



## WALMART SUPPLIER FACTORY SAFETY ASSESSMENT OVERVIEW

Wal-Mart Stores, Inc. (“Walmart”) engaged Bureau Veritas to conduct fire, building and electrical safety assessments at factories in Bangladesh designated by Walmart and directly producing goods for Walmart suppliers.

- The assessments are designed to identify unsafe factory conditions and provide a foundation for the development of effective remediation strategies.
- The process involves engineers visiting each factory multiple times during the assessment phases, during which times engineers identify potential safety issues.
- Factory management develop remediation plans to address the identified issues and the engineers conduct follow-up assessments to monitor each factory’s remediation progress.

### About Bureau Veritas

Bureau Veritas is a world leader in conformity assessment and certification services. The group has 180 years of experience in testing assessment and certification and more than 60,000 employees and 1,330 offices and laboratories in 140 countries, including Bangladesh.

### The Safety Assessment Process:

Bureau Veritas’ assessment teams consist of engineers with technical knowledge about fire, building and electrical safety. These teams use their skills and tools to identify certain unsafe factory conditions such as improper wiring, hot spots in electrical systems and visible building structural issues. Engineers visit each factory multiple times under the following fire and electrical safety factory assessment process.

<b>Phase 1: Pre- Assessment</b>	A team of experienced engineers conducts an initial safety risk assessment, focusing on issues that pose an immediate risk to worker safety. If issues are identified which pose an immediate risk to worker safety, Walmart will instruct production of its merchandise be halted until the factory remediates the issues. Appropriate authorities also would be notified by Walmart.
<b>Phase 2: Initial Assessment</b>	The team conducts an electrical and fire safety risk assessment (“Initial Safety Assessment”) with the goal of identifying certain safety issues. At the end of the 8-20 day assessment, the team prepares a report that outlines the findings from the Initial Safety Assessment, including photos and notes for remediation, which is shared with the factory owners and managers.
<b>Phase 3: First Follow-up Assessment</b>	After development of the remediation plan by factory owners and managers, the engineering team revisits the factory for a follow-up assessment to evaluate the factory’s remediation efforts (“First Follow-up Assessment”). After the First Follow-up Assessment the engineering team will produce another report that identifies key issues that are still in the process of being resolved.
<b>Phase 4: Second Follow-up Assessment</b>	The team verifies that the issues identified in the First Follow-up Assessment report have been addressed and conducts further assessments as deemed necessary by Walmart. These visits are to occur in early 2014.



### **Grading System**

Bureau Veritas developed a system by which key criteria are evaluated and rated based on the level of potential risk to workers' safety, with more weight being assigned to greater risk factors. For example, to calculate the electrical safety score in the "Summary of Observations and Occurrences" section of each report, issues categorized as an I-3 level risk are assigned 10 points, I-2 are assigned eight points and I-1 are assigned three points. The final electrical safety rating is then calculated by dividing the total number of points by the square footage of the factory being inspected and then multiplying by 1,000. The resulting "overall score" accounts for both electrical and building safety and is correlated to a letter grade based on a scale from "A" (lowest percentage of safety risk) to "D" (highest percentage of safety risk).

### **Report Presentation**

The attached Bureau Veritas report is a summary of a larger detailed report which has been provided to both Walmart and factory management.

**This factory is presently unauthorized for production of product for Walmart.**