

# Disclosure Policy and Guidance

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## Introduction

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## Disclosure Policy and Guidance

Supplier transparency about the facilities used to produce merchandise for Wal-Mart Stores, Inc. (“Walmart”) is a foundational aspect of the Walmart Responsible Sourcing program. Our [Standards for Suppliers](#) set forth the expectations that suppliers be transparent by disclosing information in conformity with the requirements set out below. That transparency allows Walmart to assess supply chain risk, monitor for compliance with our Standards for Suppliers, and deploy resources in a risk-based manner—all of which helps us earn and keep our customers’ trust. It is important to note that, although Walmart does not require suppliers to disclose all facilities, Walmart’s Standards for Suppliers apply to all steps in the supply chain. Suppliers should also understand that the disclosure requirements set out below pertain only to Walmart Responsible Sourcing; other departments within Walmart may have additional or different disclosure requirements.



## Disclosure Policy and Guidance

### Policy

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A supplier must disclose a facility to Responsible Sourcing under the circumstances described below, unless exempted by this policy.

**Where the product is for sale by Walmart US or Sam's Club US, disclose the facility if it is:**

- Engaged in primary or subcontracted production involving substantial transformation into the product Walmart sells;
- Used for Walmart-related production by a Walmart designated or Walmart nominated supplier; or
- Engaged in processing or augmenting the product after it is produced, where Walmart Private Brand identification is visible at the time of the processing or augmentation.

**Where the product is for sale by any Walmart International retail market, or to be sold by Walmart through a Walmart e-Commerce platform, disclose the facility if it is:**

Used in connection with the production of Private Brand Merchandise, Exclusive Brand Merchandise, or Direct Import Merchandise, AND It is:

- Engaged in primary or subcontracted production involving substantial transformation into the product Walmart sells;
- Used for Walmart-related business by a Walmart designated or Walmart nominated supplier; or
- Engaged in processing or augmenting the product after it is produced, where Walmart Private Brand identification is visible at the time of the processing or augmentation.

Where disclosure is required, the supplier is responsible for making a timely and accurate disclosure using the electronic or manual forms provided by Walmart. In completing the disclosure process, suppliers must complete all required fields and make any required certifications.

Where disclosure is required, the facility must be in "active" status prior to production of product for Walmart. See instructions covered in guidance section of this document.

Disclosure is an ongoing obligation. Suppliers are responsible for actively maintaining their facility lists, associating and disassociating from facilities, and for keeping all required information up to date. If a supplier is uncertain whether it is required to disclose a given facility, the supplier should disclose the facility to Walmart.

More than one supplier may use the same facility. Each supplier has an independent duty to disclose. The fact that a facility is disclosed by another supplier—or is not disclosed by another supplier—does not affect other suppliers' duties to disclose the same facility.

A facility must also be disclosed if it is designated for disclosure by Walmart as part of an industry, category, or market initiative sponsored by Walmart; Walmart will notify affected suppliers in the event of such designations. Walmart reserves the right to add to and amend these disclosure requirements on reasonable notice to affected suppliers.



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In order to allocate resources toward higher-risk facilities, Walmart exempts certain facilities from ordinary disclosure requirements. Suppliers whose facilities are otherwise subject to disclosure may apply for such an exemption for a facility or facilities. Suppliers must receive approval from Walmart Responsible Sourcing on a case-by-case basis before relying upon an exemption. See guidance for details.

Walmart currently offers the following disclosure exemptions:

#### Disclosure Exemptions

- **Approved Brands:** Walmart may exempt facilities from a disclosure requirement where the supplier or brand owner of the product at issue has sufficient brand equity to protect and the product has sufficient market presence.
- **Farms:** Walmart may exempt farms from an applicable disclosure requirement.
- **Spot Buys:** Facilities producing merchandise that is the subject of a spot buy—a one-time purchase of a fixed quantity of merchandise that has already been produced and where no future orders of the same goods are anticipated—may be exempt from a requirement to disclose.
- **Distributors:** Facilities producing merchandise—other than Private Brand Merchandise—that Walmart purchases through a distributor may be exempt from the requirement to disclose where the distributor is:
  - (1) an intermediary selling a range of pre-produced and competing products;
  - (2) selling product brands that they neither own nor influence; and
  - (3) selling items or brands that are also sold to other retailers.



## Disclosure Policy and Guidance

### Policy

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#### Consequences for Non-Compliance

Where disclosure is required, a supplier's failure to disclose a facility and/or the production of merchandise in an undisclosed facility is considered to be unauthorized production and can lead to consequences for the supplier, facility, or both.

Where disclosure is required, the facility must be in "active" status prior to production of product for Walmart. The production of merchandise in an "inactive" facility is considered to be unauthorized production and can lead to consequences for the supplier, facility, or both.

Suppliers may be issued consequences—including a supplier "strike" and/or reduction, suspension, or termination of business for production in an undisclosed facility. Three strikes in a two-year period will typically result in a suspension or termination of the supplier's business relationship with Walmart. Certain instances of unauthorized production may result in an immediate reduction, suspension, or termination of business.

Facility consequences related to unauthorized production may include receiving an Orange or Red rating, which may lead to the termination or reduction of that facility's eligibility to produce product for Walmart.

The final determination of consequences is made by Walmart Responsible Sourcing and the relevant merchant and/or sourcing teams.

# Guidance – Facilities Requiring Disclosure Walmart US & Sam’s Club US

The tables below are provided for your convenience. Please consult with the relevant Walmart Responsible Sourcing Retail Market or Operations team member assigned to your business to discuss particular disclosure questions.



## Disclosure Policy and Guidance

**Figure 1: Walmart US & Sam’s Club Disclosure Required**

		Types of Facilities		
		Primary or Subcontracted Production Facilities	Designated or Nominated Facilities	Post Production Processing Facilities
Types of Merchandise	Private Brand Merchandise	✓	✓	✓
	Direct Import Merchandise	✓	✓	✓
	Exclusive Brand Merchandise	✓	✓	✓
	Other Merchandise	✓	✓	✓

**Figure 2: Walmart International and E-Com Disclosure Required**

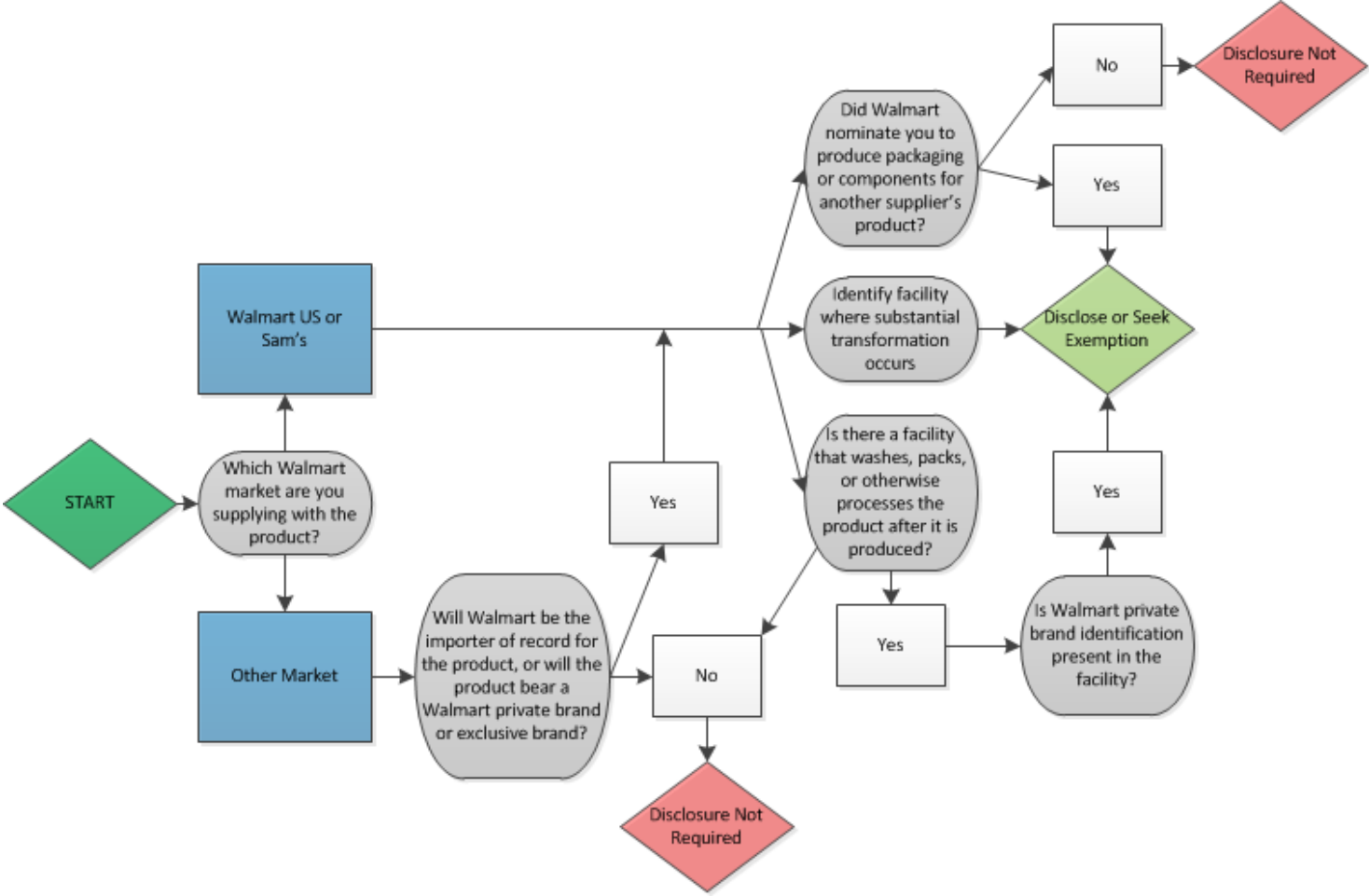
		Types of Facilities		
		Primary or Subcontracted Production Facilities	Designated or Nominated Facilities	Post Production Processing Facilities
Types of Merchandise	Private Brand Merchandise	✓	✓	✓
	Direct Import Merchandise	✓	✓	✓
	Exclusive Brand Merchandise	✓	✓	✓
	Other Merchandise			

# Guidance – Facilities Requiring Disclosure

The tree below is provided for your convenience. Please consult your Responsible Sourcing [Retail Market manager](#) or [Operations manager](#) to discuss particular disclosure questions.



## Disclosure Policy and Guidance







## Disclosure Policy and Guidance

### Guidance – Approved Brand Exemption

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Suppliers or their product brands that have sufficient brand equity and market presence may be exempted from the [disclosure requirement](#). Although Walmart does not require suppliers to disclose all facilities, [Standards for Suppliers](#) apply to all steps in the supply chain.

Private Brand Merchandise, Exclusive Brand Merchandise, and non-branded products are not eligible for this exemption.

Facilities used solely for producing products that are on the Approved Brands list do not need to be disclosed to Walmart. However, if a facility is producing an Approved Brand and also producing other product for Walmart, the facility must be disclosed by the supplier producing the non-Approved-Brand product.

### Is my brand on the Approved Brand list?

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Suppliers with Retail Link access can view the Approved Brand lists:  
**Retail Link > Docs > Responsible Sourcing > Walmart Approved Brand List**

Suppliers without Retail Link access should contact their buyer/sourcing contact or a [Walmart Responsible Sourcing team member](#)

### How to submit a brand for consideration

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To submit a brand for Approved Brand consideration, suppliers must certify the brand meets the following requirements:

1. The brand is widely recognized by consumers and thus the brand owner has equity to protect.
2. The brand is distributed by multiple retailers (not just a Walmart format or banner) in the requesting retail market.

Suppliers must complete the Approved Brand template and return it to their buyer/sourcing contact or a [Walmart Responsible Sourcing team member](#)

[Approved Brand application](#)

Submission of this information does not guarantee that your brand will qualify to be on the Approved Brand list. Your Retail Market manager will contact you upon the approval/rejection of your submission.



## Disclosure Policy and Guidance

### Guidance – Distributor Exemption

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Walmart may exempt distributors from disclosure requirements under the terms set out by policy. Exemptions are granted on a case-by-case basis. Distributors exempt from disclosure must share Walmart's [Standards for Suppliers](#) and communicate that the suppliers are responsible for compliance with the Standards at all facilities producing product for sale at Walmart.

### Is my company on the Approved Distributor list?

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Contact your [Responsible Sourcing Retail Market Manager](#)

### How to submit for consideration

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To be considered for the distributor exemption, complete the Distributor form and return it to your assigned [Walmart Responsible Sourcing team member](#).

#### [Distributor application](#)

Submission of this information does not guarantee that you will qualify to be on the Distributor list. Your Retail Market Manager will contact you regarding the approval/rejection of your submission.

# Guidance – Reviewing Your Facility Matrix in Retail Link

Suppliers with Retail Link access can review the list of facilities disclosed in Retail Link by navigating to the Supplier Profile page using the pathway below:

**Retail Link Home Page > Apps > Supplier Profile**

Once in the Supplier Profile page, the list of all factories associated with the supplier and their current status can be found under the Factory Overview section.



## Disclosure Policy and Guidance

### Factory Overview

4 Records Found

	Factory ID	Name	Status	Ethical
<input type="radio"/>	28096301	SACRED MOUNTAIN WHITE MAGNOLIA INDUSTRIAL CO., LTD., SICHUAN	ACTIVE	YELLOW
<input type="radio"/>	36115219	YI WU MERITA GARMENTS FACTORY	INACTIVE	ORANGE
<input type="radio"/>	36115220	ANHUI AHTECH APPAREL CO.,LTD	INACTIVE	YELLOW
<input type="radio"/>	36131723	WUHU MEITAI CLOTHES CO LTD	INACTIVE	ORANGE

Here suppliers have the opportunity to:

- Review current facility status
- Review current assessment rating
- Request to add a new facility
- Edit facility information
- Disassociate from a facility no longer being used

**Request New Factory**

- Edit Selected Factory
- Request Supply Chain Security Audit
- Request Food Safety Audit
- Request FCCA
- Edit CAP
- Factory Activation
- Factory Inactivation
- Disassociate Factory

Request New Factory ▾

**Submit**

## Guidance – Requesting a New Facility and Maintaining Current Facility Lists

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## Disclosure Policy and Guidance

A facility ID is obtained through the process of disclosure. Once it has been determined a facility must be disclosed, the supplier will disclose the facility in one of the following ways:

- Retail Link
- Manual disclosure (only available for suppliers without Retail Link Access)

Once disclosure is complete, the supplier will receive a confirmation email within two business days which contains the assigned facility ID number. Additionally, the supplier will be able to see this facility within the Supplier Profile page in Retail Link under Factory Overview.

**Retail Link Home Page > Apps > Supplier Profile**

**Reference guides outlining the steps to:**

- Set up a new facility
- Activate a facility
- Inactivate or disassociate from a facility no longer in use

[Retail Link Market Disclosure Reference guide](#)

[Non-Retail Link Market Disclosure Reference guide](#)

Contact your Responsible Sourcing [Retail Market manager](#) or [Operations manager](#) for a Manual Disclosure Form

## Guidance – Defining Facility Types

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The following definitions are provided for convenience. Please consult with your Responsible Sourcing [Retail Market manager](#) or [Operations manager](#) to discuss particular disclosure questions.

**Primary or Subcontracted Production Facilities:** A facility is engaged in primary or subcontracted production for purposes of disclosure if it is the facility where substantial transformation occurs into a product Walmart sells. “Substantial transformation” occurs when a facility produces a product that is a new and different product, with a different and distinct name, character, and use from the products or materials it consisted of previously, regardless of whether further branding, labeling, packing, or other post-production processing may occur thereafter prior to sale. A product will be substantially transformed in one facility; other processes will either be considered to be pre-production or post-production.

The following activities may be considered “substantial transformation” for purposes of disclosure:

- Assembling components into a product
- Cutting and sewing
- Packing produce or meat
- Processing ingredients into a product
- Refining raw material into a product

The following activities typically are not considered to be “substantial transformation” for purposes of disclosure:

- Washing, labeling, or screen-printing
- Farming
- Checking for quality
- Warehousing finished product
- Manufacturing components of a product



## Disclosure Policy and Guidance



## Disclosure Policy and Guidance

### Guidance – Defining Facility Types

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**Designated or Nominated Suppliers' Facilities:** Walmart or any of its subsidiaries may direct product suppliers to use another specifically designated supplier or may include a particular supplier on a nominated supplier list. A facility is a designated or nominated supplier's facility for purposes of disclosure if it is used by a designated or nominated supplier for Walmart-related business. There may be more than one such facility for each product Walmart sells. These facilities may include, but are not limited to:

- Facilities producing packaging material or labels
- Mills
- Facilities manufacturing components or ingredients of products

**Post-Production Processing Facilities:** A facility is engaged in post-production processing for purposes of disclosure if it is processing or augmenting finished product where the product has Walmart Private Brand identification visible at the time of the processing or augmenting. There may be more than one such facility for each product Walmart sells.

The following activities may be considered post-production processing or augmentation for purposes of disclosure:

- Washing
- Embroidery
- Pressing
- Packing
- Bottling
- Labeling

Post-production processing facilities typically would not include facilities used as part of distribution networks (warehouses, distribution centers, freight consolidators, etc.) unless the facilities are co-located with production facilities.



## Disclosure Policy and Guidance

### Guidance – Defining Merchandise Types

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**Direct Import Merchandise:** Merchandise produced for retail sale in any Walmart format where Walmart or any Walmart entity is or will be the importer of record. This can include country-level direct imports, as well as imports through Walmart Global Sourcing & Procurement.

**Private Brand Merchandise:** Merchandise produced for retail sale in any Walmart format that will be sold under a mark or brand name owned by Walmart or any Walmart subsidiary. Examples include:

Equate  
Marketside  
Sam's Choice  
Canadiana  
George  
White Stag

Great Value  
Members' Mark  
Mainstays  
Faded Glory  
Kid Connection  
Simply Basic

OI' Roy  
Parent's Choice  
Hometrends  
Ozark Trail  
Bom Preco  
Right Buy

**Exclusive Brand Merchandise:** Merchandise produced for retail sale in any Walmart format that, by oral or written agreement with the supplier, will be sold under a mark or brand name available only through Walmart in that particular retail market for a period of time. Exclusive Brand Merchandise includes exclusive derivative brands of supplier brands, so long as the derivative brand is exclusive to Walmart. The exclusivity of the brand—rather than the exclusivity of the product—controls.