

Ethical Standards Program

Wal-Mart established its Standards for Suppliers, our code of conduct, in 1992. The standards pertain to matters such as compensation, underage labor, and health and safety. Wal-Mart's standards can be found on at www.walmartstores.com/ethicalstandards. The Ethical Standards Program was established to verify suppliers' compliance with the standards, to strengthen the implementation of positive labor and environmental practices in factories producing merchandise for sale by Wal-Mart, and to bring opportunities for a better life in the countries where merchandise for Wal-Mart is sourced. Our program vision is "sourcing ethically through a socially responsible program."

Program Highlights

- Wal-Mart audits more factories than any other company in the world. 14,400 audits were conducted in 9,175 factories during 2007. Audits are conducted by Ethical Standards and approved third party service providers.
- More than 10,100 suppliers and factory management personnel attended training sessions on the Ethical Standards Program and best practices in the industry during 2007. Sessions were held at least once in each of the five regions where Ethical Standards operates: Southeast Asia; the Indian Subcontinent; the Far East; the Americas; and the Middle East, Africa, and Europe.
- Stakeholder engagement is a core part of the Ethical Standards Program. We believe it is vital to learn from the expertise of others and apply the learning to strengthen our efforts. We also believe that more can be accomplished when stakeholders collaborate together and work toward resolution of a complex problem than for each party to tackle the problem in isolation. Stakeholder engagement has allowed Wal-Mart and industry stakeholders to build a degree of trust with one another and to begin to work collaboratively on issues regarding labor and environmental practices in factories. We value the opportunity for productive dialogue and work with stakeholders, and we look forward to continuing collaborative interaction.
- Wal-Mart has been working collaboratively with industry peers to form the Global Social Compliance Program (GSCP), an initiative designed to promote uniform and acceptable working conditions at the highest standards for global sourcing. GSCP is dedicated to providing a holistic approach, including both factory monitoring and capacity building. The work is being facilitated by Comité International d'Entreprises à Succursales (CIES – International Committee of Food Retail Chains), an international association of food retailers and brand owners. GSCP covers both food and non-food production for retailers and brand owners. Governance structures are being put into place that will increase transparency and engagement with stakeholders, such as nongovernmental organizations and multilateral organizations.
- Wal-Mart's International Development Program was established by Ethical Standards and the Wal-Mart Foundation to strengthen the communities where Wal-Mart merchandise is sourced and sold. Specifically, the program awards grants to sustainable community projects administered by non-profit organizations. Since 2006 we have established projects in Africa, Central and South America, and Asia covering topics from education and literacy, to computer training and language skills.
- As part of Wal-Mart's global sustainability initiatives, the Ethical Standards Program expanded in 2006 to give consideration to the following items when auditing a factory: waste identification, waste handling and disposal, wastewater treatment and discharge, air emissions and the use of banned substances. Auditors discuss environmental findings with factory management as part of our efforts to educate factory management on the new criteria and on environmental sustainability. Environmental training is also now included in group training sessions for new and existing suppliers.

For more information about Wal-Mart's Ethical Standards Program, please visit www.walmartstores.com/ethicalstandards