart expects its suppliers to maintain a safe, clean, healthy and productive environment for its employees. Factories producing merchandise to be sold by Wal-Mart shall provide adequate medical facilities, fire exits and safety equipment, well-lighted and comfortable workstations, clean restrooms, and adequate living quarters where necessary. Workers should be adequately trained to perform their jobs safely.

Wal-Mart will not do business with any supplier that provides an unhealthy or hazardous work environment or which utilizes mental or physical disciplinary practices.

4. CONCERN FOR THE ENVIRONMENT

We believe it is our role to be a leader in protecting our environment. We encourage our customers and associates to always reduce, reuse, and recycle. We also encourage our suppliers to reduce excess packaging and to use recycled and non-toxic materials whenever possible. We will favor suppliers who share our commitment to the environment.

5. FACTORY INSPECTION REQUIREMENTS

Scheduled inspections should typically be conducted a maximum of three times per year to ensure compliance with the standards, terms, and conditions set forth herein. Wal-Mart reserves the right to conduct unannounced factory inspections.

In the case of domestic suppliers, factory audits shall typically be conducted by Wal-Mart approved third party audit firms. All charges related to the third party inspection and certification of such facilities shall be paid fully by the supplier. Any supplier who fails or refuses to comply with these standards is subject to immediate cancellation of any and all outstanding orders, refusal or return of any shipment, and termination of its business relationship with Wal-Mart.

In the case of suppliers working through Global Procurement Direct Imports, audits should be conducted by Wal-Mart's internal auditors.

Once a factory has been audited and assessed either green or yellow by either Wal-Mart's internal auditors or an approved third party audit firm, the factory is valid for any supplier to use for Wal-Mart business.

6. RIGHT OF INSPECTION

To further assure proper implementation of and compliance with the standards set forth herein, Wal-Mart or a third party designated by Wal-Mart will undertake affirmative measures, such as on-site inspection of production facilities, to implement and monitor said standards. Any supplier which fails or refuses to comply with these standards or does not allow inspection of production facilities is subject to immediate cancellation of any and all outstanding orders, refuse or return any shipment, and otherwise cease doing business with Wal-Mart.

7. CONFIDENTIALITY

Supplier shall not at any time, during or after the term of this Agreement, disclose to others and will not take or use for its own purposes or the purpose of others any trade secrets, confidential information, knowledge, designs, data, know-how, or any other information reasonably considered "confidential." Supplier recognizes that this obligation applies not only to technical information, designs and marketing, but also to any business information that Wal-Mart treats as confidential. Any information that is not readily available to the public shall be considered to be a trade secret and confidential. Upon termination of this Agreement, for any cause, supplier shall return all items belonging to Wal-Mart and all copies of documents containing Wal-Mart's trade secrets, confidential information, knowledge, data or know-how in supplier's possession or under supplier's control.

8. WAL-MART GIFT AND GRATUITY POLICY

Wal-Mart Stores, Inc. has a very strict policy which forbids and prohibits the solicitation, offering or acceptance of any gifts, gratuities or any form of "pay off" or facilitation fee as a condition of doing business with Wal-Mart; as a form of gratitude, or as an attempt to gain

favor or accept merchandise or services at a lesser degree than what was agreed. Wal-Mart believes in delivering and receiving only the total quantity agreed.

Any supplier, factory or manufacturer who violates this policy by offering or accepting any form of gift or gratuity to/from any associate, employee, agent or affiliate of Wal-Mart Stores, Inc. will be subject to all loss of existing and future business, regardless of whether the gift or gratuity was accepted. In addition, a supplier, factory or manufacturer who violates this policy, will be reported to the appropriate governmental authorities of the supplier's respective and affiliated jurisdictions.

Failure to report such information will result in severe action against such supplier, trading company or factory including but not limited to termination of all existing and future business relationships and monetary damages.

A copy of these Standards for Suppliers in the local language shall be posted in a location visible to all employees at all facilities that manufacture products for Wal-Mart Stores, Inc.

Any person with knowledge of a violation of any of these standards by a Supplier or a Wal-Mart associate should call 1-800-WM-ETHIC (1-800-963-8442) (in countries other than the United States, dial AT&T's U.S.A. Direct Number first) or write to: Wal-Mart Stores, Inc., Business Ethics Committee, 702 SW 8th St., Bentonville, AR 72716-0215.

As an officer of _____, a Supplier of Wal-Mart, I have read the principles and terms described in this document and understand my company's business relationship with Wal-Mart is based upon said company being in full compliance with these principles and terms. I further understand that failure to abide by any of the terms and conditions stated herein may result in the immediate cancellation by Wal-Mart of all outstanding orders and refusal by Wal-Mart to continue to do business in any manner with my company. I am signing this statement, as a corporate representative of _____, to acknowledge, accept and agree to abide by the standards, terms and conditions set forth in this Standard for Suppliers between my company and Wal-Mart. I hereby affirm that all actions, legal and corporate, to make this Agreement binding and enforceable have been completed.

SUPPLIER COMPANY NAME: _____ ADDRESS:_____ _____ _____ TELEPHONE:_____ FAX:_____	Signature: _____ Typed Title
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APPENDIX B

AREAS OF EMPHASIS DURING AUDIT

AREAS OF EMPHASIS DURING AUDIT

COMPENSATION

Wal-Mart encourages factories to employ an electronic time system with punch cards and train employees how to use the system. Where this is not possible, it is required that employees sign their hours daily. It is also recommended employees sign their agreement to work OT beyond the daily schedule.

Wal-Mart requires all legally required benefits be paid to employees. Factories should provide supporting documentation (i.e. payroll, notarized insurances, local exemption certificates, etc.) Employees should be educated by the factory regarding their pay and the legal deductions taken.

Factories must comply with legally required benefits and permissible deductions. Factories must provide copies of paid insurance for the auditor's review. Factories must educate workers on the contents of their paycheck.

Wal-Mart requires all legally required wages, incentives, premiums and increments be paid to employees in accordance with the law.

Below are some common violations:

- Training wages are only applicable to new hires with no previous experience for a specific period. A maximum of 3 to 6 months is acceptable by Wal-Mart as a training period.
- Non-payment of applicable wages
- Wages cannot be verified / wage system not clear
- Failure to pay minimum wage
- Failure to pay legally required overtime premium
- Legally required benefits not paid
- Illegal deductions
- No pay slips for workers
- Workers unaware of pay rates and deductions
- Training wages paid longer than legal probation
- Training wages paid to skilled labor
- Delaying payment of any portion of wages
- Unpaid piece work / No payment for rework
- Manipulation of payroll

WORKING HOURS

Working hours must be posted in the facility. Hours worked in excess of those hours must be compensated accordingly. Overtime must not exceed the amount permitted by national/local standard, unless factory possesses a document explicitly granting exemption from this law for a specific period and a specific amount of additional overtime – general, all-inclusive exemption is unacceptable.

Below are some common violations:

- Violation of Wal-Mart's Seventh Day Rest Policy
- OT - Routine coerced overtime
- Time System - Working off the clock / No clock
- OT - Excessive overtime

- OT exceeding local law requirement but within WM maximum tolerance (72 hours per 6 days; 14 hours per calendar day). The factory should be working toward achieving a 60-hour workweek.
- OT - Egregious hours
- Work more than 72hrs per 6 days or
- Work more than a maximum total working hours of 14 hours per calendar day (midnight to midnight)

FORCED LABOR

Below are some common violations:

- Workers imprisoned in factory
- Use of bonded laborers
- Purchasing supplies from state entities using prison labor
- Excessive recruitment fees
- Unreasonably limited access to basic needs (i.e. food, water, toilet.)
- Required and routine seven-day workweek
- Terminating or disciplining workers who will not work OT hours
- Factory holds government issued identity papers against worker's will
- Excessive restrictions on movement-not allow going out at night, can go out on certain days/week, etc.
- Illegal / Unreasonable terms in contract / factory rules and regulations

CHILD LABOR

Below are some common violations:

- Health examination not provided to young workers
- No proper breaks for minors
- Minors with no / expired / incomplete work documents
- Minor's age cannot be verified due to:
- No authorizing work document and/or
- Underage workers hired
- During the audit date - If worker is below the legally required working age (based on the western birth date), it is categorized as Child Labor.
- Backdate 6 months from the audit date - if worker is below legal required working age (based on the western birth date), it is categorized as Child Labor.
- Underage workers working "off the books?"
- Incomplete age documentation
- Numerous discrepancies in age verification records
- Minors working beyond legal limits (working in prohibited areas)
- Workers' children allowed on production floor
- No hiring procedures to ensure compliance
- Job applicants falsifying age documentation
- Historical Child Labor: Child labor was employed during a time when there was no Wal-Mart production at the factory.
- In order to verify historical child labor in a factory, the auditor will back date 6 months from the audit date. If the worker was below the legal required working age based on western birth date at the time of employment and there was no Wal-Mart production at the factory, it is categorized as Historical Child Labor.

Note: If Production record is unavailable, then base decision on assumption that production started six months prior to the ship date.

DISCRIMINATION

Below are some common violations:

- Maternity and paternity rights must be upheld in accordance with current national legislation.
- Pregnancy testing, for reasons other than verifiable legal requirement
- Verifiable incidents of pregnant women denied jobs or dismissed
- Verifiable incidents of promotions and pay based on personal characteristics

WORKPLACE ENVIRONMENT (HEALTH & SAFETY - DORMITORIES)

Below are some common violations:

- Health & Safety - Not inspected and certified by local health authorities
- Health & Safety - Insufficient restroom and bathing facilities
- Health & Safety - Restricted access
- Health & Safety - Not segregated by gender
- Health & Safety - Unsafe
- Health & Safety - Insufficient ventilation
- Health & Safety - Insufficient space based on number of boarders
- Health & Safety - Hazardous chemicals are present
- Health & Safety - Lack of access to potable water
- Health & Safety - Wiring impedes exit / passage
- Health & Safety - Wet/slick surfaces are not covered with non-slip materials
- Health & Safety - Insufficient restrooms based on boarders
- Health & Safety - Poorly maintained restroom facilities
- First Aid - Empty / No / Locked first aid box (kit)
- Fire Safety - Emergency evacuation plan not posted in native language
- Fire Safety - Access to fire safety equipment
- Fire Safety - Inadequate number and distribution of fire extinguishers and fire hoses
- Fire Safety - No fire alarms, emergency lighting, or sprinkler system
- Fire Safety - Expired fire extinguishers
- Fire Safety - Inadequate fire drills
- Fire Safety - Fire evacuation plan not marked on floor
- Fire Safety - Electrical panel not covered / Electrical cords run through damp or wet areas / Electrical outlet overloaded
- Fire Safety - Inadequate / Restricted access to staircase
- Exits - Exits unmarked
- Exits - Locked and/or fully blocked exits
- Exits - Inadequate number of exits based on workforce
- Exits - Open, but partially obstructed exits
- Exits - Inadequately marked & lit exits

WORKPLACE ENVIRONMENT (HEALTH & SAFETY)

Below are some common violations:

- Health - Lack of access to potable water
- Health - Work area poorly ventilated
- Health - Factory conditions are crowded, disorganized, and unsanitary

- Health - Work area poorly lit
- Health - Possible infestations
- Health - Inappropriate trash disposal
- First Aid - Empty first aid kit
- First Aid - Insufficient or inadequately supplied first aid kits
- First Aid - First Aid procedures not posted
- First Aid - Injuries not monitored
- Protective Equipment - Appropriate personal protective equipment not provided to worker (i.e. lint masks, eye protection, chain gloves)
- Protective Equipment - Machinery not fitted with safety features
- Fire Safety - Inadequate number and distribution of fire extinguishers and fire hoses
- Fire Safety - Fire extinguishers are blocked
- Fire Safety - No posted evacuation plan
- Fire Safety - No fire alarms, emergency lighting, or sprinkler system
- Fire Safety - Expired fire extinguishers
- Fire Safety - Inadequate fire drills
- Fire Safety - Fire evacuation plan not marked on floor
- Fire Safety - Storage of finished goods presents fire hazard
- Fire Safety - Hanging wires / Wiring impedes exit / passage
- Fire Safety - Electrical outlets overloaded / Electrical cords run through damp or wet areas / Electrical panel not covered
- Safety - Hazardous chemicals stored in work area
- Safety - Wet/slick surfaces are not covered with non-slip materials
- Exits - Locked and/or fully blocked exits
- Exits - Inadequate number of exits based on workforce
- Exits - Inadequately marked and lit exits
- Exits - Open (partially obstructed exits) / Excessive WIP / Work station too closed / storage in aisles etc. that precluding speedy exit
- Toilets - Insufficient restrooms based on workforce
- Toilets - Poorly maintained restroom facilities
- Canteen - Food preparation and eating areas are unsanitary
- Canteen - Food prepared/consumed on the production floor
- Canteen - Insufficient canteen capacity
- Canteen - Chemicals improperly stored near food
- First Aid - Glucose or dextrose noted in first aid kit
- Toilets - Failure to provide gender segregated bathrooms

WORKPLACE ENVIRONMENT (HEALTH & SAFETY - HARASSMENT OR ABUSE)

Below are some common violations:

- Abuse - Corporal punishment / Physical abuse
- Body Search - Strip searches
- Harassment - Verbal abuse
- Pat down searches by opposite sex
- Harassment - Sexual harassment

ENVIRONMENTAL CONCERNS

Below are some common violations:

- Willful violation of environmental legal requirements
- Workers exposed to toxic levels of pollutants
- Inappropriate storing/handling of chemicals

RIGHT OF INSPECTION

Below are some common violations:

- Denied access to factory or dormitory
- Factory fails to provide factory / production records / contract or any relevant documentation
- Worker interviews not permitted
- Relevant information withheld
- No Business License
- Inappropriate / In process of application of business license

SUBCONTRACTING

Below are some common violations:

- Subcontractors used for Wal-Mart production
- Home-workers used and paid by factory

STANDARDS POSTED

- Wal-Mart Standards not posted

APPENDIX C

“STANDARDS FOR SUPPLIERS” POSTER - ORDER FORM

“STANDARDS FOR SUPPLIERS” POSTER - ORDER FORM

Please download this form in word document located under the section for “Downloadable forms in Word for Domestic Import Suppliers (USA)” in the Retail Link.

ATTN: Wal-Mart Account Representative

Please fill in the information below. One supplier standard poster will be sent for each factory in the language designated. **MUST BE A PHYSICAL ADDRESS, NO PO BOX NUMBERS.** All information is required.

Wal-Mart Supplier (Vendor) Name _____

You must list complete, full information; Wal-Mart sends the posters to the vendor to forward to the factory.

Attention: _____

Street Address: _____

City/State/Zip Code/Providence: _____

Country: _____

Phone: _____ Fax: _____

FACTORY INFORMATION OF WHICH YOU ARE ORDERING POSTERS:

Factory Name: _____

Street Address: _____

City/Providence: _____

Country: _____

Phone: _____ Fax: _____

Prevailing language in factory: _____

(If more than one list additional): _____

Poster language version needed: _____

Send completed form to:

DOMESTIC IMPORT SUPPLIERS (USA)	DIRECT IMPORT SUPPLIERS
Email the online form in word format to: factcert@wal-mart.com	Appropriate Wal-Mart Global Procurement offices

AVAILABLE LANGUAGES

As of 3/1/00 you must have an English version poster posted along with local language in each facility regardless of Country.

Arabic	German	Khmer (Cambodian)	Thai
Bengali	Hebrew	Korean	Turkish
Chinese (Simplified)	Hindi	Portuguese	Tagalog
Chinese(Traditional)	Indonesian	Russian	Tamil
English	Italian	Sinhala	Urdu
French	Kannada	Spanish	Vietnamese

APPENDIX D

E-MAIL DISTRIBUTION REQUEST

E-MAIL DISTRIBUTION REQUEST

Please download this form in word document located under the section for "Downloadable forms in Word for Domestic Import Suppliers (USA)" in the Retail Link.

The following is a request form the supplier must complete to establish their FC account and keep their FC contacts up-to-date.

Do not complete this form for your factories. This is only for Wal-Mart supplier information. If you have previously submitted this document, please do not resend.

This information must be submitted to Factory Certification at Wal-Mart according to the instruction located under "REQUEST TO CERTIFY INSTRUCTIONS" section.

DOMESTIC IMPORT SUPPLIERS (USA)	DIRECT IMPORT SUPPLIERS
Email the online form in word format to: factcert@wal-mart.com	Appropriate Wal-Mart Global Procurement offices

Please clearly print or type all information

SUPPLIER NAME (Vendor): _____

WAL-MART SUPPLIER (VENDOR) NUMBER: _____
(If you are a new supplier, you must provide the Wal-Mart vendor number in the E-MAIL DISTRIBUTION REQUEST form.)

SUPPLIER ADDRESS: _____

SUPPLIER CONTACT: _____

SUPPLIER PHONE: _____

SUPPLIER FAX: _____

SUPPLIER E-MAIL ID: _____
(If none, please do not submit form)

APPENDIX E

REQUEST TO CERTIFY INSTRUCTIONS

REQUEST TO CERTIFY INSTRUCTIONS

Direct Import suppliers

For Direct Import suppliers who are working directly through the Global Procurement (GP) offices, a completed Request to Certify form should be submitted to the appropriate GP offices. Also, Direct Import suppliers are required to submit a Request to Certify form for initial audits only. The form can be obtained from the appropriate GP merchandisers.

Domestic Import Suppliers

Domestic Import Suppliers are required to submit a Request to Certify form for initial audits and re-audits.

Complete the "Request to Certify" form for each factory you are submitting. If the factory you are submitting is new to you, please contact Wal-Mart Factory Certification directly to verify whether the facility is currently certified for Wal-Mart production.

Submit your completed form using any of the following methods:

DOMESTIC IMPORT SUPPLIERS (USA)	DIRECT IMPORT SUPPLIERS
Email the online form in word format to: AuditReg@wal-mart.com	Appropriate Wal-Mart Global Procurement offices

DOMESTIC IMPORT SUPPLIERS (USA) GUIDELINES

- You must provide all information under "SUPPLIER INFORMATION" and "SUPPLIER'S FACTORY INFORMATION" sections.
- You (supplier) are responsible for the fees associated for the audit. Please contact your FC coordinator for the cost of your audit. Complete "Request to Certify" form included in this packet.

NOTE: Do not forget to complete and send request for "STANDARDS FOR SUPPLIERS POSTER - ORDER FORM," You must choose one of the available languages. You will also receive a copy in English for every non-English poster ordered.

- Supplier/Factory MUST agree to schedule certification audit within 30 days of your "request to certify" form date. Failure of factory to accommodate with a scheduled certification date could result in follow up visit fee charge.
- If supplier/factory does not hear from a Wal-Mart factory certification or the auditing firm within 2 weeks of request to certify, please notify you FC coordinator.
- If you submit incorrect or inaccurate information you may be assessed full cost of audit, should auditors be sent to the wrong location.

- Each time audit is required; a request to certify form must be completed and submitted to Wal-Mart Factory Certification
- If factory has physically moved its location since existing or previous audit, a new certification must be conducted.

Please download this form in word document located under the section for "Downloadable forms in Word for Domestic Import Suppliers (USA)" in the Retail Link.

Wal-Mart Supplier(Vendor)#:	Check One:	Initial/Annual Audit <input type="checkbox"/>	Ref. # Wal-Mart Use Only
		Re-audit/Follow-up Audit <input type="checkbox"/>	

REQUEST TO CERTIFY Wal-Mart Stores, Inc. & Sam's Clubs	Date
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To request Wal-Mart to certify a factory, fill in the following information. All information for factory and supplier is required; agent information, if applicable. PLEASE TYPE OR PRINT LEGIBLY IN ENGLISH. Submitted incomplete or inaccurate information may result in full audit fee assessment. The Wal-Mart Supplier is required to complete and sign request form. Name of Supplier is the Wal-Mart contracted Supplier, not Agent.

SUPPLIER INFORMATION <u>(*****All fields MUST be completed to process the request*****)</u> Name of Supplier: _____ Wal-Mart Supplier # (Vendor #): _____ Name of Parent Company: _____ Contact Person: _____ Contact Telephone # _____ Label Name: _____ Supplier Contact E-mail: _____ Product Description: _____ Wal-Mart Buyer's Name: _____ Wal-Mart Department#: _____ <i>(Include names for all buyers and department numbers associated to this factory)</i>
--

SUPPLIER'S FACTORY INFORMATION <u>(*****All fields MUST be completed to process the request*****)</u> Name of Factory _____ Previous Name (If Any): _____ (The factory that is producing for Wal-Mart for the dept. mentioned above): Physical Location Address: _____ _____ _____ Country of Origin: _____ Prevailing language in factory: _____ Factory Contact: _____ Factory Contact's Title: _____

Factory Contact Telephone #: _____

Factory Fax #: _____

Factory E-mail: _____ Years in Operation: _____

Number of Workers: _____

Name of Officer of Supplier providing following
certification: _____

Upon receipt of this Request, a unique Job Number will be assigned to the audit. This Job Number will be referenced on all subsequent correspondence. Do not send a payment with the request to certify.

As an officer of Supplier, I hereby verify that the Factory is in compliance with the general terms and understanding of Wal-Mart "Standards for Suppliers" as agreed to in the Supplier Agreement. I also understand that the Supplier agrees to take responsibility for the state of the Factory as it relates to compliance during the Wal-Mart certification process.

I also confirm the Factory has been notified of this certification request and has agreed to be available for appointment within the next 30 days. If the Factory fails to comply with appointment within 30 days, additional fees will result. Failure to disclose any factories name or address used in production of product outside the United States may result in the termination of business with Wal-Mart. Wal-Mart has been notified of all subcontractors that will be used. If production is moved and a new factory is chosen after submittal, the Supplier will complete an additional audit request for the new factory. I understand that certifications are for a 12-month period only.

The Supplier understands and will comply with all conditions of this request.

APPENDIX F

FACTORY CERTIFICATION PROCESS FLOW CHART

