

Responsible Sourcing Program and Disclosure Scope

All suppliers producing product for sale at Walmart are expected to adhere to Walmart's Standards for Suppliers. This includes product for sale at Walmart or any of its subsidiaries. The primary responsibility for ensuring responsible practices within a supplier's business rests with the supplier.

Disclosure Requirements

Suppliers are responsible for compliance at the facilities they use to produce product for sale at Walmart. Unless exempted in writing, suppliers are required to disclose all facilities meeting any of the following criteria:

1. **Primary and subcontracted production facilities producing product for sale at Walmart.** Where a facility engages in substantial transformation of materials into the final product intended for use or consumption by the customer, the supplier must disclose the facility.
2. **Facilities used by designated or nominated suppliers.** Where Walmart or any of its subsidiaries directs product suppliers to use another specifically designated supplier or includes a particular supplier on a nominated supplier list, the designated or nominated supplier must disclose its facilities.
3. **Post-production processing facilities where a Walmart private brand is present.** Where a facility processes or augments finished product or semi-finished product, and where that product has Walmart private brand identification visible at the time of processing, the supplier must disclose the facility.

If a supplier is uncertain whether it is required to disclose a given facility, the supplier should disclose the facility to Walmart. Failure to disclose where disclosure is required may result in consequences up to and including termination of the supplier's business with Walmart globally.

Walmart may request that certain categories of suppliers certify that they have fully disclosed all of their facilities. Facilities falling within the above scope must be disclosed regardless of any certification requirement; the certification process simply reinforces the disclosure requirement and records that a supplier understands and is in compliance.

Special Exemptions from Disclosure Requirement

In order to allocate our resources toward higher risk facilities, Walmart exempts some facilities from the disclosure requirement. The following are examples of exemptions we may offer:

- **Approved Brands** – suppliers or product brands that have sufficient brand equity and market presence may be exempted from the disclosure requirement. This exemption may be managed differently by different retail markets.
- **Very small suppliers** – we exempt some very small suppliers from the disclosure requirement if they meet certain criteria indicating a low risk of serious violations of our standards.
- **Farms** – we require disclosure of pack houses and food processing facilities. In most cases, we exempt farms from this requirement because disclosure and auditing would be impractical or ineffective at verifying compliance. Suppliers are responsible for compliance at the farms from which they source.
- **Spot Buys** – Spot buys, or one-time purchases of a fixed quantity of merchandise that has already been produced and where no future orders of the same goods are anticipated, are exempt from the requirement to disclose.