Response to Statement of Carrefour

CHINA LABOR WATCH, NEW YORK

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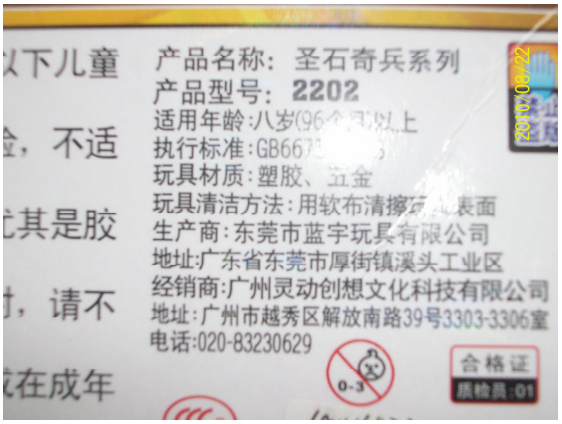
Pic 1 External view of the Carrefor store investigated

China Labor Watch (CLW) is a New York-based Non-government Organization committed to reducing sweatshops in China and to improving working and living conditions of Chinese labor workers. Between February and April of 2010, CLW located and investigated four suppliers of Carrefour, the second largest big box store in the world: Dongguan Lanyu Toy Company, Kiddieland Toys, Shenzhen Nanling Toys Products and the Xinlong factory. The investigations showed many violations of Chinese labor law in these factories: Many employees were not contracted; Workers were required to work eleven to twelve hours per day; and Employees were housed in overcrowded dormitories etc. Moreover, it has been exceedingly difficult for workers to leave. CLW published an investigation report on May 20, 2010: "An Investigation of Four Suppliers of Carrefour." In this report, CLW has stated these violations with evidence, and proposed some constructive suggestions to international retailers like Carrefour.

Pic 2 Toy manufactured by Lanyu on sale in a Carrefour store.

Before the release of this report, CLW has provided the names of the four suppliers to Carrefour through email on April 21, requesting for confirmation. CLW has never received any response until now. However, after the release, Carrefour did respond to French and Polish journalists, and our French partner Peuples Solidaires, that: 1) Xinlong Factory and Lanyu Toys Company had never been their suppliers; 2) Nanling Toys was not their supplier any more since 2008; 3) Kiddieland toys was the only supplier Carrefour recognized, but the last audit done there didn't show any critical noncompliance.



Pic 3 the label reads, "Manufacture: Dongguan Lanyu Toy Company. Address: Xitou industrial region, Houjie town, Dongguan City."

Based on our recent investigations, we are more assured that Lanyu is one of Carrefour's suppliers. Employees of CLW have visited one of Carrefour's stores in Bao'an District, Shenzhen City twice, one in January 2010 and the other one on June 12, 2010. Products of Lanyu were found being sale. *(See Pic 1 and 2 above)* One toy

clearly signed "manufactured by Shenzhen Lanyu Toy Company" *(See Pic 3 and 4)* was purchased in this Carrefour store on June 16 by CLW investigators. *(See Pic 5)*

Based on the facts above, we are not satisfied with the response of Carrefour. China Labor Watch suggests Carrefour improve the management of its supply chain, control comprehensive information on its suppliers, and take action to improve the working and living conditions of its labor workers to fulfill its social responsibility.

Pic 5 Receipt indicates the toy is purchased from Carrefour store.

Pic 4 Logos and labels clearly indicate the toy is manufactured by Lanyu.