

Supplier Reference Guide
Overview of Responsible Sourcing
and Factory Disclosure





What is Responsible Sourcing?

Responsible sourcing is buying and selling merchandise through a socially and environmentally responsible supply chain, built by monitoring and strengthening working conditions and environmental practices.



Mission

Our mission is to drive responsibility in our world class supply chain, and to lead and inspire others to do the same, through:



Define responsibility and drive compliance with our merchants and suppliers



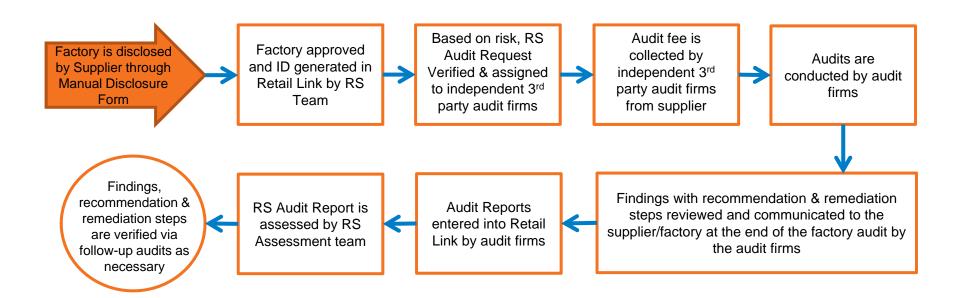
Add value for merchants and suppliers through knowledge, tools, transparency and efficiency



Proactively lead collaborative efforts to innovate and align standards across the industry



Disclosure/Audit Process



- Disclosure takes about 15 minutes
- Factory Attachment typically takes 24 48 hours
- Audit frequency depends on previous audit findings





Factory Disclosure

- Factory Disclosure is performed on Retail Link in Factory Audit System by the Responsible Sourcing team.
- Manual Factory Disclosure is available only for suppliers <u>without</u> access to Retail Link.
- Disclosure is required for all factories, including:
 - Sub-contractors, including those producing Private Brand components and packaging
 - Packaging facilities
 - Any factory that produces material carrying a Walmart Stores, Inc. registered trademark/owned brand, logo or "Distributed by Walmart or Sam's Club"
 - Includes part or all of a product
 - Includes packaging



Manual Factory Disclosure Process

- Initiate becoming a Vendor with Buyer and get Vendor ID or Vendor Number (6-digit number), if new supplier
- Buyer and/or Responsible Sourcing (RS) Retail Market sends the Manual Disclosure Form to supplier
- Supplier completes form and returns to Buyer and/or RS Retail Market
- Supplier ID (8-digit number) is created in Supplier Management System.
- Factory ID is created in Factory Audit System
- Supplier receives email containing: Supplier ID, New Factory ID, a Guide to Responsible Sourcing and an invitation to RS Training
- If the factory is determined to need an audit, an independent Audit Firm will contact supplier to schedule audit and payment
- The audit needs to be conducted by Audit Firm within 30 days of receiving email communication from the firm
- Walmart shares audit findings and assessment with supplier
- Supplier may be authorized to use factory for Walmart production depending on audit assessment



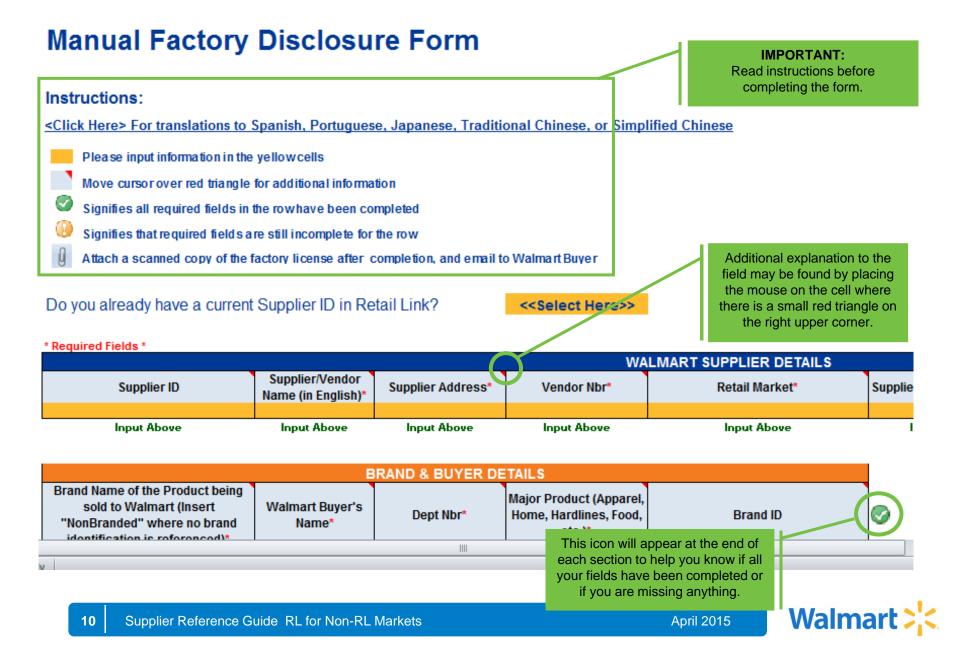
Manual Factory Disclosure Form

- The form has a link within the document to see the translation into Spanish,
 Portuguese, Japanese, Traditional Chinese and Simplified Chinese
- The form should be completed in English
- The form has three sections:
 - Walmart Supplier Details
 - Brand & Buyer Details
 - If the factory produces for more than one department, input the department with the largest business with Walmart
 - Production Facility Details
- Attach a copy of Factory/Business License¹ or Registration Document
- Email completed form to Buyer and/or RS Retail Market including the copy of the Factory License

¹The Business License is the legal document which proves that the factory is legal to trade or operate within the country in which it is located.



Understanding the Form



Sample of Manual Factory Disclosure Form

Manual Factory Disclosure Form



| Instructions: | | |
|---------------|---|--|
| cCli | Click Heres For translations to Spanish, Portuguese, Japanese, Traditional Chinese, or Simplified Chinese | |
| | Plea se Input information in the yellow cells | |
| , | Mo ve oursor over red triangle for add tional information | |
| 0 | Signifies all required fields in the row have been completed | |
| (| Signifies that required fields are still incomplete to rithe row | |
| ŷ | Attach a scanned copy of the factory license after completion, and email to Walmart Buyer | |
| Do | you already have a current Supplier ID in Retail Link? < <select here="">></select> | |







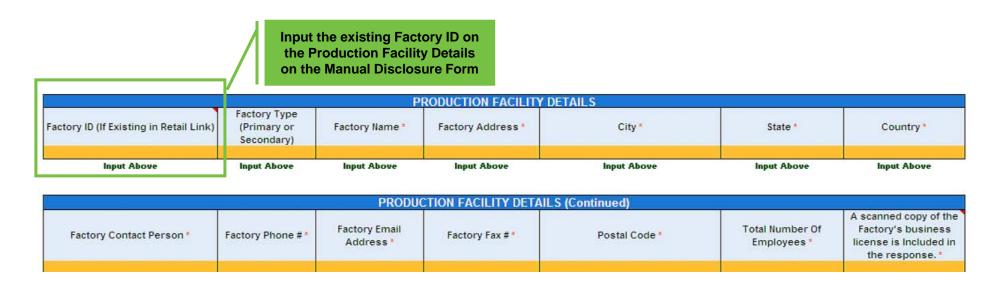
Thank Tou For Participating With The Manual Direlarure Form -- Please Update All Fields Appropriately



Associate/Disassociate from an Existing Factory

To Associate:

Include the Factory ID on the Manual Disclosure Form



To Disassociate:

Notify your Retail Market Manager by email

Example:

Please disassociate Factory ID xxxxx from Supplier ID xxxx.





Definitions & FAQs







Walmart Private Brand:

 Products with brand names solely owned and registered by Walmart.

Country-Level Direct Imports:

 Products imported by any of Walmart's retail operations, including Department 99 supplies.

Walmart • Exclusives:

 Products with brand names sold exclusively at Walmart. This includes derivative brands of national brands.

Components & Packaging w/ Walmart ID:

Products with components that bear the Walmart trademark or registered logos such as shipping boxes, product sleeves, packaging, buttons, visual merchandising, etc.

Licensed:

 Products whose brand rights and ownership are owned by another party other than Walmart. However, in order to utilize and direct some control in merchandising or production, Walmart pays a royalty for usage to the brand owner.

GNFR:

 Goods not for resale, including, but not limited to: logistics, fixtures, stores supplies and signage.





- Why do I need to disclose my factories? Walmart and Sam's Club are committed to driving a responsible supply chain and in order to do so we depend on our supplier partners to disclose the source of the goods being produced.
- Who needs to disclose their factories? All suppliers producing/ manufacturing product, both for resale and not for resale, are required to disclose their facilities. Packaging and component facilities are also required to be disclosed if the packaging/ components bear a Wal-Mart Stores, Inc. identifier. The only exceptions are for items with brands on the Approved Brand List. To verify if your brand is on the list, contact your local Responsible Sourcing manager.
- What does "disclosure" mean? Disclosure means Wal-Mart Stores, Inc. has visibility to the factory address via Retail Link. In order to be compliant with Wal-Mart standards, suppliers are required to keep their factory matrix upto-date with accurate factory address(es), contact(s), and audits (if necessary).
- What is the process from disclosure through assessment? After disclosure and the factory is attached to the supplier's profile:
 - Once the form is submitted, the Wal-Mart tem will verify the data and determine if the factory exists. If it already exists, the Factory ID will be attached to the Supplier's Profile. If it is a new factory, a Factory ID will be assigned, and then attached to the Supplier's Profile.
 - The conducting of audit(s) will be determined based on risk. In the case of a social audit, an independent third party auditing firm will contact the supplier to begin the audit process.
 - After the pre-questionnaire is completed and the invoice paid, the audit firm and supplier will schedule the initial audit.
 Social audits can take 1-2 days and the factory MUST allow the auditing firm to enter or they will be assessed with a Red-Access Denied.
 - After the audit, the auditing firm will leave their findings with the factory and submit the findings to the Wal-Mart assessment team. After which, the Wal-Mart team will assess the findings and provide the supplier a color rating.
- Where can I find my Supplier ID? After the factory (ies) have been disclosed via the Manual Disclosure Form, the supplier should receive an email with their Supplier ID and Factory ID(s).
- Where can I find resources on Wal-Mart Stores, Inc. supplier/ factory expectations? Please contact your Responsible Sourcing Retail Market Manager.





- Who/ what is the Importer of Record (IOR)? If you (the supplier) are responsible for customs clearance, your company is the Importer of Record (i.e. USA Supplier). If Wal-Mart Stores, Inc. is responsible for customs clearance, Wal-Mart will be in the Importer of Record. If you are unsure, please contact your buyer/ sourcing manager for verification.
- I have multiple Supplier/ Vendor IDs. Do I need to disclose my factories in each profile? Yes, it is required to disclose all factories that will be producing items under the corresponding Supplier ID.
- Am I able to have a factory that is both Primary as well as Component? If this is the main production facility, select *Primary*. If the factory makes a component of the product, select *Component*. If the factory is going to be used for both primary and component production, you can select both options.
- How do I determine what category my products would belong in? If you don't see your specific product area listed, please select one that is the closest to your category (i.e,. toilet paper would be under Consumables).
- Does the number of employees, production area square footage, and the Warehouse area need to be exact or will a close estimate work in these fields? A close estimate will be sufficient for the factory creation. However, if you don't have an estimate, please put 9999 into the field. If an audit is determined to be needed, the information will need to be as accurate as possible for the audit firm when they request the information in the pre-questionnaire.
- If I am working with more than one buyer, can I enter in multiple buyers in the Merchandise/buyer field? Yes, please put the primary buyer in first.
- If I am going to be supplying multiple brands to Walmart out of the factory I am disclosing, can I enter in multiple brands? Does it matter in what order I enter these into the field? Do I enter in a Brand ID or just the Brand Name? You can enter in multiple brands if you will be supplying multiple brands or products out of this factory. If you have the Brand ID, you can include that information as well. If you enter in multiple brands, please enter in the primary brand first.





- When creating a new factory there is a request for a Business License to be included. Is this the Business License for my company or for the factory? What if I don't have a Business License/Registration Document? The Business License would be the license of the factory that you have disclosed in the system. If you do not have a Business License, a valid and current Tax ID certificate is accepted. NOTE: In some countries this may also be referred to as a Registration Document.
- How long will it take to get the factory created? Will I be notified when the factory is created and has been assigned a factory ID? The factory ID request can take up to 5 business days to complete. If there is a critical business need, we can help expedite the process if we are notified.
- When can I begin production in the factory? The factory must be Active and have met all of prequalification prior to production being started. After the factory is created and an ID assigned, but before the factory is activated, the factory may be required to undergo one or several audits, including Supply Chain Security, Food Safety, and Factory Capability and Capacity audits. The pregualification requirements will vary depending on:
 - The factory's primary production type (packaging, fresh produce packaging, etc.),
 - · National or International Brands status
 - Importer of Record (Direct Import, Domestic Import, etc.).

Key Contacts:

Retail Link Help Desk: 479.273.8888

FCCA: gsrlhelp@walmart.com

Supply Chain Security:

- China and North Asia: wgsscs1@wal-mart.com
- Americas: wgsscs2@wal-mart.com
- India, SE Asia, Australia: wgsscs3@wal-mart.com
- Europe, Middle East, Africa, Canada: wgsscs4@wal-mart.com

